



Comhairle Ceantair  
**Lár Uladh**  
**Mid Ulster**  
District Council

# ***Finance & Procurement Department***

**SERVICE PLAN - 2021 / 22**

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## Foreword

At the start of 2020, Northern Ireland faced the spread of the global Covid-19 pandemic, which in turn has impacted on the way, Mid Ulster District Council delivers its services to communities. The Council's initial response was to protect frontline services, support the vulnerable in the community and ensure continuity of services.

On the Council's road to recovery and reinstatement of services, we have established 'Recovery Activities' that will enable the Council to learn from the impacts that Covid 19 caused, i.e. the new and emerging challenges that services face and the opportunities that have emerged from new ways of working. These 'Recovery Activities' will support the Council's Corporate Plan and this Service Plan will also support the delivery of these higher level objectives and associated outcomes for the residents of the District.

To make sure that we are transparent in what we are aiming to achieve, there is a series of activities outlined within the Service Plan. It should be noted, that it is proposed, that this will be a dynamic service plan, in light of Council's ongoing response to the Pandemic, reflecting the changing context within which it has been developed. Any changes that need to be made to the service plan (i.e. new actions added, or actions removed) will be reported to the Director of the Department as well as being reported as part of our 'business as usual' performance monitoring activity through committee papers during 2021/22.

## **1.0 OVERALL PURPOSE AND SCOPE OF THE SERVICE**

### **1.1 Purpose and Scope of the Service**

The Finance department includes the following service areas:-

- Budget setting
- Financial reporting
- Management reporting
- Cash and bank management
- Supplier processing
- Payroll processing
- Income collection
- Treasury management
- Procurement
- Insurance

### **1.2 Responsibilities**

*The section is specifically responsible for the following functions:*

The department is responsible for:

- Budget setting and ensuring that Council has access to sufficient finance to deliver its services and achieve its objectives
- Financial reporting –this includes preparation and submission of annual financial statements and all other legislative reporting requirements
- Facilitating effective budgetary control by delivering meaningful, accurate and timely reporting of financial performance against budget
- Operation of an efficient and effective banking service and associated treasury management
- Operation of an efficient, effective and timely supplier processing service, which is compliant with Council's policies, procedures and other relevant standards, whether set by Council or other legitimate authority.
- Operating an efficient, effective and timely payroll service, which is compliant with all statutory requirements and Council policy
- Securing all major sources of income, e.g. rate income, rate support grant, de-rating grant
- Facilitating efficient, effective and compliant procurement of goods and services
- Ensuring that Council is adequately insured against all reasonable and foreseeable risks in accordance with statutory requirements and Council's risk appetite

### 1.3 Customers & Stakeholders

Customers & Stakeholders	
•	Those we provide payroll services to – Employees, councillors and independents
•	Those we pay for goods and services - Suppliers
•	Those we make grants and contributions to – Recipients of financial support from Council
•	Those we report to internally – Councillors, Senior Management Team, Heads of Service, etc.
•	Those we report to/communicate with externally – LG Audit, DfC, HMRC, NILGOSC, funding bodies, public etc.
•	Those we collaborate with – other councils

#### 1.4 Performance Overview in 2020/21

The Covid-19 pandemic has been one of the most significant challenges that Mid Ulster District Council has ever faced. It has required sudden and dramatic changes to the way we work, as Councillors and officers. The previous year has saw Council hold fast with front line service delivery and the section below outlines; our response during 2020 to 2021 i.e. what we achieved, the remaining challenges, and how our service made a difference.

<b>2020/2021 Performance Response/ Overview (What we achieved- Measured Activities)</b>	<b>End of Year Progress Status: Activity was - Completed /Commenced/ Other</b>
• Financial statements for year end 31 March 2020, financial audit and statutory returns	Completed
• Rates struck and budgets agreed by prescribed date	Completed
• Monthly financial report to SMT and committee	Completed
• Creditor and payroll payments runs – prompt payment target for 30 and 10 days exceeded	Completed
• Receipting, invoicing and reconciliations	Completed
• Procurement exercises – 63 carried out (43 via e-tenders and 20 via frameworks)	Completed
• Contract and DAC register	Completed
• Insurance	Completed
• Technology One – implementation of new financial system	Go live date 1 June (included in 2021/22 service plan)

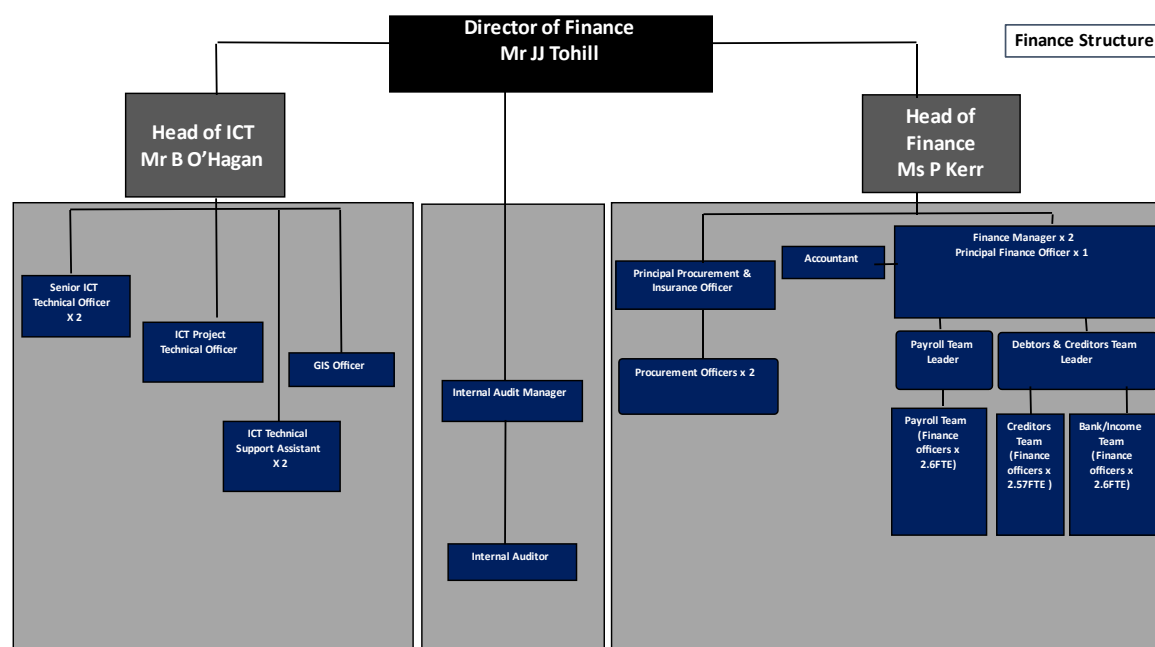
## 2.0 IMPROVING OUR SERVICE AND MANAGING PERFORMANCE - 2021/22

The following tables confirm the resources, financial and people, which the Service has access to throughout 2021-22 to deliver its actions, activities and core business.

### 2.1 Budget 2021/22

Service Budget Headings	£
Staffing costs	691,656
Insurance	843,572
Other	109,842
Interest payable	301,833
Minimum Revenue Provision and capital financing	4,818,108
Gross Budget	6,764,993
Income	0
Net Budget for 2021-22	6,764,993

### 2.2 Staffing Complement - 2021/22



The departmental organisational chart above does not reflect the change in staff complement arising from a recent flexible retirement and additional temporary resources (both within the Finance department), the latter being required for project work associated with the implementation of both the Core HR and Technology One financial

systems. These systems are key to the Council's strategic and operational activities. The actual current staff complement is reflected in the table below.

<b>Staffing</b>	<b>No. of Staff</b>
Head of Service	1
Managers	2
Officers	7
Remaining Team	7.46
<b>Total</b>	<b>17.46</b>



### 2.3 Service Work Plan - 2021/22

This plan confirms the core activities and actions, which will form your Service Work Plan for 2021-22. This is a high-level capture of the Service activities as well as some improvement undertakings which the service will focus on throughout 2021-22. The Plan links to the Council's new 2020-2024 Corporate Plan priorities, Annual Corporate Improvement Plan Objectives, Corporate Indicators and Mid Ulster Sustainable Community Plan themes & outcomes:

Service Objective (What do we want to achieve?):		To provide an effective and efficient finance function for all Council stakeholders		
Link to Community Plan Theme:		Align to Corporate Plan Theme		
<i>CMP 1.1 Economic Growth - We prosper in a stronger &amp; more competitive economy</i>		<i>Service Delivery: 2.3 We will enhance our financial performance &amp; strength, identifying opportunities to increase income &amp; reduce deficits, as well as to leverage external funding</i>		
What are the key 'Business as Usual' activities we will deliver (actions):	By When (Date?)	Lead Officers(s)	What difference will it make? (Outcomes/outputs)	How Will we Know? (Measures)
<b>FINANCIAL STATEMENTS</b> <ul style="list-style-type: none"> <li>Draft Financial Statements for the year ended 31 March 2021 filed with the Department for Communities (DfC)</li> </ul>	31 July 2021 (Extension to statutory timeline of 30 June 2021 agreed in advance with DfC and NIAO - due to Core HR and T1 implementation)	Head of Finance	All statutory deadlines have been adhered to	Signed accounts with the DfC by agreed timeline
<b>FINANCIAL AUDIT</b> <ul style="list-style-type: none"> <li>Financial Statements for the year ended 31 March 2021 approved by Council and published</li> </ul>	30 September or 30 November 2021  (Statutory deadline of 30 September but	Head of Finance	All statutory deadlines have been adhered to	Approved accounts published by timeline

	NIAO are requesting that Council publish certified accounts by 30 November as opposed to publishing uncertified accounts by 30 September, which would satisfy statutory requirement)			
<ul style="list-style-type: none"> <li>Audited Financial Statements for year ended 31 March 2021 certified</li> </ul>	5 November 2021	Head of Finance	All statutory deadlines have been adhered to	Audited accounts certified
<b>STATUTORY RETURNS</b> <ul style="list-style-type: none"> <li>Whole of government accounts, Treasury return, VAT, CIS and all other statutory returns completed and submitted</li> </ul>	Various	Finance Managers / Accountant	All statutory deadlines have been adhered to	Completed and submitted by timelines

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<b>What are the key 'Business as Usual' activities we will deliver (actions):</b>	<b>By When (Date?)</b>	<b>Lead Officers(s)</b>	<b>What difference will it make? (Outcomes/outputs)</b>	<b>How Will we Know? (Measures)</b>
<b>RATE SETTING</b>				
<ul style="list-style-type: none"> <li>Process and timetable agreed for 2022/23</li> </ul>	30/11/21	Head/Director of Finance	Early presentation of accurate budgetary information	Rates struck and budgets agreed by prescribed date
<ul style="list-style-type: none"> <li>Accurate and prompt adjustment of draft budget to incorporate additional information and potential alternative delivery methods and timely reporting to same to SMT and members</li> </ul>	Ongoing	Director of Finance	Improved engagement with stakeholders	Rates struck and budgets agreed by prescribed date
<ul style="list-style-type: none"> <li>Budget struck by 15/02/22</li> </ul>	15/02/22	Director of Finance	Statutory deadline has been adhered to	Rates struck and budgets agreed by prescribed date
<b>MANAGEMENT REPORTING</b>				
<ul style="list-style-type: none"> <li>Monthly Financial Report to SMT</li> </ul>	Per Financial reporting timetable	Finance Managers / Accountant	SMT being provided with timely and accurate financial information	Agreed timetable adhered to
<ul style="list-style-type: none"> <li>Monthly Financial Report to P &amp; R committee</li> </ul>	Per committee meeting schedule	Head of Finance / Accountant	Committee and Council being provided with timely and accurate financial information	Agreed timetable adhered to
<ul style="list-style-type: none"> <li>Monthly Over-time and payroll reports</li> </ul>	Monthly to SMT	Team leader	SMT being provided with timely and accurate financial information	Provided monthly to SMT

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<b>PAYROLL PROCESSING</b> <ul style="list-style-type: none"> <li>• Work rotas and timetables agreed for weekly and monthly payrolls</li> <li>• Weekly, monthly and councillors payrolls processed</li> <li>• Payroll and pension returns</li> </ul>	<p>Ongoing</p> <p>Per agreed timetable</p> <p>Various</p>	<p>Team leader / Principal Finance Officer</p> <p>Team leader / Team member / Principal Finance Officer</p> <p>Team leader / Team member / Principal Finance Officer</p>	<p>Work properly planned</p> <p>Employees, councillors and deductions paid when due</p> <p>All statutory deadlines have been adhered to</p>	<p>Rotas and timetables agreed</p> <p>Agreed timetables adhered to and contractual commitments met.</p> <p>Completed and submitted by timelines</p>

<b>Service Objective (What do we want to achieve?):</b>	<b>To provide an effective and efficient finance function for all Council stakeholders</b>			
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<b>What are the key 'Business as Usual' activities we will deliver (actions):</b>	<b>By When (Date?)</b>	<b>Lead Officers(s)</b>	<b>What difference will it make? (Outcomes/outputs)</b>	<b>How Will we Know? (Measures)</b>
<b>CREDITOR PROCESSING</b> <ul style="list-style-type: none"> <li>• Work rotas and timetables agreed</li> <li>• Weekly creditor payment runs processed</li> <li>• Creditor control account reconciled</li> </ul>	Ongoing  Per agreed timetable  Monthly	Team leader  Team leader / Team member / Accountant  Team leader / Team member / Accountant	Work properly planned  Creditors paid when due  Governance measure	Rotas and timetables agreed  Agreed timetables adhered to and prompt payment statistics  Reconciliation completed and approved
<b>INCOME PROCESSING</b> <ul style="list-style-type: none"> <li>• Work rota and timetables agreed</li> <li>• Receipting of income and monthly invoice runs</li> <li>• Debtor account reconciled</li> </ul>	Ongoing  Per monthly cut off schedule  Monthly	Team leader  Team members  Team Leader / Accountant	Work properly planned  Essential for delivery of finance services  Governance measure	Cut off schedule adhered to  Completed and approved by team leaders

<ul style="list-style-type: none"> <li>Bank accounts reconciled</li> </ul>	10 working days	Team Leader / Accountant / Principal Finance Officer	Governance measure	All bank accounts reconciled and approved by finance managers
<b>PROCUREMENT EXERCISES</b> <ul style="list-style-type: none"> <li>Tender opportunity returns from department to be collated for Director of Finance to report to SMT</li> <li>To progress the compliant procurement exercises per the tender opportunity schedule and in accordance with SMT prioritisation</li> </ul>	Periodically  Ongoing	Procurement officers  Principal procurement and insurance officer	Procurement exercises carried out within agreed timescales  Provision of an effective and efficient procurement function for all Councils stakeholders	Agreed schedule of tenders with SMT prioritisation  Procurement exercises carried out in accordance with the schedule
<b>CONTRACT AND DAC REGISTER</b> <ul style="list-style-type: none"> <li>Contract register updated to Director / Head of Service shared folder monthly</li> <li>Contracts register reported monthly to P &amp; R committee</li> </ul>	Monthly  Per committee meeting schedule	Principal procurement and insurance officer  Head of Finance	The contact and DAC register are part of the governance arrangements in relation to the Council's Procurement policies  The contact and DAC register are part of the governance arrangements in relation to the Council's Procurement policies	Monthly update provided  Agreed timetable adhered to

<ul style="list-style-type: none"> <li>DAC register reported monthly to P &amp; R committee</li> </ul>	Per committee meeting schedule	Head of Finance	The contact and DAC register are part of the governance arrangements in relation to the Council's Procurement policies	Agreed timetable adhered to
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What <b>Service Development/Improvement</b> will we undertake in <b>2021/22? (actions):</b>	<b>By When (Date?)</b>	<b>Lead Officers(s)</b>	<b>What difference will it make? (Outcomes/outputs)</b>	<b>How Will we Know? (Measures)</b>
<p>Implementation of new financial system – Technology One – Phase 1</p> <ul style="list-style-type: none"> <li>• Development, commissioning &amp; implementation – including data migration, cut over and end user training</li> <li>• Go Live</li> </ul> <p>Handover to technical support</p>	Phase 1 going live June 2021	Head of Finance	The new T1 system will deliver improved reporting and analytics functionality across all modules for all users. It will also bring many opportunities to improve processing efficiency with functionality such as “drag it in”	Phase 1 implemented and working as planned
<p>Implementation of new financial system – Technology One – Phase 2</p> <ul style="list-style-type: none"> <li>• Development, commissioning &amp; implementation – including data migration, cut over and end user training</li> <li>• Go Live</li> </ul> <p>Handover to technical support</p>	Phase 2 commencing September 2021	Head of Finance	<p>Phase 2 will introduce functionality not previously available to the Council.</p> <p>It will greatly improve:</p> <ul style="list-style-type: none"> <li>• financial controls at remote facilities, such as leisure centres;</li> <li>• timeliness and accuracy of reporting of financial information from remote facilities;</li> <li>• governance associated with financial matters</li> </ul>	Phase 2 implemented and working as planned



What <b>Service Development/Improvement</b> will we undertake in <b>2021/22? (actions):</b>	<b>By When (Date?)</b>	<b>Lead Officers(s)</b>	<b>What difference will it make? (Outcomes/outputs)</b>	<b>How Will we Know? (Measures)</b>
<p>Implementation of new payroll system – Core HR</p> <ul style="list-style-type: none"> <li>• Development, commissioning &amp; implementation – including data migration, cut over and end user training</li> <li>• Go Live</li> </ul> <p>Handover to technical support</p>	30 June 2021	Head of Finance and Head of HR	The new Core payroll system will deliver significant payroll processing efficiencies and enable the Council to better utilise its financial expertise to management information production, assessment, evaluation and contribution to the Council's corporate and services' strategic and operational initiatives	Core payroll system implemented and working as planned

## **2.4 RISK MANAGEMENT OF SERVICE**

The purpose of risk management is to manage the barriers which prevents the Council from achieving its objectives. This section of the service plan includes space for the Service to input their key risks (in summary form), which have been identified during the business planning process. The Council uses risk management to maximize opportunities and minimize risks. This improves its ability to deliver priorities and improve outcomes. This is why the Council deems it important to link business planning and risk management. Risk Management aims to:

- Help the Council achieve its overall aims and objectives
- Manage the significant risks the Council faces to an acceptable level
- Assist with the decision making process
- Implement the most effective measures to avoid, reduce and control those risks
- Balance risk with opportunity
- Manage risk and internal controls in the most effective way.

This table illustrates the risks identified to deliver the Services business in 2021-22.

Risk Ref Number	Description of Risk	Risk Rating	Mitigation Activity
1.	Failure to implement new Finance (Tech 1) and Payroll (Core) systems within time and budget.	9	<p>Phased implementation agreed with Technology One with priority given to core existing functionality in phase 1 and additional temporary resources secured.</p> <p>Payroll risk mitigated by continued availability of TOTAL Payroll system and appropriately experienced staff allocated to project with additional temporary resources secured as necessary.</p>
2.	Failure to provide for potential for uninsured losses in the past	9	<p>Early identification of potential uninsured losses</p> <p>Consideration of potential to insure uninsured activities cost effectively</p> <p>Legal advice commissioned as appropriate</p> <p>Where appropriate, financial provision made as soon as practicable</p>
3.	Failure to manage funds and invest effectively	8	<p>Continued engagement with Treasury Management Advisers Arlingclose</p> <p>Issue noted on Corporate Risk Register</p>

4.	Failure of NI Assembly to set the budget	8	Monitor situation and lobby central government as appropriate.
5.	Failure to provide insurance for potential asbestosis claims	5	Potential insurance risks discussed as appropriate by SMT. Director of Finance responsible for engaging with insurance broker to arrange appropriate premiums and obtain affordable excess layer cover(s) as necessary to satisfy Council's risk appetite.
6.	Failure to provide adequately for the Landfill site provision – discount factor financial provision	6	Take appropriate professional advice as necessary re valuation and ensure compliance with accounting and technical standards
7.	Failure to provide appropriate guidance on Procurement policy & ensure compliance	9	New financial system will have improved tracking and reporting around e-ordering – Phase 2 implementation
8.	Failure to secure rates support grant	6	Continue to monitor potential for Department and/or 'losing' (reference outcome of Court of Appeal decision re calculation of distributable amounts between eligible councils) councils and, where appropriate, make necessary submissions and/or interventions
9.	Failure to detect and prevent fraud, bribery and theft	8	Continue to monitor and evaluate internal control environment to ensure that it remains effective for the prevention of fraud, bribery and theft

			Continue to be alert to the possibility of whistleblowers
10.	Failure of finance department to make payments to staff and suppliers due to implications of Covid-19	12	Have moved to 2 site operation in Cookstown and Magherafelt had have secure additional ICT hardware and software to facilitate off site working were possible.

Rating	Descriptor
16 - 25	Extreme Risk (immediate action required)
10 - 15	High Risk (urgent action required)
7 - 9	Moderate Risk (action required)
1 – 6	Low Risk (keep under review)

### **3.0 OUR STATUTORY CONSIDERATIONS**

In carrying out our responsibilities, the Service is cognisant of the statutory duties placed upon the council in the delivery of its services. Whilst the Service operates, under various obligations it is however mindful of the changing context in which it operates and endeavours to mainstream the equality and rural needs duties in the design and delivery of our functions.

#### **3.1 EQUALITY DUTY**

The council and by consequence our Service is committed to contributing towards its part in working towards fulfilling obligations under Section 75 of the Northern Ireland Act 1998 to ensure adequate time, staff and resources to fulfil our duties.

The Service will also work towards adherence to the council's Equality Scheme ensuring equality duties, together with promoting positive attitudes towards persons with a disability and the participation of people with a disability in public life when carrying out our functions.

#### **3.2 RURAL NEEDS DUTY**

The Service will be mindful of the rural needs of its customers when carrying out its functions and subsequent responsibilities, particularly in developing any new policies, plans or strategies throughout the year. In line with the Rural Needs Act (NI) 2016 we will give due regard to rurality in terms of needs in carrying out the activities within our Service.