

REPORT

To: SCRUTINY PANEL (SERVICE DELIVERY AND PERFORMANCE) SUB-COMMITTEE		Subject: QUARTERLY PERFORMANCE REVIEW - PAYMENT OF INVOICES	
From: DIRECTOR OF ADMINISTRATION			
Date: 28 February 2006	Ref: CJ/MT		

1. Purpose of Report

To provide Members with an update in respect of the systems implemented by the Departments of Community Services and Education for the processing of invoices.

2. Background

- 2.1. At a meeting of the Scrutiny Panel held on 12 January 2006 consideration was given to reports prepared by the Directors of Education and Community Services providing an update on the effectiveness of the new proposals implemented by the departments to improve performance on the payment of invoices.
- 2.2. With regard to the foregoing, the Panel noted the implementation of a pilot system within the Education Department for the increase in the transmission of batches of invoices to the Creditors Section, to more than once per week and requested that a further report be submitted to the Panel on the outcome of the pilot system.
- 2.3. The Panel also noted the effectiveness of the systems implemented within the Department of Community Services and requested that the department provide a further report on:-
 - how the operational changes made within Catering Administration have assisted to progress the arrangements for invoice processing;
 - proposals to (a) introduce summary invoicing within Libraries, and (b) develop the use of credit cards or similar measures for the payment of invoices.

3. Current Position

- 3.1. The Head of Revenue Services has advised that several areas within the Education Department have been identified as suitable for the transmission of batches for in-put at the Creditors Section.
- 3.2. The pilot commenced on 27 February 2006 and will run for a period of six months, and a joint report by the Directors of Education and Finance will be submitted to a future meeting of the Panel for consideration on completion of the trial informing of the results and of any further proposed action.
- 3.3. The Department of Community Services have responded as undernoted:-
 - 3.3.1. How the operational changes made within the Catering Administration have assisted to progress the arrangements for invoice processing.

A memorandum was issued to Catering Managers asking them to ensure invoices are sent on a weekly basis to the office at Buchanan Tower and not held until period end at the units. The administration team improved their system for batching of invoices and ensured that the ones awaiting signature are rotated and not left to the bottom of the tray. They are also passed more quickly for signature to the appropriate manager. Priorities are that once signed, invoices are input to creditors and then the batches are posted.

3.3.2. Proposals to introduce summary invoicing within libraries.

A procedural note has been issued to libraries staff concerning the revised Askews invoicing arrangements. As of today, the only outstanding issue relates to the submission of the feeder from IT to Creditors.

The focus on Askews invoices within Libraries reflects current operational requirements. Libraries process approximately 11,000 Askews invoices each year. For all other suppliers, the combined total is only approximately 4,000 invoices.

3.3.3. Proposals to develop the use of credit cards or similar payment of invoices.

There are presently no plans to extend the use of credit cards to pay for supplies and services received. This reflects the Department's concern over the scope for fraudulent or inappropriate use of credit cards and the need for a robust checking system. Widespread use of credit cards is not a preferred departmental option at this time although it is one we would consider if there was evidence from elsewhere within the Council to support this approach/

The use of summary or electronic invoicing would be a preferred route, where merited by the volume of invoicing, although, again, the Department would like to see this issue addressed at a corporate level where practical.

Finally, in terms of the PECOS development, there have unfortunately been teething problems with the 8-school pilot resulting in a backlog in invoice payment. Meetings are continuing with the procurement team to resolve these problems.

4. Proposals

Given that a pilot scheme has been implemented for a period of six months within the Education and Finance Departments and that a further report will be considered at a future meeting of this Panel, it is proposed that the matter be continued to a future meeting.


Director of Administration