

SERVICE REVIEW OUTCOMES

FINANCIAL SERVICES

DETAILS OF SERVICE

Financial Services is a service unit within Resources Service Area, Community and Economic Development Directorate.

SCOPE OF SERVICES

The Financial Services Team consists of 10 staff members, 9.0 Equivalent Full Time staff and is responsible for the following services:

General Finance

- production of Council's annual budget and long term financial strategy
- provision of monthly and quarterly financial statements and associated analysis and reporting
- statutory reporting including the annual financial statements, the Victoria Grants Commission return and State and Federal government acquittal statements
- cash and investment planning and management
- administration of Council's GST and FBT taxation obligations
- financial administration of Council's community group loan program
- maintenance and development of Axs-One financial software systems (as system owner)
- maintenance and development of BIS budgeting and reporting software (as system owner)
- overall corporate financial stewardship and associated financial risk management

Accounts Payable

- operating and maintaining Council's accounts payable function

SCOPE OF SERVICES

Note: The following is a summary of the activity and outcomes of the Best Value Service Review; a detailed report is available for viewing upon request

Best Value Principle	Key Performance Indicator	Performance Result 2003-04	Target 2004-05	Target 2005-06
Cost Standard	Operate within Annual Financial Administration Budget	Actual \$512,396 *Exceeded budget by \$14,520	Performance to budget Target - \$519,578	Performance to budget
Quality Standard	Internal service user satisfaction rating (source: Service User Survey)	91% satisfaction	90%	90%
Quality Standard	External Creditors overall service satisfaction rating (source: External Creditors Survey)	95% satisfaction	95%	95%

* Over expenditure due to the impact of changes to the entitlements of staff under Council’s Maternity Leave Policy and staff on Maternity Leave during the budget period. Note: Future accruals allowances have been adjust to reflect current policy entitlements.

Consideration of Best Value Factors in setting cost and quality standards

Best on offer 208C(a) The Financial Services unit provides Council with financial management and reporting services in accordance with the legal and statutory obligations in accordance with the Local Government Act 1989 and the Audit Act of 1994. All financial statements and reports required under these legislations are submitted to the State Auditor General’s office for assessment of compliance against the standards set out in these acts.

Value for money 208C(b) A benchmarking exercise was undertaken involving a comparison between 10 metropolitan Council’s. While the range of activities and services offered varied considerably across the benchmarking partners, delivery of the core statutory requirements to the required standards is a common responsibility of all those in the group and the primary reason for their existence within Council. A comparison of staffing levels of these partners shows Maroondah as having the fourth lowest staffing levels. While it is not currently possible to apportion staff ratios to common task the lower staff numbers and on-going achievement of legislative compliance is a direct indication of effective, efficient service performance.

Consideration of Best Value Factors in setting cost and quality standards cont.

Community expectation and values 208C(c)

As a statutory service the State Government and Department of Finance and Treasury has legislated the best practice expectations of the financial management and reporting activities.

While statutory legislation determines a majority of the reporting structure and outcomes the community of internal and external service users were consulted in relation to the value they placed on the various aspect of service delivery. Details of these outcomes are contained in the Consultation section below. During the best value process the survey results and feedback were considered and the proposed actions resulting from this feedback is summarised in this report in the Continuous Improvement section below.

Affordability and Accessibility 208C(d)

The services provided are prescribed in statutory legislation and under the various Acts, which the service monitors and applies thus defining key service expectations, activity and standards.

The service has a statutory obligation to manage the report on an annual basis the financial dealings and statement of accounts for Council in accordance with State Government Legislation. It also provides on a daily and monthly basis a range of financial and account management and payment services on behalf of Council and all its interrelated service areas and staff. There is no internal charging or cost transfer arrangement for this service or the range of financial planning and project assistance provided by the service.

As a measure of accessibility the surveys that were undertaken, both internal and external canvasses the level of customer satisfaction in terms of the ease and access they enjoyed and the responsiveness of staff to enquiries. This was considered under the banner of the approachability of staff and the service area, which achieved a satisfaction rating of 85% for Finance and 96% for Accounts Payable, this is viewed as a successful outcome. These ratings a part of the overall satisfaction aggregate score in the quality standards above.

Local Employment 208C(e)

Maroondah's Best Value Supporting Local Suppliers policy is a demonstration by Council of its commitment to supporting and promoting local businesses as a means of sponsoring local employment opportunities. A Council wide KPI relating to the policy is the target of 25% of purchasing activity to be directed to local suppliers of goods and services. The initiative also extends to the local advertisement of vacant positions and appropriate tenders. The Financial Services unit recognises this policy in its annual purchasing activity.

Best Value Principle

Actions Taken

Responsive to Community Needs

The survey conducted as part of this Best Value Review specifically measured the responsiveness of general Financial Services and Accounts Payable. The internal survey results showed favourable outcomes of 96% for finance and 92% for accounts payable. The external Accounts Payable survey also had a favourable outcome with less than 10% having to contact council on two or more occasions for a query resolution and queries were resolved in a timely manner in 93% of instances.

Accessible

Access to the service and related information is achieved between normal business hours, Monday to Friday from 8.30 am to 5.00 pm via telephone on 1300 882 233, via email: Maroondah@maroondah.com.au or in person at one of the nine Maternal and Child Health Centres, or one of its four Customer Service outlets. Council information is available 24 hours, seven days a week from Council's Web site, <http://www.maroondah@maroondah.vic.gov.au>

Continuous Improvement

As a result of the best value consultation and benchmarking processes the following initiatives have been identified for investigation and evaluation for potential service improvement. This investigation and assessment process will be undertaken over the next two years:

- Document the financial management system, 'Business Intelligence Solution' (BIS) Training
- BIS tips on SmartNet
- BIS upgrade to Web based
- BIS contract commitments
- Dynamic Committals
- Develop investment policy
- Electronic Document Management
- Electronic purchasing card
- Review internal charges/plant hire rates
- Online access for creditors
- Geac (Building) training
- Automated link for leisure banking & general ledger

Best Value Principle

Actions Taken

Consultation

Maroondah City Council has an endorsed policy that addresses the level of community participation and consultation in relation to its service areas and service issues. This policy is promulgated to standardize and enhance the service levels and procedures for areas that have consistent and regular interface with the community and the public at large.

Given that Financial Services is predominantly an internally focused service unit, meeting the financial requirements of the Maroondah Council the Best Value Review process concluded that the public consultation requirements of this policy had limited application and a more customized approach was appropriate.

The resulting survey of internal users and external creditors was considered to be a very successful undertaking. Not only in terms of the high response rate that was achieved but also in terms of the quantity and quality of information that was received. Although in the future, surveys will not be the only chosen method of review. The overall high level of results of customer satisfaction obtained in these surveys indicates that a more targeted method of obtaining feedback maybe be more worthwhile and beneficial. This will take the form of BIS users training and specific departments reviews and regular measurement of Key Performance Indicators as part of Service Delivery Plan process. For Accounts Payable users a review of their understanding of our terms of trade. The program for further consultation is included in the continuous improvement plan for implementation and includes the following commitments;

- Consultation on monthly financial reporting process (Dollars and \$ense report) to be undertaken in January 2005 – June 2005.
- Consultation on annual budget process to be undertaken in June 2005 – December 2005.
- Consultation on corporate purchasing card process to be undertaken in June 2005 – December 2005
- Review of public awareness of terms of trade arrangements to be undertaken in June 2005 – December 2005

Council also has established a formal community feedback and request process as part of its community service charter initiative.

Best Value Principle

Actions Taken

Reporting

Maroondah's Best Value Annual Community Report of key findings and key performance target and results will be available to the community via the following methods and access points;

- A copy will be placed on Council's community web page for public access
- A copy will be available at each of our three Customer Service Centres for public viewing.
- A copy will be available at each of Council's Public Libraries for public viewing.

Performance reporting against key service indicators is undertaken on a monthly basis and the results documented in Council's monthly performance report. This report is tabled before Council on a quarterly basis and is a publicly available document. Each service area has an annual business plan, which is strategically aligned with Maroondah's Council Plan, and our overarching strategic community plan Maroondah 2025. Annual performance and key achievements of the strategies in these plans is reported in Council's Annual Report.