

Appendix 4 – Recommendations between 1 and 6 Months Overdue

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Highways Compensation Events Review	31 March 2022	<p>The further development of quality assurance processes by the Highways PMO should continue and consider other means of gaining assurance and confidence over the management of CEs to facilitate the removal of the need for contract variation reports and approval of the DCECT. This could include the introduction of regular sample review checking of CEs to provide assurance over the operation of controls, compliance with the NEC contract and Council processes, greater scrutiny where the CE is because of a design flaw on our part.</p> <p>This should also consider the introduction of reporting on CEs. This could provide analysis over CEs to inform future learning. This could include:</p> <ul style="list-style-type: none"> -number of CEs per project grouped per clause. -rejected CEs and defects. -degree of compliance with key contractual timescales. 	<p>Reporting is in place and will be issued to senior officers monthly. There is also a Highways Authorisation Matrix which has been shared with staff which details the CE approval process. All full-time staff have received NEC training with PMs and Commercial staff ECC accredited.</p> <p>The reporting of CEs monthly, in line with the approach agreed with the Commercial Board, will commence alongside further contract report approvals.</p> <p>CEs will continue to be reported through project governance structures and approved at Director level depending on value and impact.</p>	<p>The latest update provided by the service confirmed that compensation event (CE) information is held on the CE trackers for all live projects. The Highways Authorisation Matrix has been shared with officers and continues to be applied across the programme and manages the approval of project CEs. All permanent PMs and Qs are now NEC 4 accredited with a further 2 APMs working towards becoming PMs are to attend accreditation training summer 2022.</p> <p>In terms of reporting, a major projects PM dashboard is reported which includes data on CEs for each project. CEs continue to be reported through project governance structures and approved at Director level depending on value and impact.</p> <p>Whilst steps have been taken to improve the quality assurance framework as spot checking processes are not yet operational, we consider the status of this recommendation to be partially implemented.</p> <p>Internal Audit opinion:</p>	<p>Director: Neil Fairlamb, Strategic Director Neighbourhoods.</p> <p>Executive Member: Councillor Rawlins</p> <p>Status: Three months overdue</p> <p>Action: To continue to monitor progress.</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
				Partially implemented.	
Use of Waivers and Extensions	31 May 2022	<p>The ICP Team should develop a formal system for the process of submitting and approving waiver and contract requests. This should include a mandatory control for all waivers over £50k to be submitted to the Deputy Chief Executive and City Treasurer by ICP, to provide assurance of their agreement.</p> <p>Consideration should be made to integrating the Teams Approvals function into the system to support more unambiguous authorisations and a self-contained audit trail.</p>	<p>The ICP Team are currently exploring options including Teams functionality to support with this. The team are also looking to procure a new contract management system with functionality that will support management of approvals. In the immediate term, the team has already amended the waiver template form to explicitly confirm that ICP Management have been consulted beforehand. We will confirm with directorates that waivers and extensions, along with contract award reports more generally have to go through the ICP Team.</p>	<p>The waivers form now requires ICP approval for all waivers over £50k with changes in behaviour already seen by the service. This is alongside additional controls such as the new Highways Procurement Board. However, no formal system for submitting these has yet been considered so the recommendation remains outstanding in part.</p> <p>Internal Audit opinion: Partially implemented</p>	<p>Director: Carol Culley, Deputy Chief Executive and City Treasurer</p> <p>Executive Member: Councillor Akbar</p> <p>Status: One month overdue</p> <p>Action: To continue to request updates from the service and evaluate progress.</p>
Use of Waivers and Extensions	31 May 2022	<p>The ICP team should work with Legal Services to simplify the Constitutional wording around contract authorisations. Wording around delegated authority should be explicit and unambiguous, with clear definitions of authorised officers.</p> <p>This should be reflected in procurement guidance and disseminated to commissioning and authorising officers. We advise that ICP take their observations regarding</p>	<p>Agree, subject to Constitutional amendments being confirmed. The ICP Team are currently working with Legal Services and directorates to develop proposed revisions for the Constitution</p>	<p>The ICP team have worked with Legal Services to simplify the Constitutional wording around contract authorisations however this is currently still in draft and due to be finalised in September / October 2022.</p> <p>Internal Audit opinion: Partially implemented</p>	<p>Director: Carol Culley, Deputy Chief Executive and City Treasurer</p> <p>Executive Member: Councillor Akbar</p> <p>Status: One month overdue</p> <p>Action: To continue to request updates from the service and evaluate progress.</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		waivers/direct award and delegated authorities to the Commercial Board for discussion.			