Enabling and Customer Services

Finance and Procurement

Service Plan 2026 – 2027

Dumfries and Galloway COUNCIL

The purpose of the Service is to:

Provide 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 five functional areas:

- Corporate Finance and Accounting
    - Finance Strategy and Budget Development
    - Corporate Financial Monitoring
    - Statutory Accounts and Financial Returns
    - Council Financial Management and Control Framework
    - Payroll for All Council staff
    - Staff Advertising and Recruitment
    - Statutory Employment Returns, incl. HMRC
- Treasury, Capital and Pensions Fund Investment
    - Capital Strategy
    - Capital Investment Planning and Monitoring
    - Insurance Programme
    - Pension Fund Investment Mgmt.
    - Treasury Management, Investment and Borrowing
    - Departmental Business Support
    - Taxation/VAT Advice
    - Control and Reconciliation
- Procurement, Commissioning and Payments
    - Procurement Policies and Strategies
    - Procurement Advice and Support to Services
    - Regulated and Collaborative Procurement Activity
    - Contract and Supplier Management Strategy
    - Sustainable Procurement, including community benefits and relevant Community Wealth Building procurement activities
    - Commissioning
    - Ordering and Payments to Suppliers and Clients
    - Sales/Service Billing, Payment management and Debt Recovery
- Revenues and Benefits
    - Council Tax collection, administration and debt recovery including administration of Council Tax Reductions.
    - Non-Domestic Rates collection, administration and debt recovery
    - Housing Benefit payments and overpayment recovery
    - Administration of payments for Free School Meals, School Clothing Grants and Holiday Hunger Payments
    - Discretionary Housing Payments
    - Financial Inclusion/Advice (Care at Home Financial Assessments)
    - Welfare and Housing Options
    - Scottish Welfare Fund payments
    - Income Management

- Service Finance Support
  - Financial Support and Advice to Services
  - Service Financial Monitoring
  - Service elements of Council-wide activities including budget uprating/development statutory accounts and financial returns

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 and efficient 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. We ensure all Benefits and Welfare services are effectively administered and benefits take up is supported and maximized and also ensure effective and timely collection and recovery of income from Council Tax and Non-Domestic Rates.

The key strategies that the service has responsibility for delivering include:

- Financial Strategy & Supporting Budget Plan
- Capital Strategy & Supporting 10 Year Capital Investment Strategy
- Procurement Strategy & Supporting Standing Orders
- Contract & Supplier Management Strategy
- Sustainable Procurement Policy
- Financial Regulations
- Treasury Management Strategy and Prudential Indicators
- Finance & Procurement Workforce Strategy
- Pension Fund Investment Strategy
- Non Domestic Rates Empty Relief Policy

The service demonstrates the Council's Principles by:

<u>Safeguard our future</u>

Address the climate emergency seeking to ensure that a range of activities including resource allocation, procurement processes and the way we work are increasingly influenced by environmental considerations and the transition towards a carbon neutral region.

Support our citizens

Put customers at the heart of services by:

- Providing responsive and reliable services that achieve high standards of customer care;
- Supporting our most vulnerable and in need by supporting the take-up of available benefits and seeking to ensure that resource allocation decisions are increasingly focussed on achieving the Council's priorities as set out in the Council Plan;
- Offer Digital Services – continue the shift towards the increased automation and digitalisation of our services and to make dealings with the Council as straightforward and efficient as possible.

Support our communities

- Work in partnership with public, private and voluntary sector partners, at a local and national level, to support the delivery of responsive, effective and efficient public services aligned to agreed priorities and outcomes.
- Invest to enable change through identifying the resources required to support required investment and supporting the development of proposals to progress and deliver required change.

Be a responsive Council

- Maintain sustainable finances through continuing to support Members in the development of the Council's Financial Strategy and Budget Process over the short, medium and longer terms and maintain the role of the agreed Budget Principles which support Members as part of this process.
- Communicate openly including through sharing accurate and timely information both across and beyond the Council to support informed and effective decision making.
- Maintain high standards through consistently demonstrating the highest levels of integrity and through demonstrating professionalism, leadership, support and appropriate behaviours at all times.
- Be organised to deliver to meet the needs of service users, putting the customer first to support individuals and the community.
- Make the best use of resources through ensuring that the Council's frameworks for financial administration and procurement are effective, communicated, understood and adhered to.

Resource Plan

The following resources underpin the delivery of the Service Plan:

Budget:

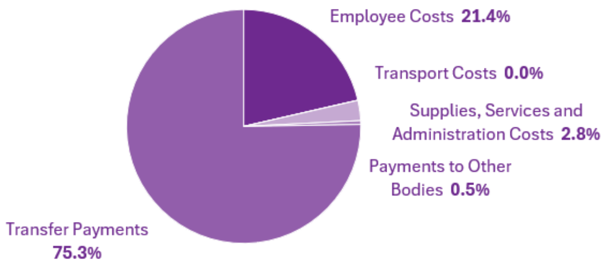
Resource Plan

The following resources underpin the delivery of the Service Plan:

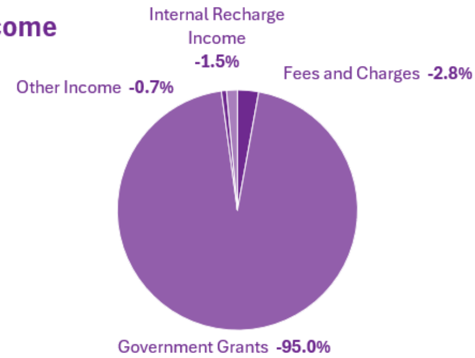
Budget:

Finance and Procurement Budget Estimates Summary Service Analysis		Budget Estimates Finance and Procurement £
Expense		
Employee Costs		9,509,927
Transport Costs		8,472
Supplies, Services and Administration Costs		1,240,109
Payments to Other Bodies		235,750
Transfer Payments		33,450,864
Expense Total		**44,445,122**
Income		
Fees and Charges	-	920,250
Government Grants	-	30,796,614
Other Income	-	222,500
Internal Recharge Income	-	470,788
Income Total	**-**	**31,939,364**
Grand Total		**12,034,970**

Expenses



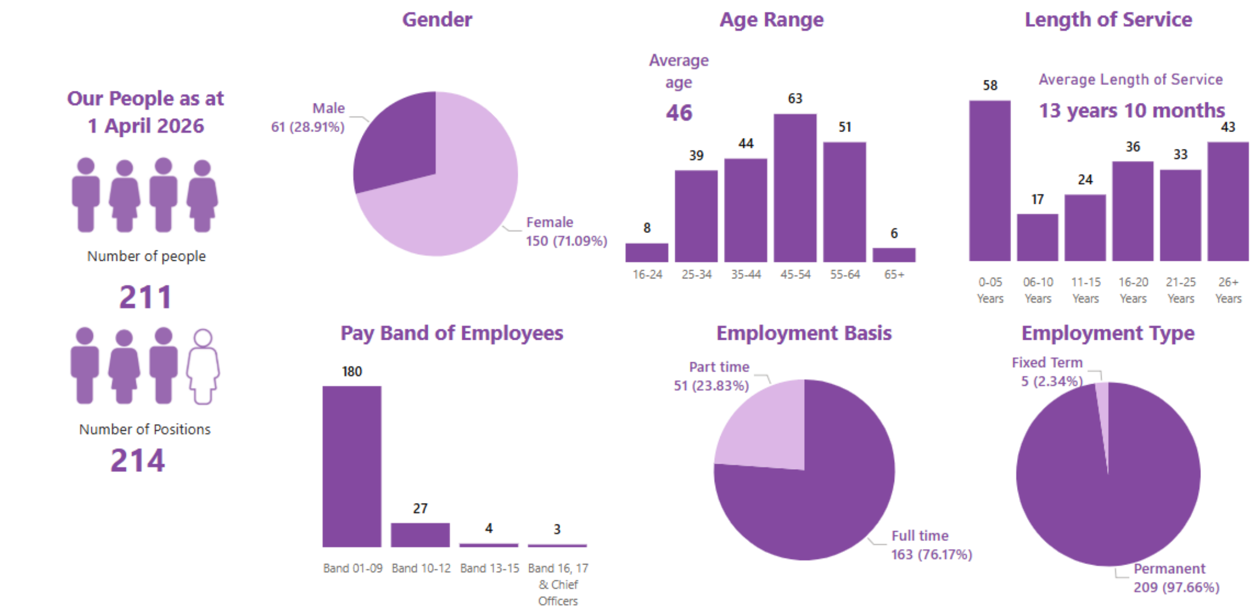
Income



Workforce:

Finance and Procurement

Our People, Our Positions



Highlights of workforce engagement and planning in 2026/27:

- The service will continue to progress staff and team development through a range of approaches including support for professional and vocational qualifications and providing opportunities for rotation and development to allow team members to gain experience in new activities.

- The Improvement Plans developed through the Public Sector Improvement Framework (PSIF) include a range of actions to further develop staff engagement, training, succession planning and development.
- Flexible/Hybrid working arrangements have continued to play a key role in developing the effectiveness of the services in recent years and the continued effectiveness of these arrangements will remain a key area of focus.
- The service continues to be committed to the effectiveness of engagement and communication across all teams, including through team meetings, regular check-ins and one to ones. This process supports the development of individuals, teams and the service as a whole. This process is aligned to the arrangements in place for the ongoing development of individual Team Plans for the following 5 teams:
    - Corporate Finance and Accounting
    - Treasury, Capital and Pensions Fund Investment
    - Procurement, Commissioning and Payments
    - Revenues and Benefits
    - Service Finance Support

The service will also continue to actively participate in Council-wide workforce engagement activities, including the People Survey and the PSIF process, and seek to take the findings into account to further develop workforce engagement and development arrangements.

Finance and Procurement Service Plan 2026/27 – all data will be recorded and reported through Pentana

Service Delivery 2026/27

What are we planning to do?	What team will do it?	Linked Strategy / Plan
NEW - Realignment of Service Budgets for 2026/27 to Support Effective Budget Monitoring	Service Finance Support	Financial/Budget Strategy
NEW - Implementation of the Corporate Procurement Strategy for 2026-28	Procurement, Commissioning & Payments	Procurement Strategy
NEW - Development and Agreement of the Council's Financial Strategy and Revenue Budget 2027/28 – 2029/30	Corporate Finance & Accounting	Financial/Budget Strategy
NEW - Development and Agreement of the Council's Capital Strategy for 2027/28 – 2029/30	Treasury, Capital & Pensions Fund Investment	Capital Investment Strategy
NEW - Development of an updated Pension Fund Investment Strategy and Responsible Investment Policy as part of 2026 triennial valuation process	Treasury, Capital & Pensions Fund Investment	Pension Fund Investment Strategy and Responsible Investment Policy

Change and Improvement Activities 2026/27

What are we planning to do and what is the intended outcome?	What team will do it?	Linked Strategy / Plan
NEW – Progression and Delivery of Improvement Plans and Activities Identified Through the PSIF Process	Finance & Procurement	People Strategy
NEW – Automation of the Community Benefits Process for Monitoring and Reporting	Procurement, Commissioning & Payments	Procurement Strategy
NEW – Further Develop and Increase the Take-Up of e-Billing for both Council Tax and Non Domestic Rates	Revenues & Benefits	Digital Strategy
NEW - Recruitment Process Review and Improvement	Pay & Employment Services	Council Plan

Finance and Procurement Success Measures 2026/27

Measures

Success Measure	Annual Target	Timescale / Frequency	Benchmark
Number of Council Contracts Awarded to a Local Supplier	70	Quarterly	Internal
Percentage of Procurement spend (over £20k) on contract	96%	Quarterly	Internal / External
Total number of regulated contracts awarded that include community benefits	50	Quarterly	Internal / External
Percentage of Regulated Contacts Awarded that include Fair Work Criteria	95%	Quarterly	Internal / External
Percentage of job applications made online	99%	Quarterly	Internal
Percentage of the number of invoice payments made by electronic means	99%	Quarterly	Internal / External
Percentage of staff receiving e-payslips PR10	95%	Quarterly	Internal
Percentage of staff receiving e-payslips – PR 30	100%	Quarterly	Internal
Delivery of agreed savings	90%	Quarterly	Internal
Percentage of Budget Holders who have undertaken relevant online training modules	95%	Quarterly	Internal
Number of qualifications (if any) on the Closure of the Final Accounts	0	Annual	Internal / External
Crisis Grant Processing Time	1 day	Monthly	External (Scottish Government processing target)
Community Care Grant Processing Time	14 days	Monthly	External (Scottish Government processing target)
Number of days to process Housing Benefit (New Claims)	14 days	Monthly	External (DWP publish days to process information nationally)
Number of days to process Housing Benefit (changes)	4 days	Monthly	External (DWP publish days to process information nationally)

Number of days to process Council Tax Reduction (new claims)	17 days	Monthly	External (Scottish Government publish days to process information)
Number of days to process Council Tax Reduction (changes)	4 days	Monthly	External (Scottish Government publish days to process information)
Value of additional benefits identified through Financial Inclusion Advice income maximisation services which will focus on pension age benefits only	£4m	Monthly	Internal
Number of successful interventions on tenancy evictions to prevent homelessness	160	Monthly	Internal
Proportion of Council Tax Accounts signed up to e-Billing	30%	Monthly	Internal
Proportion of Non Domestic Rates Accounts signed up to e-Billing	45%	Monthly	Internal

Council Wide Indicators

Success Measure	**Annual Target**	**Timescale / Frequency**	**Benchmark**
People			
The average number of days lost per all other (non-teacher) local government employees through sickness absence	9 days	Monthly	Internal / External: LGBF
Percentage of days lost per employee through sickness absence as a percentage of total possible attendances	4%	Monthly	Internal
Percentage of staff who have completed an appraisal in the last 12 months	95%	Monthly	Internal
Enquiries/Complaints			
Percentage of Elected Member enquiries dealt with through the Elected Members Enquiry Service within the agreed timescales	85%	Quarterly	Internal / External: Local Authority Complaint Handling Network

Percentage of Community Council enquiries dealt with through the Community Council Enquiry Service within the agreed timescale.	85%	Quarterly	Internal
Percentage of MP/MSP enquiries dealt with through the Enquiry Service within agreed timescale	85%	Quarterly	Internal
Percentage of Youth Councillor enquiries dealt with through the Enquiry Service within the agreed timescale	85%	Quarterly	Internal
Percentage of Stage 1 complaint responses issued within statutory timescales	80%	Monthly	Internal / External: Local Authority Complaint Handling Network
Percentage of Stage 1 complaint responses where extension was authorised	Data only	Monthly	Internal / External: Local Authority Complaint Handling Network
Percentage of Stage 2 complaint responses issued within statutory timescales	80%	Monthly	Internal / External: Local Authority Complaint Handling Network
Percentage of Stage 2 complaint responses where extension was authorised	Data only	Monthly	Internal / External: Local Authority Complaint Handling Network
Percentage of Freedom of Information and Environmental Information (Scotland) Regulations requests received that have been responded to within 20 working days of receipt	90%	Monthly	Internal/External
Percentage of requests for subject access requests completed within one month	85%	Monthly	Internal
Finance			
Revenue Budget Outturn - Projected Outturn as a % of Budget	100%	Quarterly	Internal
Health and Safety			
Number of Head of Service Safety Visits	4	Six Monthly	Internal
Total Number Significant Health and Safety Risk Priorities with Actions Overdue	0	Six Monthly	Internal
Total Number HSE/SFRS Interfaces resulting in legal enforcement action	0	Six Monthly	Internal
Number of HSE/SFRS Interfaces with actions overdue	0	Six Monthly	Internal

Number of RIDDOR reportable incidents outside of HSE legal reporting timescales	0	Six Monthly	Internal
Number of Serious Incident Investigation Reports Overdue	0	Six Monthly	Internal
Total Number of Serious Incident Reports with actions overdue	0	Six Monthly	Internal
Number of RIDDOR Reportable Dangerous Occurrences, Employee Injuries and Diseases	0	Six Monthly	Internal
Number of 3rd Party RIDDOR incidents	0	Six Monthly	Internal
Number of Reported Near Misses	Data only	Six Monthly	Internal
Number of Employee Reported Accidents	Data only	Six Monthly	Internal
Number of Reported Violent Incidents to Employees	Data only	Six Monthly	Internal

Local Government Benchmarking Framework Indicators

Success Measure	**Annual Target**	**Timescale / Frequency**	**Benchmark**
The percentage of invoices paid within 30 days	97.5%	Monthly	Internal / External – LGBF
Percentage of procurement spent on local small/medium enterprises	25%	Quarterly	Internal / External – LGBF
Total useable reserves as a percentage of council annual budgeted revenue	15%	Annual	Internal / External – LGBF
Uncommitted General Fund Balance as a percentage of council annual budgeted net revenue	2%	Annual	Internal / External – LGBF
Actual outturn as a percentage of budgeted expenditure	100%	Annual	Internal / External – LGBF
Ratio of Financing Costs to Net Revenue Stream - General Fund	6%	Annual	Internal / External – LGBF

Cost of collecting council tax per household	£10	Annual	Internal / External – LGBF
Percentage of income received from council tax for the year	96.6%	Annual	Internal / External – LGBF
Percentage of Crisis Grant Decisions within 1 day	90%	Annual	Internal / External – LGBF
Percentage of Community Care Grant Decisions within 15 days	86%	Annual	Internal / External – LGBF
The Proportion of Scottish Welfare Fund Budget Spent	100%	Annual	Internal / External – LGBF
The Proportion of Discretionary Housing Payment Funding spent	100%	Annual	Internal / External – LGBF

Finance and Procurement Risk Register

Risk	Risk Factors	Mitigation / Contingency
FP01 - Council incurs significant unanticipated expenditure and or significant financial loss	Issues/events that could result in unanticipated expenditure and/or loss may include, but might not be restricted to, the following:- - A major incident (eg. pandemic) or accident - A failure to recover debtors - A failure to recover deposits/investments (e.g. through Bank failure) - Compensation payments/ settlements as a result of a legal action or other issue - Overspending or loss incurred by a partner organisation that exposes the Council to additional costs/payments	Control and mitigation measures include:- • 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 including a Severe Weather Emergency Fund and a Social Work Support Fund. • 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. • Close working with partner organisations to ensure an understanding of financial risks and how these are being addressed. • Risk Management strategies and planning arrangements across the Council seek to minimise the potential for additional costs/losses.

FP02 - Failure to agree and deliver a genuinely balanced budget within a medium-term Financial Strategy	The key issues that could make this risk a reality would be:- • Members/officers fail to identify, develop and progress savings options that are realistically deliverable and robust to the levels required to balance the budget. • Members are unable to agree a budget reflecting a sufficient level of deliverable savings to balance the budget. • Members/officers fail to agree and develop plans for the delivery of savings and service transformation on a sustainable, multi-year basis. • Agreed budgets include savings options or targets that are not realistic or fully deliverable.	• 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 agreement of annual budgets through Full Council. • 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. • All savings options are subject to Member and Officer scrutiny before being reflected in budget proposals. • 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
FP03 - Significant budget overspending by the Council and/or an individual service department	The key issues that could make this risk a reality include:- • Significant increase in unavoidable service demand and associated costs. • Impact of unanticipated events including a major incident/accident/pandemic or a severe weather event. • Lack of effectiveness of budgetary control and monitoring arrangements within Services and/or at a corporate level. • Inability to generate budgeted levels of income from fees & charges.	• The Council has in place a comprehensive set of Financial Regulations and Codes which are regularly updated. The Financial Regulations indicate that *Chief Officers 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.* In addition, there is a specific Financial Code which sets out guidance on

	• A failure to recover debtors and/or a failure to collect all income due, including grant income. • A failure to deliver agreed savings measures.	budget monitoring procedures including the responsibilities of the Chief Financial Officer, Executive Directors and individual budget holders. • Comprehensive training arrangements are in place to support budget holders, both through formal training arrangements (including *My Learning* courses) and direct support from Finance & Procurement staff. • 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 Enabling & Customer Services 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. • 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. • The Council also operates a Budget Flexibility Scheme, through service reserves, which 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.
FP04 - Significant overspending against an agreed capital project budget	The key issues that could make this risk a reality include:- • Inaccurate specification of project requirements. • Change in project scope from that agreed by Members and reflected in the agreed budget. • Identification of unanticipated factors which add to costs (eg. site issues, condition issues for refurbishment projects etc). • Impact of unanticipated events such as severe weather or pandemics which can both extend project timescales and increase project costs. • Impact of inflationary cost increases and supply chain pressures beyond anticipated levels. • Lack of effectiveness of budgetary control and project monitoring arrangements. • Inability to secure budgeted levels of external contributions.	• To support effective development and management of capital projects, the Council has introduced a standardised approach to project development and approval across the organisation which aligns with HM Treasury Green Book business case development guidance. This has resulted in the development of a 4-stage gateway review model and the adoption of the new gateway process which will ensure business cases are revisited at appropriate milestones during project development in order to provide improved levels of assurance while also aiming to ensure projects progress at an appropriate pace. • 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 Capital Investment Programme Board, the Capital Investment Oversight Group, the Economy & Infrastructure Committee, the Enabling &

		Customer Services Committee & Full Council. • The Capital Financial Code has recently been updated (approved by Full Council in March 2025) and provides officers involved in taking forward Capital Projects with clear guidance on devolved spending limits and reporting requirements. • Risk Management strategies and planning arrangements across the Council seek to minimise the potential for additional costs/losses. Project monitoring arrangements are supported by the use of 3rd party Cost Consultants where appropriate and Finance & Procurement oversight. • In addition, the inclusion/recognition of 'optimism bias' within project budgets is increasingly used to ensure that approved project budgets are realistic and make a reasonable level of allowance for factors impacting on project costs. The Capital Financial Code also sets out requirements in relation to the financial management of the Capital Programme including budget preparation, delegated responsibilities for project managers and service committees, monitoring and reporting requirements as well as funding arrangements.
FP05 - Delivery of agreed Capital Investment Strategy (CIS) adversely impacted as a result of unanticipated increase in borrowing costs	**An increase in interest rates beyond anticipated levels** While the majority (over 95%) of existing long term borrowing is at fixed rates (ie. not exposed to current/future rate movements),	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 on treasury matters. A

	an increase in borrowing rates above anticipated levels would increase the cost of new borrowing by approximately £3.2 Million per annum by the end of the current investment strategy period for each 1% rate increase if applied to all of 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. **Difficulties in accessing/securing 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.	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% 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. In addition, the Council has appointed external Treasury Advisors, MUFG Corporate Markets, who provide regular economic and interest rate forecasts. Finance & Procurement work closely 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.
FP06 - Salaries and pensions are not paid on time or are paid incorrectly	The key issues that could make this risk a reality would be:-	Pay & Employment Services have robust procedures and controls in place to ensure that staff, pensioners etc are paid correctly

	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 Council employment resulting in these officers continuing to get paid after ceasing Council employment	and on time. These processes and controls are under constant review, maintenance and improvement. As part of these arrangements, Pay & Employment Services:- 1. liaises closely with ICT & Digital colleagues 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. These arrangements have proved particularly effective since the move to increased homeworking. 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. 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. 5. have 6 monthly establishment checks to add resilience to checking for staff being paid at wrong rates; as well as identifying any leavers that have slipped through normal leavers processes.
FP07 - Payments to Council Suppliers/Clients not paid on time or are paid incorrectly	The key issues that could make this risk a reality would be:-	Billing, Ordering & Payments Team have robust procedures and controls in place to

	1. Failure of Integra Centros 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 Mosaic creditor system affecting the processing of Social Work invoices 3. Failure of interface file from Mosaic system leading to delays in payments made 4. Failure of payments file to reach BACS 5. Loss or unavailability of key staff especially those crucial to instigating payments file runs 6. Creditor payment error – overpayment, paying twice etc 7. Wrong supplier details selected and not-corrected leading to paying creditor significant sum in error and cannot recover monies 8. Banking details are fraudulently amended leading to payments to fraudsters which cannot be recovered	ensure that suppliers, contractors and clients get paid correctly and on time. These processes and controls are under constant review, maintenance and improvement. As part of these arrangements:- 1. the Council has contracted with Capita to externally host the Integra Centros system. One of the key planks of the hosting arrangements are that Capita have robust business disaster recovery processes in place to allow a quick recovery if there is a failure. 2. Billing, Ordering & Payments have robust procedures around supplier maintenance in place, 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. The process also ensures separation of duties in that the maintenance has to be subsequently approved by another officer. 3. Billing, Ordering & Payments have expanded the number of staff who are able to initiate payment runs and BACS processing 4. The Council has contracted with Bottomline Technologies for its PTX system. This is a more modern BACS processing system hosted in the Cloud,

		and so far is proving more robust than the system previously used. 5. In addition, the Integra Centros Purchase Ledger has built in checks to identify duplicate invoice numbers to help reduce suppliers and contractors being paid twice for the same invoice.
FP08 - Failure to fully comply with statutory requirements (e.g. HMRC requirements, DWP returns, Procurement Legislation, Accounting Requirements)	The key issues that could make this risk a reality would be: - 1. HMRC payroll returns submitted incorrectly or late 2. Improper administration of VAT and/or returns submitted incorrectly or late 3. Construction Industry Scheme (CIS) Returns submitted incorrectly or late 4. Qualified Statutory Annual Accounts/Late Accounts 5. Non-compliant procurement activities and failure to comply with agreed policies and associated legislation 6. Data Protection (GDPR) compliance breach 7. Late Government Returns 8. DWP subsidy return submitted late or subject to audit qualification 9. Breaches of Health & Safety legislation	1 -3. 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. 4. Statutory Annual Accounts - staff are experienced and knowledgeable; clear guidance and timetables in place for closure and submission of Accounts. 5. Procurement Compliance - Procurement training and advice provided to key officers in the Council; procurement documentation in place (e.g. Procurement Strategy and Procurement Standing Orders). 6. 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. 7. Government Returns - staff are experienced and knowledgeable;

		timetables for submitting returns in place; key returns are monitored and reconciled. 8. DWP Subsidy Return - staff are experienced and knowledgeable; timetables for submitting returns in place; returns are monitored and reconciled on a regular basis. 9. Health & Safety legislation - regular health & safety risk assessments carried out; robust Council health & safety policy; regular DSE assessments.
FP09 - Failure to Comply with procurement regulations or Procurement standing orders	The key issues that could make this risk a reality relate mainly to the activities of procuring officers and include:- • Lack of awareness of full requirements resulting in non-compliant procurement, potentially through a lack of training and/or capability • Lack of resources to address full requirements both centrally and within services • Disruption to supply of goods, services or works due to global, national, or regional crisis (eg. trade restrictions, conflict, pandemic, constitutional change etc) resulting in revised arrangements and/or uncertainty on requirements. • Deliberate non-compliance to seek to avoid the procedures and time required to meet policies and legislative requirements. • Deliberate non-compliance potentially through fraudulent activity (eg. collusion with certain suppliers).	• The Council has in place a Procurement Strategy and Procurement Standing Orders which provide clear guidance and direction on how the Council will conduct its procurement activities in accordance with the relevant policies and legislation. • In addition, the Procurement Standing Orders 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 that the Council obtains best value for money and takes good care of the public pound. • The Procurement Strategies and Procurement Standing Orders are subject to regular review and updates and the development of a comprehensive

	• A failure of control and monitoring arrangements to identify and address non-compliance.	contract register has further regularised procurement activities. • The Council's central Procurement Team provide direct support to Service Departments to support and ensure effective and compliant procurement activity. • Training on the obligations under procurement regulations and the Procurement Standing Orders is delivered across all Service Departments. • - Measures to monitor and address non-compliance have been implemented and are being further developed.
FP10 - Failure to secure best value through procurement activities	The key issues that could make this risk a reality include:- • Contract/tender specifications being insufficiently detailed or inaccurate resulting in increased payments or failure to secure procurement objectives. • Failure to take advantage of economies of scale through collaborative contracts or use of established procurement frameworks or aggregation of spend. • Overcharging by suppliers not identified and/or addressed by procuring officers • Failure of procuring officers to comply with agreed procurement procedures and standing orders. • Lack of, or lack of effectiveness of, contract and supplier management arrangements.	The Council has an agreed Procurement Strategy which provides clear guidance and direction on how the Council will conduct its procurement activities in accordance with the relevant policies and legislation. In addition, the Procurement Standing Orders 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 that the Council obtains best value for money and takes good care of the public pound. The Council also has a comprehensive Contract & Supplier Management Strategy to provide clear leadership and governance arrangements for procurement and to:-

		- Deliver realistic cashable savings, through competitive market conditions, contract management and reviews of requirements, specification and delivery models - Maximise efficiencies and collaboration; - Deliver procurement activity that aligns to Council priorities and objectives; - Create a focus on sustainable procurement; - Measure procurement performance. Regular procurement performance reviews are reported to the Enabling & Customer Services Committee on a quarterly basis.
FP11 - Failure to deliver Critical/Essential Services - Significant loss of staff or system/ process failure (or other event) impacting on service delivery	While Finance & Procurement has generally benefitted from low staff turnover for an extended period, significant staff departures or an inability to recruit/and or retain staff with required skills would have a significant impact on service delivery. This could arise from issues such as the loss of staff to other employers or staff seeking a change in role, career or lifestyle. This is a particular risk in areas of activity where there are sustained workload pressures and/or an increased demand for key skills. A temporary loss of staff could also be caused by a range of issues such as a widespread outbreak of illness or the impact of severe weather restricting travel/attendance.	Arrangements are in place to support staff and to seek to ensure effective workload management. Regular communication with all staff and regular team meetings where issues can be addressed are a key element of the approach across all teams withing Finance & Procurement and this has been enhanced to support effective working and communication where staff are partly or predominately working from home. - Increasingly flexible working arrangements, including greater use of home working, are working effectively and will continue to be supported to reflect both individual preferences and to support a flexible and effective approach to service delivery.

	Given the extent of reliance on computer systems, computer system failure presents a significant risk to service delivery. Finance & Procurement utilises a range of computer systems and the key issues that could lead to system failure include: - . Computer system breakdown – system not working . Technology problems – issue with a particular system not performing as it should – e.g. system errors or poor system speed. . Network not working or not working properly . Issues with hardware – e.g. servers not working . Power failure . Cyber-attack causing system to be taken down or computer virus attack . Difficulties associated with working from home (eg. poor internet connections, slow system response times etc) Significant damage to accommodation (eg. through storm damage, fire etc) could also impact on service delivery arrangements.	- . Succession planning arrangements, staff development, knowledge transfers and career development are in place to support both staff retention and service continuity. - 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. - Finance & Procurement liaises closely with ICT & Digital colleagues and suppliers 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. - Finance & Procurement also maintain good relations with our major IT providers – Capita; Midland HR, Civica, NEC etc and can draw on their assistance to help rectify any ICT problems. - Upgrades (including interfaces) are subject to a more rigorous testing environment which lessens the risk of software not performing as expected. - Building security and safety arrangements are in place and are regularly tested. The flexible working arrangements reflected above have also helped to mitigate risks in relation to the availability of accommodation.

FP12 - Failure to prevent or detect acts of significant fraud or corruption	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: - 1. Theft – cash or assets 2. Misuse of accounts 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; falsified overtime payments; improper salary levels; false expense claims. 6. Fraudulent insurance claims 7. Falsified employment credentials 8. Improper award of contracts, collusion with contractors and/or acceptance of bribes 9. Supplier receiving favourable treatment 10. High value banking transactions 11. Purchase of goods or supplies at higher than market value. 12. Fraudulent grant claims 13. Benefit Fraud	The Council's overall financial control and monitoring arrangements help to mitigate the risk of fraud and corruption through the following: - 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 Specific measures include the following:- 1. Theft (cash or assets) - Buildings have regularly maintained intruder alarms. 2. Misuse of accounts – ICT & Digital Services have robust processes in place to prevent system administration users having access to lists of usernames and passwords. ICT & Digital 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 changes to bank accounts; robust processes around supplier maintenance; 4. Improper use of purchase cards - statements and transaction logs to be signed off by an independent administrator, as well as an authorised signature. 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 6. Fraudulent insurance claims - insurance brokers have processes and checks to help counteract fraudulent insurance claims 7. Falsified employment credentials - It is the recruiting managers responsibility to check qualifications and references are genuine 8 - 11. 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. The Council has also established both a Procurement Officers Group and 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. 12. Additional checks were introduced, including bank detail checks, to support the effective administration of the business grants process. 13. Agreed fraud referral process in place with the DWP in relation to benefit fraud.
FP13 – Housing Benefit and/or Scottish Welfare Fund Crisis Grant Payments are not paid on time.	The key issues that could make this risk a reality would be:- 1. Failure of the NEC/NES system – either short term affecting a particular payment run or longer term affecting a number of payment runs. 2. Failure of paypoint system for Crisis Grants 3. Failure of payment files to reach BACS 4. Loss or unavailability of key staff especially those crucial to instigate the payment runs	Revenues and Benefits have robust procedures and controls in place to ensure Housing Benefit payments and Crisis Grant payments are made on time. These processes and controls are under constant review, maintenance and improvement. As part of these arrangements, Revenues and Benefits: - 1-2. Liaise closely the software supplier to ensure all systems are managed properly and have strong back-up procedures in place to allow quick recovery if there is a failure.

		3. BACS alternative set up in the event of paypoint failure. 4. Multiple staff trained on payment routines to ensure resilience within the team.