Governance Discussion – Finance Department

Audit, Governance & Standards Committee
July 2023

Southwark Council
southwark.gov.uk

What's in a name?

Finance Department

- Technology & Digital Services (incorporating Shared Technology Services)

- Exchequer and Customer Services

- Pensions Operations & Finance too!

2 Key statutory assurance roles

SECTION 151 OFFICER

- The Strategic Director, Finance the Council's Section 151 officer with statutory defined responsibilities for the proper management of the council's finances. The Section 151 officer formally devolves the management of the council's finances within departments to strategic directors and also provides detailed finance protocols, financial regulations, procedures and guidance whether within the department or not.

- The Section 151 Officer is so-called as a reference to the provisions made within Section 151 of the Local Government Finance Act.

SENIOR INFORMATION RISK OFFICER (SIRO)

- A SIRO is a professional who has responsibility for implementing and managing information risks and data governance within an organisation.

- The SIRO role is mandatory for public sector organisations and will inform and advise the Council on how to mitigate the risk in accordance with the organisation's risk appetite.

However, the Strategic Director's role is far broader than this and is a key role within the council's leadership team and a key liaison point for all elected members.

What do we do?

Finance comprises of 4 main divisions: Professional Financial Services; Technology & Digital Services; Pensions Operations; Exchequer & Customer Services.

Professional Financial Services

The Professional Financial Services division provides corporate leadership on financial planning and financial reporting as well as performing the financial support functions within the main service departments.

• The team ensures that there is a framework in place by which the Strategic Director, Finance can discharge his [Section 151 responsibility](#) for proper financial administration of the council's financial affairs. Processes for discharging these responsibilities are defined in the Council's constitution and scheme of management.

• Operational decision making is delegated to the Council's budget holders and finance provide support, challenge and scrutiny to ensure sped is appropriate and provides good value for money.

• Regular reporting occurs both within the council and publically.

• The team are also obliged to develop and publish an annual set of accounts and oversee the annual budget process.

• Within this division is the Treasury Management and Pension Fund Investment team. Both are critical to the organisation's financial health but similar internal and external governance and support exists despite the Pension Fund being technically a separate legal entity to the council

The Strategic Director is also supported by an external network of formal support and advice such as through the external auditor's work and that of the internal auditor and treasury advisor. The Council's anti -fraud service is also run out of this department.

What do we do?

Exchequer and Customer Services:

- The Exchequer Services division is responsible for the collection of council income annually through various revenue streams, including business rates and council tax. The workload should reduce with full implementation of universal credit. However, as income reduces, this will be offset by further demand for services from the most vulnerable residents, especially during the pandemic and more recent cost of living crisis.

- In addition, collection of income from those low income households who have had additional financial pressures has been more challenging with staff working with residents to revise payment plans.

- The team are also responsible for the implementation of recent government initiative such as the 2022 energy crisis payments to eligible council tax payers.

- Debt recovery is also administered by the team through a variety of mechanisms

- As reported to the last Audit, Governance & Standards Committee, the team also have recently assumed responsibility for:

  - Corporate complaints monitoring and ombudsman cases

  - Member enquiries

  - Freedom of Information requests

  - Repairs first point of contact

- Data gathered through the team's activities are shared corporately to help underpin future decision making and resource allocation

What do we do?

Technology and Digital Services:

- TDS are responsible for the council's ICT infrastructure, keep us safe from cyber attacks and support the council's digital inclusion agenda.

- As part of TDS, much of the Council's ICT support is provided through the Shared Technology Services team. This is a shared service between Southwark, Lewisham and Brent. During 2023/24, Southwark are the host borough for the arrangement.

- As part of the partnership, the Shared Technology Services provide ICT helpdesk support for all Council users.

- All new starters at the Council are required to undertake mandatory information governance and ICT security training and compliance with this requirement along with data breach oversight and Information Commissioner cases are monitored at recently established "Siro" meetings (see slide 3)

- TDS support the council on our digital journey by helping services develop innovative and creative but safe digital solutions.

- However, the key role is to keep the council's safe by cyber attacks. The council is attacked many times every day through a variety of sources and regular testing is undertaken to ensure our infrastructure remains as robust as it possibly can be.

What do we do?

Pensions Operations:

- Our pensions team are responsible for the delivery of pension services to our 3 key cohorts:

  - Active Scheme Members (i.e. those still working)

  - Deferred Scheme Members (i.e. those not yet at pensioner age but no longer contributing to the Southwark Pension Fund)

  - Pensioners

- For the pensioner category we provide UK and overseas Payroll Services.

- For all members we provide a holistic pensions administration service and work closely with colleagues in Council Payroll and HR, and those working for the various different employers within the scheme (it is not just council staff).

- We report publicly and have to comply with statutory legislation, good governance and HMRC tax laws. External oversight falls with the Pensions Regulator. Internal scrutiny and challenge falls with the Local Pension Board and Pensions Advisory Panel.

- Underpinning the administration service is a Data and Systems team responsible for ensuring member data is accurate and up-to-date, and to ensure IT systems are fully protected and cyber secure.

- A Technical and Projects team manage all non BAU/transactional activity; including comms, website development, training and development and employer engagement (guidance on new legislation etc).

- The pensions service is brought together by a dedicated Customer Service function, a First Contact Resource team that manages all inbound enquiries from members, employers and other stakeholders.

Working collaboratively

- The department does not undertake its work in isolation. It is integral to the organisation and fulfils a variety of key governance roles.

- Most importantly, the department co-ordinates the development of the Annual Governance Statement which is reported to this Committee every year. This reviews all governance processes within the council and reports on key risks. The review will consider:

  - The council's internal management processes e.g. performance monitoring, corporate policies,

  - assurance statements from strategic directors,

  - chief audit executive opinion, which this year was 'moderate' meaning that councils systems and controls significantly met expectations; work of the audit, governance and standards committee;

  - compliance with the CIPFA code of governance;

  - compliance with the CIPFA Financial Management Code;

  - review of the CIPFA financial resilience index.

- The department also reports its work into 3 core Committees and must ensure those committees are sufficiently supported:

  - Audit, Governance & Standards Committee

  - Pensions Advisory Panel

  - Local Pension Board

- The Strategic Director will also attend Cabinet and Borough Assembly

Key governance risks

The department's key governance risks mirror those of the council's wider corporate risks. These include:

- – Like many authorities, the sustainability of funding to support our Housing ambitions

- – The delivery of a SEND transformation plan to support our High Needs budget recovery activity

- – Protecting ourselves from the ongoing threat of cyber risks

- – Working with departments to reduce demand into our customer contact centre

The Strategic Director's leadership team meetings regularly review to progress of actions to mitigate against such risks