

Appendix 1- List of Actions from the Internal Audits conducted from July to September 2024.

1. Small Works Contracts 21.22 Follow Up Audit

Action 1610- Action will reopen to await the receipt of the signed contract.

Copy of signed contract between HDC and 'Breheny'.
Documentation Received.
Action Closed.

Action 1611 – Action will reopen to allow for communication and guidance to be sent to all relevant users.

Copy of communications / guidance and roles and responsibilities related to the contract, issued to procurement and other relevant staff.
Documentation Received.
Action Closed.

Action 1612- Action remains open until one month's spending under contract is available to review and spot check.

Notes of meetings between parties to the contract. Spend reports and evidence of their review by the Facilities Manager/relevant staff at HDC.
Documentation Received.
Action Closed.

2. Budgetary Control and Management 24.24 Audit

1. Comments and explanations related to budget variances over £10K should be added to Tech 1 by Budget Managers and monitored by Finance.

2. Manual adjustments of financial value changes over £100K to the forecast budget line items should be explained and saved on Tech1, for full transparency.

In addition, these manual adjustments should have a clear approval trail by the Director of Finance or other senior level staff and the approvals should be saved on Tech1.

Manual adjustments over £100K to the forecast budget line items should be explained in the report sent to members.

3. Process document should include the missing steps to provide a complete overview of the entire process, ensuring transparency and clarity. The timetable included in the process documented should also reflect the entire process, including the dates of when it will be presented to the Council for its approval.

MTFS Process should be documented, with its own methodology. This can be a separate document or be part of the already existing Process document for Budget setting.

Additionally, the budget process document should have dates and names/titles of preparer and approver and these should be reviewed and updated at least once every two years.

4. When a budget is uploaded by the budget holder on Tech 1, it should default to a status of 'Submitted.' Once the budget bid receives FBP approval, the status should change to 'Approved by FBP.' After approval by SLT, the status should update to '2nd level approved by SLT.' Finally, when the budget is approved by the councillors, the status should be updated to 'Final level approved by councillors.'

5. The control wording should be updated on the risk register, to reflect the established fixed reserve amount.

6. The control wording needs to be updated in the risk register to show that reports are sent to SLT on a quarterly basis which will reflect the actual reporting process.

3. Vehicle Maintenance Processes 24.25 Audit

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| 1. Initiate recruitment of a senior qualified and experienced Workshop Technician with IRTEC qualifications and ensure that they are recruited by at least 3 months before existing staff retire, to ensure sufficient time for transfer of knowledge. Prepare all documentation, including job description and business case, so that recruitment of the job is efficient. | Copy of documentation, including job description, meeting minutes and business case |
| 2. Transport Manager to review and nominate a second person who shall have oversight of and access to staff training matrix, training records and knowledge of where training information is held. | Update training process notes to outline who has second person oversight and access of training information. |
| 3. Create a training matrix for each member of staff, including managers, within the service. Training matrix should list all training which has been completed internally and externally, when these | Copy of the training matrix. |
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skills need to be refreshed, and the data analysed to highlight any training gaps.

4. Code of Procurement Audit 24.25

- 1 Procurement Lead to document, review and update (as applicable) a full suite of Procurement documentation to include the Code of Procurement, the Procurement Aide Memoire and supporting procedure notes.
Internal Audit recommends that this documentation is reviewed (and is subject to appropriate approval) every 2 years, if not annually.
The procurement documentation will be updated by the Procurement Lead and will be reviewed and approved by Director of Finance and Operations Director. (Amber-Medium).

 - 2 To improve awareness, understanding and adherence to the Code of Procurement's requirements across the Council, Internal Audit recommends implementing the following actions:
 - Develop and distribute via e-mail communications, clear training materials and guides that outline key Code of Procurement requirements and procedures. Ensure these are readily accessible on the intranet as well.
 - Conduct regular mandatory training sessions for key staff. HR can make these training courses on procurement mandatory for key Managerial staff involved in the procurement process.
 - Regular communications such as monthly or quarterly newsletters to consistently remind staff of Code of Procurement requirements and highlight any compliance issues encountered.
 - Management may also wish to consider appointing key points of contacts within departments who will work closely with the procurement lead on contracts, POs, etc. (High-Red).

 - 3 Procurement Lead to work with the different teams as well as the Legal team and obtain and record contracts within the internal contracts register in order to show an up to date inventory of contracts.

Procurement Lead to conduct a quarterly review of a sample of significant payments including both payments through POs as well as without POs or contracts (over £100K values) to confirm that the POs comply with their respective contracts and had the appropriate level approvals and identify if there are any
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significant payments without POs and contracts which should be investigated. Any compliance issues should be highlighted and reported. (High- Red).

4 On a quarterly basis, the procurement lead should complete a review of a sample of POs to confirm that they have been procured in line with the Code of Procurement and they have followed the terms of their related contracts. Results should be documented, reported, and any compliance issues should be fed back to the relevant service teams and SLT for discussion and remediation. (High- Red).

5 On a quarterly basis, the Procurement Lead shall review a sample of contracts previously awarded to understand how they are being managed post award, to include performance monitoring, compliance verification and issue resolution. (High-Red).

6 Request for purchases, invitation to tender, contract award, contract approval and PO approval limit hierarchy, to be documented This could be documented within a scheme of delegation authority document or could be an appendix to the code of procurement document and should be subject to appropriate approval by SLT and members.

The document should be maintained by Procurement or Finance and subject to annual (or once every two years) review. The procurement lead can discuss this with the Director of Finance or CFO and form a plan of action on how to document and approve these authority limits. (Medium-Amber).
