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**Report to: Resources & Audit Committee**

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**Date of Meeting: 3 December 2015**

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**Subject: Resources & Governance Finance & Performance Q2 1 July  
2015 - 30 September 2015**

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**Report by: Head of Resources & Governance**

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## **1.0 Purpose**

- 1.1. This paper reports to Committee Resources & Governance performance for the 2nd quarter of 2015 /16.
- 1.2. The report highlights service activity, achievements and performance between 1 July 2015 and 30 September 2015. It also identifies future challenges, opportunities and risks.
- 1.3. The report includes financial performance with the aim of providing a complete overview of performance for quarter two.

## **2.0 Recommendations**

- 2.1. The Committee is asked to note the report, comment on and challenge performance as appropriate.

## **3.0 Service Activity - key issues**

### **3.1 Introduction**

- 3.1.1 Resources & Governance Services aims to ensure that financial and human resources, building assets IT systems and governance processes facilitate the delivery of the Council's corporate priorities in a legally compliant, cost effective and efficient way.

### **3.2 Service Activity**

#### **3.2.1 Cross-Service**

Procurement of a new Financial Management System was completed. Initial scoping and system design work was carried out throughout September. The system is planned to go live in April 2016 and requires significant input from Accountancy, Procurement and Information Technology.

The system will enable a number of improvements:

- Streamlined business processes to realise efficiency savings
- Greater control of budgets, forecasting and financial planning
- Automated Procure to Pay process
- Reduced need for spreadsheets
- Improved visibility of Corporate Debt and Debt Recovery
- Improved management reporting and control
- Management Self Service across mobile devices

### **3.2.2 Human Resources**

There has been a renewed focus on policy development and engagement and consultation with Trade Unions particularly in relation to the interim workforce strategy and associated policies i.e. Severance, Redeployment and Organisational Change. Process changes continue to be implemented in relation to HR/Payroll to modernise working practices and further develop the iTrent system to enable transformational change. Service redesign is ongoing with proposals being prepared relating to the HR/Payroll function structure. It is envisaged that the revised structure will allow for a full HR service delivery.

### **3.2.3 Information Technology**

A number of upgrades were made to the capacity of the network bandwidth available to Council sites, offering improvements in bandwidth to schools and offices across Sauchie, Fishcross, Tullibody and Tillicoultry. This is provided by innovative low cost radio technology. Upgraded sites have ten times more capacity than previously. Of significant note is the provision of a high speed broadband connection to Strathdevon PS and Dollar CAP for the first time. This is as a result of improvements in technology and a partnership site share agreement with a local farmer.

Business Continuity systems received an unplanned test due to power outages. The connection of a generator to Kilncraigs meant that all systems in the 1904 building stayed up, and when power in the 1936 building came back on, there was continuity of service because the Citrix servers had continued to run due to batteries and generator power.

### **3.2.4 Accountancy**

The external audit of the financial statements for the Council, Sundry Trust Funds and Valuation Joint Board were completed and approved in September. Final audited accounts have been submitted to Audit Scotland by the deadline and all sets of accounts received a clean audit report.

The Service continues to support the formation of the Social Health Care Integration's Strategic Plan. This has involved participation in a number of workstreams to scope the financial and resource requirements from each partner which will form the Integrated Joint Board.

The Service has also been supporting managers across Council Services in the budget process for 2016-17 covering both Revenue and Capital streams. This has included involvement in the development and costing of MCB business cases and modelling.

### 3.2.5 Internal Audit

Work is progressing with six final reports and one draft report being issued. A further four reviews were in progress at the end of the quarter. 58% of the annual plan is either completed or at an advanced stage. Further progress has been made on implementing and addressing recommendations from previous reports. Progress on completion of the Assurance element of the Annual Plan 2015/16, is summarised in the table below.

**Table 1 : Audit Plan Status**

<b>Status of Audits</b>		<b>%</b>
To be Commenced	8	42%
Onsite/On going	4	21%
Draft Report Issued	1	5%
Final Report Issued	6	32%
<b>Total</b>	<b>19</b>	<b>100%</b>

The Internal Audit and Fraud Team has received 36 referrals for 2015/2016 with over 23 investigations commenced. Investigations have identified over £31k of overpayments with 6 sanctions issued. Responsibility for investigating housing benefit fraud will transfer to the Department for Work and Pensions on 30 October 2015. The team are working with Council HR and DWP to ensure a smooth transition of responsibilities.

### 3.2.6 Democracy

Final drafting of the Accounts for the UKPGE were prepared ready for submission prior to 9th November. Planning has started for the Scottish Parliamentary Elections in 2016 and we are currently reviewing the postal vote service in order to improve the process and reduce the use of council resources.

The Senior Governance Officer is assisting the Head of R&G with the implementation of the Records Management Plan in line with the Public Records (Scotland) Act.

**Table 2 : FOI Received in Q2**

<b>Service</b>	<b>FOIs/EIRs received</b>	<b>Reviews</b>	<b>Appeals to Scottish Information Commissioner</b>
Development & Environment	59	0	0
Education	33	0	0
Housing & Community	41	1	0
Resources & Governance	76	2	0
Social Services	34	0	0
Strategy & Customer Services	9	0	0
<b>Totals</b>	<b>252</b>	<b>3</b>	<b>0</b>

The Democracy team deal with complaints to the Information Commissioners Office (ICO) regarding potential breaches or non-compliance with the Data

Protection Act 1998. In quarter 2 the council received 3 complaints, 2 are still in the process of consideration by the commissioner and 1 that accepted our position and that we had not breached the act.

### **3.2.7 Assets**

#### Catering

Many joint Better Eating Better Learning ( BEBL) initiatives between schools and the catering service were implemented , including bakery classes, salad preparation, BBQ days and 50th birthday celebrations. All of these joint ventures have been beneficial for joint working between the children, teachers and the catering staff.

Primary 1-3 free lunches uptake is currently sitting at 73%. All new additional staff are now in place and working well as part of their teams.

#### Property Maintenance and Cleaning

Repairs and reconfiguration to Kilncraigs Ventilation were completed. Removal of the Generator from Lime Tree House and Installation at Kilncraigs was extremely successful and the back up provided during the recent power outages ensured minimal disruption to services. Changes to cleaning services have been initiated with the appointment of an area supervisor in August this year who driving up the delivery of cleaning standards and improving management practice.

#### PPP Schools Contract Monitoring

Work is ongoing to monitor the performance of the Contract and specific work has been taken forward in quarter 2 to further negotiate the withholdings mechanism for under-performance on the contract.

#### Housing

Tillicoultry Library defects rectification period was completed in September.

#### Corporate Building and Environmental Improvements.

The refurbishment of the Town Hall Lodge and Marshall House and relocation of the Children's reporter service to the Town Hall Lodge, followed by the relocation of the Integrated Mental Health service to Marshall House has been delayed and is now programmed for completion in February 2106.

The demolition of Alva pool survey work has been completed and tenders are currently being prepared. Tenders have been prepared and issued for The Class Cuisine freezer extension for a contract completion by March 2016.

#### Education

There are 30 live projects across 3 Education programmes. The first of these is the alteration to nursery facilities to accommodate 600hrs provision. This project involved alterations to 8 nurseries with 3 being completed in August.

The second programme is the fire risk assessment works that are due to be complete by March 2016. A tender for fire alarm upgrades is to be issued by November and will upgrade all fire alarms in the schools estate that are beyond their life expectancy.

The third programme is the Schools Development Programme this involves 21 projects across the schools estate. 17 were completed over the summer period.

### 3.2.8 Health & Safety

Following an accident within Development and Environmental Services in June, an investigation was carried out. Support was also provided to the Service, including risk assessment of the machinery involved. The H&S Team provided a contact point for the Health & Safety Executive (HSE) investigation).

Kilncraigs and Patons fire drills were carried out during September. Some actions are still required in order to confirm full compliance with statutory requirements.

A programme of work on the management of risk associated with Hand Arm Vibration Syndrome commenced with Roads Contracts in September.

Planning work commenced in July for the annual flu vaccination programme.

Accident Statistics - Q2 2015-16

(PT1 = accident form, F2508 = HSE RIDDOR report form)

		Jul-15	Aug-15	Sep-15
Number of PT1s	R&G	2	1	0
	D&E	5	14	3
	Edu & Social Services	51	100	270
Total number of PT1s		58	115	273

Number of PT1s for staff	8	13	22
Number of PT1s for non-staff	50	102	251

Number of F2508s for staff	1	2	0
Number of F2508s for non-staff			
Total number of F2508s	1	2	0

### 3.2.9 Procurement

#### Purchase Cards

Following a review of purchase card activity and meetings with some services the number of cardholders was reduced to 41 from 58. Further reductions will follow once the new Finance system is operational

Like for like expenditure using the purchase card over the period April to September compared with this year for the same period shows a reduction in expenditure of £384k.

This is mainly due to services undertaking procurement exercises to put contracts in place and utilising pre existing national contracts

#### Procurement Commercial Improvement Program (PCIP)

The previous PCA assessment has been replaced by the new PCIP methodology. Work has been ongoing with relevant staff to prepare the Council for its assessment scheduled for Q4.

## **4.0 Performance**

- 4.1. Statistics on PRD completion appear disappointing but this is due to PRD completions not being recorded on iTrent. Managers will be doing this during Q3 which is helping drive up awareness of iTrent's capabilities. Improvements have been made in the completion of formal correspondence by R&G. The large number of Internal Audit actions are being worked through and revised dates for completion have been agreed. Many actions will be discharged by the introduction of the new finance system as many of IA's recommendations have been focussed on the issues that flow from many manually based processes.

## **5.0 Financial Performance**

- 5.1 The undernoted table outlines the financial position as at August 2015, comparing the projected expenditure for this period with the profiled budgeted expenditure. An analysis of variances in respect of each service area is attached in the **Appendix B** to this report.

	Budget 15-16 £000s	Outturn 15-16 £000s	Variance 15-16 £000s
Depute Chief Exec	119	120	0
Accountancy	1,398	1,314	(84)
Head of Support Services	95	94	(1)
IT	2,282	2,272	(10)
Governance	1,740	1,642	(99)
Property Costs:	5,884	5,811	(73)
Schools PPP:	7,726	7,726	0
Asset Management:	50	106	56
Property Maintenance Management:	365	391	26
Management Unit:	366	361	(5)
Catering Contract:	1,289	1,127	(161)
Janitors:	400	375	(25)
Cleaning Contracts & Public Conveniences	1,094	1,046	(49)
Leisure Services:	795	724	(71)
Pavillions:	28	21	(7)
Security/Mail Room/Chauffeur:	133	132	(0)
<b>TOTAL</b>	<b>23,765</b>	<b>23,262</b>	<b>(503)</b>

- 5.2 Underspends in Accountancy, IT and Governance are due to vacancies from employees leaving, VS, staff reducing hours and maternity leave. Continued costs of Occupational Health contract, CBT, Physio following Maximising Attendance at Work policy, and Disclosures (migrating staff to new scheme) are being accommodated. Central IT continues to be monitored to establish an accurate and sustainable budget position as the budget continues to be overspent. Savings are being actively sought particularly on telephones and mobile devices. Assets outturn is currently projecting an underspend of c£187k. The main contributors to this being payroll savings through vacant posts and overtime reductions and saving in Gas, Electricity and Water costs and continuing savings being delivered in Class Cuisine.

## **6.0 Progress in Delivering Planned Budget Savings in 2015/16**

- 6.1 Resources and Governance identified £498,500 of savings to be delivered in 2015/16. £421,000 are still projected to be delivered. The shortfall is mainly due to the Council being unable to exit leasehold properties as forecast and the savings will be carried forward into 2016/17. The full breakdown of progress is in Appendix C.

## **70 Achievements**

### **7.1 Human Resources**

iTrent has moved from Project to Live phase which has involved significant work between the iTrent Team and Midland Consultants. 2 members of HR staff have successfully been accredited for undertaking 16PF assessment (Personality Profiling). Training has been undertaken by HR Support Staff in relation to processing of payroll travel/expense claims to allow release of a temporary appointment within payroll. The iTrent team have successfully built processes to allow automation of travel/expenses claims and are currently in the process of testing prior to wider piloting. Confirmation has been issued to staff confirming that from 31/12/15 all payslips will be issued electronically.

### **7.2 Information Technology**

Significant improvements have been made to the bandwidth available in remote council offices and schools, the most significant of which is the installation of a high speed link to Strathdevon Primary School which had previously not been possible.

### **7.3 Health & Safety**

The first annual H&S report was presented to senior managers and the Resources and Audit Committee in September. This report enhances the monitoring of overall performance in the management of health & safety across the Council.

## **8.0 Opportunities, Challenges and Risks**

- 8.1 There is a significant risk that the HSE accident investigation detailed at 3.2.9 above will result in formal enforcement action.

Potential risk in relation to staff should be noted with the recent developments in Shared Services. A clearly defined road map of proposed changes needs to be developed to align service delivery and staff resource. Full consultation will need to be undertaken where potential "at risk" posts are identified.

Continued automation of processes with development of iTrent (and associated interface with new finance system) will allow a reduction in resource requirement.

Resources and Governance structure review may have possible associated risk if staff do not fully understand the rationale for the new structure, associated disruption to service during recruitment/matching in process. Associated benefits include financial savings, improved delivery, more streamlined and responsive.

## 9.0 Sustainability Implications

9.1 None

## 10.0 Resource Implications

### 10.1 Financial Details

10.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☐

10.3 Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☐

### 10.4 Staffing

## 11.0 Exempt Reports

11.1 Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☐

## 12.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box ☒)

The area has a positive image and attracts people and businesses	<input type="checkbox"/>
Our communities are more cohesive and inclusive	<input type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input type="checkbox"/>
Our communities are safer	<input type="checkbox"/>
Vulnerable people and families are supported	<input type="checkbox"/>
Substance misuse and its effects are reduced	<input type="checkbox"/>



Health is improving and health inequalities are reducing	<input type="checkbox"/>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input type="checkbox"/>

(2) **Council Policies** (Please detail)

**13.0 Equalities Impact**

13.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes ☐ No ☐

**14.0 Legality**

14.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☐

**15.0 Appendices**

15.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A - Covalent performance report

Appendix B - Financial Performance report

Appendix C - Savings Progress

**16.0 Background Papers**

16.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☐ (please list the documents below) No ☐

**Author(s)**

NAME	DESIGNATION	TEL NO / EXTENSION
Stephen Coulter	Head of Resources & Governance	01259 452022



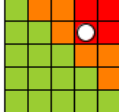









**Approved by**

NAME	DESIGNATION	SIGNATURE
Stephen Coulter	Head of Resources & Governance	Signed: N Bridle
Nikki Bridle	Depute Chief Executive	Signed: N Bridle










## Quarter 2 Progress Report

## KEY TO SYMBOLS

PIs		ACTIONS		RISKS	
Short Trend Compares this quarter's performance with last quarter		Expected Outcome		Current Rating Likelihood x Impact (1 - 5)	Status
	Performance has improved		Already complete		 Rating 16 and above
	Performance has remained the same		Meet target/complete within target dates		 Rating 10 to 15
	Performance has declined		Will complete, but outwith target		 Rating 9 and below
	No comparison available - May be new indicator or data not yet available		Fail to complete or cancelled	The likelihood of a risk occurring, and the impact if it does occur are each scored on a scale of 1 to 5, with 1 being the least likely or the least significant impact. Detailed guidance on scoring is provided in the Risk Management Policy and guidance.	

## Resources and Governance Service Performance Indicators 2015-16

Code	Description	2013/14	2014/15	2015/16	Q2 2015/16		Latest Note	Lead
		Value	Value	Target	Value	Short Trend		
RAG RAG 005	Percentage of Resources and Governance projects at Green			90.00%	97.4%		39 projects with 38 green.	Stephen Coulter; John Munro
ACC B01 RAG	Performance against phased budgeted spend - Resources and Governance	98.3%	100.0%	100.0%	97.9%		Projections for the 2015/16 outturn suggest a performance of 98.3% of budget expenditure as at 30.6.15	Stephen Coulter
GOV HAS RAG	Proportion of Resources & Governance Health and Safety Risk Assessments reviewed and up to date			100.0%	87.5%		One R&G Team Leader confirmed they are currently in the process of reviewing the large number of H&S risk assessments within their Service area.	Stephen Coulter; Evelyn Paterson; Sarah Robertson
ITS CUS 001	Percentage of customers satisfied with ICT services	98.2%	94.8%	98.0%	97.0%		Customer feedback performance contains to be maintained at a high level. Customer feedback is being followed up individually.	John Munro
ITS ITS 002	Percentage of available hours lost on ICT systems due to unplanned incidents	0.035%	0.060%	0.050%	0.002%		Availability improved during the quarter, however, an issue with our storage server (HPSAN2) caused further intermittent downtime for some service areas. The problem was diagnosed and resolved and performance has since been stable. IT Management continues to refine the metrics for availability to reflect the impact on end users of system outages.	John Munro
RAG PPL 003	Number of Resources and Governance staff recorded as having completed a PRD	88.4%	80.0%	95.0%	26.7%		The process has revealed the patchy nature of PRD completion across R&G. Front line services such as catering and cleaning have traditionally struggled to complete although the Cleaning Service have made significant progress. Some of the professional services are struggling to complete and record on ITrent due to work pressures	Stephen Coulter
RAG RAG 001	Proportion of R&G formal correspondence and enquiries responded to within timescale			100.00%	85.87%		Improvements are being seen due to management actions in the planning of formal correspondence that relates to increased management focus in this area.	Stephen Coulter; Andy Hunter

Code	Description	2013/14	2014/15	2015/16	Q2 2015/16		Latest Note	Lead
		Value	Value	Target	Value	Short Trend		
RAP AUD 001	Percentage of Internal Audit plan completed	100%	100%	100%	58%	↑	Work is progressing well on reviews from the 2015/16 plan, with five final reports issued, two drafts and a further four reviews in progress.	Iain Burns

## Resources and Governance Corporate Performance Indicators 2015-16

Code	Description	2013/14	2014/15	2015/16	Q2 2015/16		Latest Note	Lead
		Value	Value	Target	Value	Short Trend		
GOV AB1 ED1	Average FTE Days Sickness Absence (Teachers)	5.7 days	10.1 days	8.0 days	1.1 days	↑	There has been an apparent significant reduction in levels of absence amongst teaching staff in the second quarter dropping from 2.1 days to 1.1 days however as quarter 2 covers the Summer Recess there would be an anticipated reduction at this time	Chris Alliston; David Leng
GOV AB1 OTR	Average FTE Days Sickness Absence (Other Local Government)	7.9 days	12.8 days		2.5 days	↑	Absence levels have fallen from 3.2 FTE days to 2.5 FTE days during the second quarter. There would be an anticipated reduction in absence as this is traditionally the period where the majority of staff utilise their annual leave.	Chris Alliston
GOV FOI COU	Percentage of Council Freedom of Information requests dealt with within timescale	96.0%	92.9%	100.0%	88.6%	↓	The number of enquiries responded to within timescale has reduced, however we are continuing to work with services to promote the importance of responding on time.	Stephen Coulter; Andy Hunter


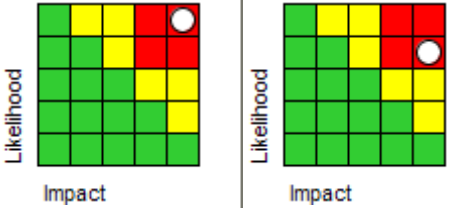
## Resources and Governance Actions 2015-16


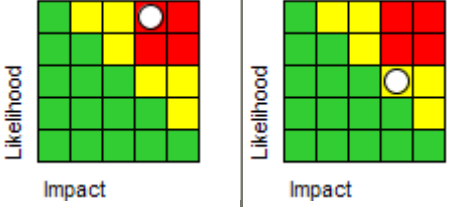
Covalent Code	ACTION	Original Due Date	Lead	Progress Bar	Expected Outcome	Latest Note
RAG 15 001	Develop a clear workforce strategy and revise supporting employment policies as appropriate.	31-Mar-2016	Stephen Coulter	<div><div>85%</div></div>	✓	Workforce Planning has been taken forward as part of MCB. The Council was presented with an interim workforce strategy and workforce planning MCB business case with accompanying documents related to severance policies at its meeting of 22nd October. The interim Strategy was agreed. Key workforce policies are currently with the Trade Unions for comment
RAG 15 002	Review of options of PPP financing model and options for maximising use of current annual investment of £7.7m	30-Sep-2015	Stephen Coulter; Eileen Turnbull	<div><div>80%</div></div>	⚠	The review of the PPP contracts has now been picked up as a MCB Business Case "Maximise use of current annual investment in PPP schools". Assets will continue to work with DCEX to support any further initiatives in regard to contract renegotiation. S&CS are looking at utilisation of the Community spaces and Assets currently waiting the Strategy for Education for school spaces
RAG 15 003	Options appraisal to review telephony and mobile devices with a view to increased cost efficiency.	31-Oct-2015	John Allan; Stephen Coulter; John Munro	<div><div>33%</div></div>	✓	Options for savings identified in mobile telephony. Processes implemented to reduce number of contracts.
RAG 15 004	Undertake full options appraisal of Resources and Governance service delivery models and structure.	31-Jan-2016	Stephen Coulter	<div><div>33%</div></div>	✓	Options presented to Exec team on future strategic direction of R&G informed by MCB work in particular business modelling. Some further work required to refine proposals for presentation to full CMT in November. Key dependencies will be the MCB programme and impacts on R&G and the development of the council's severance policies
RAG 15 005	Review options for increasing digital transactions.	31-Mar-2016	Stephen Coulter; John Munro	<div><div>20%</div></div>		Series of MCB change proposals being progressed including review of print, review of telephony. Digital Strategy in development.
RAG 15 007	Options to be developed through consultation with Trade Unions to review and redefine the working week.	31-Dec-2015	Stephen Coulter	<div><div>66%</div></div>	✓	Proposal has been developed for initial consultation with TUs who have indicated opposition to current plans to scale back unsocial hours payments. A paper has been prepared for CMT discussion in regard to the key issues which will affect staff in the Services affected and options for moving forward
RAG 15 008	Develop a records management plan and implement a records management policy.	31-Mar-2016	Stephen Coulter	<div><div>80%</div></div>	✓	A draft RMP will be presented to December R&A for approval


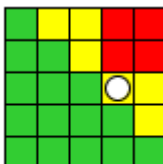
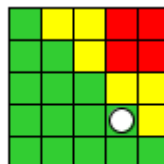
Covalent Code	ACTION	Original Due Date	Lead	Progress Bar	Expected Outcome	Latest Note
RAG 15 009	Identify and procure a new finance system and re-engineer finance business processes to support its introduction in 2016-17.	31-Mar-2016	Stephen Coulter	<div><div>50%</div></div>	✓	Project has completed the solution design phase and will move to build phased during November. Resources from ICT, accountancy and procurement are being heavily used and backfilled as appropriate. Significant support has been provided to the project by other services. The project is currently on track to deliver by 31st March 2016 but progress to a successful on-time implementation will need continued support from across the Council
RAG 15 010	Development of business cases in respect of community meal service and additional meal income.	30-Sep-2015	Stephen Coulter; Eileen Turnbull	<div><div>100%</div></div>	✓	The business case has been submitted to the Administration as part of MCB. Feedback is awaited for moving forward
RAG 15 011	Improve procurement practice by identifying further development for Procurement Matters Group particularly the identification and delivery of savings and increasing use of framework agreements.	31-Dec-2015	Derek Barr; Stephen Coulter	<div><div>70%</div></div>	✓	No legal challenges to report We continue to deliver awareness and training sessions throughout the year to further embed a council-wide approach to governance and procurement based on the procurement journey Still awaiting Statutory Guidance from Scottish Government before we can proceed with the revision of CSO's THIS WILL BE AN ON GOING REQUIREMENT
RAG 15 012	Re-institute a project management structure for the delivery of iTrent to exploit opportunities for automation of HR processes.	30-Jun-2015	Chris Alliston; Stephen Coulter	<div><div>50%</div></div>	⚠	Review of resources ongoing. Phase 1 has been completed and Phase 3 relating to automation of travel and expenses and development of L&D and H&S modules is ongoing.


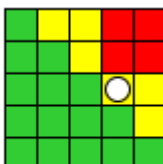
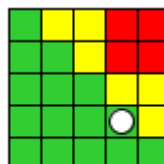



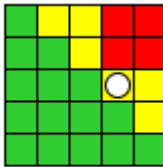
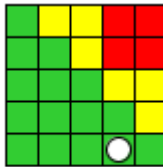
## Resources & Governance Risk Register 2015-16


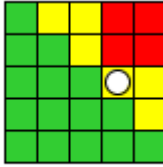
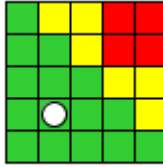
ID & Title	RAG CRR 008 Insufficient Financial Resilience		Approach	Treat	Status		Managed By	Stephen Coulter	Current Rating	25	Target Rating	20
Description	The Council does not have sufficient funds to meet its liabilities and cannot meet essential service demands or customer expectations, or respond to external agendas.											
Potential Effect	Reputational damage, legal implications and severe and extended loss of service provision. Possibility of Alliance partners also being affected contributes to the potential impact, given the interdependencies.											
Related Actions	COU EXA 301	Making Clackmannanshire Better – detailed benefits realisation planning			Internal Controls	Budget Challenge & Financial Monitoring						
	CRR RAG 005	Review of Financial Regulations & Contract Standing Orders				Invest to Save Principles & Processes						
	CRR RAG 006	Ongoing work between Accountancy team and all services to identify savings proposals				Making Clackmannanshire Better Programme						
	RAG 15 006	Prepare surplus asset statement and recommendations for disposal as appropriate										
RAG 15 009	Identify and procure a new finance system and re-engineer finance business processes to support its introduction in 2016-17.											
Latest Note	As reported to Council on 24-Feb-15, the funding gap for the period to 2018/19 is forecast as £23.4m (£11.6m in 2016/17). Budget Strategy, Budget Challenge process and MCB programme have been refocused and redesigned. Financial Regulations, Contract Standing Orders and savings proposals continue to be revised and developed.											


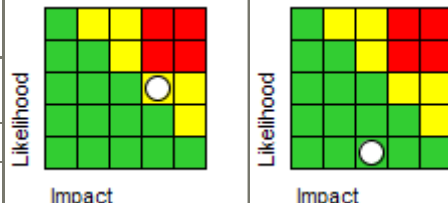
ID & Title	RAG CRR 009 Poor Information & Knowledge Management		Approach	Treat	Status		Managed By	Stephen Coulter	Current Rating	20	Target Rating	12
Description	Organisational information and knowledge are not effectively managed due to poor information sharing, records and absence management and succession planning, increased dependence on IT systems and unrecorded knowledge held by staff members.											
Potential Effect	Increased difficulty and time to access information and loss of tacit information and knowledge when staff leave or are absent, resulting in duplication or non-completion of (possibly statutory) duties. Loss of productivity when systems do not operate effectively, causing frustration and impact on staff morale.											
Related Actions	RAG 15 008	Develop a records management plan and implement a records management policy.			Internal Controls	People Strategy						
	RAG 15 009	Identify and procure a new finance system and re-engineer finance business processes to support its introduction in 2016-17.				Information & Communication Technology Strategy						
	RAG RAG 005	Deliver actions and projects required to support the outcomes of the Making Clackmannanshire Better Programme. Particular focus on Workstream 5, making the Organisation Stronger.				Information Management Strategy						
Latest Note	Work ongoing in the areas of Freedom of Information and Data Protection, including targetted follow-up on internal audit of Information Governance, and Business Continuity Plans being revised in light of move to Kilncraigs. Likelihood of risk occurring has increased due to the contraction of the workforce and the associated loss of, sometimes extensive, service and organisational knowledge.											


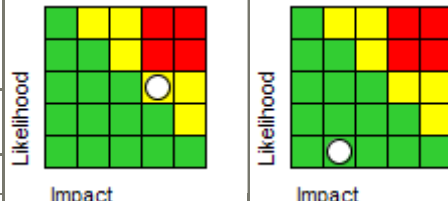
ID & Title	RAG CRR 012 Health & Safety Non-compliance	Approach	Treat	Status		Managed By	Stephen Coulter; Sarah Robertson	Current Rating	12	Target Rating	8
Description	A Health & Safety incident results in the injury to or death of a staff member or customer due to lack of awareness of or non-compliance with policies and procedures. Such incidents may also arise from the actions of third parties, whose activities may be outwith the direct control of the Council.							<div>Likelihood</div>  <div>Impact</div>	<div>Likelihood</div>  <div>Impact</div>		
Potential Effect	The effects on individuals and their families, financial penalties (including HSE intervention fees), criminal proceedings, adverse publicity, increased insurance or damage to Council assets.										
Related Actions	CRR RAG 004 Health & Safety Internal Audit Action Plan			Internal Controls	Health & Safety Management System						
					Maximising Attendance & Employee Wellbeing Policy						
					Potentially Violent Persons Register						
Latest Note	This risk had previously been removed from the corporate log but some areas for improvement have been identified through an Internal Audit, conducted in advance of launching a new Health & Safety Management System. Actions have been identified in response to the audit findings, many of which relate to services not adhering to corporate H&S policies and procedures. These actions will be progressed and the Management System re-launched.										


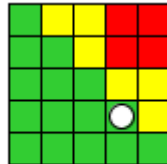
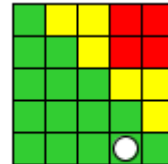
ID & Title	RAG CRR 033 Major Governance Failure	Approach	Treat	Status		Managed By	Stephen Coulter	Current Rating	12	Target Rating	8
Description	A significant failure of compliance with statutory duties due to a lack of awareness or understanding of corporate policies or codes of conduct, or through non-adherence, including through management or elected member override of controls of procedures.							<div>Likelihood</div>  <div>Impact</div>	<div>Likelihood</div>  <div>Impact</div>		
Potential Effect	Significant reputational damage, injury or loss of life, legal action, financial loss or disruption to service delivery.										
Related Actions				Internal Controls	Scheme of Delegation						
					Resources & Audit Committee						
					Governance & Audit Processes						
Latest Note											

ID & Title	RAG RAG 001	R&G has weak impact on Corporate Governance	Approach	Treat	Status		Managed By	Stephen Coulter; John Munro	Current Rating	12	Target Rating	4
Description	Lack of corporate compliance with policies, procedures and processes designed by R&G specialists which enable efficient business processes and good governance								<div>Likelihood</div>  <div>Impact</div>	<div>Likelihood</div>  <div>Impact</div>		
Potential Effect	Council suffers reputational or financial loss and/or is unable to maximise best value or realise project benefits. Service has to change approach or objective to ensure corporate or legislative compliance. Dissatisfied customer.											
Related Actions	RAG 15 004	Undertake full options appraisal of Resources and Governance service delivery models and structure.			Internal Controls	Governance Panel						
						Governance Improvement Plans						
						Governance & Audit Processes						
Latest Note	Discussion on AGS Future has taken place between governance managers and Head of R&G. WE have agreed a revised policy is required and a risk based approach to AGS developed. Given other work pressures it may not be possible to completely overhaul the system for 16-17. Increased use of technology in particular embedding iTrent and implementing TechOne for Finance should help manage may compliance issues currently being experienced across the council											

ID & Title	RAG RAG 008	Insufficient resources to support business plan and Council Projects	Approach	Treat	Status		Managed By	Stephen Coulter	Current Rating	12	Target Rating	4
Description	Internal R&G and other Corporate projects and activities requiring input from one or more R&G teams								<div>Likelihood</div>  <div>Impact</div>	<div>Likelihood</div>  <div>Impact</div>		
Potential Effect	Resource is diverted to projects resulting in fall in quality or delays in "business as usual" Projects fail											
Related Actions	RAG 15 004	Undertake full options appraisal of Resources and Governance service delivery models and structure.			Internal Controls	Business Planning Process						
Latest Note												



ID & Title	RAG RAG 006 Staff resilience	Approach	Treat	Status		Managed By	Chris Alliston; Stephen Coulter; John Munro; Lindsay Sim; Eileen Turnbull	Current Rating	12	Target Rating	3
Description	Changing job roles and uncertainty of Council's long term direction creates anxiety in staff										
Potential Effect	Stress on staff members leading to absenteeism Loss of engagement of team members and reduced effort Poor quality outcomes for the Council because of weaker central support services										
Related Actions	RAG 15 001	Develop a clear workforce strategy and revise supporting employment policies as appropriate.			Internal Controls	Staff Survey					
	RAG 15 007	Options to be developed through consultation with Trade Unions to review and redefine the working week.				Leadership Development Programme					
						Budget Strategy					
						Health & Safety Management System					
						Maximising Attendance & Employee Wellbeing Policy					
					Making Clackmannanshire Better Programme						
Latest Note	R&G restructure has been started which will communicate future vision. R&G staff will be as unsettled as other staff in council by financial challenges and future speculation about job roles										

ID & Title	RAG RAG 009 R&G Service Reviews	Approach	Treat	Status		Managed By	Stephen Coulter	Current Rating	12	Target Rating	2
Description	R&G service reviews don't deliver savings or improved quality of service										
Potential Effect	R&G does not adapt to budget pressures Opportunities to capitalise on new technology are lost Job roles remain administrative/support rather than strategic and consultative										
Related Actions	RAG 15 004	Undertake full options appraisal of Resources and Governance service delivery models and structure.			Internal Controls						
	RAG 15 005	Review options for increasing digital transactions.									
	RAG 15 009	Identify and procure a new finance system and re-engineer finance business processes to support its introduction in 2016-17.									
Latest Note											


ID & Title	RAG RAG 005 Failure of IT systems		Approach	Treat	Status		Managed By	Stephen Coulter; John Munro		Current Rating	8	Target Rating	4
Description	A significant failure of secure ICT systems that has a major detrimental impact on council operations										<div><div>Likelihood</div><div>Impact</div></div> <div><div>Likelihood</div><div>Impact</div></div>		
Potential Effect	Council cannot transact vital business. Financial transactions disrupted leading to a loss of council revenue or financial hardship to individuals Loss of confidence in the council Destruction of knowledge assets or costs to recover												
Related Actions	RAG 15 005 Review options for increasing digital transactions.				Internal Controls	Information & Communication Technology Strategy							
	RAG 15 009 Identify and procure a new finance system and re-engineer finance business processes to support its introduction in 2016-17.					Business Continuity Plans							
	RAG ITS 15 007 Business Continuity					Operational Business Plan							
Latest Note	Installation of generator for Kilncraigs provides improved resilience in event of power outage. System tested successfully due to Scottish Power supply issues in September 2015. ICT systems continued to function despite wider power outage in County.												




## Internal Audit & Fraud Actions: Resources & Governance





### Absence Management Audit

Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF AMA 001	<p><u>Audit Finding:</u> Maximising Attendance and Wellbeing Policy has not been reviewed since being issued.</p> <p><u>Action:</u> HR are in the process of reviewing all their existing policies and a review of this policy will be undertaken.</p>	31-Dec-2015	31-Dec-2015	<div><div>80%</div></div>		Maximising Attendance has been redrafted, is out for comment and review within HR with wider consultation with unions to take place thereafter.	Chris Alliston
IAF AMA 006	<p><u>Audit Finding:</u> There is no single corporate system for recording flexi time.</p> <p><u>Action:</u> HR are currently reviewing the flexi policy with the unions as part of ongoing policy development. An option to use the Housing system as a Corporate system.</p>	31-Mar-2015	31-Mar-2016	<div><div>80%</div></div>		CMT have put flexible working policy on hold at present. From CMTI minute "Group agreed this policy will be deferred pending outcomes of MCB and budget are known"	Chris Alliston; Stephen Coulter

### Budget Management & Monitoring



Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF BMM 001	<p><u>Audit Finding:</u> There are no operational procedures and set standards defining the role and requirements of the Budget Holder and the Service Accountants in relation to budget management and monitoring.</p> <p><u>Action:</u> Procedures will be documented for budget holders and will be followed up with training as required. This will be carried forward as part of updating of financial regulations.</p>	31-Mar-2015	31-Mar-2016	<div><div>80%</div></div>		This will be completed as part of the financial regulations review. With the procurement of a new financial system, finance regulations re-drafting will be taken forward as part of that project so that the opportunities for new ways of working presented by the system are reflected in the Finance Regs. The action will be completed by 31st-Mar-2016.	Ashley MacGregor

Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF BMM 004a	<p><u>Audit Finding:</u> Payroll costs have not been regularly processed through the financial ledger since April 2013. This has resulted in inaccurate employee budgets that are not being actively monitored.</p> <p><u>Action:</u> Payroll costs account for a significant proportion of Council budgets so this non managing of employee costs could represent a significant financial risk to the Council. IT supplier is working on fix to i-Trent that will automatically upload payroll files to ledger.</p>	31-Mar-2015	31-Dec-2015	<div> <div></div> 80% </div>		Action is expected to be complete by 31st Dec 2015	Chris Alliston
IAF BMM 005	<p><u>Audit Finding:</u> Budget Holders requirements in relation to the frequency and detail of budget information are not always being met.</p> <p><u>Action:</u> Accountancy will approach services individually to ascertain information requirements and to consider what can be done to provide these.</p>	31-Mar-2015	30-Sep-2015	<div> <div></div> 80% </div>		Accountancy are working with the services to ensure all deadlines are identified and a workplan will be agreed detailing service requirements. Turnover in Accountancy staff has pushed back the timescale. The new Finance System will change manager's access to budget information in any case so agreed protocols under this action will be an interim measure. Action will due to complete by 30-Sep-2015	Ashley MacGregor
IAF BMM 006	<p><u>Audit Finding:</u> There is no formal work plan of agreed actions as a result of the budget monitoring meetings.</p> <p><u>Action:</u> Rolling action logs will be set up and used at monthly meetings.</p>	31-Mar-2015	30-Sep-2015	<div> <div></div> 50% </div>		Action log to be agreed, and implemented across all services. . Turnover in Accountancy staff has pushed back the timescale Action to be complete by 30-Sep-2015	Ashley MacGregor

Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF BMM 007	<p><u>Audit Finding:</u> Training Needs Assessments of Budget Holders have not been carried out and Budget Holders have not received budget management and monitoring training specific to their role. A number of budget holders were unclear / unaware of the process for budget virements as included in the Financial Regulations.</p> <p><u>Action:</u> Training programme to be developed and rolled out to budget holders. This will be carried forward as part of updating of financial regulations.</p>	31-Mar-2015	31-Mar-2016	<div><div>80%</div></div>		This will be covered as part of the Financial regulations requirements. Currently Accountants will provide information to managers are requested or through monitoring meeting. The action will be completed by 31-Mar-2016.	Ashley MacGregor
IAF BMM 008b	<p><u>Audit Finding:</u> Social Services and Housing service budgets do not align with current service structures resulting in difficulty in delegating budget management responsibility and monitoring specific service provision within budgets.</p> <p><u>Action:</u> Once council structure is finalised then other services will be aligned as appropriate.</p>	31-Mar-2015	30-Sep-2015	<div><div>80%</div></div>		Services are now being reported in the revised structure. Work to complete the restructure in the financial ledger system is due to be completed in the next few weeks. Action to be complete by 30-Sep-2015	Ashley MacGregor
IAF BMM 008c	<p><u>Audit Finding:</u> Social Services and Housing service budgets do not align with current service structures resulting in difficulty in delegating budget management responsibility and monitoring specific service provision within budgets.</p> <p><u>Action:</u> Information can be provided at cost centre level currently.</p>	31-Mar-2015	30-Sep-2015	<div><div>80%</div></div>		Services are now being reported in the revised structure. Work to complete the restructure in the financial ledger system is due to be completed in the next few weeks. Action to be complete by 30-Sep-2015	Ashley MacGregor
IAF BMM 009	<p><u>Audit Finding:</u> Budget holders consulted could not reconcile central support charges with level of service being provided and were unclear how the central support recharge is calculated.</p> <p><u>Action:</u> Charge basis are currently under review. Awareness sessions will be run to explain process.</p>	31-Mar-2015	30-Nov-2015	<div><div>80%</div></div>		Model has been revised. Training for managers to be completed. Action to be complete by 30-Nov-2015	Ashley MacGregor







### Funding Applications inc. European Funds

Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF FAE 001	<p><u>Audit Finding:</u> Finance have canvassed services to identify where grant funding is being received.</p> <p><u>Action:</u> To continue to collate and to use information to assist in review of arrangements.</p>	31-Mar-2015	31-Mar-2016	<div> <div></div> 80% </div>		Depending on the outcome of the business case it is expected that the action to be complete by 31-Mar-2016	Lindsay Sim
IAF FAE 002	<p><u>Audit Finding:</u> No forum or network that allows staff from across the Council who manage external funding to liaise on best practice, discuss funding opportunities and identify potential risks.</p> <p><u>Action:</u> The corporate Accountancy Team leader will lead a review of the current arrangements within the council to identify individual (s) who will take responsibility for identifying and coordinating funding opportunities across all services.</p>	31-Mar-2015	31-Mar-2016	<div> <div></div> 80% </div>		Depending on the outcome of the business case it is expected that the action to be complete by 31-Mar-2016	Lindsay Sim


### General Ledger



Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
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Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF GLA 001	<p><u>Audit Finding:</u> Manual journal forms are completed by an officer and then approved by a line manager prior to processing. The value of the approval prior to processing of the manual journal should be considered given that the line manager is also responsible for monitoring the relevant accounts.</p> <p><u>Action:</u> This will be addressed through requirements of new financial system with agreement from internal and external audit.</p>	31-Dec-2016	31-Dec-2016	<div><div>60%</div></div>		In progress: the new system allows for electronic completion and approval of journals and virements.	Lindsay Sim
IAF GLA 002a	<p><u>Audit Finding:</u> Weaknesses were identified in relation to user access controls and audit logs:</p> <ul style="list-style-type: none"> <li>• Leavers are not being routinely deactivated,</li> <li>• No regular review of system users to ensure that access permissions are appropriate and leavers have been deactivated,</li> <li>• No time limit set on user inactivity prior to deactivation (51% of users have not logged on since May 2014),</li> <li>• No password rules set up on the system,</li> <li>• Audit logs are not being used to monitor system usage.</li> </ul> <p><u>Action:</u> These are issues that will be taken into consideration when procuring and configuring new financial system.</p>	31-Dec-2016	31-Dec-2016	<div><div>60%</div></div>		In progress: security features were included in the requirements of the new system and will be fully explored through implementation and set up.	Lindsay Sim




Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF GLA 002b	<p><u>Audit Finding:</u> Weaknesses were identified in relation to user access controls and audit logs:</p> <ul style="list-style-type: none"> <li>• Leavers are not being routinely deactivated,</li> <li>• No regular review of system users to ensure that access permissions are appropriate and leavers have been deactivated,</li> <li>• No time limit set on user inactivity prior to deactivation (51% of users have not logged on since May 2014),</li> <li>• No password rules set up on the system,</li> <li>• Audit logs are not being used to monitor system usage.</li> </ul> <p><u>Action:</u> In relation to existing ledger systems a review will be undertaken on user access controls to strengthen arrangements</p>	30-Sep-2015	30-Sep-2015	<div><div>100%</div></div>		A review of users that have been inactive for a significant length of time has been carried out and these users access has been deactivated.	
IAF GLA 003	<p><u>Audit Finding:</u> Contract monitoring arrangements of the current financial system are not being appropriately evidenced.</p> <p><u>Action:</u> More formalised contract monitoring arrangements will be put in place for the remainder of the contract period.</p>	30-Sep-2015	30-Sep-2015	<div><div>100%</div></div>		Performance in terms of response time to queries is being monitored along with any charges received.	Lindsay Sim





#### Health and Safety


Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF HSA 009	<p><u>Audit Finding:</u> A small but significant number of questionnaires were not returned or did not have full information included.</p> <p><u>Action:</u> H&amp;S team will undertake visits in these areas over the coming year to ensure that arrangements meet expected standards.</p>	30-Sep-2015	30-Sep-2015	<div><div>100%</div></div>		Follow up visits have been completed	Sarah Robertson

Income Collection and Cash Receipting							
Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF ICC 002	<p><u>Audit Finding:</u> Responsibility for co-ordinating service reviews of income will be incorporated into the Accounting Team role of overseeing corporate funding.</p> <p><u>Action:</u> This responsibility should be formally documented to provide clarity around roles and responsibilities.</p>	31-May-2015	31-Mar-2016	<div><div>70%</div></div>		This has been included as an MCB proposal and a Business Case is currently being drafted detailing the proposals to take this forward. Depending on the outcome of the business case it is expected that the action to be complete by 31-Mar-2016	Ashley MacGregor
IAF ICC 007	<p><u>Audit Finding:</u> The following procedural Guidance to be reviewed and updated to ensure that it adequately reflects current roles and responsibilities and is aligned to relevant Corporate Policies: - Section 11, of the Council's 2008 Financial Regulations; - Rent arrears procedures; - Former tenant rent arrears procedures; - Recovery of Housing Benefit overpayments; - Rental Income procedural guidance.</p> <p><u>Action:</u></p>	31-May-2015	31-Oct-2015	<div><div>80%</div></div>		action to be completed by 31 October 2015	Lindsay Sim


## Information Governance

Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF IGA 001	<p><u>Audit Finding:</u> Clacks Council does not meet the requirements of the Public Records (Scotland) Act 2011.</p> <p><u>Action:</u> An updated Records Management Project specification to develop appropriate actions to address required issues to enable compliance will be prepared. Project management resources will be identified and arrangements will be put in place to progress initiative.</p>	30-Sep-2015	31-Dec-2015	<div><div></div>93%</div>		A working group has been established led by Head of R&G. Project is on tract to submit a Records management Plan to R&A in December. Action to be complete by 31st-Dec-2015	Stephen Coulter
IAF IGA 002	<p><u>Audit Finding:</u> Not all Council Services have designated officers with responsibility for : - Data Protection, - FOI, - Records Management, - Document Retention.</p> <p><u>Action:</u> These roles within Council Services will be reviewed with appropriate action taken to address gaps where identified. Resources within services will be evaluated as part of the project scope detailed in 6.1 above to progress the work required and to identify where designated posts could be created.</p>	31-Dec-2015	31-Dec-2015	<div><div></div>80%</div>		A working group has been established led by Head of R&G. Project is on tract to submit a Records management Plan to R&A in December. Action to be complete by 31st-Dec-2015. A MCB tranche 1 business case has been prepared to address the longer term issues of implementation that will arise from the completed RMP.	Stephen Coulter
IAF IGA 003	<p><u>Audit Finding:</u> There are still a significant number of physical files being stored in various Council buildings including Lime Tree House and Alloa Town Hall.</p> <p><u>Action:</u> Services will be reminded that the official record should now be held on electronic medium. Consideration is being given to identifying an appropriate archive store.</p>	30-Sep-2015	31-Dec-2015	<div><div></div>80%</div>		A working group has been established led by Head of R&G. Project is on tract to submit a Records management Plan. A MCB tranche 1 business case has been prepared to address the longer term issues of implementation that will arise from the completed RMP.	Stephen Coulter


Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF IGA 004	<p><u>Audit Finding:</u> No log or register is maintained of documents / files that are deposited or removed from storage areas.</p> <p><u>Action:</u> Logging and access arrangements will be considered as part of the Records Management Project.</p>	31-Dec-2015	31-Dec-2015	<div><div>80%</div></div>		A working group has been established led by Head of R&G. Project is on tract to submit a Records management Plan. A MCB tranche 1 business case has been prepared to address the longer term issues of implementation that will arise from the completed RMP.	Stephen Coulter
IAF IGA 005	<p><u>Audit Finding:</u> Some Services have developed their own processes and guidance for the management of documents and records within their own service.</p> <p><u>Action:</u> Locally developed processes and practices will be reviewed as part of the Records Management Project, to assess where they could be developed and shared across the Council.</p>	31-Dec-2015	31-Dec-2015	<div><div>80%</div></div>		A working group has been established led by Head of R&G. Project is on tract to submit a Records management Plan. A MCB tranche 1 business case has been prepared to address the longer term issues of implementation that will arise from the completed RMP.	Stephen Coulter
IAF IGA 007	<p><u>Audit Finding:</u> Only a small number of Council Services have data sharing protocols with 3rd party (non-public sector) partnership organisations.</p> <p><u>Action:</u> The Policy Development Phase of the Records Management Project will include a review of data sharing arrangements and requirements.</p>	31-Mar-2016	31-Mar-2016	<div><div>80%</div></div>		A working group has been established led by Head of R&G. Project is on tract to submit a Records management Plan. A MCB tranche 1 business case has been prepared to address the longer term issues of implementation that will arise from the completed RMP.	Stephen Coulter
IAF IGA 008	<p><u>Audit Finding:</u> Where the Council has external data sharing protocols in place, these are not subject to periodic review.</p> <p><u>Action:</u> The Policy Development Phase of the Records Management Project will include a review of data sharing arrangements and requirements. Council Management Team (CMT) to be responsible for compliance.</p>	31-Mar-2016	31-Mar-2016	<div><div>80%</div></div>		A working group has been established led by Head of R&G. Project is on tract to submit a Records management Plan. A MCB tranche 1 business case has been prepared to address the longer term issues of implementation that will arise from the completed RMP.	Stephen Coulter





Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF IGA 009	<p><u>Audit Finding:</u> Few Council Services maintain registers of the physical files they hold.</p> <p><u>Action:</u> Locally developed processes and practices will be reviewed as part of the Records Management Project, to assess where they could be developed and shared across the Council. Council Management Team (CMT) to be responsible for compliance.</p>	31-Mar-2016	31-Mar-2016	<div><div>80%</div></div>		A working group has been established led by Head of R&G. Project is on track to submit a Records management Plan. A MCB tranche 1 business case has been prepared to address the longer term issues of implementation that will arise from the completed RMP.	Stephen Coulter

#### Payroll and HR





Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF PHR 003	<p><u>Audit Finding:</u> Controls in place to ensure that authorised additions, amendments and changes to the establishment are not reflected in published guidance.</p> <p><u>Action:</u> Financial Regulations to be updated and presented to Resources and Audit Committee by the end of this year.</p>	31-May-2015	31-Mar-2016	<div><div>80%</div></div>		action to be completed by 31st March 2016	Lindsay Sim




#### Procurement - Purchase Cards

Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF PPC 001	<p><u>Audit Finding:</u> Financial Regulations and the Purchase Card Policy and Procedures Guide contain contradictory guidance and may not fit with corporate objectives relating to their use.</p> <p><u>Action:</u> Policy and Procedures guide will be reviewed using examples identified during audit and will be circulated around card users.</p>	31-Dec-2015	31-Mar-2016	<div><div>90%</div></div>		No change to this Once the Financial regulations have been changed we can ensure that there is no contradictory evidence. However all Card users have re affirmed their understanding of the purchase card policy	Derek Barr





Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF PPC 002a	<p><u>Audit Finding:</u> Testing identified a number of non-conformances with Regulations and Procedures.</p> <p><u>Action:</u> Policy and Procedures guide will be circulated around card users. Users will be required to sign acknowledgement of updated guidelines. Awareness sessions on the new policies may be provided if demand is there.</p>	31-Dec-2015	31-Dec-2015	<div><div>100%</div></div>		This has been completed All users have acknowledged their responsibilities and have read, understood and accepted the Purchase Card Policy.	Derek Barr
IAF PPC 002b	<p><u>Audit Finding:</u> Testing identified a number of non-conformances with Regulations and Procedures.</p> <p><u>Action:</u> Services need to take responsibility for ensuring that policy and procedures are being consistently and properly applied.</p>	31-Dec-2015	31-Dec-2015	<div><div>80%</div></div>		This has been undertaken and we are awaiting return of signed or emailed acknowledgment	Derek Barr
IAF PPC 003a	<p><u>Audit Finding:</u> Authorised signatory levels are not always in line with card limits, e.g card limits can be higher than approved signatory limits.</p> <p><u>Action:</u> A review of authorised signatories has already been planned and this will include comparing to any relevant card limits.</p>	31-Dec-2015	31-Dec-2015	<div><div>100%</div></div>		This is complete no cardholders have levels above their authorised signatory level	Derek Barr
IAF PPC 003b	<p><u>Audit Finding:</u> Authorised signatory levels are not always in line with card limits, e.g card limits can be higher than approved signatory limits.</p> <p><u>Action:</u> Specific instances identified during audit will be sent a new authorised signatory application in the first instance.</p>	31-Aug-2015	31-Aug-2015	<div><div>100%</div></div>		This is complete. no cardholders have levels above their authorised signatory level	Derek Barr







Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF PPC 004a	<p><u>Audit Finding:</u> Purchase cards are being used to buy supermarket gift cards, which is in effect a cash withdrawal.</p> <p><u>Action:</u> Specific instances identified will be drawn to relevant cardholders attention. Awareness sessions mentioned above will also highlight that cards should not be used in this manner.</p>	31-Oct-2015	31-Oct-2015	<div><div>100%</div></div>		All Cardholders have read, understood and accepted the Purchase Card Policy To further enforce this Merchant categories have been received from each cardholder and are being collated to send to Barclaycard.	Derek Barr
IAF PPC 004b	<p><u>Audit Finding:</u> Purchase cards are being used to buy supermarket gift cards, which is in effect a cash withdrawal.</p> <p><u>Action:</u> Services need to take responsibility for ensuring that policy and procedures are being properly applied.</p>	31-Oct-2015	31-Oct-2015	<div><div>100%</div></div>		Policy and Procedures guide has been circulated around card users. Users are required to sign acknowledgement of updated guidelines. Merchant categories will be enforced and we are awaiting submissions from all card holders to identify what Merchant categories are required for their function and location. High School Home economic departments will be using class cuisine to purchase their requirements directly.	Derek Barr
IAF PPC 005	<p><u>Audit Finding:</u> Both Property Contracts and Catering are procuring stock from suppliers where there is no contract in place.</p> <p><u>Action:</u> Services will undertake procurement exercises to put contracts in place. Where possible use of pre existing national contracts will be used.</p>	31-Oct-2015	31-Oct-2015	<div><div>70%</div></div>		Head of R&G to follow up with relevant service managers to ensure action is on track	Diane MacKenzie; Jeanette Percy
IAF PPC 006a	<p><u>Audit Finding:</u> Supermarket purchases are not being market tested.</p> <p><u>Action:</u> Specific instances identified will be drawn to relevant cardholders attention. Awareness sessions mentioned above will also highlight that cards should not be used in this manner.</p>	31-Oct-2015	31-Oct-2015	<div><div>100%</div></div>		All Cardholders have read, understood and accepted the Purchase Card Policy.	Derek Barr


Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF PPC 006b	<p><u>Audit Finding:</u> Supermarket purchases are not being market tested.</p> <p><u>Action:</u> Services need to take responsibility for ensuring that policy and procedures are being properly applied.</p>	31-Oct-2015	31-Oct-2015	<div> <div></div> 70% </div>		<p>Policy and Procedures guide has been circulated around card users. Users are required to sign acknowledgement of updated guidelines. Merchant categories will be enforced and we are awaiting submissions from all card holders to identify what Merchant categories are required for their function and location. High School Home economic departments will be using class cuisine to purchase their requirements directly.</p>	Derek Barr
IAF PPC 007	<p><u>Audit Finding:</u> Purchases are being made through PayPal. The Scottish Government do not allow purchase cards to be used in connection with transactions made through Intermediary payment agencies such as PayPal.</p> <p><u>Action:</u> This will be considered in review of Policy and Procedures.</p>	31-Dec-2015	31-Dec-2015	<div> <div></div> 100% </div>		<p>All Cardholders have read, understood and accepted the Purchase Card Policy this has been made clear as part of this</p>	Derek Barr
IAF PPC 008	<p><u>Audit Finding:</u> Purchase card documentation was not all properly scanned in to IDOX. Services do not scan in the purchase card documents creating pressures within the Income Team. Catering, Cleaning and Property Contracts do not comply with corporate requirements in relation to storing documents.</p> <p><u>Action:</u> Services need to take responsibility for ensuring that policy and procedures are being properly applied.</p>	31-Dec-2015	31-Dec-2015	<div> <div></div> 70% </div>		<p>Head of R&amp;G to follow up with relevant service managers to ensure action is on track</p>	Derek Barr

## Savings & Efficiencies - Overtime

Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF SEO 003	<p><u>Audit Finding:</u> Overtime is being miscoded to the financial ledgers.</p> <p><u>Action:</u> Overtime will be properly defined and this and procedures for correctly coding overtime will be included in documented procedures.</p>	30-Jun-2014	30-Jun-2014	<div><div>100%</div></div>		Head of R&G has reviewed draft and re-circulated to CMT and TUs for comment and agreement. Action completed on 12 October 2015	Stephen Coulter
IAF SEO 004a	<p><u>Audit Finding:</u> Not all documentation used to record and approve overtime has appropriate evidence of authorisation.</p> <p><u>Action:</u> Guidance will highlight need to ensure appropriate authorisation is in place.</p>	30-Jun-2014	30-Jun-2014	<div><div>100%</div></div>		Head of R&G has reviewed draft and re-circulated to CMT and TUs for comment and agreement. Action completed on 12 October 2015	Stephen Coulter
IAF SEO 004b	<p><u>Audit Finding:</u> Not all documentation used to record and approve overtime has appropriate evidence of authorisation.</p> <p><u>Action:</u> iTrent is being developed so that authorisation will become an electronic process so that authorisation will be built into the process and be fully auditable.</p>	31-Jul-2015	31-Oct-2015	<div><div>80%</div></div>		In the interim Heads of Service will be reminded of requirement to ensure overtime is recorded on appropriate documentation. Actions to be completed by 31-Oct-2015	Chris Alliston
IAF SEO 005b	<p><u>Audit Finding:</u> Approvers are not always authorised signatories.</p> <p><u>Action:</u> Once authorisation is carried out through iTrent, approvers can be cross checked to authorised signatory database on a regular basis to ensure ongoing compliance.</p>	31-Jul-2015	31-Oct-2015	<div><div>80%</div></div>		In the interim Heads of Service will be reminded of requirement to ensure overtime is authorised by the relevant signatories. Actions to be completed by 31-Oct-2015	Chris Alliston

Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF SEO 006a	<p><u>Audit Finding:</u> There is limited evidence that reasons for use of overtime have been challenged at a corporate level.</p> <p><u>Action:</u> Overtime detail will be included in existing iTrent reports provided to CMT. Detail will then be subject to review and challenge at CMT meetings to ensure that principles are being adhered to and applied.</p>	30-Jun-2014	30-Jun-2014	<div><div>100%</div></div>		CMT now regularly looking at monthly overtime reports. Detail is available for Heads of Service	Stephen Coulter
IAF SEO 006b	<p><u>Audit Finding:</u> There is limited evidence that reasons for use of overtime have been challenged at a corporate level.</p> <p><u>Action:</u> All staff will be made aware that monitoring is taking place and that they may be subject to challenge.</p>	30-Jun-2014	30-Jun-2014	<div><div>100%</div></div>		CMT is regularly reviewing overtime and feeding back through senior managers results from those meetings. Reports on service performance and specific issues have also been tabled. Reports are also reviewed at tripartite meetings	Stephen Coulter
IAF SEO 007a	<p><u>Audit Finding:</u> There are no documented corporate overtime procedures in place.</p> <p><u>Action:</u> Procedures and principles will be documented and made available to all staff.</p>	30-Jun-2014	30-Jun-2014	<div><div>100%</div></div>		Overtime protocol now published through SMF	Stephen Coulter
IAF SEO 007b	<p><u>Audit Finding:</u> There are no documented corporate overtime procedures in place.</p> <p><u>Action:</u> CMT will endorse and monitor adherence to procedures.</p>	30-Jun-2014	30-Jun-2014	<div><div>100%</div></div>		Protocol agreed and CMT monitoring ongoing	Stephen Coulter

Treasury Management

Covalent Ref.	Action	Original Due Date	Due Date	Progress	Expected Outcome	Latest Note	Lead
IAF TMA 001	<p><u>Audit Finding</u>: Current Treasury policies and procedures are not consolidated into a Treasury Management Manual.</p> <p><u>Action</u>: Electronic Manual to be created and documents pulled together in one place.</p>	31-Mar-2015	31-Mar-2015	<div> <div></div> 93% </div>		Electronic Manual is in progress.	



Underspends in Accountancy, IT and Governance due to vacancies from employees leaving, VS, staff reducing hours and maternity leave. Staff in HR and Payroll continue on temp acting up or temp contracts for implementation of new Itrent system which are expected to end on 30th Sept. Continued costs of Occupational Health contract, CBT, Physio following Maximising Attendance at Work policy, and Disclosures (migrating staff to new scheme). Central IT continues to be monitored to reduce the overspend from 14/15, looking for savings particularly on telephones and mobiles. Support Services outturn projecting a total underspend of c£223k.

Assets outturn currently projecting an underspend of c£187k. The main contributors to this being payroll savings through vacant posts and overtime reductions and saving in Gas, Electricity & Water costs.

	Budget 15-16 £'000	Outturn 15-16 £'000	Variance 15-16 £'000
<b>RESOURCE &amp; GOVERNANCE</b>	<b>23,765</b>	<b>23,262</b>	<b>(503)</b>
<b>Depute Chief Exec</b>			
<b>Depute Chief Exec</b>	<b>119</b>	<b>120</b>	<b>0</b>
<b>Accountancy</b>			
Audit fee assumed the same amount as 14/15 - underspend on budge			(16)
Staffing underspends due to OLP income for 5 months, Chief Accountant post vacant for 3 months, Accountancy Assistant left mid Jul and vacant until Sept, other vacancies covered by agency staff			(63)
Underspends in supplies and services			(5)
Staffing underspends due to staff changes, Chief Accountant post vacant for 3 months, Accountancy Assistant post vacant for 8 weeks and replaced part time, Accountant left through VS, with recruitment to posts being delayed. Some vacancies covered by age	<b>1,398</b>	<b>1,314</b>	<b>(84)</b>
<b>Head of Support Services</b>			
<b>Head of Support Services</b>	<b>95</b>	<b>94</b>	<b>(1)</b>
<b>IT</b>			
Staffing underspends due to staffing with full time budgets only working part time, long term sick leave, vacant trainee post and employee left through VS. Employee taking a career break and employee leaving (posts not being replaced). 35hrs of Business			(129)
Holiday buy back 2 employees			(2)
Underspend on GIS contract. Agreed contract included reduced costs each year of the contract. Due to end this year, looking at othe way of providing the service.			(18)
Other Income: Costs incurred through the moves to Kilncraigs. Year end income accrual for Scott Sheridan £64.7k (prepayment), debito invoice not raised until 2015-16 but advised payment unlikely to be received, pursuing of debtor will continue but it is u			65
Spend for Briskona project was incurred 13/14 and funding was due to offset this income. The income was never received and never expected after this time so the cost was offset with underspends in 13/14. However, Briskona now realised they had the funds			(23)
Central IT - detailed work has been done on projections, now an overspend due to support and maintenance contracts. Full year list c all contract costs can be analysed for future reductions. Telephones, Mobiles and broadband contracts are continually			97
Staffing underspends due to part time staff with full time budgets, long term sick leave, vacant trainee post and 2 posts vacant due to career break and staff leaving (not being replaced). GIS contract further reduced for 15/16 as per agreed contract,	<b>2,282</b>	<b>2,272</b>	<b>(10)</b>
<b>Governance</b>			
Governance Manager post vacant			(51)
Solicitor vacancies x 1 filled part year the other moved back to Nov as assisting Social Work with specific cas			(53)
HR staff on reduced hours, seconded to Corp Parenting and Itrent Project team, mat leave cover and VS (temp contracts now extended to 31.12.15)			(43)
Vacancy management in Health & Safety team when employee lef			(6)
Job evaluation - temp staff due to finish at end of Sep			(30)
Democracy team pension underspend as Dana is not in the pension schem			(4)
Audit & Fraud staff on reduced hours			(7)
Legal fees for settlement agreements for staff who left through Voluntary Severance			5
Payroll and Itrent overspend due to additional staff to integrate new system			66
Holiday Buy Back Scheme (4 employees)			(2)
Overspend on payments to contractors due to contract with Working on Wellbeing (SERCO). New agreement from 1st April 2013 with increased costs for occupational health. Employee physiotherapy referrals increases cost but better service which has resulted			34
Procurement Barclaycard Rebate			(2)
Audit & Fraud income for Admin Penalties			(7)
Supplies and Services			1
Staffing vacancies throughout Governance, including Governance Manager, 1 vacant solicitor posts being filled mid way through th year, the other being moved to Nov as they are assisting Social Policy with a specific case. Staff in HR on reduced hours an	<b>1,740</b>	<b>1,642</b>	<b>(99)</b>

Underspends in Accountancy, IT and Governance due to vacancies from employees leaving, VS, staff reducing hours and maternity leave. Staff in HR and Payroll continue on temp acting up or temp contracts for implementation of new Itrent system which are expected to end on 30th Sept. Continued costs of Occupational Health contract, CBT, Physio following Maximising Attendance at Work policy, and Disclosures (migrating staff to new scheme). Central IT continues to be monitored to reduce the overspend from 14/15, looking for savings particularly on telephones and mobiles. Support Services outturn projecting a total underspend of c£223k.

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	Budget 15-16 £'000	Outturn 15-16 £'000	Variance 15-16 £'000	
<b>RESOURCE &amp; GOVERNANCE</b>	<b>23,765</b>	<b>23,262</b>	<b>(503)</b>	
<b>Property Costs:</b>				
Gas - Projections prepared in conjunction with Energy Officer & reflect anticipated full year cost. Includes £40k contingency for Amey energy efficiencies (PPP). This reduces the savings projected in the June outturn.			(53)	
Electricity - Projections prepared in conjunction with Energy Officer & reflect anticipated full year cost. Includes £40k contingency for Amey energy efficiencies (PPP). This reduces the savings projected in the June outturn.			(79)	
Water - Projections prepared in conjunction with Energy Officer & reflect anticipated full year cost. Provision of £22.5k for possible loss of 13.5% discount. £24k credit due for Lornhill Academy.			(35)	
Other Income surplus of £20k relates to unbudgeted Bio Mass boiler income at Redwell PS £18.6k, £8.9k one off income from Clack: Trust for boiler installed at Clacks Town Hall & £7.8k insufficient budget for FIT income .			(20)	
Rates- 2015-16 Budget insufficient to cover costs with additional costs being incurred for previously occupied areas at Kilncraig:			25	
Insurance - current year premiums will be less than budget, projection based on prior year cost but anticipate actual being low			(16)	
Equipment - underspend anticipated in FM Education with spend of £3k against budget of £16k, reflects prior years out-turn			(13)	
Professional Fees £15k shortfall/ Payments to contractors £49k shortfall in FM Education - on Feasibility Studies. Main study being Tullibody Strategic Review being carried out by Hub East Central Scotland. Historically insufficient budget to cover costs i			63	
Miscellaneous, £4k projection reflects prior year costs, no budget.			4	
FM Social Policy - £50k budget savings target (Rents SS015) arising from the exits from Central Store and Carsebridge. Advised			50	
Marshall won't be ready to move into. June outturn anticipated part year saving of £15k at Carsebridge.			(5)	
£5k underspend on Rents Paid.			(5)	
Small works variance			5	
Underspend arising from projected savings in Gas, Electricity and Water with further underspends in Insurance and Equipment Purchase				
These underspends are reduced by overspends in Professional Fees / Contractor costs incurred for ongoing strategic review	5,884	5,811	(73)	-73
<b>Schools PPP:</b>				
Currently projecting out-turn online with budget			0	
On line with budget	7,726	7,726	0	0
<b>Asset Management:</b>				
Salary savings arising from 4 vacant posts, two of which projected to be filled from Jan 16, two temporary staff currently in place projected to be continue until Dec & Jan. Also one off severance cost of £6.5k			(27)	
Staff Travel expenses underspend with projected cost in line with prior year.			(3)	
Supplies & Services - overspends projected in Professional Fees (no budget) and Subscriptions with both projections in line with the prior year.			14	
Income - anticipated shortfall. £22k in rents receivable, arising from the loss of income from Forth Valley Partnership at Kilncraigs re CCTV, partly offset by £8.5k Other Income from Glenatanna for Utilities.			14	
Other Council accounts includes a budget of £28k which was removed in 2014-15 but incorrectly reinstated in 2015-16, this relates to staff cost recharges previously charged to HRA.			28	
Design Fee income shortfall currently projected at £29k, income shows year on year growth to £328k but insufficient to achieve budget (This includes £22k income for 50%/25% Recharge of employee to HRA).			29	
Small Variances			2	
Underspend in payroll costs arising from staff vacancies being offset by projected shortfall in Rent and Design Fee income, projected	50	106	56	56
Design Fee income has improved since the June Outturn helping to reduce the projected overspend by £42k.				
<b>Property Maintenance Management:</b>				
Overtime overspend projected of £5k, with £8k being Kelliebank Support offset with a £3k underspend in Property Maintenance. This is an improvement of £10k from June outturn.			5	
Small Variances			3	
Supplies & Services includes budget saving target of £18k re DE082 (review of Janitor duties to include handyperson therefore reducing PCU visits) . This appears to have been double counted with DE089 (£100k (wind & water tight repairs only) and will not			18	
£26k overspend arising from overspends in Overtime costs, staff travel and supplies and services, with the overspend reduced by £10k from the June outturn.	365	391	26	26
<b>Management Unit:</b>				
A number of small variances to budget including Head of Service - Computer Consumables, no spend in the previous 2 years.			(5)	
£5k underspend against budget made up by a number of small underspends	366	361	(5)	-5



Underspends in Accountancy, IT and Governance due to vacancies from employees leaving, VS, staff reducing hours and maternity leave. Staff in HR and Payroll continue on temp acting up or temp contracts for implementation of new Itrent system which are expected to end on 30th Sept. Continued costs of Occupational Health contract, CBT, Physio following Maximising Attendance at Work policy, and Disclosures (migrating staff to new scheme). Central IT continues to be monitored to reduce the overspend from 14/15, looking for savings particularly on telephones and mobiles. Support Services outturn projecting a total underspend of c£223k.

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	Budget 15-16 £'000	Outturn 15-16 £'000	Variance 15-16 £'000	
<b>RESOURCE &amp; GOVERNANCE</b>	<b>23,765</b>	<b>23,262</b>	<b>(503)</b>	
<b>Catering Contract:</b>				
Vacancy Savings due to efficiencies (including £7k overtime & £3.5k SuperAnn). Increase in underspend of £20k from June outturn			(55)	
Underspend in Purchase of Equipment, projected spend in line with prior year			(11)	
Anticipated underspend on purchase of disposable containers			(3)	
Vend Fresh vending contract not renewed, no cost projected (no cost in prior year)			(6)	
Anticipated savings in cost of food purchases through price negotiation and flexibility to take advantage of market offer:			(50)	
Previously budgeted saving in Meals on Wheels for change of weekend service not achieved (unallocated budget saving target). Has previously been raised as a budget pressure.			24	
Subscriptions projected at £3.4k in line with prior year, insufficient budget			2	
Payments to Contractors projected at £5k, budget only £0.5k. Costs incurred for Loomis cash uplift/delivery service for Secondary schools and Pest Control costs at CPU.			5	
Small Variance in supplies & Services - improved outturn from June			(11)	
Projected surplus in income mainly from School Meals. To be reviewed October to establish the effect of price increases on meal volumes. (June outturn anticipated a £7k shortfall in income).			(7)	
P1-P3 Free Meals Projected underspend. This will continue to be reviewed with meal volumes analysed. <b>THIS SAVING WILL BE TAKEN CENTRALLY TO CORPORATE POT</b>			(50)	
Payroll underspends from staff efficiencies with additional underspends in Equipment, disposables, vending, food purchase and the cost of P1-3 fee meal provision. These are reduced by overspends in subscriptions & payments to contractors. Food Purchase ex	1,289	1,127	(161)	-161
<b>Janitors:</b>				
At present an overall underspend of £40k projected in payroll costs				
- One vacancy, one Long Term Sick & relief budget			(29)	
- Overtime savings (excluding Letting £22k)			(5)	
- Absence cover costs relating to long term sickness (will continue to review on monthly basis)			16	
Planned purchase of Equipment, no budget (partly offset by saving in corresponding line in Property Costs)			18	
Letting scheme projected surplus due to Lettings charged at Redwell and Sunnyside not previously invoiced			(25)	
Projection broadly in line with budget with savings in staffing costs and income surplus being offset by planned equipment purchase.	400	375	(25)	-25
<b>Cleaning Contracts &amp; Public Conveniences</b>				
Cleaning staff payroll savings due to vacancies/ efficiencies, new structure being prepared with intention to implement Nov/Dec-15				
Currently projecting £43k payroll saving of which £17k is Superannuation budget over estimated. (£25k increase over June).			(43)	
Public Conveniences payroll underspend due to efficiencies and overtime reduction			(7)	
A number of expenditure savings including Staff Travel £2k, Equipment maintenance £4k and Misc Expenditure of £4k increase projected underspend			(2)	
Income shortfall projected relating to Dollar Public Toilets £1.1k, Citizens Advice Bureau £0.6k, Alloa Fire Station £1.9			3	
Projected underspend relates to staffing efficiencies in both Cleaning and Public Conveniences with a number of further small savings anticipated in staff travel, equipment maintenance and misc expenditure. Underspends are reduced by some shortfalls in Oth	1,094	1,046	(49)	-49
<b>Leisure Services:</b>				
Currently projecting £18k underspend at Firpark Ski Centre mainly due to 0.5fte vacancy plus surplus relief budget. This is offset with projected overspend of £55k in Sports Development (Educ). This is an improvement of £34k from the June outturn.			(18)	
Gartmorn underspend due to closure.			(40)	
Projected underspend in Christmas Lights			(3)	
Projected underspend in Activities & Events - delivery now passed to BIC			(10)	
Projected underspend due to closure of Gartmorn, underspend in Firpark staffing & handing over of activities to BID. Outturn underspend has increased by £33k from the June outturn.	795	724	(71)	-71
<b>Pavillions:</b>				
Projected underspend in staffing			(3)	
Projected underspend in overtime			(4)	
Income surplus			(1)	
Small underspend projected relating to saving in staffing costs and income surplus	28	21	(7)	-7
<b>Security/Mail Room/Chauffeur:</b>				
Overspend in staffing (budget shortfall & relief staff). Will be rectified in 2016-17			10	
Underspend in overtime			(4)	
Small Variances in Supplies & Services			1	
Budget saving target of £8k in Mailroom/Chauffeur won't be achieved 15-16			8	
Income surplus for secondment to Scottish Government. Partly offset with acting up costs			(15)	
Income surplus from Seconded post offsetting budget saving target shortfall.	133	132	(0)	0
<b>RESOURCE &amp; GOVERNANCE SERVICES TOTAL</b>	<b>23,765</b>	<b>23,262</b>	<b>(503)</b>	<b>-503</b>



MCB	Progress	Reference	Type of Saving Policy / Efficiency	Cost Centre	Description of Saving	Key Milestones /Commentary	Year 1 2015-16 £	Year 2 2016-17 £	Year 3 2017-18 £	Year 4 2018-19 £	Year 5 2019-20	Total Saving	Chief Officer Responsible	Budget Holder/ Operational Lead Officer	Projected Savings 2015-16	Plan to Achieve Savings (update monthly)
	Colour coded Red/Green/Amber	Set by Finance	E	To be entered	Description of saving to be detailed	Key dates for actions to achieve savings							Head of Service	Budget Holder etc		
3-BUAR	Green	RG004-PB1		Primary School FM 591010** 2240	Energy Efficiency	Plan of action for schools will be developed with Education and wider energy efficiency programme with Comms Team.	36,000					36,000	Stephen Coulter	Eileen Turnbull	36,000	Target for June to ensure all equipment is switched off for the Summer. Launch of an awareness campaign across all public buildings to be launched in August. Training for janitors and cleaners to ensure they can support staff who use each building. Raised with Alan Milliken, Education, to raise with HT at their next meeting.  25.09.15 On target to achieve savings target  26.10.15 On target t achieve savings. Agreed with Education to launch sustainable ways of working to work with schools regarding Eco status and to launch a competition to reduce energy usage.
3-BUAR	Green	RG011-PB1			Insurance Fund Saving		250,000					250,000	Stephen Coulter	Lindsay sum	250,000	Delivered. Fully allocated to service budgets.  25.09.15 Update: Insurance charges posted in P6.
4-MOS	Green	RG017-PB1			Stop Paper Transactions	Based on previous calculations cost was circa £7000 a year, given P60 do still require to be provided in paper format and that there may be an element of the workforce that require paper format as they have no access then £5000 is a reasonable saving. Pilot project for online payslip continues and survey has gone out to staff involved for feedback. Work is ongoing to scope this as part of the wider digital strategy. The stopping of paper transactions is one of the low hanging fruit. The risk with this saving is that a system needs to be developed to capture the savings, especially where they sit in different budgets. Finance project will contribute to this as well.	5,000	5,000	5,000	5,000	5,000	25,000	Stephen Coulter	John Munro/Chris Alliston	5,000	Moving from paper to electronic payslips (with P60 still issued in paper format). Pilot project currently in place with a survey issued for staff involved for feedback. Work is ongoing on wider digital strategy, new finance system will contribute to this as well. PRD objective setting documents are now available on iTrent. The availability of forms on iTrent will also make a contribution. Payslips are sent to individuals selected email accounts and are password protected, Payroll have issued communication to staff that with effect from 31/12/15 no further paper payslips will be issued.
4-MOS	Green	RG018-PB1			Reconfigure Payroll Service in line with new system	Business Analysts are undertaking review of payroll processes so we should be able to attach a cost to current process if we can quantify time and look at how we can streamline and what savings are achieved.		35,000				35,000	Stephen Coulter	Chris Alliston		2016-17 target
4-MOS	Green	RG020-PB1			Review of Structure IT (R&G)	A number of savings proposals were put forward from R&G teams assuming a de minimis position in regard to the service that could be offered. With the exception of Accountancy these savings are taken into year 2. Administration has asked for a more systematic review of support services through 15-16 to ensure the model fits the business need and is affordable. A new finance system and further refinements to iTrent will streamline administrative processes freeing up staff time and wider policy decisions needs to be considered in regard to soft FM including service standards and hours of attendance. In 15-16 it will be possible to release some staff via VS to reduce overall staff costs. A review of procurement in particular the impact on value for money achieved through its activities will be taken forward as a matter of urgency		97,000				97,000	Stephen Coulter	John Munro		2016-17 target
3-BUAR	Green	DE081	E	43014301 9445	Building Cleaning. Increase charges to external organisations, as charge does not reflect cost to deliver		1,500					1,500	Stephen Coulter	Eileen Turnbull		0 Limited opportunity to receive full savings. Withdraw services from external organisations. Full cost recovery not achievable.  25.09.15 Update: Latest projections anticipate an income shortfall against budget.
4-MOS	Green	DE082	P	40034050 5920	Janitors increasing service functions delivered by service. Review model of delivery to include cleaning, supervision of cleaners and handyperson duties.		18,000					18,000	Stephen Coulter	Eileen Turnbull		0 This is not CPU cost. Review of contracts to be undertaken at the same time. Saving is a reduction in call out charges linked to maintenance budget. These savings are likely to have been double counted.  25.09.15 Update: These savings are included in the £100k DE089.
2-ISS	Green	DE083	E	44024403 5920	School Catering (Central Production Unit). Efficiency of current practice		20,000					20,000	Stephen Coulter	Eileen Turnbull	20,000	Good progress so far and likely to achieve full year saving.  25.09.15 Update. On target to achieve savings
	Green	DE084		10141491 5920	Mailroom and Drivers. Review current practice		8,000					8,000	Stephen Coulter	Eileen Turnbull		0 Limited success in implementation, full saving unlikely to be achieved in 15-16. Measurable cost saving would be postage if more information sent electronically and potential to have multi mail enclosures.  25.09.15 Update: This saving will not be made in 2015-16 but anticipate saving being achieved in 2016-17. In current year actual £8k budget saving is being achieved through other cost lines.

3-BUAR	Green	DE089		59404060 5920 (59101095/2105)	Wind & Water tight repairs only. Revenue budgets only spent of statutory and wind and water tight repairs for the next 2 years		100,000	100,000				200,000	Stephen Coulter	Eileen Turnbull	100,000	Good progress in the first six months of 2015-16 and on target to deliver saving. This two year saving cannot be sustained without compromising the condition of the buildings long term.  25.09.15 Update: On target to achieve savings.
2-ISS	Green	DE092	P		Building Cleaning. Review operating model from morning to evening clean only and looking at productivity of service in each location							-				The operational delivery is currently under review, the appointment of an area cleaning supervisor will enable the review of anti-social hours. Productivity levels will then be further assessed. Area Supervisor appointed 17th August 2015, Service Review in progress.
3-BUAR	Green	DE094		59404060 2310	The Council current spends around £365,000 in payment to external organisations to lease their property. The council would aim to exit from these leases over the next few years to achieve revenue efficiencies		10,000	30,000				40,000	Stephen Coulter	Eileen Turnbull	10,000	£365k figure includes £184k re Clackmannanshire LLP Regeneration (Kilncraigs) payable for the next 5 years. There is a programme to review all externally leased buildings used for operational purposes.  Currently reviewing Carsebridge move from October this year. Saving counted within Social Services budget as well? Works to enable this move are at the initial tender stages, potential delay until January pending outcome of the procurement process. Lease at Unit 5 Bruce Street to be terminated in April 2016  25.09.15 £10k budget reduction made, latest projections include an additional £5k saving against revised budget target.  26.10.15 Review of Meals on Wheels service impacts on Unit 7 Bruce street. Ward Street Lease extended for one year to enable Social Services review to be undertaken. Storage review outcome awaited to enable services to move storage items out of units.
3-BUAR	Green	SS015		59303902 £40k 59303503 £10k	Criminal Justice Workshop, Equipment Store, Carsebridge House, Mill St, Millar Court		50,000					50,000	Stephen Coulter	Eileen Turnbull		04.08.15: FM Social Policy. £10k target Ward Street - won't exit Ward street until April-16, therefore saving will not be achieved in 2015-16. £40k target Carsebridge. Notice to exit served for end Oct-15. Will start to realise savings from that point, estimate c£15k at this time. Linked to DE094  25.09.15 Update. Now anticipate zero saving in 2015-16 with savings in 2016-17. Marshall requires work completed to facilitate move out of Carsebridge. Have had to extend Carsebridge lease for six months until April 16.
		Total Policy Savings										-				
		Total Efficiency Savings										-				
		Total					498,500	267,000	5,000	5,000	5,000	780,500			421,000	

Year 1 Variance	-77,500
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