

Internal audit

Management actions - Procurement

Quarter 2 2023/24 - Update

Previous 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 pandemic, agreed management actions were not completed as originally anticipated.

A revised end date of 31 December 2023 was agreed to reflect operational capacity, and a Procurement Transformation Programme began in July 2023.

Although this end date has not been reached, this annex to the Internal audit - Quarter 2 2023/24 progress report provides an update on progress and activity currently underway. This follows the previous update that was provided accompanying the Quarter 4 2022/23 progress report.

Management actions

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

Area	Action	Progress and Status
Contract Procedure Rules - Exemptions	To develop a register of timebound waivers.	A task and finish group was established to review current procurement and contract management arrangements. This included management of the contract register and associated processes, including the establishment of a Waiver Register.
Compliance with Contract Procedure Rules	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	A monitoring and sampling mechanism for Contract Procedure Rule compliance is now being developed. This is anticipated to include random sampling of the contract register at regular intervals to confirm compliance levels. An experienced procurement consultant is now supporting current procurement activities to ensure compliance.
Performance Indicators	To develop performance indicators, monitor and report.	The Projects and Performance team are reviewing potential performance indicators with the procurement consultant and Chief Finance Officer for inclusion in quarterly

		<p>performance reports to Overview & Scrutiny and Executive.</p> <p>They plan to consult with relevant lead Members and officers.</p>
Scrutiny and Governance	To report to Corporate Governance Group.	<p>Significant contract management and procurement matters are now reported directly to the officer Corporate Governance Group on an emerging basis.</p> <p>A new officer Procurement Board has been established to oversee procurement and contract management activities and provide regular updates to the Corporate Governance Group, with its first meeting scheduled in December 2023.</p> <p>An analysis of historic contract spend has been completed to categorise historic procurement activity and category owners have been confirmed. An initial category owner meeting has taken place to brief them on their responsibilities and request that they review the data provided in more depth and report back.</p> <p>Service responsibility for Procurement activity has transferred from Legal to Finance.</p>
Supporting Contract Documentation - InTend	To develop a mechanism to dip sample contract documentation within InTend system.	Processing of procurement documentation and tendering exercises through the InTend system has moved back in-house, having previously been supported by the Orbis partnership.
Strategy	To review, update and further embed the Council's procurement strategy.	<p>The Procurement Strategy is now scheduled for review and substantive update. This will be overseen by the Procurement Board.</p> <p>The updated Strategy is anticipated to incorporate a strengthened process for identifying future procurements and managing tendering exercises to achieve best value</p> <p>It will also help ensure compliance with national guidance and legislation, including the new Procurement Act.</p> <p>The Contract Procedure Rules are scheduled for review alongside the Constitution review that has recently commenced.</p>
Contract Register – Forward Planning	To develop a mechanism to proactively review contracts register.	<p>A new Contract Register has been developed and published, and will be overseen by the Procurement Board.</p> <p>A Procurement Pipeline has also been developed, to support effective forward planning and identification of procurement capacity demands.</p>