



## **AUDIT AND GOVERNANCE COMMITTEE:**

**29 January 2019**

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**Report of: Borough Treasurer**

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**SUBJECT: PROPERTY SERVICES ARRANGEMENTS RELATING TO THE  
ENGAGEMENT OF A CONTRACTOR**

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Wards affected: Borough wide

### **1.0 PURPOSE OF THE REPORT**

- 1.1 To set out details of the issues arising from an internal audit examination of Property Services arrangements with a contractor.

### **2.0 RECOMMENDATIONS**

- 2.1 That progress against the action plan be noted.
- 2.2 That a follow up audit of Property Services procurement is undertaken during 2019/20 to confirm that the new arrangements are working effectively.
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### **3.0 BACKGROUND**

- 3.1 A report entitled "Property Services Arrangements Relating to the Engagement of a Contractor" was presented to the Audit and Government Committee in March 2018. A copy of this report is enclosed at Appendix 1, which highlighted a number of issues in relation to this contract and an action plan to address them.
- 3.2 At this meeting it was resolved:
- (A) That the actions agreed by management to strengthen controls on procurement payments, accountability, transparency and custody of documents following internal audit's examination of property services use of a contractor be noted;

- (B) That a further report be brought back to Audit and Governance Committee to further update on the position.
- 3.3 Updates on the progress made in implementing the action plan were then reported to the Audit and Governance Committee meetings in May 2018, July 2018 and October 2018.
- 3.4 At the October 2018 Audit and Governance Committee meeting it was then resolved:
- (B) That a full report covering the history of the issues with regard to Property Services be brought back to a future meeting of this Committee.

#### **4.0 CURRENT POSITION**

- 4.1 An update on progress against each of the action points in the action plan is contained in Appendix 2. This shows that all of the actions have been completed, with the exception of Item 5 on compliance with the Council's Document Retention requirements, which is being progressed as part of a wider corporate process.
- 4.2 The completion of the action plan provides assurance that there should now be an effective set of controls in place that will ensure that procurement matters are managed properly within Property Services. I have met with the Director of Housing and Inclusion and the Property Services Manager to discuss this report and to confirm that the new control framework has been embedded into management processes. Funding of £70,000 has also been requested through the HRA budget setting process for 2019/20 for staffing resources for procurement compliance on mechanical and electrical support systems, and this demonstrates that a more structured approach is now being taken.
- 4.3 To provide further assurance it is intended that a follow up audit of Property Services procurement is undertaken in the next financial year. This will test whether the new arrangements are working effectively and provide a check on whether there are any outstanding issues that have yet to be resolved.

#### **5.0 SUSTAINABILITY IMPLICATIONS**

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

#### **6.0 RISK ASSESSMENT**

- 6.1 This report summarises the risks which internal audit work had identified as not being adequately addressed by the Council's previous framework of controls and the measures that have been taken by management to address those risks.
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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

Appendix 1 – Property Services Arrangement Relating to the Engagement of a Contractor – Report to Audit and Governance Committee March 2018

Appendix 2 – Property Services Contractor Engagement Action Plan