

**FOLLOW UP TO SIGNIFICANT GOVERNANCE ISSUES FROM 10/11**

<b>ISSUE</b>	<b>ACTIONS REQUIRED</b>	<b>FOLLOW UP</b>
<p>Further strengthen the practices that support the Council's major contract re-lets</p>	<p>Actions include improving the level of guidance in the procurement code around competitive dialogue and contract award debriefing, consistency of gate review records, application of risk management methodologies within procurement exercises and improving the effectiveness of independent challenge during procurement exercises.</p>	<p>Partially Implemented, but it is in progress.</p> <p>The required actions form part of the planned areas that will be updated. Specifically:</p> <ul style="list-style-type: none"> <li>• Procurement Code guidance will be updated for all changes. This will include more information of competitive dialogue and contract award debriefing. It will also be complemented by staff training and new recruitment focused on Competitive Dialogue expertise;</li> <li>• Ensuring consistency of the quality of gate review records is something that is being considered as part of the review of the Gate processes;</li> <li>• Risk management methodologies will be introduced through the introduction of Category Managers who understand the Service Area/business areas better, whilst understanding procurement rules (ie. An expert from the special category to work in Procurement).</li> <li>• The effectiveness of challenge during procurement exercises is being considered as part of the review of the Gate processes as the remit of the different Gate panels and the questions asked in templates will be improved.</li> </ul> <p>Plans to introduce "Procurement &amp; Commercial Foundations" were approved by the Chief Operating</p>

Appendix A: Follow Up to Significant Governance Issues from AGS 2010/11

ISSUE	ACTIONS REQUIRED	FOLLOW UP
		<p>Officer. In February 2012, a Procurement and Commercial Foundations workshop was held where key issues and outputs were identified.</p> <p>Also in February 2012, project leaders were identified for 4 specific workstreams which would address key areas of Strategic Procurement and Corporate Contracts.</p> <p>A large piece of work is required to be carried out by Council officers while ensuring that business as usual is not affected unduly.</p> <p>The implementation plan indicates it will be in place by the end of quarter 3 of 2012/13.</p> <p>The majority of officers within Strategic Procurement attended a 2 day training course on Competitive Dialogue. In addition, those key officers engaged in the Athena Managed Services procurement exercise attended Competitive Dialogue training. All staff who will be engaged in future Competitive Dialogue sessions will undergo training as appropriate.</p> <p>Internal Audit will liaise to assist with changes to the control framework within procurement throughout the change process.</p>

Appendix A: Follow Up to Significant Governance Issues from AGS 2010/11

ISSUE	ACTIONS REQUIRED	FOLLOW UP
<p>Improve internal controls within local systems for administering debtor accounts.</p>	<p>Areas requiring attention include addressing failures to obtain appropriate authorisations; the use of incorrect stationery; insufficient documentation being maintained to substantiate the raising and cancelling of debts.</p>	<p>Implemented.</p> <p>Weaknesses in controls around the debtor accounts were addressed through the introduction of “Finance Foundations”. The matters relating to debtor accounts management is governed by the O2C process.</p> <p>There is currently an audit that has not yet been completed relating to O2C. However, current indications are that the matters</p> <p>The auditor expects the opinion for the audit to be “substantial” assurance or a high “fair” assurance, indicating the improved internal controls have been complied with since their introduction.</p>