

Rother District Council

Report to:	Audit and Standards
Date:	5 December 2022
Title:	Procurement and Capital Programme Audits - Management Responses Update
Report of:	Antony Baden – Chief Finance Officer
Purpose of Report:	To update Members on progress made regarding the implementation of the Procurement and Capital Programme internal audit recommendations.
Officer Recommendation(s):	It be RESOLVED : That the report be noted.

Introduction

1. At its meeting held on 26 September 2022, this Committee considered a report from the Council's Internal Audit Manager, which raised issues around the Procurement and Capital Programme audits. Both audits provided only limited assurance on overall governance arrangements.
2. As a result, Members requested an update on the management responses to the issues raised in the audits. This includes progress on the implementation of audit recommendations (Minute AS22/30 refers).
3. The Chief Finance Officer is the strategic lead Procurement Officer for the Council and many of the issues raised in **both** audit reports directly impact on the work of the Finance department. However, Members will note that ultimately it is the responsibility of all officers across the Council to implement the recommendations contained in both audit reports.
4. The current position regarding the implementation of each audit recommendation is analysed in Appendix A.

Procurement audit - Management Responses update

5. Members will note that most of the recommendations in this audit have already been implemented. It should also be noted that Procurement training has taken place since the audit report was issued in June 2022, notably in the Corporate Programme and Projects team, and this will strengthen the actions set out in Appendix A. Furthermore, discussions are currently taking place with the East Sussex Procurement Hub with a view to rolling out further training across the Council.

Capital Programme audit - Management Responses update

6. To date, half of the recommendations in this audit have already been implemented, including the high-risk recommendation concerning the monitoring of the Capital Programme by the Finance department and budget

holders. Progress on the remaining ones are explained in more detail in paragraphs 7 to 10 below.

7. **Recommendation 1.2** – since the audit, the quality of capital programme reporting has been greatly enhanced with additional information such as slippage and total project costs now added to reports. Much of the additional information suggested by this recommendation is already included in the Corporate Programme Board documents and will be combined into the capital programme reports in due course.
8. **Recommendation 4.1 (1)** – As mentioned in paragraph 7 above, information on project slippage is now incorporated into capital programme reports and further work will be undertaken to enhance this information during the current financial year.
9. **Recommendation 4.1 (2)** – As mentioned in paragraphs 7 and 8 above, some improvements have been made in the reporting of project slippage and this will be further developed during 2022/23.
10. **Recommendation 4.2** – The Chief Finance Officer reports capital programme spending to the Senior Leadership Team (SLT) each month. Furthermore, as part of the Medium-Term Financial Planning and budget setting processes, the Council’s capital programme is also being reviewed with SLT. The revised programme will be reported to Cabinet in February 2023, by which time this recommendation will have been fully implemented.

Conclusion

11. Most of the audit recommendations have already been implemented by senior management. With respect to the outstanding recommendations, work is progressing well and will be completed during the current financial year.
12. SLT will monitor progress on all recommendations, including those that have already been implemented and those which are still work in progress.

Financial Implications

13. As detailed in the report.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	No	Access to Information	No
Risk Management	No	Exempt from publication	No

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Appendices:	Appendix A – Procurement and Capital Programme Audit Recommendations – Progress Update
Relevant Previous Minutes:	Minute AS22/30
Background Papers:	None

Reference Documents:	None
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