

Appendix A – Progress against actions contained in Audit Reports

Action	Origin of action	Lead Officer(s)	Due Date	Update Feb 2019
<p>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</p>	<p>Procurement Audit External Audit</p>	<p>Service Director Growth/ Service Director, Adults, Housing and Communities (as the responsible Service Directors)</p>	<p>September 2018</p>	<p>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.</p>
<p>Develop the Contracts Register to ensure it is comprehensive and accurate</p> <ul style="list-style-type: none"> 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. 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. 	<p>Procurement Audit External Audit</p>	<p>Service Lead – Supplier Management</p> <p>CMT / Service Director Digital and Business Operations</p> <p>Procurement Services Service Lead – Supplier Management /CMT</p>	<p>Sept 2017</p> <p>Oct 2018</p> <p>November 2018</p>	<p>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)</p> <p>Completed – but note follow-on action above</p> <p>Completed</p>

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<p>Sub £100k procurement compliance</p> <ul style="list-style-type: none"> Continue to monitor compliance with Sub £100k processes and report instances of non-compliance to Service Directors for action Hold Sub 100k meetings with Service Directors in 2017/18, 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 Resolve the commercial and operational position relating to the Procurement Guarantee to assist in addressing compliance more effectively 	Sub £100k Audit	<p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p> <p>Capita Head of Procurement Operations</p> <p>Service Director Digital and Business Operations / Service Lead – Supplier Management</p>	<p>Ongoing</p> <p>Oct 2017</p> <p>Completed</p> <p>October 2018</p>	<p>In progress – Please refer to main body of this report “Procurement Actions Update”.</p> <p>Completed – the reporting approach is being further strengthened.</p> <p>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.</p> <p>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.</p>
<p>Learning and Development</p> <p>Mandatory training introduced for all staff who have any involvement in buying</p>	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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<p>Better Reporting and Robust Action</p> <p>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</p>	<p>Procurement Audit External Audit</p>	<p>Service Lead – Supplier Management Head of Procurement Operations</p>	<p>30th November 2018 (Resource dependant)</p>	<p>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.</p>
<p>Requisitioning and Procure to Pay (P2P)</p> <p>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</p>	<p>Procurement Audit External Audit</p>	<p>Service Lead – Supplier Management</p>	<p>April 2019</p>	<p>Completed – Requisitioning introduced in April 2018.</p> <p>Changes associated with P2P are reliant on Business World implementation due in April 2019.</p>
<p>Improve Controls</p> <p>Mandate the requisitioning process by introducing system controls which provide no alternative route to processing orders and/or allowing suppliers to be paid including:-</p> <ul style="list-style-type: none"> • Empowering the Procurement Service to reject non-compliant orders. • 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. 	<p>Procurement Audit External Audit</p>	<p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p>	<p>June 2019</p> <p>April 2019</p> <p>Completed</p>	<p>In progress - A Council-wide communication is in draft form and will be issued in February 2019.</p> <p>Partly Completed. To be fully implemented as part of Business World and P2P</p> <p>Completed - Implemented as part of Requisitioning in April 2018.</p>

Action	Origin of action	Lead Officer(s)	Due Date	Update Feb 2019
<ul style="list-style-type: none"> Link products (including services) to Contracted Suppliers in Business World to ensure that contracts are only used for the purpose they were set up for (i.e. a user will not be able to use supplier to purchase an item for which it does not have a contractually linked product). Undertake review of requisitioning's impact on procurement process compliance 		<p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p>	<p>September 2019</p> <p>31st December 2018</p>	<p>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.</p> <p>Completed</p>
<p>Cohesive Contract Management and Procurement service</p> <p>Implement a 'full cycle' cohesive contract management and procurement approach as set out in the Procurement Strategy</p> <ul style="list-style-type: none"> Phase 1 – Strategic Contracts and Integrated Commissioning Unit (ICU) Phase 2 – Review of Strategic Contracts and agreements re managing Key Managed Contracts 	<p>Procurement Audit</p> <p>External Audit</p>	<p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p>	<p>Completed</p> <p>July – Oct 2019</p>	<p>Completed</p> <p>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 service.</p>

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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