

	Audit Recommendation	Action Taken as reported in Appendix 5 of March 2014 Executive Report	Further actions identified	Owner	October 2014 Update	February 2015 Update
<b>1</b>	<b>Appendix One</b>	<b>Investigation into the Procurement and Management of Impart Links</b>				
1.1	Whenever any major contract is due for renewal, the process for the retender and the procedures to be adopted should be appropriate to the nature and scale of the contract and the risks involved.	<p>A report to January 2014 SMT entitled "Finance update – Procurement, Orders, Invoices and Contract Management" sought to remind officers across the Council of the procedures to be followed. Heads of service were charged with making sure the report was brought to all officers' attention, with assistance from a Big Button item on the Intranet.</p> <p>The new Procurement Team have been working with Budget Managers to update the Contracts Register and ensure there is mutual understanding of forthcoming tender activity, and appropriate plans for it. This work will be completed by the end of March.</p> <p>With the new Procurement Team in place, there will be greater emphasis on central co-ordination of procurement activity and compliance/enforcement.</p>	<p>(2) SAMS to confirm Contract Register accurate and provide regular updates.</p> <p>(3) Budget Managers to plan all their procurement activity pro-actively in advance and discuss with Procurement Team.</p> <p>(4) Monitor resource/impact on Procurement Team of greater emphasis on central co-ordination of procurement activity and compliance/enforcement.</p>	<p>SAMS</p> <p>Budget Managers</p> <p>Head of Finance</p>	<p>Updated Contracts Register being reviewed by Heads of Service. Instructions have again been issued to notify Procurement Team of any future changes.</p> <p>Discussed with Heads of Service and raised in SMT January and May 2014 reports. Plan of future procurement activity developing from Contracts Register updates.</p> <p>Procurement Team workload being assessed based on updated Contract Register, ensuring suitable involvement in all contract opportunities.</p>	<p>Contracts Register updated and published on website. Further updates on an on-going basis to reflect procurement activity and annual review to ensure all details are up to date.</p> <p>Procurement activity plans to be collated by Procurement Team to be confirmed by Heads of Service by end of March 2015.</p> <p>Resource impact of working coming out of updated Contracts Register assessed. Additional Procurement Officer agreed by members for 3 years.</p>
1.2	Whenever a contractor or consultant is on site in a situation where work is ordered as required as the job progresses, there should be regular monitoring, forecasting and reporting of activity, progress, cost and performance.	<p>The recent report to SMT (see above) reiterated some of the basics in contract management.</p> <p>The Budget Review process requires Budget Managers to monitor and forecast expenditure. This process is currently being strengthened by the introduction of additional cost centres, where appropriate, to isolate expenditure on specific contracts.</p> <p>Further, specific, Contract Management training will be delivered during 2014/15. HR will be confirming dates shortly.</p>	<p>(5) Active contract management (detailed components of not listed here).</p> <p>(6) Identify relevant Contract Management Training needs for individual officers.</p> <p>(8) Budget Managers and Accountants together to review each contract and how the contract spend is monitored against the contract, including how the relevant budget is held on Total, and review additional cost centre/codes required to assist manage contract budget more transparently.</p>	<p>Budget Managers</p> <p>SAMS/Procurement Team</p> <p>Budget Managers /Accountants</p>	<p>Contract Management training provided by WCC for Property Services. Further contract management training being sourced by HR so as to roll out from January 2015 with communication prior to this date promoting the relevant training.</p> <p>Initial list of officers needing training identified as part of Contracts Register discussions and from Personal Development Plans. Training to be structured around Contract Management and Tender process/specifications.</p> <p>Considered within May 2014 SMT report. Budget Managers responsible for monitoring contract spend. Accountants assisting/advising on most appropriate use of Total to assist with this.</p>	<p>Inaugural in-house procurement training workshop held January 2015. Session being reviewed to ensure meets needs of officers. Further rollout planned February/March 2015. Subsequent workshops to concentrate on tender specification and contract management.</p> <p>Officers requiring training being reviewed to ensure attendees and training provided are appropriate.</p> <p>Contract actual spend to be updated as part of the annual review of Contracts Register.</p>

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			(9) Annual call off orders to be raised on Total for all contracts spanning full year. (10) Orders to be raised in advance of goods and services received.	Budget Managers  Budget Managers	Need for annual orders raised in May 2014 SMT report and within Order training.  Officers informed within SMT reports and Order training.	FSTeam actively working with officers across the Council to arrange annual orders for 2015/16.  On-going work by FSTeam providing managers of details where orders being raised after invoice received.
1.3	As part of the overall financial management process it should be investigated if significant changes to orders can be identified and if orders are being used in an attempt to bypass the Code of Procurement Practice	An email reminder was issued in December to all Senior Officers setting out the correct Order Processing arrangements that they are required to follow.  Help and advice on ordering is already available from the FSTeam but this will be supplemented by formal training on the order process. This is currently being prepared with ICT Trainer to allow it to be rolled out to all appropriate staff during March/April 2014.	(11) Total system owner to consider risk, how orders can be changed and to confirm the definitive procedure.  (12) Order processing training to be rolled out to all users of Total.	Principal Accountant (Systems)/HoF  ICT Trainer/P A(Systems)/SAMS	Amended orders need to be authorised, requiring involvement of 2 officers. Order limits for individual officers held within Total. Order training provided to all users of Total.  Intensive roll-out of Order training since April 2014, with courses to be provided on an on-going basis for new starters etc. On-line training being finalised.	On-going.  On-going. On-line training being utilised for all new starters.
1.4	Whenever it is declared or evident that a member of staff, be they permanent or agency, has an interest or association of any kind with any organisation that the council conducts business with, they should not be involved in any way with any aspects of dealing with them if at all practicable		(15) Review and update Code of Corporate Governance	Audit & Risk Manager	Audit & Risk Manager to update following completion of CIPFA Certificate in Corporate Governance in October.	Audit & Risk Manager updating. Progress being reviewed at 1-2-1 meetings.
1.5	The remuneration arrangement for DS should be examined in the light of normal council procedures and the Head of H&PS' delegated authority and also the council's agreement with Comensura.	The decision was taken to end DS' employment in early December.	(16) Instructions over use and management of Comensura to be issued to all managers.	HR	After agreement with Alt SMT and a review of the control and processes within Comensura we HR are now in the process of training the HR support team and preparing narrative to SMT regarding how they plan to administer this, this will be completed by end November with relevant communication taking place between now and this time.	Delayed due to resource issues in HR December. Discussion with SMT Plus January 2015 to confirm arrangement moving forward. Communication sent end January 2015 confirming HR to monitor and control new Comensura staff and support managers with authorising timesheets from February 2015. This will allow a central co-ordination of agency appointments to be reviewed at the relevant levels/committees.

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		<p>Prior to his employment ending he had reduced his hours to the equivalent of 3 days per week as per the terms of the Comensura contract and the additional top-up days paid via the consultancy budget had ceased.</p> <p>The implications of the decision making in relation to the remuneration arrangements were included in the brief provided to WME who were conducting the separate investigation into potential disciplinary action.</p> <p>HR are reviewing the terms of the Comensura contract with Procurement. Instructions are planned to be issued to officers on the operation and management of posts recruited through Comensura. The instructions will detail such aspects as, when it is appropriate to use, what the rates/oncosts are, how to manage the hours, expenses, dealing with extensions over the initial period.</p>	<p>(17) Active management of Comensura contract</p> <p>(18) Management information from Comensura to be issued to SAMS</p> <p>(19) Monitor/Review agency staff employed.</p> <p>(20) Changes to appointments agreed by CMT (VARF) to be confirmed by CMT.</p>	<p>HR</p> <p>HR/SAMS</p> <p>HR</p> <p>CMT/SAMS</p>	<p>See 16.</p> <p>See 16. HR to issue information.</p> <p>Review has shown how use of agency staff has reduced from 34 in April 2014 to currently 19.</p> <p>Part of 16.</p>	<p>See 16.</p> <p>See 16.</p> <p>This has now been reduced as of January 2015 to 8 agency staff on Comensura, based on final restructure within Housing and Property Services. Further controls have been planned February 2015 with a revised VARF to highlight and challenge the requirement for Comensura versus management of resource within the service. Specific questions related to costs/budgets and timeframes have now been highlighted to ensure greater collaboration between Finance, HR and service areas.</p> <p>See 16.</p>
<b>2</b>	<b>Appendix Two Issues</b>	<b>Investigation into the Procurement and Management of One Stop Asbestos Consultants and Services Ltd</b>				
2.1	Contracts should be appropriately signed and entered into.	<p>Copies of all new contracts are now held centrally with the Procurement Team, with the contract manager holding a duplicate working copy. This check has been introduced to ensure that in future all contracts are properly signed, correctly filed and accessible.</p> <p>It has already been established that a number of the major H&amp;PS contracts, let under the Open Book Accounting method in April 2013 remain unsigned. Officers within Property Services, Procurement and Legal are currently reviewing the position in regard to these contracts and agreeing the process required to ensure they are regularised.</p>	<p>(23) Unsigned contracts to be signed, working with Legal/Procurement.</p> <p>(24) "Summary Recommendation Report" to be issued for all tenders ahead of awarding contract.</p> <p>(28) Review Contract Management module of Intend and consider feasibility for WDC.</p>	<p>SAMS</p> <p>Budget Managers /Procurement.</p> <p>Procurement Manager</p>	<p>H&amp;PS actively progressing getting signed contracts in place with 5 of the 13 March 2013 now signed. Heads of Service reminded to ensure signed contracts are in place. Signed contracts in place for all contracts since August 2013.</p> <p>Requirement to be formalised within updated Code of Procurement Practice.</p> <p>To be reviewed following update to Code of Procurement Practice and associated documents.</p>	<p>All thirteen of the contracts referred to in this section have now been signed.</p> <p>Updated Code of Procurement Practice includes the requirement for a Summary Recommendation Report.</p> <p>Review of Contract Management module within Intend to be reviewed as part of 2015/16 Service Plan Actions.</p>

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<b>3</b>	<b>Appendix Three Issues</b>	<b>Independent Audit Review of Selection of H&amp;PS Contractors</b>				
3.2	The Head of Procurement should amend the CoPP to require decisions to extend contracts to be:	Formal review and update of all Procurement documentation currently underway, bringing in the requirements of the Social Value Act and the changes to the EU Procurement Regulations recently issued. Changes to the Code will be presented to the Executive. This is to be a 2014/15 Service Plan activity for which the detailed milestones are yet to be determined.	(31) Formal review and update of all procurement documentation to be included within Service Plan 2014/15.	Procurement Manager	Documents being updated, aimed to go to SMT in October ahead of Executive in December.	Code of Procurement Practice, Procurement Strategy reviewed. Other documents and contracts reviewed when used.
3.3	The Head of Procurement should develop detailed guidance regarding quality/price assurance methodologies and circulate then to all concerned.	To be addressed as part of the review and update of the CoPP and all associated procurement documentation in line with new EU Regs, the Social Value Act and the Council's business requirements during 2014/15.	(32) To be addressed as part of the review and update of the CoPP and all associated procurement documentation (see 31).	Procurement Manager	Code of Procurement Practice being updated to go to December 2014 Executive.	Code of Procurement Practice and Procurement Strategy updated. Tender scoring methodology considered as part of training and within every tender analysis by Procurement Team.
3.9	In view of the findings of the top level review the Deputy Chief Executive, in liaison with the Audit & Risk Manager, should consider whether similar top level reviews should be undertaken of the processes associated with the letting of contracts to a further 8 named firms indicated as having received more than £100,000 inc VAT since 1/4/12	Discussions held with CAL indicate that they do not anticipate that this further review will identify any 'new' issues but may identify further examples of issues already identified. In such a scenario, this may require further work to be undertaken, for example to ensure a specific contract is market tested.	(38) H&PS to collate contract and other associated documentation.	Asset Manager	Asset Manager collating contract documents held by Property Services. Officers in Housing and Property Services are assembling the information they hold for the contracts in question and anticipate completing this exercise by 31st October 2014.	Documentation supplied reviewed by Head of Finance and Audit & Risk Manager. The documentation confirmed some earlier procurement exercises had not followed best practice, similar to the tenders originally evaluated. In view of the time which has subsequently passed, changes in officers, the improved practices in place and the greater priority being given to correct procurement by Housing and Property Services, it was recommended to CMT that a further review of these contracts should not progress.

Reference numbers in first column relate to paragraph numbers in full Action Plan presented in March and November 2014.

Reference numbers in "Further actions identified" column relate to actions within March and November 2014 Action Plans.