

## Internal audit

### Management Actions – Procurement Audit

#### Quarter 4 2022/23 - Update

#### Internal audit

An internal audit of the Council's procurement was conducted in Quarter 4 of 2020/21, which provided 'Limited' assurance. It was identified that there was scope for the framework of governance, risk management and control to be improved, including regarding procurement strategy, compliance sampling, reporting and recording of central registers.

To address the matters raised and improve the Council's procurement governance, a number of management actions were agreed. These actions were all identified as medium priority.

#### Progress and current actions

Due to capacity constraints and prioritisation of the response to the COVID-19 (coronavirus) pandemic, agreed management actions have not yet been completed. A revised end date of 31 December 2023 was agreed to reflect operational capacity.

Although this end date has not been reached, this report provides an update on their progress and activity currently underway, for the assurance of Audit Committee members.

#### Management actions

The management actions, progress to date, and current and forthcoming actions are set out below.

Area	Action	Progress and Status
<b>Contract Procedure Rules - Exemptions</b>	To develop a register of timebound waivers.	A task and finish group has been established to review current procurement and contract management arrangements.  This includes the management of the contract register and associated documents, including the establishment of a waiver register.
<b>Compliance to Contract Procedure Rules</b>	To implement a mechanism to monitor, report and sample CPR compliance. A closer alignment between procurement and finance officers for spend analysis and regular challenge on spend and CPRs	The monitoring and sampling mechanism for contract procedure rule compliance is currently being developed.  The process is anticipated to include random sampling of the contract register at regular intervals to assess compliance levels.  Recruitment to a vacant procurement role is being expedited, with interim support being secured.
<b>Performance Indicators</b>	To develop performance indicators, monitor and report.	The Projects and Performance team are currently reviewing potential performance indicators for inclusion in quarterly performance reporting.

Area	Action	Progress and Status
		The team will consult with relevant lead Members and officers prior to confirming these indicators.
<b>Scrutiny and Governance</b>	To report to Corporate Governance Group.	<p>Significant contract management and procurement matters are now reported directly to the Corporate Governance Group on an emerging basis.</p> <p>It is intended to establish a Procurement Board, which will oversee more detailed monitoring of procurement and contract management activities and provide regular highlight reports to the Corporate Governance Group.</p>
<b>Supporting Contract Documentation - InTend</b>	To develop a mechanism to dip sample contract documentation within InTend system.	<p>Processing of procurement documentation has moved to being supported by Orbis since the completion of the audit. This support is anticipated to be extended whilst future arrangements are confirmed.</p> <p>Future arrangements for contract documentation and associated sampling are being reviewed.</p>
<b>Strategy</b>	To review, update and further embed the Council's procurement strategy.	<p>The Council's procurement strategy has been flagged for review and substantive updates. This process is being considered by the task and finish group.</p> <p>The revised strategy is anticipated to incorporate a strengthened and updated process, along with expanded elements regarding the Council's social responsibilities, including support for small businesses, social enterprises, and subsidy control.</p> <p>The new strategy will also be designed to be compliant with anticipated emerging national guidance and legislation, including the Transforming Public Procurement programme and the Procurement Bill expected in 2024.</p> <p>The Council's contract procedure rules will also be reviewed, with it anticipated that an update to the constitutional elements will be brought forward for Full Council approval.</p>
<b>Contract Register – Forward Planning</b>	To develop a mechanism to proactively review contracts register.	<p>The contract register will form a key part of the updated contract procedure and procurement process, being reviewed by the task and finish group.</p> <p>As identified above, it is intended to establish a Procurement Board which will oversee effective forward planning for proactive review and management of contracts and the contract register.</p>