

**INTERNAL AUDIT PROGRESS REPORT – OCTOBER 2018**

**1 Purpose**

- 1.1 To receive the Internal Audit Progress Report of activity undertaken since March 2018.

**2 Recommendations**

- 2.1 The committee is recommended to note the progress report.

**3 Supporting Information**

- 3.1 This report provides an update on the progress made against the 2018/19 Internal Audit Plan and includes information on:

- Internal audit reviews completed and in progress
- Changes to the 2018/19 internal audit plan
- Implementation of agreed audit actions

- 3.2 The Committee requested that all internal audit reports are presented in full. These are included in Appendix 3.

**4. Reasons for Recommendations**

- 4.1 Ensuring a proper and effective flow of information to Audit Committee Members enables them to perform their role effectively and is an essential element of the corporate governance arrangements at the Council.

**5. Resource Implications**

- 5.1 There are no resource implications to report.

Contact Officer: Kate Mulhearn, Corporate Governance Manager (01296) 585724  
Background papers: none



# **Internal Audit Progress Report**

October 2018





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# 1. Activity and progress

The 2018/19 internal audit plan was approved by the Audit Committee in June 2018. A summary of the plan is included in Appendix 2. We monitor progress against the plan during the year and advise the Audit Committee of any changes.

## Final reports issued since the previous Committee meeting

<i>Name of review</i>	<i>Risk rating*</i>	<i>Date of final report</i>	<i>No of recommendations made*</i>			
						
			<b>Critical</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
Corporate Health and Safety	Medium	27.9.18	-	-	3	2
Procurement and Contract Management	Medium	27.9.18	-	-	1	4

\* See Appendix 1 for the basis for classifying internal audit findings and reports.

The full reports are attached in Appendix 3 and summarised below:

### Corporate Health and Safety

This report is classified as Medium risk. We identified three medium and two low risk issues. The scope of our work was designed to measure against the requirements of the Health and Safety at Work Act 1974, and relevant associated regulations.

During 2017, resources to support health and safety activities were increased at both a corporate and operational level (Pembroke Road). Since then significant steps have been taken to improve and evidence the corporate approach to meeting all legal duties. Overall, we found procedures to be in accordance with the requirements and a number of areas of good practice were noted, in particular at the Waste and Operations site at Pembroke Road.

The report highlights where further work is required to strengthen controls as summarised below:

- We observed that an Event Safety Management Plan was in place for Council organised events which present a significant public safety risk. However, there has been a lack of clarity around roles, resources and accountability for completion of risk assessments and the level of health and safety support required. (Finding 1 – Medium)
- Health and safety risk assessments need to be completed across all areas of significant activity. Once complete, a corporate monitoring and review process is

needed to ensure the risk profile of the organisation is continually reviewed, activities assessed and appropriate action taken. (Finding 2 – Medium)

- A programme of health and safety training based on role requirements is needed to ensure that staff are aware of the latest health and safety issues. Training materials need to be developed in consultation with Learning and Development and a process established to ensure compliance can be monitored and reported. (Finding 3 – Medium)
- The accident and incident reporting system and health and safety KPIs should be further developed. (Finding 4 – Low)
- Policy governance requires improvement, including a framework to review all policies and ensure changes are appropriately approved and communicated. (Finding 5 – Low)

### **Procurement and Contract Management**

This report is classified as medium risk. We raised one medium and four low risk issues.

The Council increased the corporate resource involved with overseeing and supporting procurement and contract management activity in 2017. The aim of this team is to ensure compliance with the Contract Procedure Rules (CPR) and legislation and maximise value for money through better procurement processes and stronger contract management.

The Contracts and Procurement have made significant progress in strengthening procurement and contract procedures and visibility over contract spend, the reports highlights a number of areas where further work is required:

- Our sample testing found some instances of non-compliance with the Contract Procedure Rules, relating to the signing and sealing of contracts. We also found that evidence of quotes was not always held (Finding 1 – Medium)
- Further work is needed to correctly classify spend and complete the contract register (Finding 2 – Low)
- An assessment of mandatory training needs for different roles/levels is required, training materials need to be developed and completion monitored (Finding 3 – Low)
- The Contract Procedure Rules were due for review in 2017 but the review, whilst almost complete, was still in progress at the time of audit (Finding 4 – Low)
- The contract register on the Council's website does not meet the requirement of the Local Government Transparency Code 2015 (Finding 5 – Low)

## 2018/19 internal audit plan work in progress

As at the date of preparing this report the following reviews are in progress:

<i><b>Name of review</b></i>	<i><b>Update on progress</b></i>
Customer comments, compliments & complaints	Scoping meeting held
Section 106 Agreements	Terms of reference agreed. Reporting to Audit Committee in January 2019
Housing Benefits	Scoping meeting held
Waste & Recycling – Commercial Waste	Terms of reference agreed. Reporting to Audit Committee in January 2019
Parking services	Terms of reference agreed. Reporting to Audit Committee in January 2019

## Summary of changes to the 2018/19 internal audit plan

To remain relevant, the annual internal audit plan should be flexible to respond to emerging or changing risks. With budget constraints, there is also a need to ensure prioritisation is given to work which will achieve the greatest value to the organisation. The following changes have been made to the 2018/19 plan since it was approved in June 2018:

<i><b>Name of review</b></i>	<i><b>Comment</b></i>
Waste & Recycling - Contracts	The original plan included review of the contracts for Street Cleansing/Horticulture and Recycling. Council recently approved the proposal to bring Street Scene services in-house, the contract will conclude in January 2020. Due to changes in the recycling market, we no longer receive income but pay for waste to be taken to a MRF through a contract with CasePak. For both contracts, management procedures are in place and not considered a high risk for internal audit review. Audit days will be reallocated to allow for more in-depth reviews of Commercial Waste and Parking Services.

## ***2. Implementation of agreed audit actions***





We monitor the implementation of actions and recommendations raised by internal audit reviews to ensure that the control weaknesses identified have been satisfactorily addressed. Actions arising from low risk audit findings are followed up by management and reviewed, but not validated, by internal audit.

A detailed listing of all internal audit actions, together with status update is included in Appendix 4. In total 36 actions were followed up for the October 2018 Audit Committee – this included an update on all actions whether they were due or whether they had a later due date. 19 out of 36 actions are complete which equates to 52.7% (55% in June 2018).

# Appendix 1: Internal audit opinion and classification definitions

The overall report classification is determined by allocating points to each of the individual findings included in the report.

Findings rating	Points
Critical	40 points per finding
High	10 points per finding
Medium	3 points per finding
Low	1 point per finding

Report classification	Points
 Critical risk	40 points and over
 High risk	16– 39 points
 Medium risk	7– 15 points
 Low risk	6 points or less

Individual findings are considered against a number of criteria and given a risk rating based on the following:

Finding rating	Assessment rationale
Critical	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Critical</b> impact on operational performance; or</li> <li>• <b>Critical</b> monetary or financial statement impact [quantify if possible = materiality]; or</li> <li>• <b>Critical</b> breach in laws and regulations that could result in material fines or consequences; or</li> <li>• <b>Critical</b> impact on the reputation or brand of the organisation which could threaten its future viability.</li> </ul>
High	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Significant</b> impact on operational performance; or</li> <li>• <b>Significant</b> monetary or financial statement impact [quantify if possible]; or</li> <li>• <b>Significant</b> breach in laws and regulations resulting in significant fines and consequences; or</li> <li>• <b>Significant</b> impact on the reputation or brand of the organisation.</li> </ul>
Medium	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Moderate</b> impact on operational performance; or</li> <li>• <b>Moderate</b> monetary or financial statement impact [quantify if possible]; or</li> <li>• <b>Moderate</b> breach in laws and regulations resulting in fines and consequences; or</li> <li>• <b>Moderate</b> impact on the reputation or brand of the organisation.</li> </ul>
Low	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Minor</b> impact on the organisation’s operational performance; or</li> <li>• <b>Minor</b> monetary or financial statement impact [quantify if possible]; or</li> <li>• <b>Minor</b> breach in laws and regulations with limited consequences; or</li> <li>• <b>Minor</b> impact on the reputation of the organisation.</li> </ul>
Advisory	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>



## Appendix 2: Internal audit plan and progress tracker

The 2018/19 Annual Internal Audit Plan was approved by members of the Audit Committee in June 2018. A summary of progress on completion of the plan and changes is reported below.

Review	Description	Status/Comment	Overall Risk Rating
General Ledger	Assurance over control design and operating effectiveness of key financial processes.		
Accounts Payable			
Payroll	Review payroll processes and controls post new system implementation		
Billing, debt management and recovery	Review of processes for billing selected income streams (inc. commercial & garden waste, licensing, property), debt management and recovery		
TechOne	Review system integration and data transfer controls to ensure the data held in TechOne is complete and accurate.		
Contracts & Procurement	Corporate processes	Complete	Medium
Health & Safety	Corporate processes	Complete	Medium
Customer comments, compliments & complaints	Corporate CCC process & new Customer Charter	Scoping meeting held	
Section 106 Agreements		Terms of Reference agreed. Work planned Oct/Nov 2018	
Housing Benefits	Consider impact of Universal Credit	Scoping meeting held	
Waste & Recycling - Contracts	Original plan included review of the contracts for Street Cleansing/Horticulture and Recycling. Council recently approved the proposal to bring Street Scene services in-house, the contract will conclude in January 2020. Due to changes in the recycling market, we no longer receive income but pay for waste to be taken to a MRF through a contract with CasePak . For both contracts management procedures are in place and not considered a high risk for internal audit review.		
Waste & Recycling – Commercial Waste	Focus on customer and commercial aspects of trade waste operations.	Terms of Reference agreed. Work planned Oct/Nov 2018	
Parking services	Review of all areas of the parking service	Terms of Reference agreed. Work planned Oct/Nov 2018	
Connected Knowledge	TBC		
Company Governance	Assess governance arrangements for the Aylesbury Vale Estates		
Follow up audit actions	Validation that agreed internal audit actions have been implemented.	Ongoing	
Disabled Facilities Grant	Grant compliance requirements	Complete	No issues reported

## ***Appendix 3: Internal audit reports***

The Committee requested to see all internal audit reports in full. Those completed since the last meeting are attached below.

1. Corporate Health and Safety
2. Procurement and Contract Management

## ***Appendix 4: Summary of internal audit actions***

[To follow]



## Internal Audit Report 2018/19

# **Corporate Health and Safety**

September 2018

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## Distribution List

For action	Joanne Crosby, Corporate Health and Safety Manager Diane Harnett, Operational Health and Safety Officer Stephen Foster, Health and Safety Officer Will Rysdale, Assistant Director
For information	Isabel Edgar Briancon, Assistant Director Andrew Small, Director Health & Safety Board Audit Committee

This report has been prepared only for Aylesbury Vale District Council in accordance with the agreed terms of reference. The findings should not be relied upon by any other organisation.

# 1. Executive summary

Report classification*	Total number of findings				
	Critical	High	Medium	Low	
	Control design	-	-	2	1
<b>Medium Risk (11 points)</b>	Operating effectiveness	-	-	1	1
	<b>Total</b>	-	-	<b>3</b>	<b>2</b>

\*We only report by exception, which means that we only raise a finding / recommendation when we identify a potential weakness in the design or operating effectiveness of control that could put the objectives of the service at risk. The definition of finding ratings is set out in Appendix 1.

## Summary of findings

This report is classified as Medium risk. We identified three medium and two low risk issues. The scope of our work was designed to measure against the requirements of the Health and Safety at Work Act 1974, and relevant associated regulations.

During 2017, resources to support health and safety activities were increased at both a corporate and operational level (Pembroke Road). Since then significant steps have been taken to improve and evidence the corporate approach to meeting all legal duties.

During our review, we tested a sample of 15 incidents/accidents, reviewed overall governance, policies and training, and the progress made against the Corporate Health and Safety Strategy. Overall, we found procedures to be in accordance with the requirements, although further work is required to strengthen controls in some areas. Our findings are summarised below.

## Summary of findings

- We observed that an Event Safety Management Plan was in place for Council organised events which present a significant public safety risk. However, there has been a lack of clarity around roles, resources and accountability for completion of risk assessments and the level of health and safety support required. (Finding 1 – Medium)
- Health and safety risk assessments need to be completed across all areas of significant activity. Once complete, a corporate monitoring and review process is needed to ensure the risk profile of the organisation is continually reviewed, activities assessed and appropriate action taken. (Finding 2 – Medium)
- A programme of health and safety training based on role requirements is needed to ensure that staff are aware of the latest health and safety issues. Training materials need to be developed in consultation with Learning and Development and a process established to ensure compliance can be monitored and reported. (Finding 3 – Medium)
- The accident and incident reporting system and health and safety KPIs should be further developed. (Finding 4 – Low)
- Policy governance requires improvement, including a framework to review all policies and ensure changes are appropriately approved and communicated. (Finding 5 – Low)

### **Good practice noted**

- The Corporate Health and Safety Policy and Strategy passed at Council in September 2017, will be due for review shortly.
- All members of the Corporate Health and Safety Team are members of the Institute of Occupational Safety and Health and have a plan and/or activities in place for continual professional development.
- The Health and Safety Board and Committee formed in September 2017 meet regularly and have good attendance. Matters such as the health and safety work program, risk register items, accident data and general concerns are discussed. The minutes are shared with all members of staff through Box and on notice boards.
- Corporate accident reporting has been automated on Hornbill with a standard form using compulsory fields to ensure incidents are recorded in an agreed way and key information is documented to allow relevant action to be taken.
- Control and Management of Contractors Policy is in place to provide guidance on how to ensure contractors are following safe systems of work.
- A procurement template has been developed to ensure the procurement and tender processes include appropriate health and safety screening checks on suppliers and contractors.
- Since April 2018 work has been done jointly with the Estates and Properties Team to help establish the new facilities management contract. This has involved a review of all properties with regards areas such as the management of legionella, asbestos, fire safety systems and contractor services.
- We observed good practice at the Waste and Operations site at Pembroke Road. All significant activity risk assessments for 2018 for the Pembroke Road Depot have been completed to a suitable and sufficient standard. There is also an established training matrix in place.

## ***2. Background and Scope***

### *Background*

Employers have a legal duty, under The Health and Safety at Work etc. Act 1974 to ensure – as so far as is reasonably practicable - the health, safety and welfare of their employees and of its acts or omissions that may affect those not in their employment.

AVDC has an approved Corporate Health and Safety Policy 2017 and Strategy, which sets out how the Council will meet these obligations.

During 2017, resources to support health and safety activities were increased at both a corporate and operational level in Pembroke Road. Since then significant steps have been taken to improve the corporate management approach and safety culture in order to demonstrate statutory compliance. This report addresses key findings and sets out any further improvements which may be required.

### *Scope*

The scope covered the key risks set out in the Terms of Reference (Appendix 2). Our testing focused compliance with The Management of Health and Safety at Work Regulations 1999 and included:

- A sample of 15 incidents from the period 1 April to 31 August 2018 to check that incidents are recorded in sufficient detail and appropriate actions are taken to address the issues
- Review of the Corporate Health and Safety Strategy and Policy
- Review of the minutes of the Health and Safety Board and Health and Safety Committee.

This does not represent a comprehensive list of tests conducted.



# 3. Detailed findings and action plan

## 1. Governance for event management requires improvement – Control Design

(The Management of Health and Safety at Work Regulations 1999)

### Finding

The Event Safety Management Group was established in early 2018 to support the governance and oversight of Council organised events, which present a significant public safety risk. The aim was to provide a forum for discussing, coordinating and resourcing all safety aspects of events, including for example, security, risk assessments, developing the Event Safety Plan and ensuring appropriate consultation with the Buckinghamshire Safety Advisory Group (SAG). An important aim of the group is to ensure post event debriefs occur and identified lessons are applied.

During our review, the Waterside Festival took place (8 September) for the first time. We observed that an Event Safety Management plan was in place, and the event was considered a great success. However, it was apparent that in the run up to the event there was some confusion about responsibility for completion of risk assessments and the level of health and safety support required on the day. Whilst these matters had been discussed at past meetings of the Event Safety Management Group, there was a lack of understanding around roles, resources and accountability. A new chair of the Event Safety Management Group was appointed following the Waterside Festival.

To further strengthen oversight and governance of Council events the following actions are needed:

- Review terms of reference for and membership of the Event Safety Management Group
- Develop a corporate calendar of all events, with clear categorisation of risk – this will support the identification of appropriate security arrangements, command structure, resource requirements, and facilitate the development of the Event Safety Management Plan
- Develop a robust planning framework for events, including those organised by Communities, Town Centre and for the “Chairman” – this will ensure local and central teams have clear instruction and consistent working practices
- Post event debriefs and lessons identified should be documented and plans updated regularly to reflect and share learnings.

Whilst improvements to governance and planning are required, we confirmed that there were no significant issues raised through health and safety incident reports for all events in the past 12 months.

### Risks / Implications

Risk to public safety. Damage to AVDC reputation and potential for regulatory breach.

### Finding rating

### Action Plan

<b>Medium</b>	a) Review terms of reference and membership for Event Safety Management Group	<i>Responsible person/title</i>
	b) Develop a corporate calendar of all events, with clear categorisation of risk	Will Rysdale – Assistant Director
	c) Develop a robust planning framework for events, including those organised by Communities, Town Centre and for the	<i>Target date</i>
		a) 31 October 2018 b) 31 December 2018 c) 28 February 2019

“Chairman”. This will be informed and tested during the Christmas events and finalised thereafter.

d) 31 October 2018  
e) 28 February 2019

- d) Post event debriefs and lessons identified should be documented and plans updated regularly to reflect and share learnings
- e) Event Safety Management Group to identify corporate level event security needs and develop business case to meet requirements (e.g. procure and external contract, train and develop in-house). This will be reported to the Health and Safety Board.

## 2. Corporate health and safety risk assessments are incomplete – Control Design

(The Management of Health and Safety at Work Regulations 1999)

### Finding

The Corporate Health and Safety Manager has identified the need for risk assessments to be completed across all areas of significant activity. A suitable corporate risk assessment template and risk matrix was developed for managers and staff to use but little activity has taken place to date. The Corporate Health and Safety Manager has ensured that high risk council activities (eg. fire, legionella, asbestos) have been assessed, but further work is needed to ensure all areas and activities are covered.

Once corporate risk assessments have been completed, a corporate monitoring and review process is needed to ensure the risk profile of the organisation is continually reviewed, activities assessed and appropriate action taken.

We observed good practice at Pembroke Road. All significant activity risk assessments for 2018 for the Pembroke Road Depot have been completed to suitable and sufficient standard. The Operational Health and Safety Officer is based on site and meets with the supervisors at the depot on a weekly basis. They follow up any recommendations raised in the risk assessment on a monthly basis and any action carried out is clearly recorded.

### Fire Risk Assessments (The Regulatory Reform (Fire Safety) Order 2005)

In 2017, before the current health and safety team was in place, a qualified and competent external consultant was appointed to conduct fire risk assessments for all properties which are fully under the Council's control. This exercise was completed and required actions were implemented by the Estates and Properties Team.

In 2018, the Council's Health and Safety Officer has been working through a program of properties scheduled for a fire risk assessment review, which is recommended to be done annually. The asset register, maintained by Estates and Properties team, lists 32 properties however, not all of these require annual fire risk assessment, and for some, the responsibility lies with the tenant. There is a lack of clarity around which properties/assets require the Council to conduct a risk assessment, and the required frequency.

### Risks / Implications

Risk to staff and public safety. Damage to AVDC reputation and potential for regulatory breach

### Finding rating

### Action Plan

**Medium**

- a) A project plan is needed to appropriately resource the completion of Council wide risk assessments. It is recognised the Corporate Health & Safety Manager will need to support Managers with the process in the first instance. Higher risk areas should be prioritised for completion.
- b) Once corporate risk assessments have been completed, a corporate monitoring and review process is needed to ensure the risk profile of the organisation is continually reviewed,

### Responsible person / title

- a) Joanne Crosby, Corporate Health and Safety Manager
- b) Joanne Crosby, Corporate Health and Safety Manager

### Target date

- a) 31 October 2018
- b) 31 March 2019
- c) 31 October 2018

activities assessed and appropriate action taken. This should be reviewed by the Health and Safety Board.

- c) Work with the Estates and Properties Team to clarify which properties/assets require the Council to conduct a risk assessment.

### 3. Corporate H&S training requires improvement – Operating Effectiveness

#### Finding

The following health and safety e-learning modules are available on the Council's intranet:

- Health & Safety Induction (Mandatory) – 35% completion
- Fire Safety – 7% completion, 4% in progress
- Display Screen Equipment (Mandatory) – 19% completion, 3% in progress.

As has been reported in previous internal audit reports, the Council does not currently have a robust system of assessing training needs and tracking completion of mandatory training. This is being addressed corporately through the implementation of the new HR system. In the new year the new eLearning Hub will be launched and this will provide access to eLearning and the ability to record and monitor completion. Until then, the Corporate Health and Safety Manager has no data to monitor training completion rates.

A training matrix is being developed by the Corporate Health and Safety Manager. This will provide the learning and development team with a model for planning corporate health and safety training across the Council. At Pembroke Road, which has task specific training requirements, is already established and fully implemented.

#### Risks / Implications

Lack of appropriate training increases risks of health and safety accidents and can lead to financial penalty and reputational damage to the Council.

#### Finding rating

#### Action Plan

**Medium**

- The Corporate Health and Safety Team should develop a programme of training and communication, based on a matrix of requirements for different roles to ensure that staff are aware of the latest health and safety issues.
- Training material should be developed in consultation with Learning and Development, and signed off by the Corporate Health and Safety Manager
- Processes need to be developed to ensure training completion can be monitored and reported.

#### Responsible person / title

Joanne Crosby, Corporate Health and Safety Manager  
(Robert Bowman, Learning & Development)

#### Target date

- 31 December 2018
- 31 December 2018
- 31 March 2019

#### 4. Accident reporting and KPIs need further development – Control Design

##### Finding

Both the Health and Safety Board and the Health and Safety Committee meet quarterly. These provide the forum for reviewing health and safety performance and incident reports. In August 2017 the paper based accident reporting system was replaced with online reporting through Hornbill. This has enabled more detailed reporting, accessibility to staff for making a report, and ease of monitoring.

We reviewed the minutes and the KPIs and noted the reporting was limited to the manual collation of number, category, location of incidents and whether they were reportable under RIDDOR. No dashboard functionality is available

As part of our review of incident management, we selected a sample of 15 incidents for the period 1 April to 31 August 2018. In five incidents, there were technical issues with Hornbill and the Corporate Health and Safety Manager was not able to see the detailed information of the incident. This issue was communicated to IT in June 2018 and followed up in August 2018. During the audit the issue was resolved.

Additional issues, such as notification to the Corporate Health and Safety Manager when an incident has been raised and notification to the relevant service manager to initiate the investigation was not functioning at the time of the audit, but has since been addressed. It is also noted that the officers were not able to close the incident after it has been resolved as this removes data from the system and no future reporting can be carried out. Consequently, it is difficult to keep track of any outstanding incidents.

The Corporate Health and Safety Manager is developing new KPIs including:

- Number of reported accidents and near misses
- Health and safety training compliance rate
- Number of workplace inspections conducted and any exception found
- Lost time due to injury, and cost

Data sources need to be confirmed to assess whether this is achievable. The KPIs should also incorporate measures which capture the efficiency and effectiveness over the management of accidents and incidents.

It is recognised that there are still a few issues with the accident reporting system, but it is a significant improvement on the old paper based process and is generally meeting basic requirements until an alternative can be explored.


##### Risks / Implications

Accidents and near misses may go unreported. Non-identification and mitigation of health and safety risk and issues.

##### Finding rating

##### Action Plan

<b>Low</b>	<p>a) KPIs to be further developed and reported to Health &amp; Safety Board and Committee. Work with HR (and new system) to identify data sources to support improved reporting. Incorporate KPIs which can quantify the impact of health and safety issues.</p> <p>b) Consider the cost/benefits of utilising the new HR system and/or alternatives and whether there is a business case for a</p>	<i>Responsible person / title</i>
		<p>Joanne Crosby, Corporate Health and Safety Manager</p>
		<i>Target date</i>
		<p>a) 28 February 2019</p> <p>b) 30 June 2019</p>



standalone management system for health  
and safety. Report to be presented to  
Health & Safety Board

## 5. Improved governance of policies and procedures – Operating Effectiveness

<i>Finding</i>		
<u>Corporate policies</u>		
<p>The corporate Health and Safety Policy and the Strategy, approved September 2017, comply with the guidance published by the Health and Safety Executive, but other supporting policies and procedures, such as the fire safety management plan, vulnerability survey and the remote working policy, were in the process of being updated/created with no clear schedule for completion and ongoing review.</p>		
<u>Local policies</u>		
<p>The Corporate Health and Safety Manager is aware of the existence of a number of local health and safety procedures, over which they do not have oversight. The Corporate Health and Safety Team should have oversight of the localised health and safety policies and procedures, and creation and amendment of such documents should be reviewed and approved by the Corporate Health and Safety Team and/or Health and Safety Committee. For example, 'working at height' and 'working with contractors' are local policies.</p>		
<i>Risks / Implications</i>		
Risk to staff and public safety. Damage to AVDC reputation and potential for regulatory breach.		
<i>Finding rating</i>	<i>Action Plan</i>	
<b>Low</b>	a) Develop a policy review framework to identify all required policies.	<i>Responsible person / title</i>
	b) Review all policies and ensure changes are appropriately approved and communicated (including to contractors). For future amendments a change control process is required. Progress to be monitored by Health and Safety Board.	Joanne Crosby, Corporate Health and Safety Manager
		<i>Target date</i>
		a) 31 December 2018 b) 30 June 2019



## Appendix 1. Finding ratings and basis of classification

### Report classifications

The overall report classification is determined by allocating points to each of the individual findings included in the report.

Findings rating	Points	Overall report classification	Points
Critical	40 points per finding	● Critical risk	40 points and over
High	10 points per finding	● High risk	16– 39 points
Medium	3 points per finding	● Medium risk	7– 15 points
Low	1 point per finding	● Low risk	6 points or less

### Individual finding ratings

Finding rating	Assessment rationale
Critical	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>● <b>Critical</b> impact on operational performance; or</li> <li>● <b>Critical</b> monetary or financial statement impact <b>[quantify if possible = materiality]</b>; or</li> <li>● <b>Critical</b> breach in laws and regulations that could result in material fines or consequences; or</li> <li>● <b>Critical</b> impact on the reputation or brand of the organisation which could threaten its future viability.</li> </ul>
High	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>● <b>Significant</b> impact on operational performance; or</li> <li>● <b>Significant</b> monetary or financial statement impact <b>[quantify if possible]</b>; or</li> <li>● <b>Significant</b> breach in laws and regulations resulting in significant fines and consequences; or</li> <li>● <b>Significant</b> impact on the reputation or brand of the organisation.</li> </ul>
Medium	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>● <b>Moderate</b> impact on operational performance; or</li> <li>● <b>Moderate</b> monetary or financial statement impact <b>[quantify if possible]</b>; or</li> <li>● <b>Moderate</b> breach in laws and regulations resulting in fines and consequences; or</li> <li>● <b>Moderate</b> impact on the reputation or brand of the organisation.</li> </ul>
Low	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>● <b>Minor</b> impact on the organisation’s operational performance; or</li> <li>● <b>Minor</b> monetary or financial statement impact <b>[quantify if possible]</b>; or</li> <li>● <b>Minor</b> breach in laws and regulations with limited consequences; or</li> <li>● <b>Minor</b> impact on the reputation of the organisation.</li> </ul>
Advisory	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>

## Appendix 2. Terms of reference

The key risks agreed in the Terms of Reference are set out below.

Sub-process	Risks	Objectives
Policy and Strategy	<ul style="list-style-type: none"> <li>The Health and Safety Policy framework is not up-to-date and is not reflective of relevant and changing legislative and regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Processes in place to ensure the latest legislative requirements are incorporated into the Policy</li> <li>The Policy has been approved by management and Members at appropriate intervals</li> </ul>
Roles and Responsibilities	<ul style="list-style-type: none"> <li>Roles and responsibilities for health and safety across the institution are not clearly assigned and/or are not being executed at Board or within operational management</li> </ul>	<ul style="list-style-type: none"> <li>A clear central structure is in place so there is an overall Health and Safety lead</li> <li>Central structures are supported by local champions across the Council which are clear and regularly updated</li> </ul>
Risk Identification	<ul style="list-style-type: none"> <li>Health and safety risks and hazards across the spread of the Council's activities have not been identified (including the completion of risk assessments)</li> </ul>	<ul style="list-style-type: none"> <li>Risk assessments are undertaken regularly across service areas and corporate functions to identify all relevant risks</li> <li>Risks are assessed in a consistent manner to ensure completeness and prioritisation of actions.</li> </ul>
Incident Management	<ul style="list-style-type: none"> <li>Incidents, including 'near misses', are not recorded and the Council is therefore unable to use the results of investigations to improve systems, processes and practice</li> </ul>	<ul style="list-style-type: none"> <li>There are clear processes to guide how each individual incident is managed</li> <li>Incidents are recorded in an agreed way that ensures all key information is documented to allow relevant action to be taken</li> </ul>
Incident Actions	<ul style="list-style-type: none"> <li>Appropriate action is not taken to address identified health and safety risks or in response to health and safety incidents</li> </ul>	<ul style="list-style-type: none"> <li>Actions are clearly identified for each incident with assigned individuals and dates for completion</li> <li>Actions are then completed</li> </ul>
Training	<ul style="list-style-type: none"> <li>Staff have not received appropriate training in relation to health and safety risks</li> </ul>	<ul style="list-style-type: none"> <li>Training to new starters is in place</li> <li>Compliance for training is monitored to ensure expected levels are met</li> <li>On-going training for relevant personnel is identified and given</li> </ul>
Contractors	<ul style="list-style-type: none"> <li>Contractors place themselves or others</li> </ul>	<ul style="list-style-type: none"> <li>There is a process to ensure contractors are following safe systems of work</li> </ul>

	at risk or injury	<ul style="list-style-type: none"><li>• Contract &amp; procurement procedures include appropriate health &amp; safety screening checks</li></ul>
Reporting	<ul style="list-style-type: none"><li>• Health and Safety has not been reported to management meetings sufficiently to allow oversight</li></ul>	<ul style="list-style-type: none"><li>• There is agreed and regular reporting that identifies trends and meets expected compliance/performance indicators which have been set</li></ul>



## Internal Audit Report 2018/19

# **Procurement and Contract Management**

September 2018

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## Distribution List

For action	Rafael Lima, Corporate Contracts and Procurement Manager
For information	Isabel Edgar Briancon, Assistant Director Andy Barton, Assistant Director Andrew Small, Director Audit Committee

This report has been prepared only for Aylesbury Vale District Council in accordance with the agreed terms of reference. The findings should not be relied upon by any other organisation.

# 1. Executive summary

Report classification*	Total number of findings				
	Critical	High	Medium	Low	
	Control design	-	-	-	2
<b>Medium Risk (7 points)</b>	Operating effectiveness	-	-	1	2
	<b>Total</b>	-	-	<b>1</b>	<b>4</b>

\*We only report by exception, which means that we only raise a finding / recommendation when we identify a potential weakness in the design or operating effectiveness of control that could put the objectives of the service at risk. The definition of finding ratings is set out in Appendix 1.

## Summary of findings

This report is classified as medium risk. We raised one medium and four low risk issues.

The Council increased the corporate resource involved with overseeing and supporting procurement and contract management activity in 2017. The aim of this team is to ensure compliance with the Contract Procedure Rules (CPR) and legislation and maximise value for money through better procurement processes and stronger contract management. The team have savings targets of #100,000 per annum to achieve of which #60,000 has been identified year to date.

The Contracts and Procurement team has a “roadmap”, which shows the service is in the early stage of development. The findings of this report should be considered within this context.

### Summary of findings

- Our sample testing found some instances of non-compliance with the Contract Procedure Rules, relating to the signing and sealing of contracts. We also found that evidence of quotes was not always held (Finding 1 – Medium)
- Further work is needed to correctly classify spend and complete the contract register (Finding 2 – Low)
- An assessment of mandatory training needs for different roles/levels is required, training materials need to be developed and completion monitored (Finding 3 – Low)
- The Contract Procedure Rules were due for review in 2017 but the review, whilst almost complete, was still in progress at the time of audit (Finding 4 – Low)
- The contract register on the Council's website does not meet the requirement of the Local Government Transparency Code 2015 (Finding 5 – Low)

### Good practice noted

- Processes are in place to ensure the staff in the Contracts and Procurement Team are made aware of the latest legislative requirements
- A clear central structure is in place and published on the Council's intranet, Connect; and there is an

overall procurement and contract management lead

- Our sample testing on the procurement process noted that the Contracts and Procurement Team is consulted in line with the Contract Procedure Rules 2016
- Reporting and KPI arrangements are in place and action is taken depending on the outcome of reports issued.
- Savings identified through procurement and contract management are being tracked and reported.
- Activities identified in the “Roadmap” are sound in order to meet the expectations set out and support strategic direction.

## ***2. Background and Scope***

### *Background*

The Contract Procedure Rules apply to all Procurement activities. The Contract Procedure Rules provide the governance structure within which the Council may procure Supplies, Services and Works. This document was approved in February 2016 and effective from June 2016; it is currently being revised with a new version expected to be approved in October 2018.

The Council's Procurement Code of Practice provides a more detailed explanation of procurement best practice, procedures, processes, associated Council policies and required Contract terms.

The Council increased the corporate resource involved with overseeing and supporting procurement and contract management activity in 2017. The team have clear savings targets to achieve through improved procurement and more efficient contract management.

### *Scope*

The scope covered the key risks set out in the Terms of Reference (see Appendix 2). Our testing included:

- A sample of 46 contracts with a start date on/after 1 January 2018 to check that the Contract Procedure Rules 2016 and procurement regulations were followed
- Review of the draft Contract Procedure Rules 2018 and internal KPIs.
- Review of the processes for contract management.

This does not represent a comprehensive list of tests conducted.



# 3. Detailed findings and action plan

## 1. Instances of non-compliance with Contract Procedure Rules – Operating Effectiveness

### Finding

The 2016 Contract Procedure Rules (CPR) require:

- All contracts should be signed and, if the value is greater than £30,001, sealed on behalf of the Council (this is being increased to £100,000 in the new CPR currently being finalised, which is a more reasonable value). A copy of the final contract and any other terms and conditions should also be shared with Procurement
- For expenditure up to £30,000, 1 quote is required, however 3 quotations is recommended to ensure value for money. Payment for low value-non recurring spend up to £1,000 should, where appropriate be paid by credit card. As a minimum the Council's Terms and Conditions of Contract must be signed and issued with the Purchase Order.

We initially selected and reviewed a sample of 17 contracts with a start date on or after 1 January 2018 to ascertain whether the CPR were followed. We extended our sample due to identifying some exceptions by an additional 29, which represented a 100% sample for contracts in the period. Our sample consisted of contracts from across the council services including:

- IT contracts (x41)
- Revenue and benefit (x1)
- Forward plans (x1)
- Facilities management (x2),
- Operations (Parking) (x1)

All exceptions were found in IT contracts.

### Conditions

Of the 46 contracts:

- 13 had a value above £30,000 and we were not able to verify during the time of the audit whether nine of these contracts had been sealed (total value: £1,234,621). We understand that records may be held in the offsite archive facility.
- Two had not been signed by either one or both parties (total value: £121,100)
- The Contracts and Procurement Team did not hold a copy of one contract with a value of £1,000.

### Quotations

For contracts under £30,000, the Contracts and Procurement Team does not need to be consulted. As a result, the officer who procured the service is required to upload the quote obtained in Tech One as evidence. The authorised relevant manager should review Tech One and the purchase order should only be authorised if the manager is satisfied that a quote has been attached.

Our sample included six contracts with a value under £30,000 and therefore we would expect to find at least one quote held against each of these on Tech One; we found:

- In one instance, the quote exists but it has not been attached on Tech One (Value: £2,150)
- In another instance we were not provided with appropriate evidence as only correspondence emails and not quotes were attached to Tech One (Total Value: £23,000).

It should be noted that it is not the responsibility of the Contracts and Procurement Team to ensure compliance with quotations; it is the responsibility of the authorised manager to review purchases orders and approve in accordance with the CPRs on Tech One.

*Risks / Implications*

A lack of a signed contract or agreement to third party conditions could expose the Council to unacceptable financial risk. Value for money in the use of public funds may not be achieved if quotes are not obtained. Council may be exposed to fraudulent expenditure.

*Finding rating*

*Action Plan*

<b>Medium</b>	Instances of non-compliance with the Contract Procedure Rules identified in this review (sample list provided) should be assessed and appropriate action taken i.e. obtain signed contracts, check contracts are appropriately sealed.	<i>Responsible person / title</i>
		Rafael Lima, Corporate Contracts and Procurement Manager
		<i>Target date</i>
	N.B See finding 3 around training compliance and finding 4 around finalising the approval of the Contract Procedure Rules, which if actioned would help mitigate instances of non-compliance.	30 November 2018

## 2. Further work needed to correctly classify spend and complete the contract register – Operating Effectiveness

### Finding

Once of the first objectives of the newly formed Contracts and Procurement Team was to develop and maintain a register of contracts. This is an important document that informs the Council of contracts held and dates they expire to support future procurement processes. A significant level of activity has taken place to engage with and obtain information from across the Council in addition to interrogation of financial transactions listings in Tech One to identify contract spend.

Whilst much progress has been made, there are further improvements needed with the completeness and classification of data held in the register:

#### Completion of the contract register

Compiling the contracts register has been a substantial piece of work. Progress on completion has been monitored by the Corporate Contracts and Procurement Manager who uses a formula to calculate the number of empty cells in the register. In the July 2018, the register was assessed as being 83% complete. Our review noted that the calculation included active and expired contracts. We re-performed the calculation for active contracts only and we founded a completion rate of 80%.

#### Identification of contract spend

To ensure maximum efficiency and value for money, the Council should have visibility of all existing expenditure under contract. Since establishing the Contracts and Procurement team, analysis of the financial system has been undertaken to ensure the contract register is complete. A report is run from Tech One, which details a list of expenditure. This allows a completeness check to be performed to assess if this reflects the contracts register i.e. if there is large spend with a vendor over a certain amount you would expect there to be a contract. A match between vendor names in Tech One and the contract register is performed and a sense check is further carried out by the Procurement Officer.

Our review of the Tech One report noted that there were transactions with no vendor name. For the period of 1 April to 31 July 2018, there were 1,863 transactions with a total value of £4,188,000, of which 211 had no vendor name totalling £158,000 of spend. Therefore mapping these transactions to the contractors is not possible and further investigation is needed.

We sense checked the Tech One expenditure listing that had been analysed to confirm if the expenditure related to contract spend or was non-contract spend. We concluded that the classifications of whether spends were on contract were inconsistent. For instance, the Council pays Buckinghamshire County Council for Employers Superannuation on a monthly basis. There were four transactions in the Tech One report but two were classified as contract spend and two were not. Further analysis needs to be done to ensure the data informing the Council and the contract register is accurate and complete.

### Risks / Implications

Lack of oversight of council spend under contract results in poor value for money.

### Finding rating

### Action Plan

**Low**

a) Resolve the data quality issue of the report from Tech One regarding vendor names and classifications

### Responsible person / title

Rafael Lima, Corporate Contracts and Procurement Manager

	b) Complete the contract register to 100%	<i>Target date</i>
		a) 31 October 2018 b) 31 December 2018

### 3. Training and awareness for staff requires improvement – Control Design

#### Finding

To support compliance with procedures the Council generally provides training in the form of e-learning and face-to-face workshops.

The Contracts and Procurement Team have recognised that since their formation they need to improve their presence and support staff to comply with Rules. In achieving this aim face-to-face training has been targeted and offered to staff. Whilst sessions are targeted and useful, they are not mandatory and often focus on contract owners and senior management, but they are not the only staff who need to comply with the Rules.

As has been reported in other internal audit reports, the Council does not currently have a robust system of assessing training needs and tracking completion of mandatory training. This is being addressed corporately through the implementation of the new HR system. In the new year the new eLearning Hub will be launched and this will provide access to eLearning and the ability to record and monitor completion.

For procurement and contract management, an assessment of mandatory training needs for different roles/levels is required, materials need to be developed and then monitoring of completion.

#### Risks / Implications

Poor procurement and contract management. Lack of Contracts and Procurement Team oversight of activity, spend and risk.

#### Finding rating

#### Action Plan

<b>Low</b>	a) A training needs assessment for different roles and agreement of whether it is mandatory should be performed and communicated	<i>Responsible person / title</i>
		Rafael Lima, Corporate Contracts and Procurement Manager
	b) Appropriate training content developed in consultation with Learning and Development, including eLearning/face-to-face, as appropriate	<i>Target date</i>
	c) The compliance rates should be monitored on at least a quarterly basis and reported	a) 31 December 2018 b) 28 February 2019 c) 31 March 2019

#### 4. Revised Contract Procedure Rules have not been approved and communicated – Control Design

##### Finding

The Contract Procedure Rules (CPRs) set out the minimum requirements the Council must follow when procuring and/or entering into contracts for the supply of goods, works and services including consultants. The CPRs are put in place to ensure that the Council gets value for money, complies with all legal requirements, minimises the risk of challenge/undue criticism, supports sustainability and provides transparency as to how it spends public money. We obtained the latest version of the Council's CPRs. This version was approved by the Cabinet on 9 February 2016 and should be reviewed annually thereafter to ensure the appropriateness of the financial thresholds and any changes required due to a change in law.

Following the recruitment of the new Contracts and Procurement team, the review of the CPR commenced in early 2018. At the time of the audit the revised draft was being reviewed by the Legal Team and should be finalised by the end of October 2018. Any findings identified in this audit will be reflected appropriately in the revised CPR.

In the updated CPRs, a new contract management framework has been developed; contracts will be classified into four categories based on the perceived risk level and value:

- Strategic - high risk / high value
- Bottleneck - high risk / low value
- Leverage - low risk / high value
- Non-Critical - low risk / low value

At the time of the audit, the Contracts and Procurement Team was in the process of classifying contracts in line with this matrix.

A new contract management template has also been developed to facilitate the contract management process; this template should be used across the council for strategic, leverage and bottleneck contracts. Training will be provided after the CPRs has been signed off.

We reviewed the proposed changes to the CPR and they appear reasonable and are broadly consistent with other Councils with exception of the number of quotes required and low value threshold. The Council requires fewer quotes than others to justify spend. There is however a balance to be had between the efficiency of the procurement process and the exposure to financial risk.

##### Risks / Implications

Lack of regular review of the CPRs increases the risk of non-compliance against new legislation.

##### Finding rating

##### Action Plan

<b>Low</b>	a) Complete the review and approval of the CPRs and ensure they are communicated and accessible to all staff.	<i>Responsible person/title</i>
	b) Consider the comparison of financial levels and quotations required from other Buckinghamshire Councils (information provided). This should be assessed to ensure the levels assigned are acceptable.	<i>Target date</i>
		Rafael Lima, Corporate Contracts and Procurement Manager  a) 31 October 2018 b) 31 October 2018

## 5. Contract Register on the Council's internet does not meet the requirement of the Local Government Transparency Code 2015 – Operating Effectiveness

### Finding

The Local Government Transparency Code 2015 requires the local authorities to publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000.

For each contract, the following details must be published:

- Reference number
- Title of agreement
- Local authority department responsible
- Description of the goods and/or services being provided
- Supplier name and details
- Sum to be paid over the length of the contract or the estimated annual spending
- Budget for the contract
- Value Added Tax that cannot be recovered
- Start, end and review dates
- Whether or not the contract was the result of an invitation to quote or a published invitation to tender, and
- Whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number.

We obtained the contract register on the Council's website and the contract register held by the Contracts and Procurement Team. They contained different information; the copy held by the team was more up to date and had more detail than the version on the website.

We compared the headings to the requirement of the Local Government Transparency Code 2015 and the following information was missing:

- Reference number
- Value Added Tax that cannot be recovered
- Whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number

### Risks / Implications

Non-compliance of the Local Government Transparency Code 2015 is a breach of legislation and can result in potential reporting to ICO.

### Finding rating

### Action Plan

<b>Low</b>	a) The contract register should be updated to comply with the Local Government Transparency Code 2015	<u>Responsible person / title</u>
	b) The website version must be updated on at least a half-yearly basis.	Rafael Lima, Corporate Contracts and Procurement Manager
		<u>Target date</u>
		a) 31 December 2018 b) 30 June 2018

## Appendix 1. Finding ratings and basis of classification

### Report classifications

The overall report classification is determined by allocating points to each of the individual findings included in the report.

Findings rating	Points	Overall report classification	Points
Critical	40 points per finding	● Critical risk	40 points and over
High	10 points per finding	● High risk	16– 39 points
Medium	3 points per finding	● Medium risk	7– 15 points
Low	1 point per finding	● Low risk	6 points or less

### Individual finding ratings

Finding rating	Assessment rationale
Critical	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>● <b>Critical</b> impact on operational performance; or</li> <li>● <b>Critical</b> monetary or financial statement impact <b>[quantify if possible = materiality]</b>; or</li> <li>● <b>Critical</b> breach in laws and regulations that could result in material fines or consequences; or</li> <li>● <b>Critical</b> impact on the reputation or brand of the organisation which could threaten its future viability.</li> </ul>
High	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>● <b>Significant</b> impact on operational performance; or</li> <li>● <b>Significant</b> monetary or financial statement impact <b>[quantify if possible]</b>; or</li> <li>● <b>Significant</b> breach in laws and regulations resulting in significant fines and consequences; or</li> <li>● <b>Significant</b> impact on the reputation or brand of the organisation.</li> </ul>
Medium	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>● <b>Moderate</b> impact on operational performance; or</li> <li>● <b>Moderate</b> monetary or financial statement impact <b>[quantify if possible]</b>; or</li> <li>● <b>Moderate</b> breach in laws and regulations resulting in fines and consequences; or</li> <li>● <b>Moderate</b> impact on the reputation or brand of the organisation.</li> </ul>
Low	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>● <b>Minor</b> impact on the organisation’s operational performance; or</li> <li>● <b>Minor</b> monetary or financial statement impact <b>[quantify if possible]</b>; or</li> <li>● <b>Minor</b> breach in laws and regulations with limited consequences; or</li> <li>● <b>Minor</b> impact on the reputation of the organisation.</li> </ul>
Advisory	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>



## Appendix 2. Terms of reference

The key risks agreed in the Terms of Reference are set out below.

Sub-process	Risks	Objectives
Policy and Strategy	<ul style="list-style-type: none"> <li>The Contract Procedure Rules are not up-to-date or reflective of relevant and changing legislative and regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Processes in place to ensure the latest legislative requirements are incorporated into the Policy</li> <li>The Policy has been approved by management and Members at appropriate intervals</li> </ul>
Roles and Responsibilities	<ul style="list-style-type: none"> <li>Roles and responsibilities for procurement and contract management across the Council are not clearly assigned and/or are not being executed at Board or within operational management</li> </ul>	<ul style="list-style-type: none"> <li>A clear central structure is in place so there is an overall procurement and contract management lead</li> <li>Central structures are supported adequately to achieve the objectives expected</li> </ul>
Procurement Activity	<ul style="list-style-type: none"> <li>Procurement activity is not compliant with the Contract Procedure Rules and/or the Procurement Code of Practice</li> </ul>	<ul style="list-style-type: none"> <li>Procurement expectations are followed depending on the financial value of expenditure expected</li> <li>Procurement are adequately consulted and advice is acted upon</li> </ul>
Contract Management	<ul style="list-style-type: none"> <li>The financial and quality performance of contractors is not adequately monitored to ensure value for money</li> </ul>	<ul style="list-style-type: none"> <li>Arrangements are in place to monitor financial and quality of contractor performance</li> <li>Performance management reviews on finance and quality are undertaken with actions taken to improve performance</li> </ul>
Reporting and KPIs	<ul style="list-style-type: none"> <li>Reporting and KPI arrangements are not adequate and are not reported correctly with inappropriate action taken</li> </ul>	<ul style="list-style-type: none"> <li>KPIs are set and agreed with appropriate coverage to manage risks</li> <li>Reports on activity are produced timely which are effective along with KPIs to correct personnel</li> <li>Action is taken depending on the outcome of reports issued</li> </ul>
Training	<ul style="list-style-type: none"> <li>Staff have not received appropriate training in relation to procurement and contract management</li> </ul>	<ul style="list-style-type: none"> <li>Training to managers is in place</li> <li>Compliance for training is monitored to ensure expected levels are met</li> <li>On-going training for relevant personnel is identified and given</li> </ul>
Reporting	<ul style="list-style-type: none"> <li>Procurement and contract management has not been reported to management meetings sufficiently to allow sufficient oversight</li> </ul>	<ul style="list-style-type: none"> <li>There is agreed and regular reporting that identifies trends and meets expected compliance/performance indicators which have been set</li> <li>Road Map activities are sound and robust to meet the expectations set out and support strategic direction</li> </ul>