GLASGOW CITY COUNCIL INTERNAL AUDIT SECTION

COMMITTEE SUMMARY

Item 2(c)

28th September 2022

Title of the Audit: Chief Executives Department – Procurement Project Plans

1. Introduction

1.1 The Corporate Procurement Unit (CPU) oversees approximately £367m of expenditure on goods, works and services each year across the Council family. To assist CPU officers in following and complying with the Scottish Government's Procurement Journey and complying with the Council's internal procedures and requirements, the CPU has developed a procurement toolkit. Procurement Project Plans (PPP) form part of this toolkit. PPPs act as a checklist for procurement officers to help them complete the various tasks and documents throughout the multiple stages of a procurement exercise, and gateways are set up at key points for supervising managers to approve that these have been completed.

1.2 As part of the Audit Plan we have carried out a review of the use of PPPs within CPU to ensure they are being utilised as intended by CPU officers, thereby fulfilling their purpose of ensuring that all relevant stages of procurement exercises are completed and documented.

1.3 The scope of the audit included a review of:

- A sample of procurement activity to ensure the PPP has been adhered to and completed.
- Roles and responsibilities of officers and teams.
- Supporting evidence and audit trail.
- Training and support available to officers, and
- Lessons learned.

2. Audit Opinion

2.1 Based on the work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified scope for improvement in existing arrangements and two recommendations which management should address.

3. Main Findings

3.1 We found some of the expected controls are in place. Suitable arrangements exist for the storage of PPPs and related documents. Staff are aware of the requirement to fully complete PPPs and are able to access the latest version. In addition, staff are made aware of their roles and responsibilities in relation to PPPs via on-the-job training and also receive monitoring from their line managers to determine any training needs.

3.2 However, we identified some areas where improvements are required. A PPP should be completed by staff in all instances where a contract award requires a full procurement process. However we found instances where the PPP was not fully completed with relevant dates and a small number of cases where the PPP could not be located.

3.3 We also selected a sample of supporting documents referred to in the completed PPPs from our original sample, to verify that they had been completed and could be located, however

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some could not be provided.

3.4 Line managers conduct one-to-one meetings with staff every 3 weeks to discuss their caseload. However, we were advised that they do not review the completion of the plan itself rather they confirm that actionable tasks have been actioned with staff. CPU Management do not monitor the use of PPPs and no management information is compiled from them.

3.5 An action plan is provided at section four outlining our observations, risks and recommendations. We have made two recommendations for improvement. The priority of this is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	1
Medium	Less critically important controls absent, not being operated as designed or could be improved.	1
Low	Lower level controls absent, not being operated as designed or could be improved.	0
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

3.6 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.

3.7 We would like to thank officers involved in this audit for their cooperation and assistance.

3.8 It is recommended that the Head of Audit and Inspection submits a further report to Committee on the implementation of the actions contained in the attached Action Plan.

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No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Procurement Project Plans are adhered to for all in-scope procurement activity and for all relevant tasks.				
1	We selected a sample of 20 contract awards. From the sample, five PPPs (25%) were fully completed with relevant dates and authorisations correctly noted. However, there were three occasions (15%) where the PPP could not be located. The remaining 12 PPPs (60%) were partially completed with issues including incomplete fields, missing dates and authorisation not recorded on the plan as expected. Staff responsible for the completion of the PPPs advised that the issues identified were due to human error. Incomplete or missing PPPs increase the risk that staff do not complete the required stages of the procurement process or proceed without appropriate approval which could result in invalid contract awards.	Management Team must remind staff of the requirement to fully complete and retain PPPs. The completion of PPPs should be monitored to ensure that compliance levels improve.	**High**	**Response:** CPU SMT will remind staff of the that PPPs should be fully complete and filed accordingly. The usage and completion of PPP'S will be subject to quarterly spots check to ensure compliance. **Officer Responsible for Implementation:** Procurement Development Manager **Timescale for Implementation:** September 2022

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No.	Observation and Risk	Recommendation	Priority	Management Response
2	We selected a sample of supporting documents from the completed PPPs in our original sample, to verify that they had been completed and could be located. For 12 of the 17 PPPs that could be located (70.5%), all requested documents were provided. Examples of documents could not be located included Strategy Approval Documents and Post Contract Implementation Reviews. Without supporting evidence there is an increased risk that the CPU cannot demonstrate compliance with the procurement process.	Management must remind staff that PPP supporting documentation should be completed and be retained.	**Medium**	**Response:** Staff will be advised on the importance of document retention under the PPP's. **Officer Responsible for Implementation:** Operational Procurement Manager **Timescale for Implementation:** September 2022