

Report To: Corporate Governance Committee

Date of Meeting: 17 December 2014

Lead Member / Officer: Julian Thompson-Hill, Leader Member for Finance & Assets

Report Author: Ivan Butler, Head of Internal Audit

Title: Procurement of Construction Services - Update

1. What is the report about?

This report provides the Committee with details of Internal Audit's latest follow up work of Procurement of Construction Services following its initial report in October 2013 and the Wales Audit Office's (WAO) report of March 2014. This is the second follow up report, the previous one being in September 2014.

2. What is the reason for making this report?

The Corporate Governance Committee requested a further follow up report for Procurement of Construction Services be presented to the Committee to provide assurance that improvements have been made since the September 2014 report.

3. What are the Recommendations?

- Committee considers and comments on the Internal Audit follow-up report.
- Committee considers whether it has enough assurance that adequate progress is being made on the action plan to improve the service.

4. Report details.

Internal Audit issued a report on Procurement of Construction Services in October 2013 that gave a 'low' assurance rating, with an action plan for improvement. Our review concluded that *"...there is considerable scope for improvement. By developing a strategic approach, there is potential to make construction procurement much more efficient through streamlining processes and making them more consistent, with the benefit of removing duplication."*

The WAO report covered school building maintenance work, concluding that *"Improvements need to be made to the current procurement arrangements to ensure that the Council can demonstrate that it is achieving value for money. In addition, the Council is not complying fully with its current contract procedure rules."*

The follow up action plan in Appendix 1 incorporates all 21 actions from both the Internal Audit and WAO action plans. Although some progress has been made since

the first follow up report in September 2014, only eight actions have been fully implemented, although all of the remaining actions are in progress. In particular, there has been progress in developing a draft procurement strategy and contract procedure rules, both of which affect implementation of several other improvement actions.

How does the decision contribute to the Corporate Priorities?

There is no decision required for this report.

5. What will it cost and how will it affect other services?

There are no costs attached to this report.

6. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

This report does not require a decision or proposal for change, so there is no impact on people who share protected characteristics.

7. What consultations have been carried out with Scrutiny and others?

Not applicable – information report only

8. Chief Finance Officer Statement

Not applicable – information report only

9. What risks are there and is there anything we can do to reduce them?

Not applicable – information report only

10. Power to make the Decision

Not applicable – information report only