

Public Sector Corporate Services VfM Indicators

Finance 2010/11

If you have any questions please telephone Joe Farrand or another member of the Benchmarking team on 020-8667-1144.

You can also email us at VfMIndicators@cipfa.org.uk

It is vital that you read the Audit Agency guidance/definitions both before and during completion of the form. Use the link below to get the guidance document.

<http://www.public-audit-forum.gov.uk/2010-11-Finance.pdf>

Please note that there is a red question mark next to each question - this is a hyperlink to the guidance for that Indicator.

If for any reason you cannot fill in an indicator or you have a comment about a specific indicator, please complete the comments box at the end of the questionnaire.

SAMPLE QU

Primary Indicators

FP1 Cost of the Finance function as a percentage of Organisational Running Costs:

	£'000
Employee costs including employers NI, pension and recruitment costs	<input type="text"/>
IT costs	<input type="text"/>
Accommodation costs	<input type="text"/>
Supplies / consumables	<input type="text"/>
Outsourcing costs	<input type="text"/>
Other costs	<input type="text"/>
Cost of the finance function	£0k <input type="text"/>

? Organisational running costs (expenditure)

Please ensure that the figure you return here is the same for all Streams that you have joined

	£'000
? Transaction processing	<input type="text"/>
? Business decision support	<input type="text"/>
? Reporting and control	<input type="text"/>
Cost of the finance function	£0k <input type="text"/>

Please ensure Transaction processing equals FS3, 6 and 10

FP1	Cost of the Finance function as a percentage of organisational running costs (expenditure)	<input type="text"/>
FP1(a)	Cost of transaction processing as a proportion of the cost of the finance function	<input type="text"/>
FP1(b)	Cost of business decision support as a proportion of the cost of the finance function	<input type="text"/>
FP1(c)	Cost of reporting and control as a proportion of the cost of the finance function	<input type="text"/>

FP2 Cycle Time

? FP2	What is the cycle time in working days from period-end closure to the distribution of routine financial reports to all budget managers and overseeing boards and committees? (enter a number only)	<input type="text"/>
-------	--	----------------------

FP3 Variation between forecast and actual outturn.

	£'000	
Forecast year-end spend at month 6	<input type="text"/>	
Actual spend	<input type="text"/>	
? FP3	The percentage of variation between the forecast outturn at month 6 and the actual outturn at month 12	<input type="text"/>

FP4 Percentage of public sector organisation spend for which there are fully costed outputs which are measured by key performance metrics and for which a named individual is accountable		£'000
?	Value of spend for which there are fully costed outputs measured by key performance metrics and for which a named individual is accountable	<input type="text"/>
	Total Spend (Total organisational running costs plus capital spend)	<input type="text"/>
?	FP4 Percentage of public sector organisation spend for which there are fully costed outputs which are measured by key performance metrics and for which a named individual is accountable	<input type="text"/>

FP5 Commissioner and user satisfaction index

Where you are using our on-line user and commissioner surveys we will receive your results automatically and you can leave this section blank.

Where you are using your own surveys you will have to feed back your average scores using the table below. Report to one decimal place. For the purpose of calculating average scores please use the following scoring system.

- strongly disagree = 1
- disagree = 2
- neither agree nor disagree = 3
- agree = 4
- strongly agree = 5

Commissioner Survey Average Scores

- The finance function supports the financial implications of the organisation's strategy, policy and delivery discussions by providing effective support and challenge.
- The financial information provided for financial planning and management is accurate, timely and easy to access.
- The organisation's financial systems are secure and efficient.
- The Finance function proactively anticipates my needs.
- The Finance function provides value for money.

User Survey Average Scores

- Finance regularly provides the information needed to understand the level of delivery in my area of responsibility and the related cost.
- Finance policies and procedures are clear and understandable.
- The organisation has clear and easy to use financial systems.
- Appropriate financial management training for non-finance staff is provided.
- I know who to contact if I have a query regarding finance.

? Please supply your scores against the CIPFA Financial Management Model

Please note the scores should be within the range 1-4

Financial Management Styles	Management Dimensions			
	Leadership	People	Processes	Stakeholders
Securing stewardship				
Supporting performance				
Enabling transformation				

SAMPLE QUESTIONNAIRE

FP7 Management Practice Indicators

- MP1 The responsibilities of budget holders are clearly understood and embedded in performance appraisal.
- ? MP2 Service levels and expectations have been set with key internal customers using a documented approach such as an SLA or Customer Charter, with regular service review meetings held.
- ? MP3 A rolling programme of reviewing and benchmarking the organisation's costs is in place across major service areas.
- MP4 Standardised organisation-wide integrated software is in place with centralised data processing. This should cover as a minimum purchase to payment of supplier and invoice to cash receipt from a customer.
- ? MP5 The organisation can demonstrate that it has used at least two of the following to streamline financial processes in the last 3 years;
 a) bar coding,
 b) invoice scanning/imaging,
 c) workflow,
 d) web technologies to build extranets with external stakeholders,
 e) intranet to build self service capabilities for staff to check status, run reports,
 f) on-line travel and expense system used by claimants that is fully integrated with the accounting system.
- MP6 A fully automated accruals system based on purchase order and good/services received information held within a fully integrated accounting system.
- ? MP7 Budget holders have on-line, real-time insight into the status of their budget and can run standard financial and manpower reports through their desktop PC.
- ? MP8 A needs based budget based on activity levels rather than historical baselines, is prepared at least every 3 years.
- ? MP9 Customer satisfaction surveys are conducted at least annually with results openly published and acted upon.
- MP10 A comprehensive professional development programme is in place for Finance staff which ensures that they receive at least 5 days of continuing professional development per annum.

Score

Secondary Indicators

FS1 Professionally qualified finance staff as a percentage of total finance staff (FTEs) undertaking reporting, controls and decision support processes (i.e. excludes those staff involved in transactional processes)	
For the purposes of this Indicator, exclude AAT from professionally qualified	
? Number of professionally qualified finance staff (FTEs)	<input type="text"/>
? Total number of finance staff (FTEs) undertaking reporting, controls and decision support processes (i.e. excludes those staff involved in transactional processes)	<input type="text"/>
? FS1 Professionally qualified finance staff as a percentage of total finance staff (FTEs) undertaking reporting, controls and decision support processes (i.e. excludes those staff involved in transactional processes)	<input type="text"/>

FS2 Annual Accounts	
? FS2(a) Cycle time in working days from date of year-end to submission of audited accounts.	<input type="text"/>
? FS2(b) Was the latest set of annual accounts qualified by external audit? (answer yes/no from drop down menu)	Please select

FS3 Cost of the Customer Invoicing function per customer invoice processed	
Please ensure you have included the cost of this within FP1(a)	
Total cost of Customer Invoicing function (£'000)	<input type="text"/>
Total number of customer invoices	<input type="text"/>
? FS3 Cost of the Customer Invoicing function per customer invoice	<input type="text"/>

FS4 Debtor Days	
Debtors value at year end (£'000)	<input type="text"/>
Value of bills raised in the year (£'000)	<input type="text"/>
? FS4 Debtor Days	<input type="text"/>

FS5 Credit notes as a percentage of total customer invoices raised	
? Number of credit notes raised	<input type="text" value="na"/>
? Total number of customer invoices raised	<input type="text"/>
? FS5 Credit notes as a percentage of total customer invoices raised	<input type="text" value="na"/>

FS6 Cost of Accounts Payable per accounts payable invoice processed	
Please ensure you have included the cost of this within FP1(a)	
? Total Cost of Accounts Payable (£'000)	<input type="text"/>
? Number of accounts payable invoices processed	<input type="text"/>
? FS6 Cost of Accounts Payable per accounts payable invoice processed	<input type="text"/>

FS7 Proportion of all payments made by electronic means

- ? Total number of payments (including payroll)
- Number of payments by electronic means (e.g. BACS, RFT1)
- ? FS7 Proportion of all payments made by electronic means

FS8 Proportion of outstanding debt that is more than 90 days old from date of invoice

- ? Total amount of outstanding debt (£'000)
- ? Amount of outstanding debt that is more than 90 days old from date of invoice (£'000)
- ? FS8 Proportion of outstanding debt that is more than 90 days old from date of invoice

FS9 Proportion of payments made within 10 & 30 days

- ? FS9(a) Percentage of invoices for commercial goods & services paid by the organisation within 10 days of receipt
- ? FS9(b) Percentage of invoices for commercial goods & services paid by the organisation within 30 days of receipt or within the agreed payment terms

FS10 Payroll admin cost per employee paid

Please ensure you have included the cost of this within FP1(a)

- ? Total payroll admin cost (£'000)
- ? Actual number of employees paid
- ? Actual number of pensioners paid
- ? FS10 Payroll admin cost per employee paid

SAMPLE QUESTIONNAIRE