

Finance and Procurement

Business Plan 2019-2023



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1. Introduction

Finance & Procurement provides strategic advice and support to the Council to seek to ensure that increasingly limited resources are effectively applied towards the achievement of the Council's agreed priorities and objectives. We provide a range of technical, professional and advisory services essential to the achievement of our Council's agreed priorities, currently structured over four functional areas:-

Finance and Procurement Paul Garrett (Section 95 Officer)

Finance and Accounting Gillian Ross (Depute S95 Officer)	Treasury and Capital Karen Donaldson (Business Officer)	Procurement and Commissioning Karen Scott	Financial Transactions Lindsay Wilson
<ul style="list-style-type: none"> • Financial strategy • Budget Development Process • Financial Monitoring • Statutory Accounts & Financial returns • Financial Support & Advice to Services • Council Financial Management & Control Framework 	<ul style="list-style-type: none"> • Capital Strategy • Capital Investment Planning & Monitoring • Insurance Programme • Pension Fund Investment Mgmt. • Treasury Management, Investment & Borrowing • Departmental Business Support • Taxation/VAT Advice 	<ul style="list-style-type: none"> • Procurement Policies & Strategies • Procurement Advice & Support to Services • Regulated & Collaborative Procurement Activity • Contract & Supplier Management Strategy • Sustainable Procurement • Commissioning 	<ul style="list-style-type: none"> • Payroll for All Council Staff • Staff Advertising & Recruitment • Statutory Employment Returns, incl. HMRC • Ordering & Payments to Suppliers • Sales/Service Billing and Payment management • Debt Recovery

Administration & Support Services – As part of the agreed Council structure, responsibility for the Council's Administration & Support Services will also be part of Finance & Procurement following final implementation of the outcomes of the service review. At this stage, prior to the completion of the programme, implementing the outcomes from the service review on administration and support services and transfer of staff and resources to the Service, the Business Plan excludes these functions and activities. The intention is that this implementation will be completed early in 2020 and the Service Business Plan will be updated for 2020/21 onwards, fully incorporating this.

The Council faces huge challenges with funding available expected to be subject to further, significant reductions over the upcoming period. In that financial climate, the role of Finance & Procurement is essential in enabling our frontline Services to

manage changing demands against a backdrop of reducing resources, whilst ensuring the principles of effective financial and procurement management, compliance and control are adhered to. Finance & Procurement are committed to supporting the Council's Transformation Programme and to the development of efficient and innovative strategic approaches to address the challenges our Council faces.

We support our Council in achieving best value from available financial resources through the development of medium and long term financial strategies and ensure the effective stewardship of public monies through the development of clear financial and procurement management frameworks, effective transactional processes and the provision of training, advice and support to our customers. We also develop and implement a framework of procurement policies and strategies that are aligned to the objectives of our Council and are supported by effective governance arrangements.

The following page provides a summary of some of the key outputs of the Finance & Procurement Service.

132,000 invoices paid in
2018/19 totalling
£222M



38,514 Payroll 10 e-
payslips and **20,078**
Payroll 30 e-
payslips sent



Arrange insurance cover for
assets valued at over **£870**
million and over 900
vehicles



PUBLIC

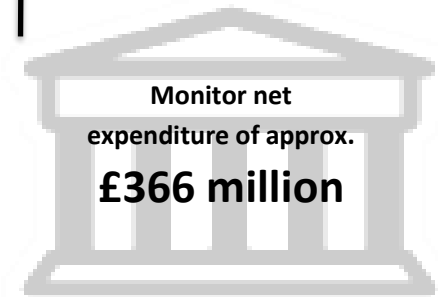
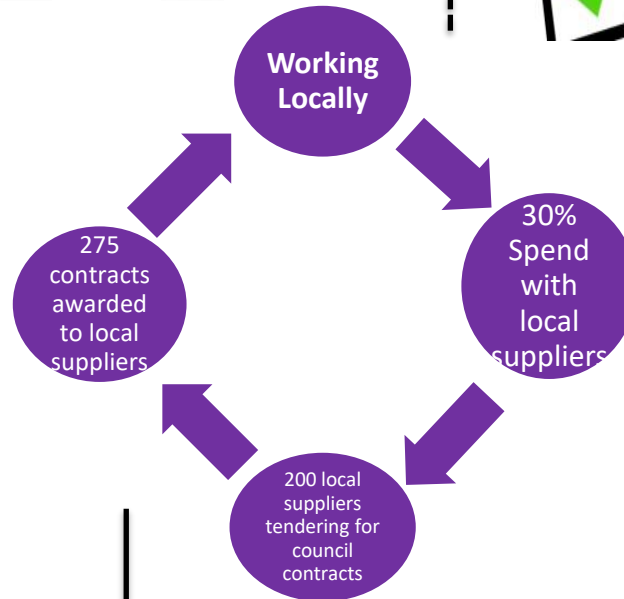


Monitor and administer
approx. **£890**
million Pension
Fund Investments



5,186 Non Teaching
Staff Paid (Payroll
10)

1,818 Teaching
Staff Paid (Payroll
30)



Monitor net
expenditure of approx.
£366 million

3
PUBLIC



Monitor, advise and support on
£427 million 10 year
Capital Investment
Strategy



Sales Ledger
Invoices raised
for **£26**
million

2. Values and objectives

The key values which underpin the work of Finance & Procurement are:-

- **Act with integrity** through consistently upholding the highest public standards while maintaining our reputation and that of the Council.
- **Be open, accountable and honest** including through sharing the right information at the right time across and beyond the Council
- **Lead by Example** through demonstrating professionalism, leadership, support and appropriate behaviours at all times
- **Demonstrate Fairness, Equality & Respect** in all our dealings with each other, with our customers and with other stakeholders
- **Seek and present the facts** to support informed and effective decision making
- **Work together** through embracing partnership and collaborative working to create a strong and successful Council
- **Organise our services** to meet the needs of service users, putting the customer first to support the community

Behaviours

- We will do it once and do it well
- We will enable and empower our staff and our communities
- We will listen to our customers and be responsive to their needs
- We will be proactive and innovative
- We will tackle issues when they first emerge
- We will have a collaborative approach to management of resources and programmes
- We will seek efficiencies and Best Value
- We will evidence good management and improvement

Objectives

- Provide high quality strategic advice and support to the Council to ensure that increasingly limited resources are deployed in an effective and financially sustainable manner which supports the delivery of key priorities and objectives;
- Deliver high quality, efficient and effective professional services across each of our functions.
- Continuously support and develop our staff and teams.
- Lead the development and implementation of the Council's Medium Term Financial Strategy, including the Budget Development Process and the Capital Investment Strategy, and support the progression of the Council's Transformation Programmes.
- Provide effective leadership, compliance and governance for procurement across the Council through the development of Procurement strategies and procedures and through the provision of strategic procurement advice.
- Ensure the effective stewardship of public monies through the development of clear financial management frameworks, budget monitoring & control, effective transactional processes and the provision of training, advice and support to our customers.

- Ensure all payments made to the Council's employees, pensioners and suppliers are paid accurately and timeously.
- Support the effective recruitment of staff across the Council.
- Maximise the collection and recovery of income due to the Council.
- Ensure that the Council's treasury management, pension fund investment management and insurance arrangements are efficient and effective and represent best value.
- Develop improved links with Customers, other Departments and Partners.
- Drive results, efficiency and innovation by supporting improvements and delivering strategic solutions.

3. Delivering the Council Plan

Contribution to Priorities and Commitments

Finance & Procurement has a key role to play in supporting the delivery of each of the Council's priorities and commitments through the provision of strategic advice and support to the Council in each of the priority areas.

The development of the Council's medium term financial strategies, covering both the revenue budget and the capital investment strategy, provide the basis for the development and progression of the commitments reflected in the Council Plan, particularly through seeking to identify the required resources to deliver these commitments during a period of reducing funding.

We have identified the following fundamental approaches that assist the Finance and Procurement Service in delivering effective and efficient outcomes which enable us to support the Council's agreed priorities and the needs of our communities:-

- Financial Strategies that are linked to agreed priorities and provide direction on how we can deliver better outcomes within reducing resources;
- A framework of appropriate Procurement policies and strategies that are aligned to the objectives of our Council and are supported by effective governance arrangements.
- Providing strong leadership and professional advice in relation to procurement, commissioning and commercial decision making. This in turn needs to be supported with a strong framework of education and training for both the Corporate Procurement & Commissioning Team but also those within service departments undertaking procurement and commissioning activity.
- Implementation of an effective Contract and Supplier Management strategy and approach which continually drives value from our contracts to deliver goods, services and works across the Council.
- Ensuring financial controls and stewardship of resources are in place, with supporting Financial Codes, to underpin effective financial management;
- Providing direct financial support and advice to meet our customers' business needs and preferences, through active engagement and consultation with our Customers;
- A strong commitment to developing our team through promoting further education & training (e.g. CIPFA, CIPS, CIPP & AAT), and making arrangements for succession planning.

- Provide advice and ensure compliance in order to achieve high standards of governance, accountability and meeting our statutory duties

Challenges and opportunities

There are a range of challenges and opportunities facing Finance & Procurement over the upcoming period in relation to both our own activities and our role in supporting the wider Council. The key issues identified by our managers and teams through the Team Planning Process include:-

Financial position – The Council has been subject to significant reductions in funding in recent years and significant further reductions are anticipated over the upcoming period. Finance & Procurement will have a key role in supporting the identification and progression of measures that will support the Council to determine a balanced budget which effectively applies increasingly limited resources towards the achievement of the Council's agreed priorities and objectives. At the same time, Finance & Procurement will also seek to identify further efficiencies and reductions in spending within the services that we provide.

Transformation Programme – A key element of the Council's approach to facing the challenges associated with increased demands and reducing resources over the upcoming period is the progression of the agreed Transformation Programme. This programme represents an opportunity for the Council to determine the best approach to delivering services and, where necessary, reduce or stop providing those services identified as being lower priority. At the same time this programme represents a significant challenge for both officers and elected members in terms of the difficult decisions that will be required and the need to resource the associated change programme.

Procurement Performance & Compliance – The Council has made significant progress in recent years in terms of improving both procurement performance and procurement compliance. However, it is fully recognised that the level of performance and compliance is not consistent across the Council and there is significant need for further improvement in some service areas. This improvement process will continue to be challenging in terms of the resource requirement to progress these improvements but also presents a significant opportunity with greater use of framework agreements, collaborative contracts and dynamic purchasing systems being progressed to address existing compliance concerns and identify savings and efficiencies.

Modernisation & Digitalisation - The need to further modernise our approach and services is fully recognised with greater use of digital technology identified as a key area for further development. While activities such as the Purchase 2 Pay (P2P) Project and the introduction of Insurance e-forms present a significant resourcing challenge during the development and implementation periods, initiatives such as these provide a significant opportunity to improve and modernise our service delivery.

Workforce & Teams – The maintenance and development of the skills and competencies of Finance & Procurement staff will be a key element of seeking to address the challenges facing both our service and the wider Council over the

upcoming period. In recent years we have placed an increasing focus on the development and progression of existing staff which has provided opportunities for significant career development and has also provided a source of qualified and skilled staff to successfully undertake hard to fill roles. This approach to skills development and succession planning will continue to play a key role in identifying the skills we need to effectively deliver our services in the future. At the same time, we recognise the need to support a healthy, engaged and effective workforce through a time of significant change.

Brexit – The potential departure of the UK from the European Union will have significant service and financial implications for local authorities, the wider public sector and local and national economies. In the immediate term, the need to prepare for these implications represents a significant challenge with potential impacts on procurement legislation and requirements, potential cost increases and loss of funding being key areas of focus.

Expectations v Resources – The support and skills provided by Finance & Procurement staff are essential to support the Council during a period of significant change and financial challenge. This places a range of demands and expectations on our staff which are difficult to adequately address within the limited resources available. In addition to prioritising our input to best support the achievement of the Council's priorities and objectives, greater partnership working and collaboration with both local and national partners will be progressed where possible. In addition, we will also seek to enhance the level of finance and procurement capabilities of officers within Service departments through the progression of training programmes with supporting on-line resources.

Important strategies and plans

Finance & Procurement leads the development and implementation of the following Council and Service Strategies:-

- Individual Section Team Plans (5) which support the overall Finance & Procurement Business Plan.
- Finance & Procurement Workforce Strategy
- Council Financial Strategy & Supporting 3 Year Budget Plan
- Council Capital Strategy & Supporting 10 Year Capital Investment Strategy
- Council Procurement Strategy & Supporting Standing Orders
- Council Contract & Supplier Management Strategy
- Council Sustainable Procurement Policy
- Council Treasury Management Strategy & Prudential Indicators
- Pension Fund Investment Strategy

4. Transforming the Service

The Council has established a Transformation Programme designed to deliver new operating models for service delivery and to enable our frontline Services to prioritise and manage increasing demand for key services against a backdrop of reducing resources.

The Transformation Programme is based around the following agreed principles:

- The Council will be unable to deliver the range of activities that it does currently and will achieve outcomes in different ways than it does currently.
- Priorities and Commitments in our Council Plan, focused on our economy, children, vulnerable people and sustaining our communities, are where we will sustain and focus our activity. That means that the Council will have to be clear with staff and the public on the options to reduce or stop other important but lower priority activities. Mitigation will always be in place to protect the most vulnerable people as services change.
- The Council will maintain a presence in our communities but in helping communities achieve their ambitions some outcomes will have to be delivered by other organisations and local communities themselves.
- The Council will not be able to pay for all our existing ageing estate or face to face customer interactions. Customers and staff must have access to services or resources they need delivered in a sustainable manner that balances cost and outcomes. Use of technology must be maximised but with constant reflection of the needs of a rural and ageing population.
- The Council will maximise the funds available for front line service delivery by having a modern shared support service that minimises the bureaucracy for staff and customers.
- The Council will have fewer but more multi-skilled staff and staff will increasingly have to be supported and retrained to transfer into new roles in emerging priority areas.

Finance & Procurement will play a key role in supporting the delivery of the Transformation Programme and its objectives under the following key thematic areas:-

Prioritisation - Sustained focus of resources on our Council Plan Priorities outcomes.

The provision of strategic financial information, advice and support will be essential to enable services across the Council to prioritise their activities and ensure that these are focussed on the delivery of the Council's agreed priorities and objectives.

In addition, we will continually review and prioritise the services delivered by Finance & Procurement Services in consultation with our customers to ensure that these services are both necessary and effective and to seek efficiencies where possible.

Digital - Transform our customer experience and improve our digital offer.

In Finance & Procurement we have continually developed our use of digital technology to improve our working processes, to significantly reduce our use of paper and to streamline our processing, reporting and monitoring activities.

Examples includes:-

- The increasing shift to job applications being made/received online
- The increasing use of electronic payslips
- The increase in the proportion of invoice payments made by electronic means

Current developments that are well progressed to further our use of digital technology include the introduction of electronic e-forms for the submission and

processing of insurance claims and the ongoing development of the Integra 2 Financial Management Information System.

Modernisation - Modernise how we deliver some services to meet our outcomes.

In addition to the enhanced use of digital technology referred to above, we will continue to seek opportunities to further modernise our services.

A key element of our modernisation activities is the delivery of the Purchase to Pay (P2P) Transformation Project which aims to

- Ensure the Council has in place effective and efficient business processes and systems for ordering and payment of goods, services and works across the Council which benefits from the use of electronic systems and automation wherever possible;
- Remove duplication in the Council processes and systems; and
- Improve Council performance in relation to compliance with relevant regulations, Council policies and contracts;

The centralisation of ordering and payments processing is also being taken forward as part of this project.

Greater use of collaborative contracts is a further element of our modernisation agenda.

Assets - Maximise use of fewer assets, working with and within communities.

Finance & Procurement will lead the Transformation Event that is being held to support the development of the Council's Capital Strategy. Amongst other things, this event will seek to support the development of the Council's Capital Investment Strategy to ensure that this investment is focussed on the development of new and existing assets to support the achievement of the Council's agreed priorities and objectives.

The potential to achieve savings in relation to the annual costs incurred to support the repayment of investment in assets and to support the existing asset estate will also be explored as part of this event.

In addition, Finance & Procurement has embraced Smarter Working which means that our staff and services are now more flexible and many of our services can now be effectively delivered from a range of locations. Further opportunities to support the Council's commitment to reducing the impact of climate change will also continue to be sought, including through supporting and progressing energy efficiency opportunities.

Workforce - Develop a smaller more flexibly skilled workforce for the future.

In recent years, the development of staff and teams within Finance & Procurement has been a key objective which has resulted in an increasing number of roles being filled through the development and training of existing council staff to undertake more senior responsibilities.

In particular, staff have been supported to undertake a range of qualifications which has provided opportunities for significant career development and has also provided a source of qualified and skilled staff to successfully undertake hard to fill roles. This internal development approach to succession planning continues to be a key element of our Workforce Plan.

In addition to the development of our own teams, a key part of our role has been to seek to enhance Finance & Procurement related skills and capabilities across the Council. This has been done through the provision of advice and support to our colleagues but also through the development of training programmes including a greater emphasis on on-line training through FLO modules covering different aspects of our work.

Finance & Procurement also play a key role in the wider development and transition of the Council's workforce through our involvement in the Workforce Transition Board and support for specific projects including the Administration & Support Review.

Fees and Charges / Income Generation - Maximising our income and underpinning fairness through targeted concessions.

While the nature of the services provided by Finance & Procurement means that opportunities to directly increase income generation through these services is limited, options for additional charging will continue to be explored.

In addition, Finance & Procurement has a key role in providing strategic financial information, advice and support for the identification of increased income generation opportunities including new or increased charges that support behavioural change aligned with Council Policy.

5. Communicating and involving

Finance & Procurement is fully committed to the ongoing development and improvement of communication with our staff, customers, elected members, public and partners.

Staff Communication and Involvement

The key elements of our communication and involvement activities within Finance & Procurement include:-

- Development of 5 individual Team Plans for each of our functional areas which are prepared in consultation with all team members to ensure effective staff engagement in, and awareness of, the key objectives reflected in these plans.
- Consistent commitment to the Personal Development Review (PDR) Process for all of our staff as a basis for communication, performance assessment and the identification of personal and team objectives and development opportunities.
- Regular and meaningful team meetings and supporting 1-to-1 meetings which enable regular communication in groups, a basis for monitoring of team plan

performance, an opportunity to cascade information from management teams and an opportunity to address issues and concerns.

- Development Days for individual functions (although less regular and more ad-hoc)
- Economy & Resources Directorate newsletters and briefings
- Monthly Review of Staff Survey results by the Service Management Team

Customer, Stakeholder & Partner Engagement

The key elements of our communication and involvement activities with our customers, stakeholders and partners include:-

- Customer Surveys and Regular service liaison meetings with departments
- Supplier Engagement and 'Meet the Buyer' Sessions
- Provision of information to customers and other stakeholders through e-mail, letter, telephone, on-line and face to face correspondence
- Reports to Committees and Elected Member Briefings
- Weekly liaison with Chair and Vice Chair of the Finance, Procurement & Transformation Committee
- Budget Holder satisfaction surveys
- Fortnightly Corporate Management Team & Other Cross Service Groups including the Strategic Asset Board
- Attendance and involvement at other Directorate's management teams as required
- Published Annual Accounts and Financial Statements
- Responses to compliments and complaints
- Liaison with Trade Unions

Lobbying

Finance & Procurement will contribute to the Council's lobbying regarding decisions and policies that affect our region in line with the Council's Lobbying and Advocacy Policy. In addition to seeking to contribute to approaches being taken by the relevant professional associations and groups, support will also be provided for the development of lobbying by the Council such as through responses to calls for evidence from the Local Government and Communities Committee.

6. Working in Partnership

We have a diverse range of internal and external stakeholders who we engage with on a regular basis to support the delivery of shared objectives. Working with key partners and stakeholders helps us to align our objectives and key priorities to business needs.

Our partnership working is undertaken at both a local and a national level to seek to support and influence the progression of key issues. Our Key Partners include:-

- Scottish Government
- COSLA
- Scottish Directors of Finance Section
- Chartered Institute of Public Finance & Accountancy, Association of Accounting Technicians, Chartered Institute of Procurement & Supply,

Chartered Institute of Payroll Professionals, Institute of Revenues, Rating & Valuation, Chartered Institute of Management Accounting

- Scotland Excel
- Improvement Service
- NHS Dumfries & Galloway
- Local Businesses & Suppliers
- Third Sector
- Local Housing Associations
- Insurers
- Treasury & Investment Advisers
- Elected Members
- Service Managers and Budget Holders
- Trade Unions
- HMRC & DWP
- Audit Scotland & Appointed External Auditors

7. Risks and impact assessment

The Business Plan risks for Finance and Procurement are managed by the Service Management Team. In this business planning period, we have reflected key risks that will be actively managed and monitored as part of our ongoing service planning arrangements. We recognise these will change over the term of this Business Plan and will review these and update our Plan as these emerge.

The key risks that have been identified and that are being actively managed are:-

1. Council incurs significant unanticipated expenditure and/or significant financial loss
2. Failure to agree and deliver a balanced budget within a medium-term Financial Strategy
3. Significant budget overspending by the Council and/or an individual service
4. Significant overspending against an agreed capital project
5. Delivery of agreed Capital Investment Strategy adversely impacted by an unanticipated increase in borrowing costs
6. Staff salaries are not paid on time or are paid incorrectly
7. Payments to Council Suppliers/Clients are not paid on time or are paid incorrectly
8. Failure to fully comply with statutory requirements (eg. HMRC requirements, Procurement legislation, Accounting Requirements)
9. Failure to comply with procurement regulations
10. Failure to secure best value through procurement activities
11. Brexit – increase in costs and/or loss of funding as a result of Brexit process
12. Failure to prevent or detect acts of significant fraud or corruption
13. Significant system or process failure (or other event) impacting on service delivery

These risks, together with the actions to manage or mitigate them, will be

reported to the Finance, Procurement & Transformation Committee alongside Business Plan performance information on a six monthly basis. Managers will review these risks on a continuous basis. The Risk Register is attached at **annex 2**

Business continuity is well developed across the service with individual business continuity plans updated and tested on a regular basis as required.

A full Impact Assessment is required as this is a new Business Plan and a summary of this is available on the impact assessment section of the Council's website. Any new plans/strategies/ policies emerging from the Business Plan will be individually impact assessed as required.

8. Monitoring and reporting on performance

Finance and Procurement Services monitors and reports on performance using our agreed performance indicators and project milestones set out at Appendix 1. We report on our performance to:-

Service Management Team	Monthly
The Head of Service 1-1 meeting with the Director	Monthly
Corporate Management Team	Quarterly
Finance, Procurement & Transformation Committee	Bi-annually

The Council's performance management system is used to record and report performance. Finance and Procurement Services follows the corporate guidance 'Managers guide to reporting performance'. Performance indicators are used to report on the Council Priorities and Commitments and the Scottish Local Government Benchmarking Framework. Where performance is below targets set, or projects do not achieve milestones, we produce exception reports which outline corrective action being taken to ensure performance is back on track.

Benchmarking our performance to understand how we compare to others

We use benchmarking as a tool to help us improve the services we deliver. This is more than simply comparing data; it is also about understanding why there are differences in performance, cost and quality by looking not only at the way we are organised to deliver and manage, but also at the processes and policies we have adopted. We participate in several benchmarking groups including:

- the Local Government Benchmarking Framework (LGBF)
- Other public bodies through the Chartered Institute of Public Finance (CIPFA)
- Other Scottish local authorities through Scottish Government returns and through the Scottish Directors of Finance Performance Indicators
- internal comparison of our annual performance across services

Benchmarking information is embedded in our performance information at Appendix 1 and will also form part of our performance reporting. This will allow us to understand our own performance over time as well as how we compare to others. This information can then be used to help us understand how good we are at the services we deliver, the areas where we need to do better and if there are any areas where, compared to others, we are over-achieving. This helps us to set realistic targets, prioritise the services that we deliver and target our resources.








Finance and Procurement Business Plan



Generated on: 16 October 2019

BUILD THE LOCAL ECONOMY

Support our small and medium sized businesses to be established and grow

Support local supply chains so that local firms benefit from capital investment projects.



Key Performance Indicators	2019/20				2018/19				2017/18				Benchmark Source
	Value	Target	Status	Short Trend	Value	Target	Status	Short Trend	Value	Target	Status	Short Trend	
Percentage of procurement spent on local small/medium enterprises	32%				Data due Jan 2020				24 %		?	?	LGBF
Number of local suppliers applying to tender for Council Contracts	200				182	200			189		?		
Number of contracts awarded to local suppliers	275				255	275		?					
Percentage of contract spend with local suppliers	32%				30.34 %	30.00 %			29.00 %	26.04 %		?	

Improvement Projects	Start Date	Due Date	Current Position	Status
Implement Purchase to Pay (P2P) Transformation Project	27-Jun-2018	31-Mar-2020	<div style="width: 43%;"><div style="width: 43%;"></div></div> 43%	
Implementation of the Procurement Strategy	10-Jan-2019	31-Mar-2020	<div style="width: 25%;"><div style="width: 25%;"></div></div> 25%	

BE AN INCLUSIVE COUNCIL

Increase equality of opportunity

Use digital technology to improve customer service and efficiency.

Code	Key Performance Indicators	2019/20				2018/19				2017/18				Benchmark Source
		Value	Target	Status	Short Trend	Value	Target	Status	Short Trend	Value	Target	Status	Short Trend	
P4C3S 1CS3	Percentage of job applications made online		99%			99%	98%							









Key Functions - Performance Scorecard

People / Learning and Growth Indicators

The people/learning and growth information was previously reported at directorate level and therefore comparator information at service level is being collated for the first time for the new services

Key Performance Indicators	2019/20				Benchmark Source
	Value	Target	Status	Short Trend	
The average number of days lost per all other (non-teacher) local government employees through sickness absence					
Percentage of days lost per employee through sickness absence as a percentage of total possible attendances					
Percentage of staff who have completed an annual performance development review					
Level of positive engagement recorded in employee survey					
Percentage of Council staff who know how their job contributes to Council Priorities					

Process Indicators

Key Performance Indicators	2019/20				2018/19				2017/18				Benchmark Source
	Value	Target	Status	Short Trend	Value	Target	Status	Short Trend	Value	Target	Status	Short Trend	
Percentage of the number of invoice payments made by electronic means		96.5%			95.9%	96.5%			95.6%	95.0%			
The percentage of invoices paid within 30 days		92%			91.9%	92%			91.8%	92%			

The information was previously reported at directorate level and therefore comparator information at service level is being collated for the first time for the new services

Key Performance Indicators	2019/20				Benchmark Source
	Value	Target	Status	Short Trend	
Percentage of Member enquiries dealt with through the Elected Members Enquiry Service within the agreed timescales					
Percentage of Stage 2 complaint responses issued within statutory timescales					
Percentage of FOI requests received that have been responded to within 20 working days of receipt					
Percentage of requests for personal information completed within 30 days - Finance and Procurement					
Percentage of Community Council enquiries dealt with through the Enquiry Service within agreed timescales					
Percentage of MP/MSP enquiries dealt with through the Enquiry Service within agreed timescales					

Customer Indicators

Key Performance Indicators	2019/20				2018/19				2017/18				Benchmark Source
	Value	Target	Status	Short Trend	Value	Target	Status	Short Trend	Value	Target	Status	Short Trend	
% of staff receiving e-payslips PR10		62%			61%	60%	✓	?					
% of staff receiving e-payslips - PR 30		92%			92%	92%	✓	↑	91%	92%	?	?	

Finance / Asset Indicators

Key Performance Indicators	2019/20				2018/19				2017/18				Benchmark Source
	Value	Target	Status	Short Trend	Value	Target	Status	Short Trend	Value	Target	Status	Short Trend	
Delivery of agreed savings		£9.75m-£10.1m			£11.27 m	£11.80 m	⚠	↓	£12.21 m	£14.27 m	⛔	↓	
Revenue Budget Outturn - Projected Outturn as a % of Budget		98%-100%			99.3%	100%	✓	↓	99.9%	100%	✓	↑	
Capital Spending - Projected Capital spend as a % of Agreed Capital Plan		96%-102%			100.8%	100%	✓	↑	97.2%	100%	✓	↓	
Balances – Unallocated General Fund Balances as a % of Annual Budgeted Spending		2%			2%	2%	✓	▬	2%	2%	✓	▬	

The information below was previously reported at directorate level and therefore comparator information at service level is being collated for the first time for the new services.

Code	Key Performance Indicators
DG07_ F&P	Revenue Budget Outturn - Projected Outturn as a % of Budget

2019/20				Benchmark Source
Value	Target	Status	Short Trend	

Code	Key Performance Indicators
DG08_ F&P	Capital Spending - Projected Capital spend as a % of Agreed Capital Plan

2019/20				Benchmark Source
Value	Target	Status	Short Trend	

Transformation Activities

Prioritisation

Improvement Projects	Start Date	Due Date	Current Position	Status
Development and Agreement of the Council's Capital Strategy 2020/2021	1 April 2019	31-Mar-2020	<div style="width: 25%; background-color: #4f81bd; color: white; text-align: center;">25%</div>	
Realignment of Service Budgets to support effective budget monitoring	1 April 2019	31-Jul-2019	<div style="width: 100%; background-color: #4f81bd; color: white; text-align: center;">100%</div>	

Modernisation

Improvement Projects	Start Date	Due Date	Current Position	Status
Centralisation of ordering and payments	1 April 2019	31-Mar-2020	<div style="width: 25%; background-color: #4f81bd; color: white; text-align: center;">25%</div>	
Early payment programme	1 April 2019	31-Mar-2020	<div style="width: 25%; background-color: #4f81bd; color: white; text-align: center;">25%</div>	

Health and Safety

Health and Safety information was previously reported at directorate level and therefore comparator information at service level is being collated for the first time for the new services.

Our Service will set out and demonstrate our commitment and arrangements for health and safety

Key Performance Indicators
Head of Service H&S Management Arrangements are up-to-date, relevant and within programmed review.

2019/20				Benchmark Source
Value	Target	Status	Short Trend	

Our Service shall incorporate health and safety considerations when planning activities and before carrying out tasks

Key Performance Indicators
Health & Safety priorities from Head of Service (risk based) have been provided to H&S.
Head of Service has trained Health & Safety Duty Holders appointed and recorded in register
Planned occupational health needs verified and submitted to OD&HR.
H&S risks and resource considered within business cases/Project Briefs

2019/20				Benchmark Source
Value	Target	Status	Short Trend	

Our Service shall ensure people have the competency to enable them to fulfil their H&S responsibilities

Key Performance Indicators
Competence requirements for Service Manager posts reviewed in terms of managing their service safely

2019/20				Benchmark Source
Value	Target	Status	Short Trend	

Key Performance Indicators
Service Health & Safety training requirements reviewed, prioritised and submitted to Lifelong Learning Centre

2019/20				Benchmark Source
Value	Target	Status	Short Trend	

Our Service shall consult, engage and communicate effectively on H&S arrangements

Key Performance Indicators
Consultation arrangements for H&S Implemented
Communication arrangements for H&S Implemented
Number of Service wide Management meetings where H&S is discussed
Number of H&S Briefing Notes provided to managers
Number of H&S Newsletters issued to staff

2019/20				Benchmark Source
Value	Target	Status	Short Trend	

Our Service shall work safely and be positive and pro-active in our approach

Key Performance Indicators
Implementation of service H&S risk priorities
Percentage of Service action plans developed within 6 weeks to meet Corporate Health & Safety Audit recommendations
Percentage of Corporate Health & Safety Audit Service action plans completed or on target as planned and agreed

2019/20				Benchmark Source
Value	Target	Status	Short Trend	

Our Service shall monitor that we are managing H&S effectively

Key Performance Indicators
H&S Support offered and performance reviewed with Service Management
Percentage of Service Health & Safety Plan actions completed or on target and verified by the Head of Service
Number of planning/review meetings held between Head of Service and Corporate H&S Partner
Number of performance reports incorporating delivery of Service Health & Safety Action Plan submitted to Service Committee
Carry out statistical analysis of work-related incidents and ill health and take appropriate actions
Number of RIDDOR and Incidents and Timescales for Reporting & Investigation

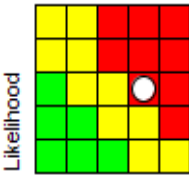
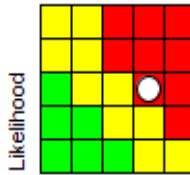
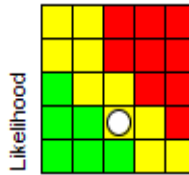
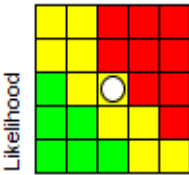
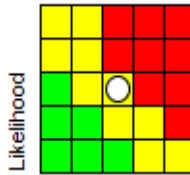
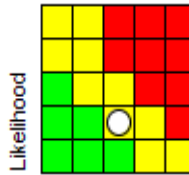
2019/20				Benchmark Source
Value	Target	Status	Short Trend	

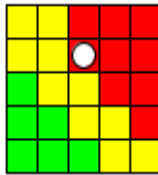
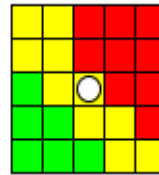
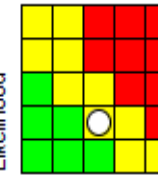
Our Service shall audit and review our H&S arrangements to encourage continuous improvement

Key Performance Indicators
Percentage of planned Service Health & Safety audits carried out

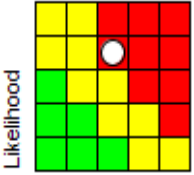
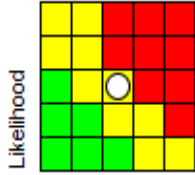
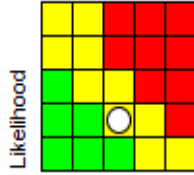
2019/20				Benchmark Source
Value	Target	Status	Short Trend	

Risk Register

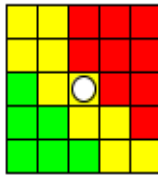
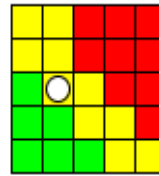
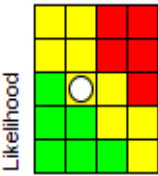
Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
<p>Council incurs significant unanticipated expenditure and or significant financial loss</p>	<p>Issues/events that could result in unanticipated expenditure and/or loss may include, but might not be restricted to, the following:-</p> <ul style="list-style-type: none"> - A severe weather event - A major incident or accident - A failure to recover debtors - A failure to recover deposits/investments (e.g. through Bank failure) - Compensation payments as a result of a legal action or other issue 	<p>Control and mitigation measures include:-</p> <ul style="list-style-type: none"> - The Council has an agreed policy for the retention of a prudent level of General Fund Balances to support unanticipated expenditure demands. - In addition, a modest level of contingency funding is retained to support specific issues such as Severe Winter Weather. - The Council has established Insurance arrangements, including element of self-insurance, to help offset costs associated with insurable events. - The Council annually agrees a comprehensive Treasury Management Strategy with detailed arrangements for the investment and deposit of Council funds, with appropriate counterparty limits, to minimise the risk of loss. - Risk Management strategies and planning arrangements across the Council seek to minimise the potential for additional costs/losses. 	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	
<p>Failure to agree and deliver a balanced budget within a medium-term Financial Strategy</p>	<p>The key issues that could make this risk a reality would be:-</p> <ol style="list-style-type: none"> 1. Members/officers fail to identify, develop and progress savings options 	<p>The Council has an agreed Budget Process which incorporates the development of detailed service and financial plans, the identification of required savings, the development of budget proposals and the</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	

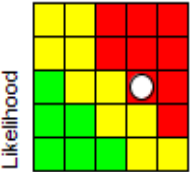
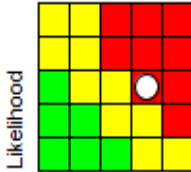
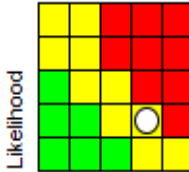
Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
	<p>that are realistically deliverable and robust to the levels required to balance the budget.</p> <p>2. Members are unable to agree a budget reflecting a sufficient level of deliverable savings to balance the budget.</p> <p>3. Members/officers fail to agree and develop plans for the delivery of savings and service transformation on a sustainable, multi-year basis.</p>	<p>agreement of annual budgets through Full Council.</p> <p>The agreed budget process includes the development of Budget Plans on a 3 Year Basis to ensure ongoing financial sustainability is fully taken into account.</p> <p>A 5 Year Financial Strategy has been agreed by Full Council, providing the overall financial context within which 3 year budgets are developed.</p> <p>The Council has agreed a set of Budget Setting Principles which include the requirement for budgets to be balanced on a sustainable basis, the need for medium-term financial planning and for the maintenance of an agreed level of General Fund Balances</p>				
<p>Significant budget overspending by the Council and/or an individual service</p>	<p>The key issues that could make this risk a reality include:-</p> <p>1. Significant increase in unavoidable service demand and associated costs</p> <p>2. Impact of unanticipated events including a major incident/accident or a severe weather event</p>	<p>The Council has in place a comprehensive set of Financial Regulations and Codes. The Financial Regulations indicate that <i>Directors are fully accountable for the financial performance of their Department or Service against the budgets allocated. They may incur revenue expenditure in pursuit of policies agreed by a relevant Committee of the Council only to the extent that budgetary provision has been made.</i> In addition, there is a specific Financial Code which sets out guidance on</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	

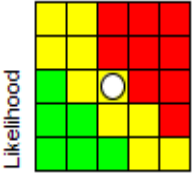
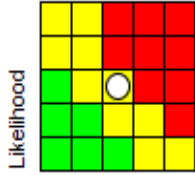
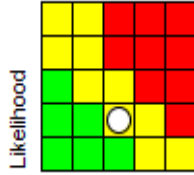
Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
	<p>3. Lack of effectiveness of budgetary control and monitoring arrangements within Services and/or at a corporate level</p> <p>4. Inability to generate budgeted levels of income from fees & charges</p> <p>5. A failure to recover debtors and/or a failure to collect all income due, including grant income</p> <p>6. A failure to deliver agreed savings measures</p>	<p>budget monitoring procedures including the responsibilities of the Head of Finance & Procurement, Service Directors and individual budget holders.</p> <p>Comprehensive training arrangements are in place to support budget holders, both through formal training arrangements (including FLO courses) and direct support from Finance & Procurement staff.</p> <p>Budget monitoring, including the identification of potential budget overspending, is subject to regular formal reporting to both Service Committees and, at a corporate level, to the Policy & Resources Committee. Where potential overspending has been identified, there is a clear responsibility on the relevant Chief Officer to implement mitigation measures (eg. a formal action plan where necessary) to seek to bring expenditure within the agreed budget level.</p> <p>The annual budget process recognises and makes financial provision for budget pressures and all budget holders are required to undertake an annual Budget Realignment exercise to ensure that budgets are realistic and that potential pressures are identified and addressed.</p> <p>The Council also operates a Budget Flexibility Scheme, through service reserves, which</p>				

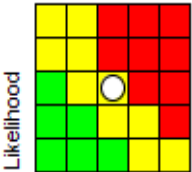
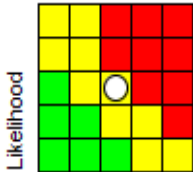
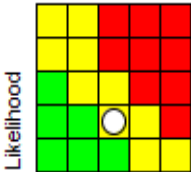
Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
		allows Services to retain funds to address identified demands and to smooth spending levels between years. As a last resort, the Council also has an agreed policy for the retention of a prudent level of General Fund Balances to support unanticipated expenditure demands, including overspending.				
Significant overspending against an agreed capital project budget	<p>The key issues that could make this risk a reality include:-</p> <ol style="list-style-type: none"> 1. Change in project scope from that agreed by Members and reflected in the agreed budget 2. Identification of unanticipated factors which add to costs (eg. site issues, condition issues for refurbishment projects etc) 3. Impact of unanticipated events such as severe weather which can both extend project timescales and increase project costs 4. Impact of inflationary cost increases beyond anticipated levels 5. Lack of effectiveness of budgetary control and 	<p>To support effective management of capital projects, the Council has introduced Minimum Standards for Programme and Project Management (PPM). These standards, which are informed by Scottish Government best practice and Treasury Green Book Guidance on Construction Projects, set out guidance for the identification costing and development of projects, key roles and responsibilities, project resourcing, risk identification and management, project governance and project monitoring (both physical and financial).</p> <p>The Council has established Governance structures in place to ensure that there is a regular and robust reporting on the progress of projects including spend profiles against budget and risk areas across the capital investment programme. There are a range of Boards and Committees in place to add oversight and scrutiny to the progress of capital projects including the Strategic Asset Board, Service Committees, Finance,</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	

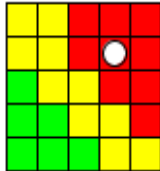
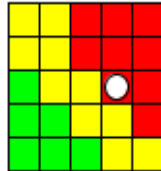
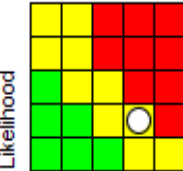
Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
	<p>project monitoring arrangements</p> <p>6. Inability to secure budgeted levels of external contributions</p>	<p>Procurement & Transformation Committee & Full Council.</p> <p>A Capital Financial Code has also been implemented (on a trial basis for 2019) that provides officers involved in taking forward Capital Projects with clear guidance on devolved spending limits and reporting requirements.</p> <p>Risk Management strategies and planning arrangements across the Council seek to minimise the potential for additional costs/losses.</p> <p>Project monitoring arrangements are supported by the use of 3rd party Cost Consultants where appropriate and Finance & Procurement oversight.</p> <p>In addition, a modest level of contingency funding is retained in relation to significant priority projects to cover unforeseen cost increases outwith the agreed plans. The release of these amounts requires the formal approval of the Finance, Procurement & Transformation Committee.</p>				

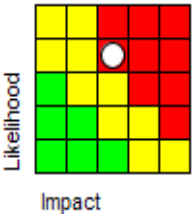
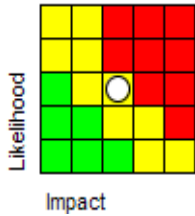
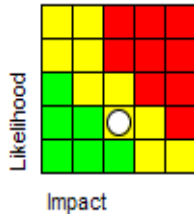
Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
<p>Delivery of agreed Capital Investment Strategy (CIS) adversely impacted as a result of unanticipated increase in borrowing costs</p>	<p>An increase in interest rates beyond anticipated levels</p> <p>While the majority (over 80%) of existing long term borrowing is at fixed rates (ie. not exposed to current/future rate movements), an increase in borrowing rates above anticipated levels would increase costs by approximately £2.5 per annum by the end of the current investment strategy period for each 1% rate increase if applied to all current variable rate debt and the further borrowing required to support the agreed capital investment strategy. A range of factors influence interest rates including economic growth levels (absolute and comparative), inflation and employment levels and global geopolitical factors</p> <p>Difficulties in accessing/securing</p>	<p>The Council receives and approves a comprehensive Annual Treasury Management Strategy Statement (TMSS) and receives, as a minimum, a Half Yearly and an Annual Report report on treasury matters. A Treasury Management Procedure document is maintained by the Treasury Section which details how potential risks are mitigated. Amongst limits included which aim to minimise the potential risk of any unforeseen increase in borrowing costs are: Maximum level of debt that is variable rate = 30% Maximum level of debt that is short term = 25% Maximum level of long term debt maturing in any financial year = 15%</p> <p>The main source of long term borrowing for the Council is the Public Works Loan Board (PWLB), part of the Debt Management Office (DMO), an Executive Agency of Her Majesty's Treasury, which makes long term borrowing available to UK local authorities. The Council also has access to long and short term borrowing from banks, financial institutions and other local authorities through money markets.</p> <p>In addition, the Council has appointed external Treasury Advisors, Link Asset Services, who provide regular economic and interest rate forecasts. Finance & Procurement work closely</p>	<p>Likelihood</p>  <p>Impact</p>	<p>Likelihood</p>  <p>Impact</p>	<p>Likelihood</p>  <p>Impact</p>	

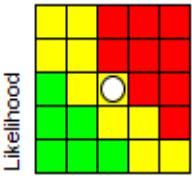
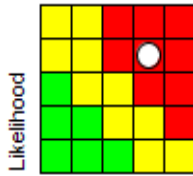
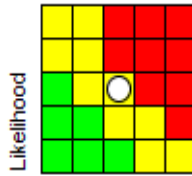
Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
	<p>external borrowing at appropriate rates. While of lesser likelihood in current circumstances, potential difficulties in accessing/securing external borrowing at appropriate rates could become an issue in future with the potential impact of political and/or constitutional change a potential factor.</p>	<p>with these advisers to ensure that borrowing activities are undertaken in an effective manner, in line with the agreed Strategy, taking full account of projections of future interest rate movements.</p>				
<p>Salaries and pensions are not paid on time or are paid incorrectly</p>	<p>The key issues that could make this risk a reality would be:- 1. Failure of iTrent system – either short-term affecting a particular payroll run; or longer term affecting a number of payroll runs 2. Failure of payments file to reach BACS 3. Loss or unavailability of key staff especially those crucial to instigating the payroll runs 4. Incorrect information provided/used to calculate payment levels 5. Failure to communicate details of officers leaving</p>	<p>Pay & Employment Services have robust procedures and controls in place to ensure that staff, pensioners etc are paid correctly and on time. These processes and controls are under constant review, maintenance and improvement.</p> <p>As part of these arrangements, Pay & Employment Services:- 1. liaises closely with Business and Technology Solutions to ensure that our systems are managed properly, and have strong back-up procedures in place to allow a quick recovery if there is a failure. 2. have built in to our processes an additional back-up day that acts as a cushion to allow any iTrent/BACS problems to be resolved.</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	

Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
	Council employment resulting in these officers continuing to get paid after ceasing Council employment	3. are expanding the knowledge of staff so that they are experienced and proficient with processes surrounding payroll runs etc. 4. have tightened up and publicised the importance for Leavers processes to be followed to prevent former employees being paid after they have left Council employment.				
Payments to Council Suppliers/Clients not paid on time or are paid incorrectly	<p>The key issues that could make this risk a reality would be:-</p> <ol style="list-style-type: none"> 1. Failure of Integra system – affecting the processing of invoices and/or a particular purchase ledger payment run either short-term or for a longer term leading to delays in payments made to suppliers/contractors/clients . 2. Failure of service creditor system – Pecos; Mosaic; Total; Milan; PMIS affecting the processing of invoices 3. Failure of interface file from service creditor system leading to delays in payments made 4. Failure of payments file to reach BACS 	<p>Billing, Ordering & Payments Team have robust procedures and controls in place to ensure that suppliers, contractors and clients get paid correctly and on time. These processes and controls are under constant review, maintenance and improvement.</p> <p>As part of these arrangements, the Billing, Ordering & Payments Team:-</p> <ol style="list-style-type: none"> 1. liaises closely with Business and Technology Solutions to ensure that our systems are managed properly and have strong back-up procedures in place to allow a quick recovery if there is a failure. 2. have robust procedures around supplier maintenance, in that any request to change a supplier record, including bank details, then Council must always contact the business using contact information currently held on Integra; and get confirmation from an officer of the business that the request to make the change is genuine. 	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	

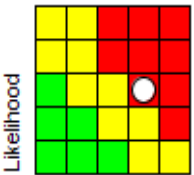
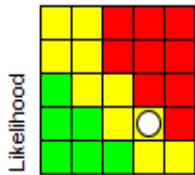
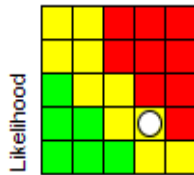
Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
	<p>5. Loss or unavailability of key staff especially those crucial to instigating payments file runs</p> <p>6. Creditor payment error – overpayment, paying twice etc</p> <p>7. Wrong supplier details selected and not-corrected leading to paying creditor significant sum in error and cannot recover monies</p> <p>8. Banking details are fraudulently amended leading to payments to fraudsters and Council cannot recover monies</p>	<p>3. are expanding the knowledge of staff so that they are experienced and proficient with processes surrounding payment runs etc.</p> <p>In addition, Creditor computer systems have built in checks to identify duplicate invoice numbers to help reduce suppliers and contractors being paid twice for the same invoice.</p> <p>The progressing of the current Purchase to Pay (P2P) Project will further enhance the control arrangements outlined above.</p>				
<p>Failure to fully comply with statutory requirements (e.g. HMRC requirements, Procurement Legislation, Accounting Requirements)</p>	<p>The key issues that could make this risk a reality would be: -</p> <p>1. HMRC payroll returns submitted incorrectly or late</p> <p>2. Improper administration of VAT and/or returns submitted incorrectly or late</p> <p>3. Construction Industry Scheme (CIS) Returns submitted incorrectly or late</p> <p>4. Qualified Statutory Annual Accounts/Late Accounts</p>	<p>1. HMRC payroll returns, VAT Returns, Construction Industry Scheme returns – staff are experienced and knowledgeable; there are clear timetables and process deadlines in place; management monitors the submission of returns; specialist external tax advice available for assistance if required.</p> <p>2. Statutory Annual Accounts - staff are experienced and knowledgeable; clear guidance and timetables in place for closure and submission of Accounts</p> <p>3. Procurement Compliance - Procurement training and advice provided to key officers in the Council; procurement documentation in</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	

Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
	<p>5. Non-compliant procurement activities and failure to comply with agreed policies and associated legislation</p> <p>6. Data Protection (GDPR) compliance breach</p> <p>7. Late Government Returns</p> <p>8. Breaches of Health & Safety legislation</p>	<p>place (e.g. Procurement Strategy and Procurement Standing Orders).</p> <p>4. Data Protection Compliance – in-house training for staff, including arrangements for handling sensitive or personal data; Records Retention Policy; Acceptable Use of ICT Facilities and Information Security Policies; Information Security Awareness Training.</p> <p>5. Government Returns - staff are experienced and knowledgeable; timetables for submitting returns in place; key returns are monitored and reconciled.</p> <p>6. Health & Safety legislation - regular health & safety risk assessments carried out; robust Council health & safety policy; regular DSE assessments</p>				
<p>Failure to Comply with procurement regulations</p>	<p>The key issues that could make this risk a reality relate mainly to the activities of procuring officers and include:-</p> <p>1. Lack of awareness of full requirements resulting in non-compliant procurement, potentially through a lack of training and/or capability</p> <p>2. Deliberate non-compliance to seek to avoid the procedures and time required to meet policies</p>	<p>Full Council agreed a comprehensive Procurement Strategy in December 2016 which provides clear guidance and direction on how the Council will conduct its procurement activities in accordance with the relevant policies and legislation.</p> <p>Full Council also approved Procurement Standing Orders in March 2017 to set clear rules and procedures for the procurement of goods, works and services for the Council. These rules and procedures help ensure that the Council complies with its legal obligations and is fair, transparent and accountable in its dealings with contractors and suppliers. The</p>	<p>Likelihood</p>  <p>Impact</p>	<p>Likelihood</p>  <p>Impact</p>	<p>Likelihood</p>  <p>Impact</p>	

Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
	<p>and legislative requirements</p> <p>3. Deliberate non-compliance potentially through fraudulent activity (eg. collusion with certain suppliers)</p> <p>4. A failure of control and monitoring arrangements to identify and address non-compliance</p>	<p>Standing Orders are also intended to ensure that the Council obtains best value for money and takes good care of the public pound.</p> <p>The Council's central Procurement Team provide direct support to Service Departments to support and ensure effective and compliant procurement activity.</p> <p>Training on the obligations under procurement regulations and the Procurement Standing Orders has been delivered across all Service Departments.</p> <p>Measures to monitor and address non-compliance have been implemented and are being further developed.</p>				
<p>Failure to secure best value through procurement activities</p>	<p>The key issues that could make this risk a reality include:-</p> <p>1. Contract/tender specifications being insufficiently detailed or inaccurate resulting in increased payments or failure to secure procurement objectives</p> <p>2. Failure to take advantage of economies of scale through collaborative contracts or use of established procurement frameworks</p>	<p>Full Council agreed a comprehensive Procurement Strategy in December 2016 which provides clear guidance and direction on how the Council will conduct its procurement activities in accordance with the relevant policies and legislation.</p> <p>Full Council also approved Procurement Standing Orders in March 2017 to set clear rules and procedures for the procurement of goods, works and services for the Council. These rules and procedures help ensure that the Council complies with its legal obligations and is fair, transparent and accountable in its dealings with contractors and suppliers. The Standing Orders are also intended to ensure</p>				

Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
	<p>3. Overcharging by suppliers not identified and/or addressed by procuring officers</p> <p>4. Failure of procuring officers to comply with agreed procurement procedures and standing orders</p> <p>5. Lack of, or lack of effectiveness of, contract and supplier management arrangements</p>	<p>that the Council obtains best value for money and takes good care of the public pound.</p> <p>The Policy & Resources Committee agreed a comprehensive Contract & Supplier Management Strategy in June 2018 to provide clear leadership and governance arrangements for procurement and to:-</p> <ol style="list-style-type: none"> 1. Deliver realistic cashable savings, through competitive market conditions, contract management and reviews of requirements, specification and delivery models 2. Maximise efficiencies and collaboration; 3. Deliver procurement activity that aligns to Council priorities and objectives; 4. Create a focus on sustainable procurement; 5. Measure procurement performance. 				
<p>Brexit – Increase in costs and/or loss of funding as a result of the Brexit Process</p>	<p>The risks outlined above would become a reality if the consequences of the Brexit process are not effectively managed at both a national and a local level. At this stage, much depends on the terms of the UK's exit from the European Union and the revised arrangements that will be introduced. These terms and arrangements are currently subject to a</p>	<p>At this stage, while negotiations continue and there remains significant uncertainty regarding the post-Brexit arrangements, it is difficult for the Council to take specific measures to manage this risk. However, ensuring ongoing awareness of potential changes and the potential implications is crucial and the Senior Leadership Team have established a cross-service officer group, led by the Head of Economic Development, to ensure continued awareness and appropriate preparation. The remit of this group includes:-</p> <ul style="list-style-type: none"> • <i>Liaising with COSLA, SOLACE, Scottish Local Authority Economic Development</i> 	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	

Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
	detailed and challenging negotiation process.	<p><i>(SLAED) etc on Brexit developments and issues.</i></p> <ul style="list-style-type: none"> • <i>Sharing information across Economic Development, Finance, Regulatory Services, Procurement and Legal.</i> • <i>Monitoring political and legal developments regarding Brexit</i> • <i>Ensuring that the Council keeps informed of, and influences, the work of COSLA in representing the interest of Scottish local government.</i> • <i>Considering the impact of the ending of EU funding for services such as employability, social inclusion, regeneration and support for key business sectors.</i> • <i>Monitoring the impact on Council finances, including interest rates on borrowing and the value of the Pension Fund.</i> • <i>Considering the impact on the local economy, including inward investment.</i> • <i>Working with partners to develop a deeper understanding of the impact of Brexit on local businesses, universities etc.</i> • <i>Providing ongoing briefings and reports for the Council Management Team and elected members.</i> 				

Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
<p>Failure to prevent or detect acts of significant fraud or corruption</p>	<p>There is an ever-changing landscape and nature of threat around fraud and corruption. Areas of risk change, as does how the risk would become a reality. Therefore, it is difficult to be precise about what aspect the fraud and corruption could take. However, historically there are several areas which represent a risk in terms of fraud and corruption activities as follows: -</p> <ol style="list-style-type: none"> 1. Theft – cash or assets 2. Misuse of accounts (e.g. Dundee City Fraud) 3. Purchase Ledger related – for example (but not limited to) false cheque requisitions; false invoices; diverting BACS payments; changes to supplier bank details; pay and return schemes; fictitious suppliers 4. Improper use of purchase cards 5. Payroll related - for example (but not limited to) fictitious employees; 	<p>The Council’s overall financial control and monitoring arrangements help to mitigate the risk of fraud and corruption through the following: -</p> <ol style="list-style-type: none"> 1. Monthly/quarterly budget monitoring 2. Established processes and procedures, including authorisation processes, additional authorisation requirements for high value banking transactions, procedure manuals and segregation of duties, annual review of authorised signatures 3. The work of Internal/External Audit 4. Visible audit trails within processes, especially computer processes 5. Participation in National Fraud Initiative 6. Robust computer systems, including robust system and processing controls 7. Good IT security <p>Specific measures include the following:-</p> <ol style="list-style-type: none"> 1. Theft (cash or assets) - Buildings have regularly maintained intruder alarms. 2. Misuse of accounts - BTS have robust processes in place to prevent system administration users having access to lists of usernames and passwords. BTS also restrict access by systems administrators to payment systems, and any work on this is closely monitored. 3. Purchase Ledger - Check of authorised signature; invoices matched to purchase orders & Goods Receives Note; validation of 	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	

Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
	<p>falsified overtime payments; improper salary levels; false expense claims.</p> <p>6. Fraudulent insurance claims</p> <p>7. Falsified employment credentials</p> <p>8. Improper award of contracts, collusion with contractors and/or acceptance of bribes</p> <p>9. Supplier receiving favourable treatment</p> <p>10. High value banking transactions</p> <p>11. Purchase of goods or supplies at higher than market value</p>	<p>changes to bank accounts; robust processes around supplier maintenance;</p> <p>4. Improper use of purchase cards - statements and transaction logs to be signed off by an independent administrator, as well as an authorised signature.</p> <p>5. Payroll related - An annual staff check by each department; robust budget monitoring of staff costs; budget holder review of costs; All expenses claims require to be certified by an authorised signature</p> <p>6. Fraudulent insurance claims - insurance brokers have processes and checks to help counteract fraudulent insurance claims</p> <p>7. Falsified employment credentials - It is the recruiting managers responsibility to check qualifications and references are genuine</p> <p>8. Improper award of contracts, Collusion with Contractors, Acceptance of Bribes, Supplier Receiving Favourable Treatment, Purchase of Goods at Higher than Markey Value - The Council has developed robust procedures which are reflected in the Procurement Standing Orders which must be adhered to for all procurement and contract award activity. The Council also has an agreed Contract & Supplier Management Strategy which provides a framework for a consistent approach by appropriately trained officers who are managing the Council's suppliers to ensure these activities are appropriately controlled and managed.</p>				

Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
		<p>The Council has also recently established an Integrity Group of senior officers with responsibility to maintain oversight of the Council’s anti-fraud and anti-corruption policy framework and ensure compliance with it.</p>				
<p>Significant system or process failure (or other event) impacting on service delivery</p>	<p>Given the extent of reliance on computer systems, these risks often relate to computer system failure. Finance & Procurement utilises a range of computer systems and the key issues that could lead to system failure include: -</p> <ol style="list-style-type: none"> 1. Computer system breakdown – system not working 2. Technology problems – issue with a particular system not performing as it should – e.g. Integra 2 upgrade – Pecos doubling up transactions; CIS not working; poor system speed. 3. Network not working or not working properly 4. Issues with hardware – e.g. servers not working 5. Power failure 	<ol style="list-style-type: none"> 1. Finance & Procurement has developed a Business Continuity plan to be used to support the maintenance of service during, or as a result of a significant system or process failure (or other event) which impacts negatively on Finance & Procurement’s ability to deliver services. 2. Finance & Procurement liaises closely with Business and Technology Solutions to ensure that our computer systems are managed properly and have strong back-up procedures in place to allow a quick recovery if there is a failure. 3. Finance & Procurement also maintain good relations with our major IT providers – Capita; Midland HR etc and can draw on their assistance to help rectify any ICT problems. 4. Upgrades (including interfaces) are subject to a more rigorous testing environment which lessens the risk of software not performing as expected. 5. Arrangements are in place to maximise staff attendance and to seek to minimise the likelihood of widespread unavailability (eg. through flu jabs). Smarter/flexible working 				

Risk	Risk Factors	Mitigation / Contingency	Original Risk	Current Risk	Target Risk	Latest position
	<p>6. Cyber-attack causing system to be taken down or computer virus attack</p> <p>Non-computer system issues that could impact on service delivery relate mainly to staff availability such as a widespread outbreak of illness, severe weather restricting travel/attendance or a significant level of staff departures (eg. through loss of staff to another employer, group lottery win etc).</p> <p>Significant damage to accommodation (eg. through storm damage, fire etc) could also impact on service delivery arrangements</p>	<p>arrangements support staff in being able to undertake tasks away from their base location.</p> <p>6. Building security and safety arrangements are in place and are regularly tested.</p>				

Finance & Procurement Workforce Plan

To provide services that support the achievement of the Council's key priorities and objectives in a period of significantly reduced resources, the skills and competencies of Finance & Procurement staff will require to be further developed.

The Council's Workforce Strategy identifies the following four workforce themes, which provide the basis of this Workforce Plan:-

- Planning effectively for our future workforce needs.
- Improving employee engagement.
- Enabling our employees to succeed.
- Ensuring equality for all.

The key functions and services provided by Finance & Procurement are summarised at Page 3 of our Business Plan under the following 4 functional areas:-

- Finance & Accounting
- Treasury & Capital
- Procurement & Commissioning
- Transactions including Pay & Employment Services (PES) and Billing, Ordering & Payments (BOP)

These services are provided by staff with a wide variety of backgrounds, skills and experiences across professional, technical and administrative roles. Our staff also hold a range of professional qualifications covering a range of activities including accountancy, procurement, payroll and customer services and ongoing training and participation in continuing professional development (CDP) schemes is a key element of our staff development approach. Our Pay & Employment Service has also secured the accreditation of the Chartered Institute of Payroll Professionals (CiPP) under the Payroll Assurance Scheme and Payroll Quality Partnership.

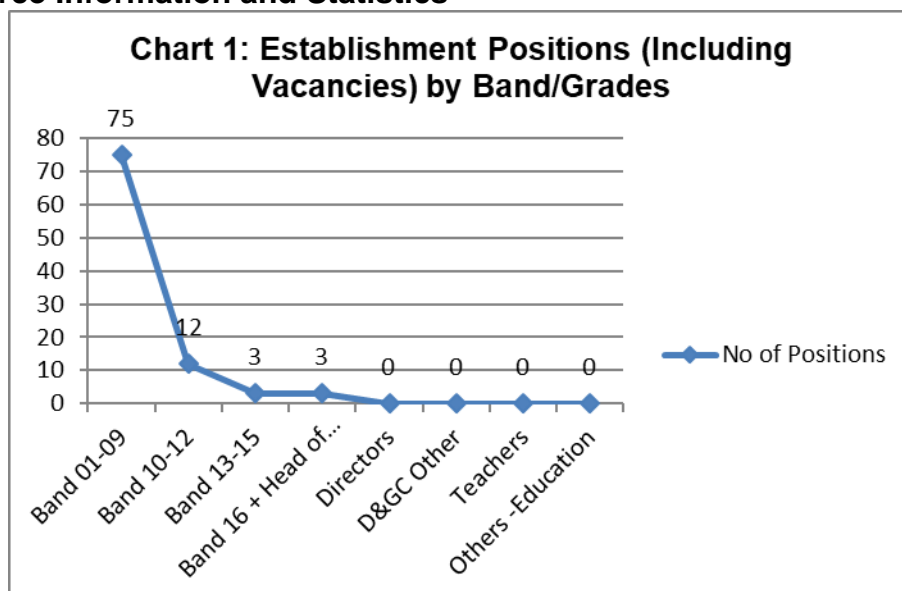
Key Workforce Challenges

- Recruitment & retention of suitably skilled, qualified and experienced staff.
- Managing the impact on our workforce of increased demands for our services at a time of reducing resources
- Ensuring our workforce deliver our services in a manner that supports the Council Plan and its Priorities and Commitments
- Supporting and maintaining a healthy, engaged and effective workforce through a time of significant change.
- Developing and enhancing key management and leadership competencies to support our teams to address the challenges and issues they face
- Ensuring effective succession planning to develop staff to undertake future roles and to ensure that skills and experience are retained within the Council.

Key Future Workforce Requirements

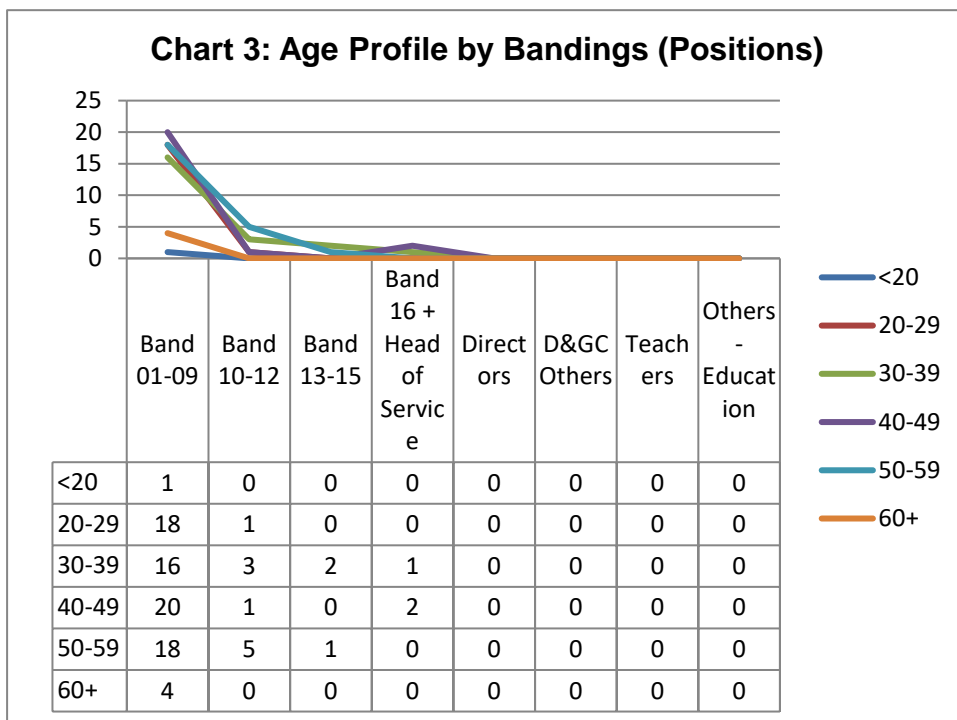
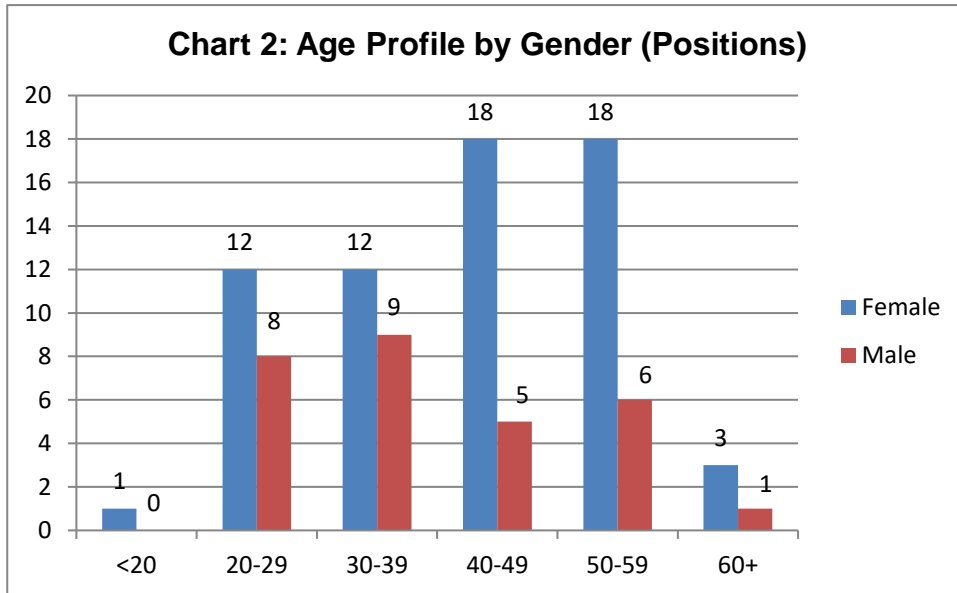
- The continuing development and upskilling of our workforce to meet increasing service needs through staff training and development
- A focus on prioritising service provision to ensure that the services we deliver are focussed on the achievement of the Council’s priorities and objectives while recognising the limited staff resources available.
- Support for continuing professional development to ensure core professional competencies are maintained and enhanced
- Further develop our approach to training officers within other departments to broaden finance and procurement capability across the Council and to help reduce the demands facing key staff
- Enhance our use of smarter working opportunities to help retain our staff, support work-life balance and meet service needs.
- Further develop our approach to Maximising Attendance, including through preventative measures, to support individual staff, wider teams and the delivery of our services
- Further develop our approach to Performance Management to ensure that poor performance is addressed while good performance is recognised and rewarded.
- Engaging with our staff through Team Planning and Team meetings so our workforce is informed of corporate and service issues and have the opportunity to discuss and contribute to the development of issues.
- Modernisation of service delivery, including greater use of digital technology, to improve our service delivery and allow staff resources to be more effectively utilised.

Workforce Information and Statistics



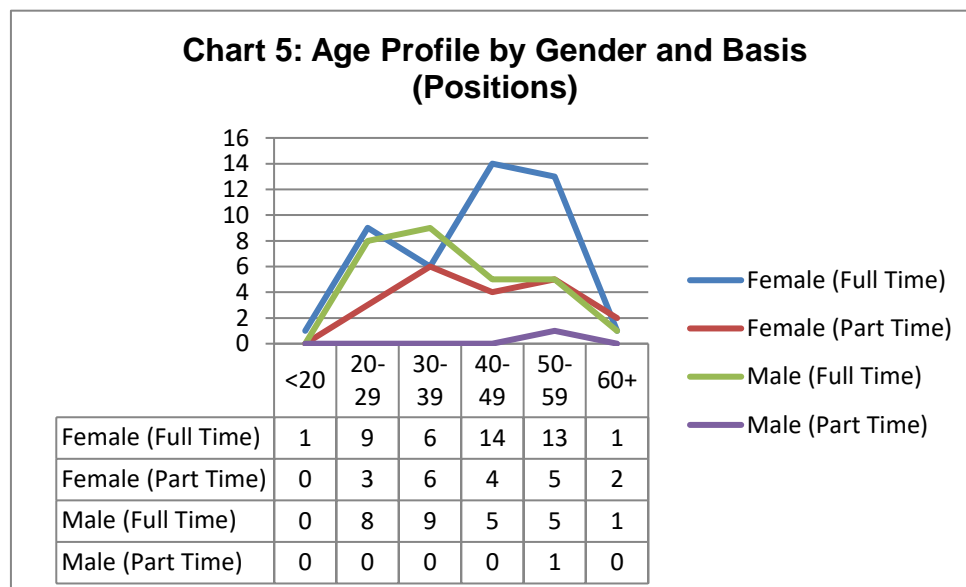
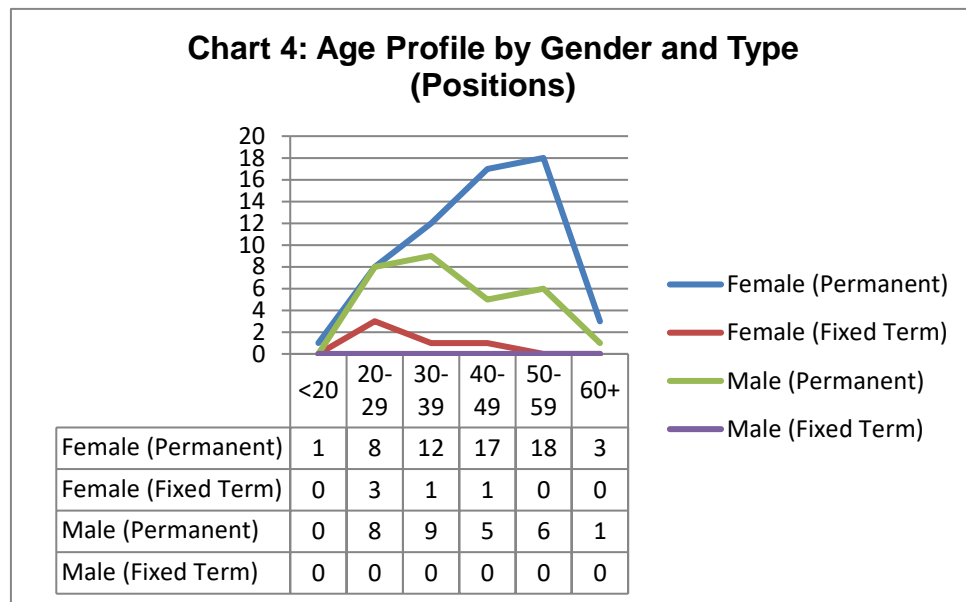
In Finance & Procurement there is a mix of full-time and part-time working arrangements covering a range of professional, technical and administrative roles. As at 1 April 2019, there are 93 staff. As part of the agreed Council structure, it is intended that responsibility for the Council’s Administration & Support Services will

also be part of Finance & Procurement following completion of the current review process.



The age profile of staff in Finance & Procurement shows a high number of staff aged 50 and older, and also high numbers from age 40 to age 50. This information highlights the need for effective succession planning arrangements including the recruitment and development of staff for the future.

Workforce planning is in place across the Council to address these challenges and apprenticeships and graduate programmes encourage younger employees to join the Council.



The gender split within Finance & Procurement is 68% female and 32% male and most staff are employed within salary bands 3-9. Our Council Plan 2017 – 2022 sets out clear objectives for ensuring that we address equality and diversity in the workplace.

Appendix 3

Finance & Procurement Economy and Resources Budget Estimates Summary Subjective Analysis		Finance & Accounting	Financial Transactions	Procurement & Commissioning	Treasury & Capital	Total
		£	£	£	£	£
Expense						
	Staff Costs	1,106,933	1,311,181	286,849	418,530	3,123,493
	Transport Costs	1,379	540	350	400	2,669
	Supplies, Services and Administration Costs	432,139	96,605	107,111	37,742	673,597
	Payments to Other Bodies	1,000	0	0	0	1,000
		1,541,451	1,408,326	394,310	456,672	3,800,759
Income						0
	Fees and Charges	(5,930)	(89,000)	0	(16,000)	(110,930)
	Internal Recharge Income	0	(8,300)	0	0	(8,300)
		(5,930)	(97,300)	0	(16,000)	(119,230)
						0
Total Finance & Procurement		1,535,521	1,311,026	394,310	440,672	3,681,529

If you would like some help understanding this document or need it in another format or language please contact:

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