

Draft CFO Interview Questions (with responses to look for)

Q1: Explain the approaches you have used for medium term financial planning, including any particular good practice

- Look at least 3 years ahead (preferably 5)
- Rolling process- years 1/2 in detail, years 3+ more flexible
- Build year 1 directly into the annual budget
- Review assumptions regularly – not a once-a-year process
- Ensure that the financial strategies link to corporate and Police and Crime Plan strategies
- Focus on key variables – grant/pay levels/establishments/turnover/Council tax
- Sensitivity testing
- Consult partners and public on priorities
- Risk assessment and building in contingencies
- Reserves strategies
- Summarise results in a form that can be used as the basis for engaging with staff and partners in to update/refine the strategies

Q2: The PCC is committed to improving the quality of delegated financial management. What do you see as the key elements of an effective system of cost centre management?

- Cost centres which are relevant to the way that the Force is organised and operated
- Clarity on allocation of direct costs and overheads
- Good ICT support systems, to enable access to data and interrogation of reports
- Regular monitoring, with reports tailored for different users
- Clear rules on delegated authority, freedom to move funds between cost centres, and carry forwards
- Accountability - responsibility for individual cost centres and overall performance
- Availability of both objective and subjective information

(supplementary question: What are the opportunities, challenges and threats in delegated financial management?)

Q3: How would you maximise the benefit of the JARAP to the organisations?

- Scrutiny and oversight of shared financial controls, being clear about who is responsible for what aspects
- Ensuring both organisations learn from their different approaches to risk management
- Maintaining oversight of standards, recognising the different roles the PCC and Chief Constable have

Q4: Leicestershire is in the process of developing its Transformation Plans. What are the issues involved in tracking and realising the benefits of any transformation?

- Importance of preparing comprehensive business cases
- What is the improvement designed to achieve?

- What are the alternatives - could existing systems be modified? Does another Force already have practices which can be learned from?
- Establish a base position (financial costs; quality of output) to compare alternatives against and to monitor against)
- Be clear on the quality improvements and efficiencies aimed for
- Establish a tightly controlled implementation arrangement
- Ensure regular monitoring of costs and progress
- Challenge any changes to specifications
- Challenge extensions to the proposal, or secondary proposals emanating from the original which may have costs or other consequences
- To be in a position to track benefits, the Force must collect information on 'before and after' positions on running costs (especially staff savings) and quality/output measures - increased costs could be more than outweighed by quality improvement

Q5: The reason we have good governance is to promote good outcomes for the public. Decision making in the PCC/ CC context can be complicated. Set out your approach to being effective in this environment.

- Clarity on the objectives
 - which are regularly updated
 - so that financial decisions are always framed in the current strategic context
- Medium Term Financial Strategies which set out the revenue and capital plans for achieving the objectives
- Clarity in the annual budget on the key components of the strategy (establishment levels, major investments etc)
- Robust financial regulations and protocols designed to give clarity on delegated responsibilities, variations, reallocations within budgets, reporting requirements etc
- Strategic management structures involving the leaderships of the partners (PCC, CC, Chief Exec, Treasurer) which provide a permanent and regular basis for agreeing objectives, financial plans and individual proposals

Possible alternative / supplementary question: What are the features of a good grant system?

- *Clear but simple measurable objectives*
- *Clarity of terms and process, both for applicants and processors*
- *Clear but simple monitoring*
- *Well-timed reviews, planned in advance and undertaken as planned*
- *Courage to stop funding activities that are not delivering*