






Appendix B





Tendering & Contracting: Roads and Greenspace & Generic Actions




Generated on: 23 April 2019

Project 139. Tendering & Contracting
Roads and Greenspace (Report Issued January 2018)
Generic Actions (Issued October 2018)

Recommendation	Action Status Progress Bar	Actual Due Date of Action	Agreed Action	Sub-Action Progress Bar	Sub-Action Status Icon	Sub-Action Due Date	Sub-Action Assigned To	Sub-Action Latest Note
<u>1. Requirements of WDC Code of Conduct and Financial Regulations</u> All employees should ensure that they are fully aware of the requirements of the WDC Code Of Conduct. Where appropriate to their role, employees should ensure awareness of the Financial Regulations. Management should continue to keep themselves informed of future development and training on financial regulations and ensure that employees are advised as appropriate. (High Risk)		31-Dec-2018	<u>Roads and Greenspace Specific Action</u> Agree. Environment and Neighbourhood management team will consider and note the contents of the WDC Code of Conduct and Financial Regulations at the next Environment & Neighbourhood Team meeting. Environment & Neighbourhood Managers are booked on Procurement training and will, in future, seek support from the CPU as appropriate.			28-Feb-2018	Ian Bain; Raymond Walsh	Complete.
			<u>Generic Action</u> Code of conduct and Financial Regulations are in place and reviewed regularly. New employees			31-Dec-2018	All Strategic Leads (HSCP – Heads of Service)	Complete.









			are provided with access to these documents as part of offer and acceptance of employment and reinforced through the induction process. SLG will ensure appropriate ongoing training and awareness is in place for employees in line with be the best conversations, 121 meetings and development plans, additionally to ensure ongoing awareness as roles changes and revised versions are issued.					
<u>2. Declaration of Personal Relationships on the Register of Interests</u> Management and relevant employees need to be made aware of the requirement to declare personal relationships that could be a conflict of interest. This declaration should be in line with the Employee Code of Conduct; further information is available in the Council wide guidance on the Register of Interests. (High Risk)	100%	31-Dec-2018	<u>Roads and Greenspace Specific Action</u> Agree.	100%	✓	31-Jan-2018	Ronnie Dinnie	Complete.
			<u>Generic Action</u> Agreed and continues to be in place. SLG will ensure appropriate awareness for staff on updates to policy and practice.	100%	✓	31-Dec-2018	All Strategic Leads (HSCP – Heads of Service)	Complete.
<u>3. Training on Procurement Policies</u> The current procurement policies that are in place across the Council are sufficient, however, in order to ensure adherence, all appropriate employees within service areas across the Council must undertake training on the	100%	31-Mar-2019	<u>Roads and Greenspace Specific Action</u> Agree. Management will seek assistance from Procurement on the training opportunities available to achieve compliance with Procurement procedures.	100%	✓	31-Jan-2018	Ronnie Dinnie	Complete.

procurement procedures. (High Risk)			<u>Generic Action</u> SLG and managers ensure through be the best conversations and development plans that employees receive appropriate training and are kept up to date following updates in practice and policies.	<div><div>100%</div></div>		31-Mar-2019	All Strategic Leads (HSCP – Heads of Service)	Complete.
<u>4. Development of Record Keeping System</u> Management across the Council must ensure, in conjunction with the Corporate Procurement Unit, that a consistent system for record keeping is developed and an officer in a supervisory / management role takes responsibility for the procurement and the award of each contract and ensures that adequate records are prepared and maintained. (High Risk)	<div><div>100%</div></div>	31-Dec-2018	<u>Roads and Greenspace Specific Action</u> Agree. A list of all future contracts will be maintained and reports submitted to the Tendering Committee by Corporate Procurement will also be retained by relevant Manager. In addition, documentation will also be retained relating to the specification, quotations, contract details and monitoring of work.	<div><div>100%</div></div>		30-Apr-2018	Ian Bain; Raymond Walsh	Completed.
			<u>Generic Action</u> SLG will ensure CPU will continue to work with management teams and have appropriate systems in place. This is in line with policy and procedure.	<div><div>100%</div></div>		31-Dec-2018	All Strategic Leads (HSCP – Heads of Service)	Complete.
<u>5. Appropriate Form of Contract</u> Internal Audit recognise the significant procurement pipeline and the ongoing reporting of performance of the Council in terms of “on contract” spend and that moving to a position closer to 100% of spend being “on contract” will take time and in some cases exigencies of continued service provision will	<div><div>100%</div></div>	31-Dec-2018	<u>Roads and Greenspace Specific Action</u> Agree, a proper specification for all works will be produced. Assistance will be required from Procurement and Legal to develop standard terms and conditions for contracts.	<div><div>100%</div></div>		30-Apr-2018	Ian Bain; Annabel Travers; Raymond Walsh	Completed. Minor civil contract is the appropriate form of contract for works under £50k and over £50k. This contract award was agreed at Tender Committee.

<p>mean that some spend will continue to be "off contract" until appropriate procurement processes can be completed. In recognising this Internal Audit would remind managers that in procuring supplies and services an appropriate form of contract should be put in place for all works that are undertaken [over £2k]. Such contracts will contain a clear specification of works and will be let through the Council's quotation process [Quick Quotes for contracts with an estimated value of between £10k and £50k, seek a minimum of three written quotes for contracts with an estimated value of between £2k and £9,999.99], and through the Public Contracts Scotland (PCS) portal for all those above £50k, all in accordance with the relevant legislation and procedures narrated in Section Q of the Financial Regulations. Ongoing monitoring of "on contract" performance is continued through public performance reporting.</p> <p>(High Risk)</p>			<p>Tender Request forms will be completed by Service Managers and Tender Strategy Documents will be prepared in conjunction with CPU.</p>					
			<p><u>Generic Action</u> In line with contracts and supplier management policy strategy and financial regulations. This is monitored and progressed by CPU and SLG / Management teams</p>	<div>100%</div>		30-Nov-2018	All Strategic Leads (HSCP – Heads of Service)	This is an ongoing process.
<p><u>6. Variations to Original Specifications</u> As per the Financial Regulations, any variation to original specifications which will have a budgetary impact and / or potentially impact upon the achievement of the key purpose of the project should be authorised by an appropriate Officer of WDC subject to budgetary provision being available and approved before work is commenced.</p>	<div>100%</div>	31-Dec-2018	<p><u>Roads and Greenspace Specific Action</u> Agree.</p>	<div>100%</div>		28-Feb-2018	Ian Bain; Raymond Walsh	Completed.
			<p><u>Generic Action</u> Agreed.</p>	<div>100%</div>		31-Dec-2018	All Strategic Leads (HSCP – Heads of Service)	Complete.

(High Risk)								
<u>7. Phases of Work</u> If works or other purchases are to be done in phases/stages, the full development/works and associated procurement approach must be agreed with the Corporate Procurement Unit. Works should not be artificially split into phases/stages/contracts. (High Risk)	100%	31-Dec-2018	<u>Roads and Greenspace Specific Action</u> Agree. In some instances the full extent of work in not known or quantifiable at the start of phase 1 however it is recognised that if there are additional phases due to the project being extended or additional external funding being made available Procurement will be notified.	100%	✓	28-Feb-2018	Ian Bain; Raymond Walsh	Completed.
			<u>Generic Action</u> Agreed.	100%	✓	31-Dec-2018	All Strategic Leads (HSCP – Heads of Service)	Complete.
<u>8. List of Contracts</u> A running list of contracts must be maintained by service areas, covering both revenue and capital jobs. A key financial control is the requirement for cost control through the use of commitment accounting and reconciliation of commitments to actual spend and to ledgered spend. All service areas should ensure that appropriate commitment accounting processes in the management of contracts are in place and maintained that reconciles to the general ledger. This would allow management to monitor work being done and assist in cost control. (Medium Risk)	100%	31-Dec-2018	<u>Roads and Greenspace Specific Action</u> Agree. Service Managers will request assistance from Finance Business Partners to put in place commitment accounting process as described. Managers will seek guidance from Finance Business Partners to show best practice examples that are in operation across the Council.	100%	✓	31-Dec-2018	Ian Bain; Raymond Walsh	Complete.
			<u>Generic Action</u> CPU in conjunction with SLG should review and ensure this is in place in the most efficient , effective manner.	100%	✓	31-Dec-2018	All Strategic Leads (HSCP – Heads of Service); CPU	Complete.

<p><u>9. Monitoring of Works Contracts</u> It is recommended that a formal monitoring process is put in place whereby a named WDC officer for each works contract is required to make a site visit and sign off a document to confirm that the works invoiced have been completed as invoiced and invoices for that particular job can be passed for payment. The process for this is per the recently approved Contract and Supplier Management Policy.</p> <p>(Medium Risk)</p>	100%	31-Dec-2018	<p><u>Roads and Greenspace Specific Action</u> Agree.</p>	100%	✓	28-Feb-2018	Ian Bain; Raymond Walsh	Completed.
			<p><u>Generic Action</u> SLG for those "works " contracts will ensure this is in place in line with new policy.</p>	100%	✓	31-Dec-2018	All Strategic Leads (HSCP – Heads of Service)	Complete.
<p><u>10. Document Archiving</u> All documentation contained within any archived storage area should be reviewed and documents destroyed as necessary in order to comply with data retention policies and to make documents easily accessible.</p> <p>(Medium Risk)</p>	100%	31-Dec-2018	<p><u>Roads and Greenspace Specific Action</u> (a) Agree. Discussion will take place with the relevant staff to determine requirement to retain data from the existing archive store in order to ensure compliance with the established document retention policy. (b) Strategic Leads within in Regeneration, Environment & Growth whose services are storing documents within this area will also be required to ensure that current policies are being complied with.</p>	100%	✓	31-Dec-2018	Ian Bain; Richard Cairns; Raymond Walsh	Complete.
			<p><u>Generic Action</u> This is in place in line with GDPR.</p>	100%	✓	31-Oct-2018	All Strategic Leads (HSCP – Heads of Service)	Complete.




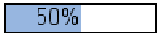
<p><u>11. Quote Disparities</u> If there are large differences in the quotes received from contractors, advice should be sought from the Central Procurement Unit on any potential course of action.</p> <p>(Medium Risk)</p>		<p>31-Dec-2018</p>	<p><u>Roads and Greenspace Specific Action</u> Agree. Advise will be sought from Procurement should this set of circumstances occur.</p>			<p>28-Feb-2018</p>	<p>Ian Bain; Raymond Walsh</p>	<p>Completed.</p>
			<p><u>Generic Action</u> Agreed in line with policy and procedure.</p>			<p>31-Dec-2018</p>	<p>All Strategic Leads (HSCP – Heads of Service); CPU</p>	<p>This already happens and is controlled by the Corporate Procurement Unit (CPU) for higher value procurements. The CPU will amend the guidance for works / goods / services valued at less than £50K to reflect this requirement.</p>
<p><u>12. Roads Operations - Best Value</u> An exercise should be performed to determine if Roads Operations are offering the Council “best value”, in particular this exercise should establish why quotes are often uncompetitive and determine the rationale behind costing within the service. Consideration should be given as to the types of works which Road Operations can physically undertake and should therefore be expected to quote.</p> <p>(Medium Risk)</p>		<p>30-Sep-2019</p>	<p><u>Roads and Greenspace Specific Action</u> Agree. This will form part of the Shared Service agenda should the Council agree to progress or otherwise be subsequently reviewed</p>			<p>30-Sep-2019</p>	<p>Raymond Walsh</p>	<p>Following the introduction of the Minor Civils Framework Contract (delayed for 10 weeks) we have undertaken a high level review of costs and our continued participation in APSE permits benchmarking with our family group and the wider roads services. It is intended to further review upon completion of twelve months from introduction, therefore providing a more robust assessment, this would be undertaken in September 19.</p>




<p><u>13. Use of Purchase Orders</u> Purchase orders should not be used as a substitute for contracts. When undertaking general purchasing of goods if purchase orders are used the form should be filled out in full and authorisation should be clear and legible.</p> <p>(Medium Risk)</p>	100%	31-Dec-2018	<p><u>Roads and Greenspace Specific Action</u> Agree.</p>	100%	✓	30-Apr-2018	Ian Bain; Raymond Walsh	Complete.
			<p><u>Generic Action</u> Agreed in line with policy and procedure.</p>	100%	✓	31-Dec-2018	All Strategic Leads (HSCP – Heads of Service)	Complete.
<p><u>14. Recommending of External Contractors</u> A council wide procedure should be developed that establishes under what circumstances Officers can recommend external contractors to third parties and that provides guidance on wording that can be used and where a recommendation is likely to be inappropriate.</p> <p>(Medium Risk)</p>	100%	31-Oct-2018	<p><u>Roads and Greenspace Specific Action</u> The Corporate Procurement Manager (CPM) will develop a clear procedure with input from Legal Services and Human Resource Services, available to all Council staff that states when Council employees can and cannot recommend an external contractor and the reasons why.</p>	100%	✓	31-Oct-2018	Annabel Travers	Completed.

Improvement Action Plan arising from Audit Scotland Report



Generated on: 29 April 2019



Project 25. Audit Review of the Investigation of Tendering and Contracting Practices in Roads and Greenspace Services (Report Issued April 2019)

Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
T&PSR/EAAP/182	<p><u>1. Annual Procurement Report</u> The 2019 Annual Procurement Report should contain the information required by section 18 of the Procurement Reform (Scotland) Act 2014, including the extent of non compliance with the council's procurement regulations.</p> <p>Risk There is a risk of non-compliance with section 18 of the Procurement Reform (Scotland) Act 2014.</p>	The 2019 Annual Procurement Report will contain information required by the Act, including the extent of compliance.			22-May-2019	22-May-2019	Annabel Travers	The 2019 Annual Procurement Report with the information required by section 18 of the <i>Procurement Reform (Scotland) Act 2014</i> , will be reported to Corporate Services Committee in May 2019. Council spend will be analysed quarterly and a report will be submitted to the Corporate Service Committee on a six-monthly basis showing off contract spend and measures for moving such spend on to contract.
T&PSR/EAAP/183	<p><u>2. Format of Internal Audit Reports</u> The format of all Internal Audit reports should be reviewed, and the level of detail provided to the Audit Committee should be reconsidered.</p> <p>Risk There is a risk that members are not provided with the</p>	1. The format of Internal Audit reports has been reviewed as a lessons learned exercise, e.g. transcripts from interviews would not normally be included, and personal and commercial information kept to appropriate levels of detail.			12-Jun-2019	12-Jun-2019	Colin McDougall	<p>This action has two milestones, progress against which is as follows:</p> <p>1. This is complete - the format of Internal Audit reports has been reviewed, taking into account the approach adopted by other Councils.</p>

Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
	appropriate level of detail to support them in their scrutiny role.	2. The level of detail provided to Audit Committee is included in this review and will be reported to a future Audit Committee						2. The level of detail on internal audit reports provided to the Audit Committee will be reported to the Audit Committee on 12th June 2019 for consideration by Members.
T&PSR/EAAP/184	<p><u>3. Scope of future procurement audits</u> Internal Audit should ensure that the scope of future procurement audits adequately covers relevant areas.</p> <p>Risk There is a risk that weaknesses with procurement practices are not reported.</p>	The audit work undertaken was an investigation not a planned audit. Internal Audit will build this into future planned procurement audits.		<div><div>100%</div></div>	30-Apr-2019	30-Apr-2019	Colin McDougall	This arrangement has been established going forward.
T&PSR/EAAP/185	<p><u>4. Documenting of Investigation Work</u> Internal Audit should review how they document complex investigations to ensure clear documentation, in accordance with Public Sector Internal Audit Standards.</p> <p>Risk There is a risk that there is a lack of documentation to support the judgements in Internal Audit reports.</p>	Internal Audit will utilise the Team Mate electronic audit system to document all audit investigations, including document and activity logs on complex investigations.		<div><div>100%</div></div>	30-Apr-2019	30-Apr-2019	Colin McDougall	The TeamMate electronic audit software system will now be used more extensively for investigation work, in particular for complex and larger scale cases undertaken by the Internal Audit team.
T&PSR/EAAP/186	<p><u>5. Follow-up Audit Work</u> The Internal Audit follow up of tendering and contract arrangements should be reported and the results</p>	This follow-up audit is in progress and will be completed in time to inform the Annual Governance Statement		<div><div>25%</div></div>	31-May-2019	31-May-2019	Colin McDougall	This audit assignment is in progress and the findings will be used to inform the Annual Governance Statement for 2018/19.

Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
	<p>included in the 2018/19 Annual Governance Statement.</p> <p>Risks There is a risk of financial loss and reputational damage to the council if the required improvements have not been implemented. There is a risk that the Annual Governance Statement disclosures are not comprehensive.</p>	for 2018/19.						
T&PSR/EAAP/187	<p><u>6. Approach to Investigating Serious Allegations</u> The approach taken to investigating serious allegations should be reviewed. Staff should respond quickly to internal audit queries, to facilitate timely reporting of audit findings. Progress updates to the Audit Committee or appropriate member groups should also be considered.</p> <p>Risk There is a risk that members are not provided with sufficient information to support them in their scrutiny role</p>	<p>1. Internal Audit will create a protocol on expected response times which will set out clearly the timescale for escalation where responses are not forthcoming or delayed.</p> <p>2. Ongoing reports to Audit Committee on whistleblowing and other investigations will be enhanced from the next due report.</p> <p>3. Audit Manager has set-up a regular meeting with the Chair of the Audit Committee.</p> <p>4. Audit Manager, Chief Executive and Strategic Lead - Resources will consider wider Member awareness on emerging issues on an ongoing basis</p>	▶	<div><div>50%</div></div>	25-Sep-2019	25-Sep-2019	Colin McDougall; Stephen West; Joyce White	<p>This action has four milestones, progress against which is as follows:</p> <p>1. A protocol on expected response times will be completed by 31 May 2019.</p> <p>2. Ongoing reports to the Audit Committee on whistleblowing and other investigations will be enhanced from the next due report to the Audit Committee on 25 September 2019.</p> <p>3. This is complete - a regular meeting between the Audit Manager and Chair of the Audit Committee has been set up.</p> <p>4. This is complete - the Audit Manager, Chief</p>

Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
								Executive and Strategic Lead - Resources will consider wider Member awareness on emerging issues on an ongoing basis.
T&PSR/EAAP/188	<p><u>7. Compliance with Procurement Financial Regulations</u> Officers should comply with all procurement financial regulations. Committee approval should be obtained as required by the regulations. Committee papers should record how the procurement approach taken demonstrates Best Value for the council.</p> <p>Risk There is a risk that the council breaches its regulations and does not achieve Best Value.</p>	<p>All Strategic Leads will be reminded of the Financial Regulations and in particular those areas of spend where a departure from normal processes is required to be approved.</p> <p>Mandatory training has been provided and will continue to be provided to employees involved in procuring contracts.</p> <p>The Procurement Team will advise Service areas as appropriate in this regard following the review of the on contract spend analysis and when agreeing priorities with service areas.</p>			30-Apr-2019	30-Apr-2019	Annabel Travers; Stephen West	<p>This action has three milestones with progress as follows:</p> <p>1. The communication to Strategic Leads reminding them of the Financial Regulations and in particular those areas of spend where a departure from normal processes is required; will be sent to the Strategic Leads on the week commencing 29/04/2019. The Strategic Leads will be instructed to cascade the communication to their teams.</p> <p>2. Mandatory training has been provided and will continue to be provided to employees involved in procuring contracts.</p> <p>3. The CPU will continue to advise service areas as appropriate on the Financial Regulations and review spend (minimum of quarterly) with service areas and when developing the commodity and contract strategies.</p>

Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
T&PSR/EAAP/189	<p>8. Declaration of Personal Relationships Council regulations should be revised to include actions to be followed by managers when personal relationships are declared between officers and contractors. Documentation should be maintained by line managers and centrally for senior officers, to demonstrate action taken to avoid relationships influencing the award of contracts.</p> <p>Risk There is a risk of financial loss and reputational damage to the council.</p>	<p>The Council will amend its guidance and Code of Conduct to make explicitly clear, the considerations and actions expected of managers when personal relationships are declared between officers and contractors. The timescale suggested, reflects the consultation required with the Joint Trades Union and reporting policy changes to the relevant Council Committee.</p>		<div><div></div></div> 0%	30-Nov-2019	30-Nov-2019	Peter Hessett; Victoria Rogers	The two Strategic Leads will consider the required changes before discussions take place with the Joint Trades Union.
T&PSR/EAAP/190	<p>10. Reporting on Procurement Compliance Levels Senior officers should now establish and report to members on the full range of services where procurement procedures have not been followed and improvement actions should be monitored. Explicit reference should be made to breaches of the council's procurement regulations.</p> <p>Risk There is a risk that members are not provided with sufficient information to support them in their scrutiny role.</p>	<p>1. The Annual Procurement Report will provide enhanced information as to levels of on and off contract spend.</p> <p>2. The Annual Governance Statement within the annual accounts will be enhanced to provide more information on issues and actions agreed to improve.</p>		<div><div></div></div> 0%	12-Jun-2019	12-Jun-2019	Annabel Travers; Stephen West	<p>This action has two milestones with progress as follows:</p> <p>1. The 2019 Annual Procurement Report with the information required by section 18 of the <i>Procurement Reform (Scotland) Act 2014</i>, will be reported to Corporate Services Committee in May 2019. A report will be submitted to the Corporate Service Committee on a six-monthly basis showing off contract spend and measures for moving such spend on to contract.</p>

Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
								2. The draft Annual Governance Statement will be provided to Audit Committee on 12 June 2019 and thereafter to Council on 26 June as part of the draft Annual Accounts for 2018/19. The statement will include enhanced information regarding the levels of compliance within service areas and plans to minimise this going forward.