Appendix A – Progress against actions contained in Audit Reports

Action	Origin of action	Lead Officer(s)	Due Date	Update Feb 2019
Specific Instances of Officer non-compliance Investigate the contractual relationships with the specific suppliers identified in the Internal Audit report and the reasons why Procurement Services were not involved in sourcing the service area requirements. Take necessary action in accordance with CPRs	Procurement Audit External Audit	Service Director Growth/ Service Director, Adults, Housing and Communities (as the responsible Service Directors)	September 2018	The investigations associated with the Procurement Audit were completed by the Lead Officers. A number of remedial actions have been taken and/or are in progress to resolve the issues and move the Council to a compliant position in each case.
Develop the Contracts Register to ensure it is comprehensive and accurate Request from Service Directors details of all contracts in excess of £25k involving multiple payments which they have procured historically/or without Procurement Service involvement for entry onto Contracts Register.	Procurement Audit External Audit	Service Lead – Supplier Management	Sept 2017	Completed – a follow-on action to further strengthen the Contracts Register is in progress and is being actively supported by the Council's Management Team (CMT)
 Service Directors to identify any outstanding contracts which are not yet on Contracts Register and provide required details to Procurement Services. Expand the requirement to include all contracts in excess of £5k being included on Contracts Register and review any contracts which have not been included. 		CMT / Service Director Digital and Business Operations Procurement Services Service Lead – Supplier Management /CMT	Oct 2018 November 2018	Completed – but note follow-on action above Completed

Action	Origin of action	Lead Officer(s)	Due Date	Update Feb 2019
 Sub £100k procurement compliance Continue to monitor compliance with Sub £100k processes and report instances of non-compliance to Service Directors 	Sub £100k Audit	Service Lead – Supplier Management	Ongoing	In progress – Please refer to main body of this report "Procurement Actions Update".
 for action Hold Sub 100k meetings with Service Directors in 2017/18, 		Service Lead – Supplier Management	Oct 2017	Completed – the reporting approach is being further strengthened.
 investigate instances of non-compliance to identify why it had occurred and to remind officers of the compliant process Improve Sub £100k reporting and compliance 		Capita Head of Procurement Operations	Completed	Completed - New and improved compliance reporting has been developed by the Supplier Management Team and Procurement Service and is in place as of January 2019.
Resolve the commercial and operational position relating to the Procurement Guarantee to assist in addressing compliance more effectively		Service Director Digital and Business Operations / Service Lead – Supplier Management	October 2018	Completed - The Procurement Guarantee was removed from the SSP contract as part of the Settlement Agreement agreed on 4th December 2018 which means that the commercial and operational challenges concerning the Savings Validation Process are no longer in existence.
Learning and Development Mandatory training introduced for all staff who have any involvement in buying	Procurement Audit External Audit	Service Lead – Supplier Management	Completed	Completed – Rolled out in March 2018 a mandatory e-learning training package for all relevant officers which focus on when and how council money can be spent. The staff who have undertaken the training is under active review and processes to ensure that all relevant officers undertake the training is being actively monitored and supported by CMT.

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Better Reporting and Robust Action Further develop the reporting of spend to flag annual values spent with each supplier and support Service Directors in identifying when CPRs are not being followed and taking appropriate action	Procurement Audit External Audit	Service Lead – Supplier Management Head of Procurement Operations	30th November 2018 (Resource dependant)	In progress - This action has been added to the "Plan for addressing issues and actions" which is being jointly managed by the Supplier Management Team and the Procurement Service.
Requisitioning and Procure to Pay (P2P) Introduce requisitioning to ensure all spend is processed through the requisition workflow in order to mandate that CPR processes are followed and procurement are involved in all spend in accordance with CPRs	Procurement Audit External Audit	Service Lead – Supplier Management	April 2019	Completed – Requisitioning introduced in April 2018. Changes associated with P2P are reliant on Business World implementation due in April 2019.
Improve Controls Mandate the requisitioning process by introducing system controls which provide no alternative route to processing orders and/or allowing suppliers to be paid including:-	Procurement Audit External Audit	Service Lead – Supplier	June 2019	In progress - A Council-wide communication
Empowering the Procurement Service to reject non-compliant orders.		Management Service Lead – Supplier		is in draft form and will be issued in February 2019. Partly Completed. To be fully implemented
 Control of supplier set up and usage – regulating who can set suppliers up and managing when and how they can be used. Requiring officers to state contract name on requisition when wishing to use a specific supplier because a contract is believed to exist. 		Management Service Lead – Supplier Management	710111 2010	as part of Business World and P2P Completed - Implemented as part of Requisitioning in April 2018.

	Service Lead – Supplier Management	September 2019	On hold - As a result of the introduction of Business World, the systems team is unable to dedicate a resource for linking products to Contracted Suppliers at this time. This decision was made at the Business World Project Group in November 2018. Where appropriate for the requirement, Procurement Services are procuring 'manual' catalogues and these will still be uploaded directly into Agresso/Business World.
	Service Lead – Supplier Management	31st December 2018	Completed
Procurement Audit External Audit	Service Lead – Supplier Management Service Lead – Supplier Management	·	In progress - A corporate approach to contract management (including the management of the Key Managed Contracts by the Supplier Management Team) is being implemented as part of an integrated procurement and contract management
	Audit	Service Lead – Supplier Management Procurement Audit Service Lead – Supplier Management External Audit Service Lead – Supplier Management Service Lead – Supplier	Service Lead – Supplier 31st December 2018 Procurement Audit Service Lead – Supplier Management Completed Service Lead – Supplier Management July – Oct 2019

Action	Origin of action	Lead Officer(s)	Due Date	Update Feb 2019
Feeder Systems 'Feeder' systems (those systems which create financial commitments outside of the Council's main financial system) are to be reviewed and usage clearly defined, restricted and managed to ensure mis-use does not occur.	Procurement Audit External Audit	Service Director - Finance and Commercialisation / Service Lead – Supplier Management / CMT	June 2019	In progress - A Feeder System project brief setting out how the review will be conducted has been agreed. A lack of available business analyst resource has meant that the project is now due to commence in February 2019. It should be noted that this is a complex project which encompasses a wide range of Council services and, as a result of those complexities and the delayed start, the due date is at risk. The project will, however, be undertaken on a priority basis to ensure that the largest financial and compliance risks to the Council are addressed in the first phase.
Procurement processes Review procurement processes to ensure that these are simple and user-friendly with a single spending route: Phase 1:				
Introduction of requisitioning, conduct workshops and surveys to better understand and address user issues with procurement processes		Service Lead – Supplier Management	Dec 2018	Completed
Development of e-learning to reflect user feedback and clarify processes				
Phase 2: Roll out revised procurement sections of the intranet		Service Lead – Supplier Management	End Feb 2019	Completed
Phase 3:				
Ensure there is reporting to track timescales associated with procurement activities				In progress

Action	Origin of action	Lead Officer(s)	Due Date	Update Feb 2019
Digitise forms and updates to reflect requisitioning and P2P		Head of Procurement Operations	30th September 2018	
Follow up to ensure relevant staff undertake the e-learning)				Completed
Streamline "Project Gateway" documents to make simple to ease within confines of contractual requirements but also supports compliant procurement.		Service Lead – Supplier Management	April 2018	Completed
Repatriate the procurement service to the Council to support the development and improvement of the procurement service	External Audit	Service Director Digital and Business Operations / Service Lead – Supplier Management	July 2019	As part of the termination of the SSP contract with Capita Business Services, the Procurement Service will be returning inhouse no later than 22 nd July 2019.
Develop requirements for compliance reporting and agree action for non-compliance supported by senior management.	Procurement Audit	James Strachan and Leadership Team	31st October 2018	In progress - A proposal for dealing with Officer non-compliance is now being developed by the Supplier Management Team in collaboration with HR. The approach to non-compliance will take the form of guidance for managers and will be consistent with the Council's disciplinary process.
Undertake review of P2P impact on procurement process compliance Review Nov 19	Procurement Audit	Service Lead – Supplier Management	31st December 2019	Not yet due
Develop a revised conformance dashboard with appropriate Quality Assurance process associated with it and a clear scope to ensure the compliance position is accurately reported.	Sub £100k audit	Service Lead – Supplier Management	End June 2017	Completed

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Arrange for the [at the time] newly constituted Procurement and Contract Management Board (chaired by the COO) to review conformance on a monthly basis and allocate and review actions to address non-conformance.	Sub £100k audit	Service Lead – Supplier Management	End June 2017	Completed. It should, however, be noted that as a result of the termination of the SSP contract and the end of the Procurement Guarantee that this mechanism has been discontinued and replaced by the existing SSP governance mechanisms.
Review processes to ensure that Procurement only have sight of categories of orders which are within scope for them to address.	Sub £100k audit	Service Lead – Supplier Management	End July 2017	Completed
Ensure that the conformance dashboard and aggregation data capture is effective	Sub £100k audit	Service Lead – Supplier Management	End July 2017	Completed
Review how the Hays contract is being used and its fitness for purpose	Sub £100k audit	Service Lead – Supplier Management	End July 2017	Completed (follow on actions are being developed)
Undertake a full review of the process associated with setting up new suppliers in Agresso, how this could effectively be restricted and how the process ensures compliance with Contract Procedure Rules and Create and implement an action plan based on the outcome of the review described Management action 4.1.	Sub £100k audit	Service Lead – Supplier Management/Head of Finance	End Oct 2017	Action superseded (being undertaken as part of the P2P element of the ERP)
Revise CPRs to incorporate the items observed in action plan 6.	Sub £100k audit	Service Lead – Supplier Management	End April 2017	Completed
Arrange for the approval of revised CPRs by Council.	Sub £100k audit	Service Lead – Supplier Management	End May 2017	Completed