



Value for money study of printing costs

Committee Audit and Standards

Date of meeting 29 November 2019

Date of report 19 November 2019

Report by Assistant Chief Executive

1. Object of report

To advise the committee on the findings of a value for money study of printing costs. This engagement is included in the annual Internal Audit plan for 2019/20.

2. Background

Contract award

Following a competitive tendering exercise, the Partnership, at its meeting of 11 December 2015, approved award of contract for the provision of managed print services to Capital Document Solutions Limited for a 5 year period.

Managed print services include fax, printing, photocopying, and scanning services using multi-functional devices (MFDs) across the SPT estate. Users access these services by scanning an authorised card at readers attached to MFD equipment.

Organisational change

Since the start of the managed print services contract in early 2016, management action has actively reduced the volume of printed paper copy through various initiatives and organisational change.

The objective of this engagement was to undertake a value for money study of printing costs. The study was informed by data analytics.

This engagement tested elements of the internal controls and mitigation against SPT 22: Governance arrangements, as identified in the corporate risk register.

3. Outline of findings

Engagement testing (October 2019) identified a requirement to review the current digital equipment inventory records and enhance invoice processing arrangements.

From a value for money perspective; the number of devices could be rationalised by those not in use, low volume usage, and a reduction in specification, where appropriate.

The rationalisation exercise should reflect organisational change and deliver cost savings.

There are areas for improvement, and these areas have been addressed by three recommendations.

Digital management have agreed to implement these recommendations, which are currently being actioned.

4. Conclusions

The Audit and Assurance team has undertaken a value for money study of printing costs. Three recommendations have been agreed from this engagement.

Key controls exist and are applied consistently and effectively in the majority of areas tested.

Reasonable assurance can be taken from this engagement.

5. Committee action

The committee is asked to note the contents of this report and agree that the Audit and Assurance Manager submits a follow-up report on the implementation of the recommendations to a meeting in approximately six months.

6. Consequences

| | |
|-------------------------|-----------------------------------|
| Policy consequences | <i>None.</i> |
| Legal consequences | <i>None.</i> |
| Financial consequences | <i>None.</i> |
| Personnel consequences | <i>None.</i> |
| Equalities consequences | <i>None.</i> |
| Risk consequences | <i>As detailed in the report.</i> |

Name Valerie Davidson

Name Gordon Maclennan

Title Assistant Chief Executive

Title Chief Executive

For further information, please contact Iain McNicol, Audit and Assurance Manager on 0141 333 3195.

**Reasonable
assurance**

Agreed action plan: Value for money study of printing costs

| No. | Recommendation | Priority | Action Proposed | Lead Officer | Due date |
|-----|---|----------|--|-----------------------------|---------------|
| 1 | <p><u>Multi-functional device (MFD) inventory</u></p> <p>Digital management should review and update the inventory of all multi-functional devices indicating status as leased/owned and charges being incurred. The inventory should reflect all physical movements timeously.</p> <p>Any changes should be communicated to the external service provider to enhance management information provision and accuracy of billing records.</p> | Medium | <p>Digital management will update the current MFD inventory to reflect recent organisational changes.</p> <p>Changes will be communicated to the service provider.</p> | Digital service team leader | December 2019 |
| 2 | <p><u>Print copy invoices</u></p> <p>Digital management should review the print copy charging schedule to verify that correct charges are being levied by the external service provider.</p> <p>Estimated use charges should be reviewed and actual usage measured prior to processing of invoices.</p> | Medium | <p>Where estimated use charges are rendered by the service provider, these charges will be reviewed and replaced with actual usage, where relevant.</p> | Digital service team leader | December 2019 |

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| 3 | <p><u>Rationalisation of multi-functional devices (MFD)</u></p> <p>Consideration should be given to a phased rationalisation of devices in readiness of preparations for the next contract. This initiative should include:</p> <ul style="list-style-type: none"> • return of device(s) not in use; • review of device(s) with low volume use; • review of coterminous devices; • review the specification(s) of devices. | Low | A separate exercise will be undertaken to review the current use and specifications of MFD's. | Digital service team leader | March 2020 |