

Date: 28th October 2021

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

INTERNAL AUDIT REPORT - HOUSING CAPITAL PROGRAMME POSITION STATEMENT OCTOBER 2021.

Relevant Portfolio Holder	Councillor David Thain
Portfolio Holder Consulted	No
Relevant Head of Service	Guy Revans – Head of Environmental and Property Services
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

1. SUMMARY OF PROPOSALS

1.1 To present:

- an updated position regarding the Redditch Borough Council Housing Capital Programme follow up review.

2. RECOMMENDATIONS

2.1 **The Committee is asked to note the report.**

3. KEY ISSUES

Financial Implications

3.1 There are no direct financial implications arising out of this report.

Legal Implications

3.2 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2018 to “maintain in accordance with proper practices an adequate and effective system of internal audit of its accounting records and of its system of internal control”.

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Service / Operational Implications

3.3 Housing Capital Programme Review.

The Housing Capital Programme review was originally undertaken during 2016/17. The outcome of the review identified several areas of the business which required a more substantial control environment to better protect Redditch Borough Council. The review was reported as 'limited' assurance.

There were several recommendations made with 'high' priority allocation due to the nature of the potential risk identified. Within each of the recommendations there was more than one aspect that required addressing so it was a very complex position that the Housing Management faced to enhance the control environment as one element was reliant on another and intrinsically linked.

In response to the original report a substantial action plan was drawn up and agreed with the then Head of Community Services and Deputy Chief Executive presenting the framework before the Audit and Governance Committee to address the various control weaknesses and potential risks the review had highlighted.

The action plan and work identified was far reaching and has touched on many aspects of the work the housing capital programme covers. It has taken time and there has been a natural churn of Officers over time which has impacted progress. Along with the pandemic and a combination of all these factors there has been an impact on the ability to implement all of the requirements.

Due to the nature of the service and the requirements the recovery was always going to take time and resource. The first formal internal audit 'Follow Up' took place on the 15th February 2018. A watching brief has been kept on the progress since and verbal reports were given before Committee by the s151 Officer on a regular basis until there was a change of post holder towards the latter end of 2020.

After a very short time in post the current Executive Director of Resources required a better understanding of the risk profile associated with this area and requested that a piece of work was undertaken to provide an evidenced based assurance of progress. It was agreed to achieve this Internal Audit would work closely with the

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Housing Property Services Manager to pull together a dossier of evidence proving the progress that has been made by the Housing Team. There was agreement what evidence was required, and the Housing Property Services Manager obtained information and data to prove that recommendations and service improvements have been achieved. The evidence has been provided to Internal Audit who have considered and related it to the action plan and reported back to the Executive Director of Resource on the 23rd September 2021. Appendix 1 sets out the position as at September 2021 but includes information from the three follow ups (where applicable) thus showing the progression.

The resulting evidence has indicated:

- that a large proportion of the actions have been completed and a sound control environment has been re-established in many areas of the business.
- Having re-established a much better control environment this can now be used as a foundation from which to continue to improve the service.
- The Housing Property Services Manager continues to drive the improvement programme and although a huge amount of progress has already been achieved it is acknowledged by all several recommendations remain and further actions are required to address the associated risks.
- It is evident the direction of travel remains positive and there are clear plans in place to address the remaining points.

Conclusion:

In conclusion:

- 88% of the recommendations have been addressed;
- 12% remain ongoing with action plans in place;
- There is better oversight of contracts, and, available data is more meaningful;
- The overall potential risk in this area has been reduced;
- There remain several pockets of risk, but these are known and will be mitigated with the planned actions;
- Further follow up will continue to take place until all the points have been satisfied.

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Customer / Equalities and Diversity Implications

There are no implications arising out of this report.

4. RISK MANAGEMENT

4.1 The main risks associated with the details included in this report are:

- Failure to complete the action plan leaving the Borough open to potential unacceptable risk.

5. APPENDICES

Appendix 1 ~ Overview of Housing Capital Programme Progress Matrix

6. BACKGROUND PAPERS

None

7. KEY

N/a

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APPENDIX A

**Housing Capital Programme – 2016/17
Worcestershire Internal Audit Shared Service**

KEY:

✓ = complete and evidence provided

P = ongoing with a defined plan agreed

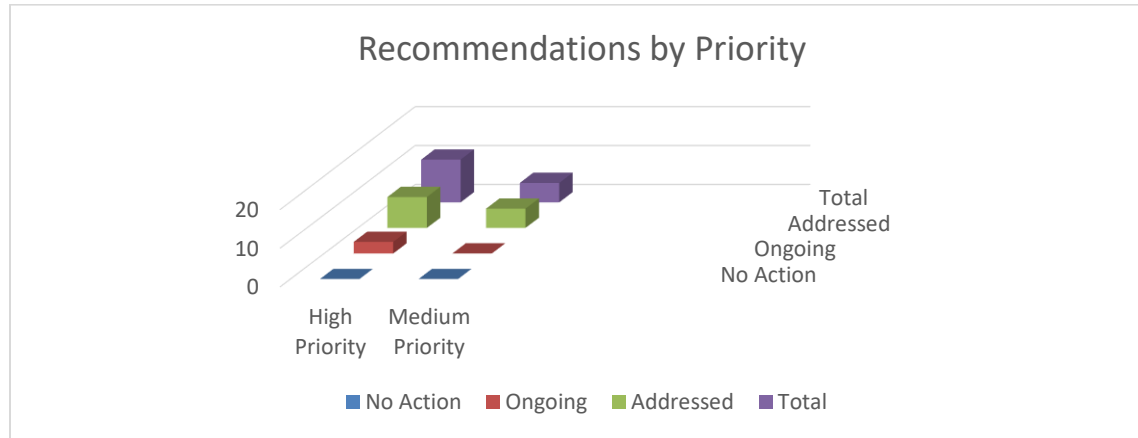
In Summary - September 2021:

1.1 Mostly complete with agreed action Plan	1.7 Addressed	1.12 Addressed
1.2 Addressed	1.8 Mostly complete with agreed action Plan	1.13 Addressed
1.3 Addressed	1.9 Addressed	1.14 Addressed
1.4 Addressed	1.10 Addressed	1.15 Addressed
1.5 Addressed	1.11 Addressed	1.16 Addressed
1.6 Addressed		

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1.1 H	Housing Capital Programme Original records must be obtained and reviewed in conjunction with major	No response was expected from this audit	In progress A review was carried out on previous stock condition data held by the Capital Team. There was very little data held on component replacements with no robust strategy to replace major	Update March 2021 RIDGE LLP were procured to carry out a Stock Condition Survey in January 19.	✓	✓

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	<p>works that have been completed to date to determine:</p> <ul style="list-style-type: none"> *• works that have been completed • properties that require upgrades/improvements • the required budget to be included in the current 5 year programme (i.e. 2017 – 2021) and going forward to the 30 year plan ending 2041. 		<p>components with the housing stock that were either at their remaining life or in a very poor condition. The last meaningful stock condition survey was carried out by Savills in 2001. Savills were contacted and provided a copy of the document that they had compiled, However, they did express concerns if this document was still being used as it was only initially intended for budgetary purposes only. The survey data did not hold data against individual properties and schemes that required improvement works.</p> <p>The Stock survey will collect a minimum of 20% data on the housing stock. This will provide a more accurate and meaningful picture of the housing stock and to</p>	<p>Phase 1 was been complete with 1272 surveys being completed. These consisted of blocks and independent assets. This represents a sample size of approximately 21%.</p> <p>Phase 2 of the project commenced on the 1st Oct 2019. We have currently surveyed the following stock including blocks as shown in the table below</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Asset Type</th> <th>Surve yed</th> </tr> </thead> <tbody> <tr> <td>Block</td> <td>601</td> </tr> <tr> <td>Bungalow</td> <td>521</td> </tr> </tbody> </table>	Asset Type	Surve yed	Block	601	Bungalow	521	✓	✓
Asset Type	Surve yed											
Block	601											
Bungalow	521											

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			<p>reflect changes that have occurred e.g. end of decent homes standard and compliance with the Housing Health & Safety Rating Standards. Members have agreed funding of £150k from HRA capital to fund the stock condition survey.</p> <p>The stock condition will initially be completed on 20% of the housing stock ensuring a good representative sample of all archetypes has been surveyed and then will continue focusing on high risk properties.</p> <p>Reviews are being conducted on previous projects that have been completed to ensure that work has been completed to a satisfactory standard and that all necessary</p>	<table border="0"> <tr> <td>Flat</td> <td align="right">1023</td> </tr> <tr> <td>House</td> <td align="right">1557</td> </tr> <tr> <td>Maisonette</td> <td align="right">11</td> </tr> <tr> <td>Grand Total</td> <td align="right">3713</td> </tr> </table> <p>This represents a sample size of approximately 63%</p> <p>Garages are currently being surveyed and a revised asset register has been compiled. The garages will be completed by the 21/2/20.</p> <p>Procurement requires early sight of planned works programme will ensure complaint contracts available for implementation.</p>	Flat	1023	House	1557	Maisonette	11	Grand Total	3713	<p align="center">✓</p> <p align="center">✓</p>	<p align="center">✓</p> <p align="center">✓</p>
			Flat	1023										
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			<p>documentation in in place. Once this review is completed the data will be uploaded into the new Asset Management system.</p> <p>We envisage the following to be completed on data collection</p> <p>20% to be surveyed by 31st March 2019</p> <p>70% to be surveyed by 31st March 2020</p> <p>100% to be surveyed by 31st March 2021</p> <p>Until such time that we have robust plans to carry out planned capital works we will be reducing the spend on capital works and</p>	<p>Update Sept 2021.</p> <p>The stock condition survey is now complete; other properties will be surveyed when properties are void.</p> <p>All data on the blocks and properties has been validated and uploaded into the Asprey Test system</p> <p>We are now analysing and validating the data on the garages and car park sites</p> <p>Revised cost forecast reports have been completed for 30 years and passed to finance</p>	<p>P</p> <p>✓</p> <p>P</p> <p>P</p>	<p>✓</p>

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			<p>only carrying out necessary works following detailed surveys at properties and only where issues have been identified with meeting statutory legislation e.g. The Regulatory Reform (Fire Safety) Order 2005 and Control of Asbestos Regulations 2012.</p>	<p>for review and budget planning.</p> <p>The remaining assets that were not surveyed will be completed by the in-house surveyors. This will be done as and when new projects are started and when we have void properties passed to the Capital Team. Delays due to COVID 19 and we are hoping that this will be completed in full during financial year 21/22</p> <p>A new investment programme based on the data is being developed ready for procurement and commencement in 2021/22.</p>	<p align="center">P</p> <p align="center">✓</p>	<p align="center">✓</p>

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1.2 H	<p>Budget Monitoring</p> <p>Consideration should be given to:</p> <ul style="list-style-type: none"> • Creating annual orders to commit expenditure. • Routinely incorporating work in progress into the budget monitoring process to minimise the scope for overspends 	<p>No response was expected from this audit</p>	<p>The Senior Contract Manager confirmed that he had met with the Housing Accountant and a revised process for monitoring capital spend agreed</p> <p>Expenditure on capital projects is committed and provisions have been made to take account of work:</p> <ul style="list-style-type: none"> • Ordered • In progress (WIP) • Completed but not yet invoiced • Completed and Invoiced • Paid 	<p>For financial year 18/19 and going forward orders for capital works were placed using the Councils eProc financial system.</p> <p>This allowed better monitoring of budgets and expenditure.</p>		

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			<p>The Senior Contracts Manager will be responsible for monitoring all capital works expenditure. In the interim whilst the new Housing Management System is being procured and mobilised, the Senior Contracts Manager will be using the financial system eProc and eFin to raise works orders which initially will be for multiple works against one project and contractor to better manage budgets and expenditure.</p> <p>Furthermore, a new process of closing accounts on a quarterly basis is being developed by the Senior Contracts Manager and Finance. This will allow potential overspends to be better managed and also ensure that end of year accruals are minimised.</p>	<p>New contracts were also procured through frameworks to ensure that all works ordered complied with the Councils Procurement rules.</p> <p>Meetings were held with finance to ensure that expenditure was controlled and managed as per the budgets.</p> <p>No overspend on the budgets is envisaged for financial year 18/19.</p> <p>Procurement needs a full list of contracts for the contracts register; we still do not have this complete. Also housing need to ensure all orders</p>	<p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p>

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			<p>This should ensure a more robust approach is followed.</p> <p>Changes to revenue spend is reliant on new Housing Management System.</p>	<p>detail which framework we are utilising.</p> <p>A new finance system was introduced in February 2021. New annual orders are being raised for 21/22.</p>	✓	✓
1.3 H	<p>Budget Overspends</p> <p>When the budget has been reached it is practice to stop the works.</p> <p>However, it is not common practice to review the contract management arrangements. Failure to routinely do this will not</p>	<p>Where expenditure levels are at or exceeded the budget, then it would be prudent to confirm the reasons for this as opposed to just slowing or halting the works.</p>	<p>Regular budget monitoring reports (are produced, circulated and monitored by senior managers and the Portfolio Holder.</p>	<p>Capital Monitoring Meetings have been diarised monthly to monitor spend as well as using spend profiles based on historical and or estimated monthly expenditure.</p>	✓	✓

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	determine if poor contract management was contributory factor in the budget level being prematurely reached/exceeded.					
1.4 H	Property Database For the purposes of accuracy and to ensure that the housing stock is maintained in accordance with the Decent Homes Standard, it is recommended that a central database is established.	No response was expected from this audit	A new asset management system has been procured from Asprey Management Solutions Ltd. The asset management system will hold all relevant property information such as property archetype, ownership, status (i.e. sold or RTB) plus survey condition	Update March 2021 The new asset management system was procured in 2018 and is currently being developed in line with RBC requirements. The asset register is complete, and a physical survey was carried out of all blocks to ensure we had the correct independent assets	✓ ✓	✓ ✓

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	<p>SAFFRON would be the obvious choice for storing property related data. However, it is accepted that this is an old version of the application and has limitations.</p> <p>It may be appropriate to consider an alternative solution which will provide a 'fit for purpose' system that can be relied on and provide the requisite management information that will assist good decision making and justifiable actions.</p>		<p>data, Decent Homes and Housing Quality Standard rules, local rules, installation dates, suggested replacement dates (based on survey data), planned replacement dates etc. This module allows an analysis of current and future positions in terms of Housing Quality standards, along with associated cost information, and via scenario planning, allows the user to determine the optimum route to reaching and maintaining the target level of decency/housing quality.</p> <p>The new system will also allow robust cost forecasting and budgeting for capital works, this can be done on a yearly basis or up to 30 years.</p>	<p>were attributed to the correct blocks.</p> <p>The component register has also been completed detailing all the major components that will be collected during the stock condition surveys.</p> <p>We have also completed the component accounting schedule of rates which will inform RBC of the 30 year expenditure on the assets. The component accounting costs have also been verified externally and internally to ensure they are in line with industry costs.</p>	<p align="center">✓</p>	<p align="center">✓</p> <p align="center">✓</p>

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			<p>The Senior Contracts Manager has been tasked with project managing the implementation of the new system. We envisage the system for initial data collection being in operation by Nov 18 and the full system operation from the 1st April 19.</p>	<p>The rules and structures for Decent Homes, Housing health & safety rating standard and reduced data SAP assessment (RdSAP) have also been completed.</p> <p>The system is live in an external environment and will be formally moved over onto RBC servers once the garage surveys are complete.</p> <p>Work has also commenced on the other modules that we have procured, namely;</p> <p>Fire Risk Assessments</p> <p>Legionella</p>	<p>✓</p>	<p>✓</p>

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				<p>with other business critical areas.</p> <p>Update September 2021</p> <p>Stock condition Information has now been loaded in to the Asprey System, this was delayed due to the COVID pandemic.</p> <p>A phased approach to implementing the key modules is contained within an overarching Project Plan.</p> <p>Initial training has now been completed for the Super Users on System Administration and further training is being booked for other modules. A live system</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p>

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				is in operation for stock condition.		
1.5 H	Contract extensions Contracts should only be extended in accordance with the Standard Terms and Conditions of the Contract and value for key must be a key driving factor.	No response was expected from this audit	Following the review of existing contracts and the suspension of all existing contracts subject to a full review a new process has been implemented to manage contract extensions. No contracts will be extended on the expiration date of existing contracts. All new procurement contracts have been procured in line with the Councils Corporate	Update March 2021 All new contracts have been procured in line with the Councils Corporate Procurement Procedure Rules via a number of frameworks. The contracts procured have been as follows Voids works. R&M Works.		

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			<p>Procurement Procedure rules. Upon the anniversary of the contract expiration new contracts will have been procured ensuring that adequate time and resources are tasked prior to the contract end date allowing enough time to procure any new contracts.</p> <p>The Senior contracts Manager has been tasked with responsibility to procure all new contracts and keep an up to dated register of contracts with start and end dates which are regularly reviewed with the Procurement Officer.</p> <p>If for any reason a contract cannot be sought in line with Corporate Procedure Rules a report will be compiled by the Senior Contracts</p>	<p>Asbestos removals.</p> <p>Asbestos surveying.</p> <p>Fire Stoppage Works.</p> <p>Stock condition surveys.</p> <p>Structural Surveys.</p> <p>Fire Risk assessments.</p> <p>The following tenders are in the process of being procured</p> <p>Electrical works</p> <p>Electrical compliance</p> <p>Electrical Upgrades</p>	<p align="center">✓</p>	<p align="center">✓</p>

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			Manager and Procurement Officer which will then only be approved by the Head of Service and the Management Team. This process will only be used in exceptional circumstances.	Equipment & Adaptation Drains & Sewers Whole House Works Cyclical Painting Cleaning Regular meetings are held between the Senior Contracts Manager and Procurement officer to review contracts. Contracts still out of date (cleaning) or no complaint contracts in places (waste). Update September 2021	✓	✓

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				New contracts that have been procured in line with the Corporate Procurement Procedure rules are as follows Asbestos Surveys Asbestos Removal EICR Compliance Cyclical painting Communal Painting Fire Safety Works Damp & Mould Growth Warden call Systems The following contracts are being drawn up and will be	✓	✓

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				procured over the coming months Major Works Major Voids Kitchen & Bathrooms Communal Doors Door Access Solutions Electrical Heating Gas Heating Upgrades Aids & Adaptations		

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1.6 H	<p>Work not exposed to competition</p> <p>This work should be exposed to competition without delay.</p>	<p>No response was expected from this audit</p>	<p>During the initial audit it had been confirmed that work carried out in connection with aerial repairs had not been exposed to tender and there were questions being raised regarding the current providers qualification to do this work.</p> <ul style="list-style-type: none"> This work has not been tendered but is being examined with a view to including the works within the electrical contract procurement as a separate Lot. <p>Electrical contracts will be out for tender in November/December 2018. Industry standard specifications (NATFED) will be used (amended as necessary) for this purpose. These specifications</p>	<p>All new contracts procured have select questions that are completed by the relevant tenderers which specifically look at competency of the contractor. These will involve qualifications, professional accreditations, references and industry experience and quality assurance systems. This will ensure only competent contractors bid for any works</p> <p>Robust procurement process for all new contracts. Use of frameworks where possible for full transparency.</p>	<p align="center">✓</p>	<p align="center">✓</p> <p align="center">✓</p>

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			<p>are available under a subscription service and are updated to ensure all appropriate legislation, health & safety requirements etc. In future all contract specifications will follow this format starting with the Electrical contract.</p> <p>All future tenders will ensure that appropriate trade qualifications or membership of a professional body will be requested and confirmed as part of the tender/evaluation process.</p>			
			<p>1.7 H</p>	<p>Contract Register</p> <p>Expired contracts must be tendered as a matter of urgency. Records held by both Procurement & Housing should be</p>	<p>No response was expected from this audit</p>	<p>All contracts have now been reviewed and the Senior Contracts Manager along with the Procurement Officer will be</p>

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	reviewed to ensure information is consistent and appropriate action is taken to prepare for letting the contract.		<p>updating and reviewing the register on a regular basis.</p> <p>The contracts register will also be uploaded onto the Corporate procurement system Due North which will ensure that automatic updates will be sent to robustly manage the process.</p>	<p>Regulations to the Housing capital team</p> <p>Training was also delivered by Anthony Collins Solicitors on Contract Management.</p> <p>Contracts register is still not up to date with all contracts.</p>	✓	✓
1.8 H	<p>Procurement training</p> <p>All staff engaged in the procurement process should be adequately trained.</p>		<p>Training was provided to members of the Housing Capital team in May 2017 by the SCM.</p>	<p>All training now undertaken and continue sessions to maintain knowledge.</p> <p>Training is taking place on Specifications and Scoring and Evaluation. Also, we</p>		

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		<p>Inexperienced staff should not be preparing specifications unless there is an adequate level of supervision.</p>	<p>The Contract Group has identified council wide training to be delivered:</p> <ul style="list-style-type: none"> • Contract Procedure Rules & Fin Regulations – delivered with mop up sessions available • Contract Management Training – to be provided by HR • Mandatory Procurement Training has now been undertaken and lists of all who attended has been issued to HOS. 	<p>have Crown Commercial Services coming in February 20 to discuss Frameworks</p> <p>Further mop up general training provided to new starters/those who have not attended. Further sessions will be made available.</p> <p>New general training will be rolled out Autumn 2020 following process mapping work with Black Radley.</p> <p>New 2021 sessions planned</p> <p>Specification template now available.</p>	<p>✓</p> <p>P</p> <p>✓</p>	<p>✓</p> <p>✓</p>

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1.9 H	<p>Contract Specifications</p> <p>There is no formal process in place that identifies key contract stages/requirements in the contract letting process e.g.</p> <ul style="list-style-type: none"> • Specification • Advertising • Method of evaluation • Impact on other contracts 	<p>No response was expected from this audit</p>	<p>New processes have been developed to ensure that any procurement of contracts has fit for purpose specifications for the work required.</p> <p>All procurement for contracts has detailed timelines which identify key milestones along with named officers who are required in the process. As all procurement is now being viewed across the</p>	<p>Contracts specifications have been re-done to ensure they are fit for purpose.</p> <p>Procurement of contracts now also includes Public Buildings to ensure that duplication of works is avoided.</p>	<p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p>

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	<ul style="list-style-type: none"> • Liaison with procurement • Performance measures <p>It is recommended for each contract a standard checklist is introduced that will help ensure that a disciplined approach is followed and, key elements have been identified.</p> <p>The checklist should also provide for management/senior officer review/sign off to provide assurance that key areas have been adequately addressed.</p>		<p>council this in turn will allow other departments who may use similar services to be part of the contract tender documentation. This negates the need to do multiple procurements for similar works ensuring a better streamlined process and value for money is being achieved.</p> <p>The Senior Contracts Manager is leading on this with support from the Procurement Officer to identify where procurement may overlap between different teams and departments.</p> <p>As mentioned in 4.7, contract specifications to be used in the future will now be standardised</p>	<p>We are currently holding training courses on Specification writing.</p>		✓

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			and up to date and available via a subscription service.			
1.10 H	<p>Performance measures</p> <p>All contracts must include meaningful performance measures as indicated in the Contract Procedure Rules and be closely monitored as part of the overall contract management throughout the term of the contract.</p>	No response was expected from this audit	A new suite of performance measures are in the process of being introduced on all new contracts	<p>Use of frameworks provides robust performance measures mechanisms – checks needed to ensure these are appropriately monitored and used.</p> <p>No one is using the portal for contract management purposes.</p>		<p>✓</p> <p>✓</p>

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1.11 H	<p>Record retention/disposal</p> <p>Records must be retained as outlined in the procedure rules</p>	<p>No response was expected from this audit</p>	<p>This is an area that has yet to be addressed by the Contracts Group and is now council wide and not restricted to Housing.</p> <p>A 'contract amnesty' was declared for the purpose of determining what contracts existed within the council which are not recorded anywhere & to establish an accurate position. This piece of work has been carried out by the Contract W and contracts have been identified. This is still an ongoing piece of work</p>	<p>March 2021</p> <p>The portal is still not up to date with contracts and documentation</p> <p>September 2021 Update</p> <p>The final 5 signed contracts have now been sent to procurement and once loaded this action is complete.</p>		<p align="center">✓</p>

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			In the medium term council wide use of the procurement application DUENORTH will enable all records to be held both electronically and centrally.			
1.12 M	Resilience It is recommended that the issue of resilience is factored into the process when these contracts are let.	No response was expected from this audit	The contracts specifically electrical are go to be let in lots i.e. specific type of work. This will allow specialists, small, and multi skilled suppliers to tender. This will also help to provide resilience in this area.	The electrical contract was procured though LOTS.		✓

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1.13 M	<p>Contract / Procurement Guidance</p> <p>Procurement documents should be reviewed to ensure that guidance is; sufficient, consistent and that responsibilities are clearly defined</p>	<p>No response was expected from this audit</p>	<p>The Contract Procedure Rules (CPR) & the Financial Procedure Rules have been reviewed and came into force wef 1st April 2018.</p> <p>The audit report made specific reference to 'contract extensions' & 'novations' but neither appear in the revised CPR. However, it is intended for these areas to be covered in the contract management training.</p> <p>Consideration was given to centrally locating all contract/procurement advice/documents etc. However, it was felt that staff wishing to</p>	<p>We are looking at updating the orb and website with further helpful information and documents.</p> <p>New specification template and outcome of Black Radley process mapping</p>		<p>✓</p> <p>✓</p>

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			procure services should be encouraged to deal directly with the Procurement Officer that way there is a greater degree of certainty that advice given will be consistent and the scope for error minimised.			
1.14 M	Procurement Unit It is recommended that the Procurement Officer liaises with Heads Of Service & staff involved with contracts to gauge views and ideas to determine an effective partnership going forward	No response was expected from this audit	The Procurement Unit is now within Legal Service's and forms part of the new Commercial Team that includes solicitors. The Procurement profile has now been raised by this move. The Business Plan Template also	Process mapping work with Black Radley and procurements champions outcome now going to CMT to be signed off before roll out through new procurement training and suite of template documents.		✓

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			<p>requires that Procurement is involved at an early stage.</p> <p>Other Services (e.g. Environmental Services) are ensuring that advice is sought from Procurement prior to tendering.</p>			
<p>1.15 M</p>	<p>Contract Conditions</p> <p>It should not be accepted that the Council will meet these costs and as such these clauses should not be routinely incorporated into contracts.</p> <p>Consideration should also be given to having shorter</p>	<p>No response was expected from this audit</p>	<p>Confirmed with both HOLM & SCM that future contracts will not provide for rpi increases.</p> <p>Again, the use of a report will reinforce this requirement.</p>	<p>No RPI increases as per previous contracts have been provided in new contracts that have been procured.</p>		<p align="center">✓</p>

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	contracts as opposed to the five year contracts that have been let.					
1.16 M	Whistleblowing Policy It is recommended that at the time contracts are exposed to tender, prospective tenderers are given an extract of the policy along with all other documents and the Policy is made easily available on the Council's website to encourage action if wrong doing is considered present.	No response was expected from this audit	The Whistleblowing Policy (Confidential Reporting Policy) was reviewed and approved by Council in July 2016. The Policy appears in the staff handbook which is also part of the Constitution which can be found from the web site. Due to the suspension of contracts this recommendation has yet to be fully implemented.	Use of frameworks means procurement conducted by independent 3 rd party organisations		✓

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			Though this should occur with the tendering for the Minor Civils contract which is due for tender imminently.			

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Definition of Priority of Recommendations

Priority	Definition
H	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.
M	Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation within 3 to 6 months is important in order to provide satisfactory control of the risk(s) the system is exposed to.
L	Control weakness that has a low impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation is desirable as it will improve overall control within the system.