

**Appendix 2 – Update on Priority 1 and 2 Audit Recommendations at 31<sup>st</sup> July 2021**

Audit Report	Recommendation	Priority Scoring	Responsible Officer	Target Date	Progress	RAG Status
Financial Resilience 2019/20 (4/6/20)	We recommend that the S151 officer ensures that the staff budget is fully costed and included in the MTFP. Shortfalls in budget should have robust saving plans in the short to medium term agreed with SMT.	1	S151 Officer/Chief Executive	Revised 31/3/2022 (Previous 31/12/2020)	Staffing budget = COMPLETE. The staff budget has been fully updated and reconciled in 20/21 budgets to reflect the new directorate structure completed during the year. This is also complete for the draft 21/22 budget.  Savings = COMPLETE. Council has approved a balanced budget for 2021/22, utilising £1.2m from general reserves to temporarily address some of the budget gap. SMT and the Executive have approved the updated Financial Strategy in July 2021 which sets out the planned approach to balancing the budget for 2022/23. This is set around the context of prospective implementation of a unitary local authority structure in April 2023, which will need to direct the design and priorities for long-term financial sustainability. It is therefore proposed to mark this action as complete.	COMPLETED
Procurement (26/10/20)	We recommend that the Strategic Procurement Specialist finalises the draft Procurement Strategy as per the Finance and Procurement team's Operational Plan, to ensure the council can be held accountable for the Strategy's adoption and progression. The progress of implementing the Procurement Strategy, together with the adaptation of the CPRs, should continue to be closely monitored by the Assistant Director Finance, to ensure its timely progression in accordance with agreed implementation timeframes.	2	Strategic Procurement Manager  AD for Finance/S151 Officer	Revised target 31/7/21 (previous 31/1/21)	<u>Procurement Strategy:</u> A new Procurement Strategy for SWTC has been prepared and was approved by Executive Committee in March 2021. This part of the agreed actions is therefore complete, with implementation monitored through the Operational Plan. <u>Contract Procedure Rules:</u> Draft revisions of CPR's has been completed and submitted to the monitoring officer (February 2021) for formal approval and incorporation into the Constitution. Whilst only minor changes this may require Full Council approval – to be confirmed. Deadline therefore extended by S151 Officer to 31 July for this item. Update 31 July 2021 – approval pending.	In Progress
Procurement (26/10/20)	Review the CPRs to bring them up to speed with the current exemption process being used and ensure that the end-to-end process is designed to fully protect the council's interests. Any changes to the CPRs to reflect the current exemption process should be approved by the Monitoring Officer. Ensure that the PO reference(s) relevant to each register entry are obtained and entered into the waiver register, and that the Specialist implements a procedure to monitor and ensure that spending through exemption is in line with the authorised waiver value, or that further authorisation is obtained where an originally authorised waiver value is to be exceeded. Implement a process to report regularly to the Senior Management Team on the type and value of expenditure being processed through exemption.	2	Strategic Procurement Specialist and Assistant Director Finance (S151 Officer)	Revised target 31/07/2021 (previous 31/1/21)	Exemptions: COMPLETE – More robust Waiver register has been implemented to record PO details and values which will be reviewed to ensure compliance with estimated budget cost and that any overspends are recorded and interrogated with the originating officer, recording all information highlighted by Audit. CPRs: COMPLETE – CPRs have been reviewed and resolved to leave unchanged, with the process realigned to follow the current CPRs. Update guidance and proformas issued. Reporting: TO BE COMPLETED – The exemptions register is currently a procurement restricted document but will be used to collate quarterly report for Performance Board on Number, Types, Value by Quarterly and aggregated spend. Revised target date extended in agreement with AD Finance to 31 July 2021. Update 31 July 2021 – ongoing vacancy in team has impacted progress therefore now plan to introduce from Month 5 reporting in September 2021.	In Progress

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Procurement (26/10/20)	Completes a review of the contract register to ensure that all existing contracts are identified within, and that any spending off-contract is challenged with the relevant Officers as required. Ensures the reconciliation of the internal and external contract registers, to ensure they agree. This exercise should be performed at regular intervals going forward, to ensure the registers are maintained and up to date.	2	Strategic Procurement Specialist	Revised target 30/6/21 (Previous 31/01/2021)	COMPLETE: The public facing Contracts Register is now included via the eProcurement portal (Proactis), which has been brought up to date. Resources continue to be a challenge with vacancy and increased demand for procurement support, but this will be maintained on an ongoing basis.  Areas of off-contract spend is being reviewed and challenged on an ongoing basis.	COMPLETED
Procurement (26/10/20)	We recommend that the Strategic Procurement Specialist liaises with the wider finance management team as intended, to develop and implement a proportionate suite of performance measures and reporting mechanisms that enable accountability and governance over the procurement function. Once developed, these should be documented, and this work should consider, but not be limited to, development of performance measures and monitoring in the following areas: • Regular monitoring of, and reporting to the Senior Management Team on, the achievement of the Procurement cost savings stipulated in the MTFP • The achievement of the value for money, sustainable Procurement, and the social equality commitments within the draft Procurement Strategy • Analysis of spending against approved, contracted, and uncontracted suppliers • The achievement and benefit of collaboration in procurement (e.g. through use of procurement frameworks, or other procurement initiatives)	2	Strategic Procurement Specialist	Revised target 31/7/21 (Previous 31/03/21)	Financial Strategy now incorporates limited procurement savings linked to established long-term strategic contracts, therefore detailed procurement savings monitoring process not required. This part of the action plan is therefore closed. Progress has been slowed by capacity constraints. New target agreed with AD Finance to develop performance reporting during Q1 to bring to Performance Board in July. Target date therefore extended to 31 July 2021. Update 31 July 2021 – ongoing vacancy in team has impacted progress, hence target date not achievable. However, activity is underway to monitor volume of purchasing through waivers, and planned activity in Q2-Q3 to review spend with supply chain bypassing proper procurement processes.	In Progress
Ethical Governance & Culture (4/2/21)	The Governance Manager/AD – Corporate will ensure that the induction and training process includes all the key policies that establish a strong ethical culture within the organisation including: • Whistleblowing procedures • Conflicts of interest • Money Laundering and Fraud"	2	Governance Manager to liaise with AD – Corporate.	02/07/21	Whistleblowing & Money Laundering & Fraud - eLearning packages have been added to the mandatory section of the learning management system (LMS), the updated policies need to be added in addition to this, which the People Business Partner (L & D) is working to complete (all staff will then need to affirm they have read and understood the policy alongside the training - this will be monitored by PBP over the coming months to ensure all required mandatory training is completed). Conflicts of interest currently sits in the induction section of the LMS. The People Business Partner and team are reviewing the induction material and required policies and will adjust the Induction vs Mandatory elements of the LMS to ensure suitable coverage.	In Progress
Grounds and Open Spaces (26/10/21)	We recommend the Open Spaces and Streetscene Manager ensures that the Case Management Lead, all Case Managers – Localities and the Locality Champion receive financial management training.	2	Open Spaces and Streetscene Manager	31/8/21	Training on the process of raising and closing jobs and preparing timely invoicing complete. Waiting for formal corporate wide financial training from the Finance team as this has been delayed due to staff being redeployed on Covid-specific work.	In Progress

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Grounds and Open Spaces (26/10/21)	We recommend the Open Spaces and Streetscene Manager ensures that all key areas document their Schedule of Works and projected income for each financial year and this is used to inform a Financial Forecast for Open Spaces.	2	Open Spaces and Streetscene Manager	30/9/21	This has been actioned and is now complete.	<b>COMPLETED</b>
Grounds and Open Spaces (26/10/21)	We recommend the Open Spaces and Streetscene Manager ensures that detailed procedures are written for all key areas.	2	Open Spaces and Streetscene Manager	30/9/21	Income built into budget forecast. Now complete.	<b>COMPLETED</b>
Housing Compliance-Governance & Reporting (4/3/21)	The Compliance Manager has appointed specialist Contractors to expedite the programme of property inspections for water safety. They expect to have completed this by March 2022.	2	Compliance Manager	31/3/22	Programme is ongoing.	<b>In Progress</b>
Creditors – Key Controls (29/6/21)	Will review and update the procedure ‘How to create/amend a supplier’ to reflect the correct members of staff and the process for the independent verification of supplier details. Will also consider how the verification of supplier details can be strengthened.	2	Systems and Project Accountant	30/06/21	The supplier guidance has been updated to reflect the current version of e5.	<b>COMPLETED</b>