**Action Plan (Appendix D of the Internal Audit Report – Contract Procurement Rules April 2012) plus Progress Report**

| New Contracts – Compliance with CPRs | Recommendation 2.1 | Management Response | Responsible Officer | Deadline | Rag Status | Action Since April 2012 |
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| No. 1<br>20% of new contracts tested could not be verified as being in line with the CPRs. | The CPRs should be reiterated to all procurement staff to ensure new contracts are appropriately drafted and signed. | Agreed. This will form part of the e-training programme. | Assistant Director – Commercial Assurance | Jul-12 | Green | Contract Procedure Rules (CPRs) have been updated, reviewed and published. They are now undergoing further review as part of continuous improvement programme and will be reviewed by Special Constitution Committee in June 2012. To ensure that the CPRs are embedded in the organisation all Council staff, who manage contracts are undergoing Contract Management training which went live in May 2012 via e-learning tool. Some contract managers have already completed the training. The aim is for all Contract Managers to be trained by end June. |
| No 1.1 | Contracts should be appropriately stored on the central repository where possible, or as a hard copy in each Directorate. | Agreed. This will continue to be monitored during the weekly working group meeting where all directorates are represented. | Working Group | Jun-12 | Green | Contracts Repository is being used to store contracts. Action is monitored at the Working Group meetings where each directorate reports on progress. Action on track to be completed by end of June. |

| New Contracts – Compliance with CPRs | Recommendation 2.1 | Management Response | Responsible Officer | Deadline | Rag Status | Action Since April 2012 |
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| No. 2 10% of contracts tested were recorded as compliant but were still non-compliant. | The Council should reiterate the requirements for compliance, and the need to meet these requirements before a contract is recorded as compliant. | Agreed. This will be reiterated at the working group plus form part of the e-training. | Working Group | Jul-12 | Green | CPR's were reviewed in March and have been published. As part of the continuous improvement programme a further review and reiteration has taken place and this will be presented to the Special Constitution committee in June. The Contract Management e-Training went live in May 2012 and this tool is being used to ensure that all contract managers are aware of requirements for compliance. |
| No. 3 80% of contracts tested were waived in order to achieve compliance. This suggests the CPRs are not appropriately designed. | The Council should review the CPRs and consider if they are too rigid for achieving their objective of ensuring contracts are procured appropriately. | The CPRs are being reviewed as part of an on-going action and revised documents will be reviewed by the Special Constitution Committee in June 2012. | Assistant Director – Commercial Assurance | Jun-12 | Green | There was a consultation process across all the directorates prior to finalising and updating CPR's. Finalised CPR reviewed by Special Constitution Committee in June 2012. |
| No. 4 There are no vendor thresholds in place on SAP for existing vendors. | The Council should continue to investigate implementing vendor thresholds on SAP for old and new vendors, and ensure in the interim mitigating controls are in place to prevent overspend. | This action is underway. The Vendor threshold limits will be the first phase of the action. Full implementation will require training for Operational Purchasers and a review of ways of working | Assistant Director – Commercial Assurance and Working Group | Interim controls May 2012 | Green | Phase 1 is now complete as all Contract limits for SAP vendors have now been entered on to SAP. Phase 2; Training programme agreed for SAP procurement users. Close down of Vendor access on a directorate by directorate basis is underway. Absolute close down will be in place by 21.06.12. |

| New Vendors - Authorisations | Recommendation 2.3 | Management Response | Responsible Officer | Deadline | Rag Status | Action Since April 2012 |
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| No. 5<br>80% of new vendor forms tested were not appropriately authorised. 63% of these had no evidence of any authorisation. | All new vendor forms should be appropriately authorised prior to their addition to SAP. | Agreed | Working Group | May-12 | Green | New vendor forms are now updated to confirm the name of the Contract Monitoring officer and the name of the responsible AD or Line Manager. Action is complete |
| No 5.1 | New vendor forms should be centrally stored to ensure ease of review. | Agreed. This is now the case for new vendors that have final sign off in CPT. A copy is taken and saved on the shared drive. | Assistant Director – Commercial Assurance | Complete | Green | A copy of the signed vendor form is kept on the S drive for any future inspections. Action is complete. |

| Corporate Oversight – Vendor Spend and Corporate Repository | Recommendation 2.3 | Management Response | Responsible Officer | Deadline | Rag Status | | Action Since April 2012 |
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| No. 6 20% of contracts tested which were on the contract register but not on the corporate repository did not have acceptable reasons why they were excluded | Management should reiterate to all Directorates the requirement to add all contracts to the central repository, excluding those which contain sensitive data. | Agreed. This will be monitored by the Working Group. A way of securing sensitive information will be investigated and if possible implemented. | Assistant Director – Commercial Assurance | May-12 | Green | Amber | Actions 1.1 and 6 have the same recommendation and corresponding action. The deadline is the same and should be June 2012.

Contracts Repository is being used to store contracts. This action is monitored at the Working Group meetings where each directorate reports on progress. Action on track to be completed by end of June. |
| No.7 The Vendor Spend Analysis report does not have the functionality to report current year spend above £25k which is not included in the contract register | Management should review the information included in the Vendor Spend Analysis report and amend to include spend in current financial year. | Current financial year is available within the report but we will amend the report so management information is easily obtained. | Working Group | Jun-12 | Green | | Spend Analysis now provides dates and breakdown of spend usage for all SAP vendors. Action is complete |

| Corporate Oversight – Vendor Spend and Corporate Repository | Recommendation 2.3 | Management Response | Responsible Officer | Deadline | Rag Status | Action Since April 2012 |
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| No. 8 We analysed the level of retrospective purchase orders raised across directorates over the year, and compared to the level of retrospective purchase orders raised in February 2012. All except one directorate showed a negative trend. | The Council should reiterate to management the requirement to raise and order a purchase order before a purchase is made in order to effectively manage expenditure. | Agreed. There are some cases when retrospective PO is needed. This should be an exception and the working group will action this recommendation | Working Group | Jul-12 | Green | Each Directorate is reviewing the use of retrospective purchase orders in their area and reporting back to the Working Group. Presently we are identifying exception where it may be necessary to raise a retrospective order. We will then report and monitor by purchase type and ensure that orders are placed with corresponding purchase orders.   Action on track for July deadline. |
| No.9 We assessed the training PowerPoint designed, and noted there was some variation between the training and the CPRs. | The Council should review the training package against the CPRs to ensure its content is appropriate. The package should be delivered to relevant staff members as soon as possible. | Agreed.  Agreed. The IT solution is being built and training will commence as soon as this is available. | Assistant Director – Commercial Assurance  Head of IS Service Delivery and Assistant Director – Commercial Assurance | April 2012  May 2012 | Green | Training material was reviewed against CPRs and updated and cleared by the members of the Working Group. Contract Management training went live in May 2012 via e-learning tool. Completed |