

The following reports have been finalised since the last Audit Committee. Action plans are in place to address the weaknesses identified. For reviews which received limited or little assurance a summary of the findings and the Action Plan is attached.

Project Reference	Project Description	Level of Assurance	Recommendations		
			F	S	MA
CD0070R1	Procurement	Limited	0	8	5
FD0010R1	Financial Reporting	Adequate	0	4	2
FD0060R1	Pensions Admin	Substantial	0	1	4
FD0100R1	Leasing	Adequate	0	1	5
FD0160R1	Treasury Management	Substantial	0	1	4
FD0270R1	Council Tax & NDR	Adequate	0	2	5
LD0170R1	Electoral Registration	Substantial	0	0	2
IT0080R1	Self Service Passwords	Substantial	0	2	1
IT0310R1	Compliments, Comments & Complaints	Substantial	0	2	3
LL0060R1	School Transport	Substantial	0	0	2
LL0140R1	Facilities Services Catering	Limited	0	7	2
EN0040R1	Regeneration Partnership	Adequate	0	3	4
EN0070R1	Traffic Management Act	Limited	1	4	0
	Investigation Report				
OA9073R1	Streetworks Complaint	N/A	0	2	0

Levels of Assurance – standard reports.

Substantial – A robust framework of controls ensures objectives are likely to be achieved. In addition, controls are applied continuously or with minor lapses.

Adequate – A sufficient framework of key controls for the object to be achieved, but the control framework could be stronger. Or, controls are applied but with some lapses.

Limited – There is a risk of objectives not being achieved due to the absence of key controls. Or, there is significant breakdown in the application of controls.

Levels of Assurance – follow up reports.

Good. 80%+ of recommendations have been implemented. All fundamental recommendations have been implemented.

Reasonable. 50-80% of recommendations have been implemented. Any outstanding fundamental recommendations are in the process of being implemented.

Little. Less than 50% of recommendations have been implemented. Unsatisfactory progress has been made on the implementation of fundamental recommendations.

Categorisation of Recommendations

F - Fundamental

S - Significant

MA - Merits Attention

Fundamental – action is imperative to ensure that the objectives for the area under review are met.

Significant – requires action to avoid exposure to significant risks in achieving the objectives for the area under review.

Merits Attention – action advised to enhance control or improve operational efficiency.

Summary of Findings and Action Plan of Reviews with Limited Assurance

Procurement – CD0070R1

We have made eight significant recommendations, as follows:

- It does not explicitly state in the CPR's that the use of framework agreements and their associated contractors/suppliers is mandatory over all other sourcing methods i.e. approved list contractors.
- There is no central repository detailing all framework agreements and contractors /suppliers that are in place.
- There is no formal authority wide contractor rotation policy in place
- There are contractors on the approved list who have not been financially vetted within the approved time limits.
- Not all contractors on the approved list had the correct levels of insurance cover.
- Day work rates held on the approved list are two years out of date.
- The contractor default procedures are not always complied with.
- Officers of the Authority are using contractors which are not included on the approved list and negotiated supplier frameworks.

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Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
3	The prescribed system is as follows: A full Equifax financial report is run on the contractor when they initially apply for inclusion on the database. Subsequently, every 18 months thereafter the Support Services Section send in a copy of the contractor financial accounts to enable the Procurement Section to run a further	To ensure that contractors are financially viable to carry out and complete work on behalf of the Authority, financial vetting of their accounts via a credit rating agency	Significant	Yes	The 12 month interval prescribed in CPR's is not workable and needs to be extended to 18 months, this allows time for accounts to be finalised after the end of a companies financial year. This request will	31 May 2012 July 2012	Arwel Staples Richard

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	<p>financial report and to update the contractor 50% annual turnover figure.</p> <p>To pass the financial vetting Flintshire's current policy is to score 40 or above and grade D or above. Any contractor with a score below 40/D will fail the financial vetting check.</p> <p>There are different types of reports available although for the approved list the Procurement Unit only use the "full report" option for limited companies or for an un limited company a "credit report plus" which gives less information but the same scores/grades as the full report.</p> <p>However, discussions were held with the Procurement Unit Administration Assistant who stated that no further checks were carried out as to the financial stability of the contractor after the initial full Equifax report (when contractors first apply to be included on the approved list).</p> <p>Discussions were then held with the Senior Cemeteries Officer who was of the understanding that a full Equifax check was carried out every 18 months (when financial accounts were sent over).</p> <p>It then became apparent that a full financial Equifax check is only carried out when a contractor applies for inclusion on</p>	<p>should be carried out at the predetermined 12 month interval (as prescribed in the CPR's). Consideration should be given to amending the CPR's if the prescribed 12 month interval is unworkable.</p> <p>The above procedure should be documented to ensure continuity in the event of staff leaving the section responsible for carrying out the check.</p> <p>Consideration should be given to transferring the task of vetting contractors on the approved list to the Support Service Section (Environment).</p>		<p></p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>need to be fed into the CPR review</p> <p>Exercise to now be undertaken to call in all Approved Contractor Accounts. This will be staggered over a number of months with 100 requests to be sent per month</p> <p>All approved contractors will be put on a ongoing financial monitoring alert via the creditsafe financial vetting system</p> <p>Full updated Work Instructions need to be written for the Approved List of Contractor process</p> <p>It is agreed that the Financial Vetting Process, be undertaken by the Support Service Section (Environment). This will lead to improved efficiency and quicker turnaround times for the Application Process. Training will be required</p>	<p>30 June 2012</p> <p>April 2012</p> <p>April 2012</p>	<p>Blake</p> <p>Richard Blake</p> <p>Richard Blake</p> <p>Richard Blake</p> <p>Arwel Staples</p>

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	<p>the approved list.</p> <p>Below is a breakdown detailing the financial year that accounts were last vetted for the 20 contractors in the sample:</p> <p>2010 - 1 2009 - 14 2008 - 4 2007 - 1</p> <p>This situation has arisen due to staff turnover and a lack of documented procedures within the Procurement Section.</p> <p>The implication of the above is that contractors included on the approved list are showing as being financially viable when in fact they have not been subjected to a full Equifax financial check since first applying for inclusion on the list (or more than 18 months ago). As such they may not be financially viable to carry out and complete work on behalf of the Authority.</p> <p>Additionally, the Senior Cemeteries Officer stated that accounts cannot be vetted every 12 months (as per CPR's) as companies need an extra 6 months for them to be prepared by their accountant. This is why the 18 month period has been in operation.</p> <p>An additional control is the 50% turnover rule. This is in place to ensure that contractors do not become financially</p>	<p>Alternatively, contractor financial accounts should be passed over by the Support Services Section to the Procurement Unit at the prescribed 12 month intervals.</p> <p>The Annual Workload Threshold of 50% should be applied using up to date annual account information.</p> <p>Consideration should be given to reviewing the Annual Workload Threshold of 50% as part of the next review and update of the CPR's.</p>		<p>Yes</p> <p>Yes</p>	<p>for those staff involved.</p> <p>These recommendations will need to be considered by the group undertaking the review of CPR's. This request will need to be fed into the CPR review</p>	31 May 2012	

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	<p>dependent upon Flintshire County Council</p> <p>From the sample of 20 contractors the following was noted:</p> <p>Only 1/20 financial accounts had been forwarded to the Procurement Section in accordance with the 18 month cycle</p> <p>The implication of the above is that the annual turnover figure used for contractors is out of date and as such contractors may have been given work over and above their 50% turnover limit.</p> <p>The Senior Cemeteries Officer stated that very few contractors actually reach their financial limit during any one year.</p> <p>It should also be noted that the 50% annual turnover limit figure has not been reviewed for a number of years. It is not known exactly when this figure was agreed by the then Deputy Director of Finance.</p> <p>Additionally, the 50% annual turnover limit figure is not applied consistently across the organisation. It is only applied to contractors on the approved list administered by the Administration Section (Environment). Supplies and services contractors and social care contractors are not subject to its restrictions.</p>						
5	Insurance details are verified every 12 months in respect of public and employers liability.	All approved contractor insurances should be at the defined level of	Significant	Yes	CPR's only refer to a minimum level of Public Liability Insurance for	March 2012	Richard Blake

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	<p>Contractors are checked to ensure that they possess public liability cover for £5million or over and employer liability for £10 million or over.</p> <p>19/20 contractors were found to have current insurances in line with the above requirements.</p> <p>Contractor D only had Employers Insurance to the value of £5 million (should be £10 million).</p>	cover i.e. Public Liability cover for £5million or over and Employer Liability for £10 million or over.			Approved Contractors, no reference is made to any requirement for Employers Liability within CPR's. Currently 100% of Approved Contractors have the required minimum level of PI Insurance		
7	<p>It became apparent that the day work rates held on the database were approximately 2 years out of date. The reasons given were that it was known that a trade operative framework was being negotiated and as such contractors on the list were not asked to submit their rates on an annual basis.</p> <p>The implication is that officers of the Authority may have selected various contractors based upon the out of date rates contained within the database. It is noted however, that contractors would not be chosen specifically as a result of their day work rates alone but on a range of other criteria.</p> <p>The Senior Cemeteries Officer stated that the day work rates contained within the database were only there as an indication of the costs.</p>	Day work rates should be removed from the approved list.	Significant	Yes	Request will be made to IT to remove the Day Works Tab from the Approved Contractor Information System	August 2012	Richard Blake

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	<p>Contractors on the database were not asked to submit their day work rates on a specific date. Therefore it would have been possible for a contractor(s) to wait until all the rates of their competitors had been submitted and input into the database and then with insider information ensure that their rates when submitted were lower than their competitors.</p> <p>New contractors applying for inclusion on the database submit their day work rates at the time of their application.</p> <p>The Interim Procurement Manager was of the opinion that approved lists should not contain any rates and that they should be used to vet the quality of contractors only.</p>						
8	<p>Various classifications of defaults have been established with Major, Medium and Minor ratings in each classification.</p> <p>Contractors performance should be monitored by Project Officers, Clerk of Works or Health & Safety Officers whilst work is being undertaken.</p> <p>If a default is recorded the officer should complete form CDS1. The top copy is served on the Contractor and Pink Copy sent to Administration Section. Details of the Contract are recorded on the form along with details of the default and agreed action required to resolve the default.</p> <p>Once this action is taken and the default</p>	<p>All contractors used should be subject to a set of performance questions at the end of each completed job. In order to build up an overall performance rating the results should be input into the approved list database. An automated mechanism should be devised to identify and remind officers who</p>	Significant	Yes	<p>Although in principle the idea is good, it could be very difficult to implement without a Corporate Contract Register being established to identify all such works and record them all in one place, as even low value small repair jobs would need to be subject to such a system.</p> <p>In order to implement this concept the Proactis</p>	<p>31 December 2012</p> <p>April 2013</p>	<p>Richard Blake</p> <p>Arwel Staples</p>

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	<p>resolved details are recorded on the yellow copy of the form and sent through to Administration Section. The green copy is retained on file.</p> <p>All the above details are recorded on the Contractor Information System which generates electronic reminders if actions are not resolved within agreed timeframes.</p> <p>Each classification / rating of default is attributed a fixed number of points. If a Contractor accumulates either 200 points or 5 separate recorded defaults in a rolling 2 year period, they are sent a warning letter advising them that they have hit a trigger and that the work has fallen below the required standards. Any further work assigned will be closely monitored and improvements will be expected.</p> <p>If a further 100 points or 2 defaults are then recorded the Contractor is invited in for interview with all the relevant officers involved. It is at this point that the Contractor may be removed from the Approved List.</p> <p>From the sample of 20 approved contractors only one incidence of there being a default was noted.</p> <p>In fact only one contractor has been removed from the list for poor performance since its introduction some four years ago.</p> <p>Three contractors have received Warning</p>	<p>have not input feedback.</p> <p>The CPR's should be amended to state that performance whether good or bad should be recorded on the approved list system</p> <p>The Contractor Default Procedure should be publicised on the Info net.</p> <p>All users of the contractor database should be contacted via email (email addresses can be found in the User Report supplied by IT) and be made aware of the requirement to use the Contractor Default Procedure. Additionally, this medium should also be used to convey any other instructions,</p>		<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>e-sourcing solution will need to be considered as a direct replacement to the current in-house database. The Proactis solution will need to be configured with a view of undertaking a pilot project in advance of implementation date.</p> <p>Agreed, the CPR's should be amended to enforce the use of the current Contractor Default System for officer to record any poor or good contractor performance. This request will need to be fed into the CPR review</p> <p>Workforce Information Article to be written and placed on infonet. Develop information page on new Infonet</p> <p>Would require IT to set</p>	<p>31 May 2012</p> <p>31 December 2011</p> <p>30 June 2012</p>	<p>Arwel Staples</p> <p>Richard Blake</p> <p>Richard Blake /</p>

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	<p>Letters.</p> <p>Further discussions were held with Senior Cemeteries Officer who stated that the majority of default notices were issued by staff who previously worked in the now defunct Community & Housing directorate i.e. the Directorate from which the approved list originated.</p> <p>The Default Procedure is displayed on the approved list database.</p> <p>Training was given on the Default Procedure when it was launched some four years ago.</p> <p>The Section is currently developing a process whereby users of the database can electronically submit a default notice via the database itself which will make it easier for users to submit reports on poor or good performance.</p> <p>Further discussions were held at the closing meeting where it was decided that all contractors used should be subject to a set of performance questions at the end of each completed job.</p> <p>This will enable an overall performance rating to be compiled for each contractor.</p> <p>The results of the exercise should be input into the contractor database. An automated mechanism should be devised to identify and pursue officers who have</p>	updates etc.			up a "User Group Notes Address" with any amendments i.e. new users, leavers etc also having to be done by IT		

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	<p>not input feedback.</p> <p>This situation is not enhanced by the fact that the default procedures are not publicised on the Info net.</p> <p>As part of the testing process a report detailing all users of the contractor database was requested from the IT section.</p> <p>There is no formal user access review carried out by the Cemeteries Officer. This is covered elsewhere in the report.</p> <p>The user report was supplied by the Team Leader Development (Information & Business Services) as a list of email addresses and as such creates an ideal opportunity to contact all users of the system to make them aware of the Default Procedures and to update them with any new initiatives, instructions etc. The user report was forwarded to the Senior Cemeteries Officer.</p>						
10	<p>As part of the NWPP a trade operative framework agreement has been negotiated together with a list of nominated contractors.</p> <p>Additionally, there are trade operative contractors on the approved list.</p> <p>The Interim Procurement Manager is of the opinion that the contractors on the framework should be used and the existing</p>	<p>The CPR's should be amended to clearly state that where a corporate contract or framework agreement is in place that they must be used unless an exemption from the CPR's has been</p>	Significant	<p>Yes</p> <p>Yes</p>	<p>This request will need to be fed into the CPR review</p> <p>The corporate decision to use individual framework agreements</p>	<p>31 May 2012</p> <p>31 December 2012</p>	<p>Arwel Staples</p> <p>Arwel Staples</p>

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	<p>contractors housed on the approved list be removed from that particular work category.</p> <p>However, the trade operative framework and the resultant list of contractors has not been published and is therefore not accessible to relevant members of staff.</p> <p>There has been no formal corporate instruction requesting the Environment Directorate to remove the trade operative contractors from that specific part of the approved list database.</p> <p>The implication is that as an Authority FCC pay a set amount to the NWPP in order for them to negotiate competitive framework agreements.</p> <p>However, there are still contractors (being used) on the approved list detailed as being approved and vetted for the same category of work as included on the framework agreements. The contractors on the approved list will also undertake other work category areas in addition to the specific framework agreement work type.</p> <p>The Interim Procurement Manager was of the opinion that the framework should be reviewed for efficiencies and savings in the light of the poor take up of the contractors included within it.</p> <p>Additionally, the contractors on the</p>	<p>obtained.</p> <p>A corporate decision should be taken as to whether framework agreement contractors must be used over and above the existing contractors on the approved list i.e. existing approved list contractors are to be removed from the framework category of work.</p> <p>All information relating to frameworks and contractors should be held in one location and be publicised and accessible to all relevant officers of the Authority.</p>		Yes	<p>instead of existing contractors, shall be made on a case by case basis in conjunction with the Head of Procurement. In the event that framework contractors are deemed more beneficial, then an instruction will be made to remove existing contractors from the relevant category on the approved list.</p> <p>In order to implement this concept the Proactis e-sourcing solution will need to be considered as a direct replacement to the current in-house database. The Proactis solution will need to be configured with a view of undertaking a pilot project in advance of implementation date.</p>	31 December 2012	Richard Blake

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	<p>framework agreement have incurred time and costs applying for inclusion on the agreement and expect to be considered for subsequent trade operative work.</p> <p>The CPR's allude to a general requirement to use such framework agreements. However, they do not go as far as to state that they must be used.</p> <p>There are plans for all-Wales CPR's which clearly state in their draft format that framework agreements must be used where they exist.</p> <p>There is a Draft Model for Contract Procedure Rules in Welsh Local Government as follows:-</p> <p>Version 0.62 June 2011</p> <p>16. Framework agreements & collaboration</p> <p>The authorised officer must ascertain whether there is a framework agreement approved by the head of procurement for use by the council. Where currently valid frameworks are available, the framework must be used in accordance with the guidance provided by the head of procurement.</p> <p>Any joint procurement arrangements with other local authorities and or public sector bodies including membership or use of any</p>						

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	<p>consortia must be approved by the head of procurement.</p> <p>Established framework and consortia arrangements endorsed by the head of procurement for use by the council shall be mandatory.</p>						
13	<p>Details of 148 contractors were extracted from the financial ledger.</p> <p>101 of them were found to be included on the approved list.</p> <p>47 were found as being used when they were not on the approved list.</p> <p>However, out of the 47 contractors, 30 had not been used for at least 7 months and as such could have been subsequently removed from the approved list.</p> <p>17 contractors were found to have been used recently (09/12/10 to 04/07/11) who had never been included on the approved list.</p> <p>The total spend on these contractors over the period 2005 - 2011 was £6.1m. Two of the contractors had applied for inclusion on the approved list but had failed regarding Health & Safety issues and financial vetting respectively.</p> <p>Audit checking was not carried out as to whether exemptions from the CPR's were applied for by the respective officers sourcing the above 17 contractors.</p>	<p>All council employees should be made aware that authorising work from a contractor not on the approved list could result in disciplinary action for failure to comply with the Contract Procedure Rules.</p> <p>To raise awareness the approved list of contractors and the requirement to use them should be published on the info net.</p>	Significant	<p>Yes</p> <p>Yes</p>	<p>The only way to prevent the use of Non Approved Contractors will be to enforce disciplinary action on those officers engaging the contractors. This was recommended to a recent Member Task & Finish Group on the Approved List. LSG/Exec report prepared by Robert Robins in 2010. This request will need to be fed into the CPR review</p> <p>Regular Workforce News Item to be written and posted on the Infonet. Development of Infonet page on new look Infonet</p>	<p>31 May 2012</p> <p>July 2012</p>	<p>Arwel Staples</p> <p>Richard Blake /</p>

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	The list of 17 contractors was forwarded to the Procurement Unit to enable them to check as to whether any were contained on subsequent framework agreements etc.						
14	<p>Discussions were held with the Senior Cemeteries Officer who stated that the approved list was scheduled to be used by Denbighshire and Wrexham County Councils. At the time of the audit Denbighshire was in the process of gathering all relevant information appertaining to their contractors for input onto the Flintshire approved list.</p> <p>Discussions have also been held with Wrexham County Borough Council but are not at the same advanced stage of development.</p> <p>A draft service level agreement has been drawn up by Flintshire Legal Services defining the terms and conditions that would govern the operation of the inter authority approved list.</p> <p>Discussions were held with the Interim Procurement Manager responsible for Flintshire and Denbighshire County Council who stated that the P2P system Proactise (which is used by Flintshire, Wrexham and Denbighshire County Councils) may potentially have a module which could serve as an approved list for</p>	<p>A strategic meeting should take place between the officers responsible for the Flintshire County Council approved list and procurement officers from Flintshire, Denbighshire and Wrexham to discuss:</p> <ul style="list-style-type: none"> Whether there is to be an inter authority approved list in operation between Flintshire, Denbighshire and Wrexham County Council. <p>Whether the e-sourcing system</p>	Significant	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Several meetings have already taken place between the three Authorities Lead Officers on the project and also Procurement Representatives. Agreement on the initiative has been reached in principle for the use of the system under Flintshire's management on a Rolling 12 month agreement with both DCC & WCBC contributing £20k p.a. each for the service.</p> <p>A corporate proposal is being considered to procure the Proactis e-sourcing solution, which will give access to an approved list management module.</p>	<p>31 May 2012</p> <p>31 December 2012</p> <p>April 2013</p>	<p>Richard Blake</p> <p>Arwel Staples</p> <p>Arwel Staples</p>

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	<p>the three authorities. It transpired that only Denbighshire had the above mentioned module (Contractor Engagement Module). He also stated that as part of the North Wales Procurement Partnership a Minor works framework is to be introduced (which would effectively carry out the same function as the Flintshire Approved List) i.e. provide a list of suitable contractors to carry out work below the EU tendering threshold.</p> <p>Additionally, he also stated that the use of SQuID (Supplier Qualification Information Database) may be deemed mandatory by the Welsh Assembly Government.</p> <p>The Welsh Assembly Government's Value Wales is working in partnership with public sector organisations throughout Wales to reduce the barriers that limit access to public sector procurement opportunities, especially for Small and Medium Enterprises (SMEs).</p> <p>The aim is that all of the common core questions and answers sought at the early stages (selection stage) of procurement processes will be stored on a Contractor Qualification Information Database (SQuID).</p> <p>Additionally some preliminary discussions have taken place with a view to the NWPP frameworks being held, administered and</p>	<p>Proactis can be configured to operate as an approved list system</p> <ul style="list-style-type: none"> Whether the proposed North Wales Procurement Partnership minor works framework will supersede or work alongside of the current approved list. What the future role and purpose of the Flintshire Approved List is to be, against the backdrop of 		Yes	<p>In order to implement this concept the Proactis e-sourcing solution will need to be considered as a direct replacement to the current in-house database. The Proactis solution will need to be configured with a view of undertaking a pilot project in advance of implementation date.</p> <p>The corporate decision to use individual framework agreements instead of existing contractors, shall be made on a case by case basis in conjunction with the Head of Procurement. In the event that framework contractors are deemed more beneficial, then an instruction will be made to remove existing contractors from the relevant category on the approved list. However, the development of a Minor Works framework</p>	<p>April 2013</p> <p>April 2013</p>	<p>Arwel Staples</p> <p>Arwel Staples</p>

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	vetted using Flintshire's approved list database.	<p>the Welsh Assembly Government's Value Wales agenda.</p> <p>The outcome of this meeting will need to be communicated to/ agreed by CMT as per Internal Audit Report CD0030P1, Corporate Governance.</p>			<p>agreement via the NWPP is currently being reviewed, with a strong possibility that the current tender process will be terminated.</p> <p>In order to ensure that the FCC approved list administration is consistent with the standardised Pre-Qualification Questionnaire (Squid) process developed by Value Wales, there is a need to ensure that the approved list solution is compatible and can be interfaced with the National Procurement Website. The implementation of the Proactis e-sourcing solution, should ensure that the interface is already in place, since Proactis and Value Wales are already in discussions with interfacing the two solutions.</p>		

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9	<p>It is clear from the CPR's that there is a requirement to ensure that there is a fair and equitable rotation of the use of contractors across the Authority.</p> <p>A report was extrapolated from the approved list detailing all contractors that have been used since 2006. The fact that contractors had not been used was derived from the fact that there was no payment information from Masterpiece on the Database.</p> <p>The results were as follows:</p> <p>Total number of contractors 603 Total number used 232 (38%) Total number not used 371 (62%)</p> <p>The percentage of unused contractors does appear to be high but the above information does not show if contractors had been asked to submit a quote/tender for work but that they were unsuccessful.</p> <p>There is a facility within the database which records whether or not a contractor has been asked to tender for work. However, it was not possible to generate a report at the time of audit review.</p> <p>To determine whether contractors are invited to tender in equitable rotation would require a separate audit exercise.</p> <p>Alternatively, a percentage of contractors who had not been used could be contacted</p>	<p>A formally approved rotation policy should be developed to ensure the fair and equitable rotation of work across the Authority.</p> <p>A customer satisfaction form should be devised and issued on a random and periodic basis to contractors in order for them to express their views and opinions on the operation of the approved list.</p>	Significant	<p>Yes</p> <p>Yes</p>	<p>To ensure fair and adequate rotation of work around all available Approved Contractors a formal Contractor Rotation Policy should be adopted. This proposal was agreed by the recent Member Task & Finish Group on the Approved List and a working suggestion has already been drawn up. However, the requirement for the formal rotation of contractors, will need to feed into the CPR review. The implementation of the Proactis e-sourcing solution will also make available an in-built rotation of contractors functionality.</p> <p>A Customer / Supply Survey could be established and sent out to all Approved Contractors annually, the results of which could</p>	<p>31 December 2012</p> <p>31 December 2012</p>	<p>Richard Blake</p> <p>Richard Blake</p>

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	<p>with a view to determining whether they had ever been approached to submit a quote or a tender.</p> <p>It should be noted that there is no formal rotation policy in operation within FCC. Any future rotation policy should be linked to the performance of individual contractors i.e. randomly select five contractors with an overall performance score of 75%.</p> <p>Additionally there is no mechanism in place to enable contractors to feedback their views and opinions on the operation of the approved list.</p>				<p>contribute to local PI's that could be established to monitor and improve the performance and management of the Approved List of Contractors. The implementation of the Proactis e-sourcing solution will make available functionality to carry out customer satisfaction surveys as well as monitor feedback as a performance rating.</p>		

Facilities Services Catering – LL0140R1

We have made seven significant recommendations, as follows:

- Efficiency Savings have not been incorporated into the business plan.
- Income may not be received for all meals provided.
- Monies owed to the Council are not collected.
- The department will have a budget overspend.

- Salaries and wages have been incorrectly calculated.
- Free school meals may be provided without proof of eligibility.
- Service Level Agreements do not clearly state the charging arrangements for the collection of school dinner monies.

Ref		Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1.1	The service business plan identifies as an aim 'To ensure that financial aspect of service delivery is adequately monitored. Regularise budget monitoring arrangements for all areas of the service'. The business plan does not refer to the efficiency savings within it's aims but does state one of the risks as 'Achieving the Flintshire future efficiencies within budget year'. The budget includes an efficiency of £49,000 a year for the next three years for 'Target to increase take-up of school meals' and an efficiency of £175,000 for 2011/12 (rising to £300,000 in 2012/13 and 2013/14) for 'Rationalisation of number of kitchens in light of possible large requirement for capital investment in order to rectify LPG Health and Safety issues'. The Hard and Soft Facilities Management Business Case does not refer to either of these efficiencies. The business plan does not state whether the service should be self financing or whether the service is to be subsidised and to what amount. The service runs at a deficit every year but the service plan does	Efficiency savings identified in the budget need to be incorporated into the service business plan. The business plan should state clearly the financial targets for the section.	Significant	Y	Identified savings will be incorporated into the Facilities Services project plan as part of the Flintshire's Future Plan	May 2012	R IMHOOF

Ref		Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	not state the target for the year.						
3.1	The Catering Services department do not analyse this information by school. This means that whilst they have an idea which debtors relate to which school, there is no accurate picture of which schools are not performing well in assisting in the collection of dinner debts. As part of our other testing in this audit, we reviewed the weekly cook's returns and found one school (Mountain Lane) whereby the weekly return did not state 'yes' or 'no' to whether there had been any dinner debts that week. From discussion with the School it appeared that there is one debt at the school for £52.60.	The debt should be analysed by school. In the absence of any analysis of debts, the catering staff should be reminded to complete the catering returns weekly stating the number of dinner debts.	Significant	Y	The division will be trialling an online payment system in June which will incorporate the management of dinner debt	June/July 2012	V BELL / A TREVOR
4.1	The Education Finance department maintain a monitoring spreadsheet that extracts information from Masterpiece. This spreadsheet also calculates the budget to date and calculates the projected year end figures. A summary of this information showing the projected net surplus/deficit is sent to Catering Services. From discussion with catering staff, this information is not used as they consider the budgets to be inaccurate. The catering manager uses other monitoring information produced within the department that calculates the cost of	The information provided to the Catering Services department by Education Finance should provide an analysis of any overspends. The information maintained by the Catering Services department should be reconciled to the	Significant	Y Y Y	Budget monitoring on a monthly basis will commence in May 2012 with reconciliation between the weekly/monthly information from schools and the general ledger (Masterpiece) Stock usage will be monitored on a monthly	May 2012	R IMHOOF V BELL A TREVOR D BATEMAN H FRANCIS

Ref		Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	<p>food and labour per meal and the weekly average cost of the meal for each school. This information is calculated from the information submitted on the School Cooks return and record of weekly stock forms. This information is not reconciled to the General Ledger.</p> <p>A review of the month 11 monitoring information maintained by the finance department shows that the overspend is largely due to supplies. This information had not however been provided to the Catering Services department as they only receive a summary that shows the net surplus/deficit.</p>	<p>General Ledger. The stock received information should be reconciled to purchases of stock from the ledger. Any discrepancies should be investigated.</p>			<p>basis and compared to targeted GP</p>		
6.1	<p>A sample of 5 monthly paid catering staff were tested in order to confirm whether or not the submitted and authorised timesheets matched the spreadsheets that were completed and sent to the payroll department for processing. For the sample of 5 catering staff each weekly timesheet for a particular month was chosen in order to discern the accuracy of the hours stated and then transmitted for payment.</p> <p>It should be noted that at the time of the audit 3 timesheets could not be located in the Facilities Services department, each of the 3 timesheets was applicable to separate individuals tested, so only 2/5 of the sample could have a full months pay</p>	<p>The Catering Services department must ensure that in all instances timesheets are kept on file and made available.</p> <p>In addition to this the department must ensure that all information from the weekly timesheets are checked and accurately transcribed into the</p>	Significant	Y Y	<p>A sign in/out procedure with be put in place</p> <p>Email sent to admin team regarding the need for accuracy and any amendments logged with time sheets for audit trail</p>	<p>May 2012</p> <p>April 2012</p>	<p>A TREVOR</p> <p>A TREVOR</p>

Ref		Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	<p>tested. It was confirmed by the Admin Officer that the missing timesheets should be present in the files with the remaining timesheet and that their omission was down to a misplacement error.</p> <p>For the sample of 5 catering staff testing confirmed that;</p> <p>4/5 of the sample provided a discrepancy between the timesheets and the master spreadsheet which is used, with the remaining 1/5 of the sample having the values agreeing. Of the four discrepancies;</p> <p>1/4 of the sample had overstated quantity of 1.15 hours for one week's timesheet, for this individual this equates to an overpayment of £7.33 for that particular month. This overpaid figure confirmed by the Admin Officer as being attributed to a transcription error between the timesheet and the spreadsheet.</p> <p>1/4 of the sample had an overstated quantity of 1 hour for one week's timesheet in addition to not having a timesheet present and available to test. The value of this 1 hour overpayment is £6.28 and was confirmed by the Admin Officer as being attributed to an addition error.</p> <p>1/4 of the sample had discrepancies in two of the weekly timesheets which totalled a monthly discrepancy of 1.8 hours overpayment, this equates to an</p>	<p>master spreadsheet.</p>					

Ref		Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	<p>overpayment of £11.30. In addition to these timesheets displaying discrepancies it was also confirmed that one of the timesheets was not available at the time of the audit. The errors in the recording of the hours were attributed to transcription and addition errors which were confirmed by the Admin Officer.</p> <p>The remaining discrepancy arose in relation to another timesheet that was not available at the time of the audit.</p>						
7.1	<p>Ewloe Green</p> <p>A review of the dinner register against the free school meal prints found that there were five children receiving free school meals that were not shown as eligible. The information in the register was correct as it showed the correct expiry date. For two of the cases, the expiry date shown was 24/2/12 and was therefore within the three week period for checking. For three of the cases, the expiry date was 9/9/11, this was followed up with the free school meals officer who stated that they were on the system as having an application form returned to them in January with a request for further information.</p> <p>Venerable Edward Morgan</p> <p>From review of the records held by the school's secretary, it can be confirmed that</p>	<p>Schools should be reminded that they cannot provide free school meals to children who have not been notified to them as eligible outside of the three week time period. The Catering Services department should follow up the cases with Ewloe Green to ensure that the free meals are no longer being provided and that the parent has been advised to complete the application form.</p>	Significant	Y	<p>Guidance to be given to schools regarding the issue of meals to children (free or not) and be advised that Facilities Services will charge the schools hospitality code for any meals served under the instruction of the head teacher</p>	April 2013	<p>R IMHOOF T DAVIES V BELL</p>

Ref		Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	<p>the list the school hold for students eligible for free school meals, matches that of the Flintshire County Council Catering Services report of students eligible for school meals at Venerable Edward Morgan Primary School. The only exception is one pupil who is eligible to take free school meals, but has declined the offer, and does not claim a free school meal.</p> <p>Mountain Lane</p> <p>From review of the records held by the School Secretary, it can be confirmed that the list of the students eligible for free school meals matched the list provided by the free school meals department, the only exception was one pupil whose eligibility had run out, however we were able to confirm that the free school meals department are currently processing a renewal form for the pupil.</p>						
8.1	There are no SLAs in place, the schools are allocated a sum as part of their school budget to pay for staff to collect dinner monies.	An SLA should be in place between the schools and the Council stating how much has been allocated to them to pay for the collection of dinner monies and setting out expectations for	Significant	Y Y	This will be under review pending the 'E-payment Project' The division will be trialling an online payment/EPOS system	April 2013 June 2012	R IMHOOF R IMHOOF

Ref		Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
		<p>delivering this service.</p> <p>Consideration should be given to implementing the cashless system into primary schools, thereby removing the need for the schools to carry out this function.</p>			<p>in June which will incorporate the management of dinner debt</p>		

Traffic Management Act – EN0070R1

We have made one fundamental and four significant recommendations, as follows:

- Failure to comply with legislation for submitting internal notices.
- A lack of procedural documentation for staff
- No agreement with street works staff for submitting notices
- No comparison exercises with other authorities for best practice.

- No monitoring of compliance currently in place.

2 Action Plan

Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
1	<p>The Traffic Management Act (TMA) 2004, updated in 2007, was introduced to reduce congestion through better management of the road network by requiring local authorities to take a pro-active approach to reducing delays on the network.</p> <p>Under the latest regulations, powers are now available to take enforcement action against any local authority failing to perform its network management duties. Local authorities will be expected to report</p>	Works for road purposes notices must be submitted to the Highways Regulatory Services Team for all highways works undertaken by the authority in order to comply with current legislation in place.	Fundamental	Y	Further development of the Mayrise System will provide an automated process for notification.	1 April 2013	Head of Streetscene

2 Action Plan

Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
	<p>on their monitoring arrangements and performance against targets.</p> <p>Section 53 of the New Roads and Street Works Act (NRSWA) requires an authority to place information about its own works on the street works register and this should be done in similar timescales to external contractors.</p> <p>The categorisation of street works is clearly documented within the NRSWA and details four categories where notices are required.</p> <ul style="list-style-type: none"> • Major works - 3 months minimum • Standard works - 10 days minimum • Minor works - 3 days minimum • Immediate works - Urgent & Emergency - within 2 hours. 						

2 Action Plan

Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
	<p>It is the responsibility of the Highways Regulatory Services Team to record all notices received for authority led works on the street works register.</p> <p>Discussions were held with the Street Works Engineer and Highways Inspector from the Regulatory Services Team who is responsible for recording notices onto the street works register.</p> <p>Concerns were raised regarding the lack of notices being submitted from various teams across the authority. These were identified from orders being received for road closures with the knowledge that works for road purposes notices have not been submitted.</p> <p>Additional concerns have since been reported following a recent Highway Authorities and Utilities Committee meeting where the issue of using scorecards was raised. These scorecards are regional and national performance</p>						

2 Action Plan

Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
	<p>indicators supported by the Department for Transport which will analyse the standard of notices sent by all undertakers and works for road purposes. This could have a significant impact on the authority due to the level of notices currently being received.</p> <p>Audit was notified that all key staff have been advised of the necessary requirements for recording works for road purposes under the act and presentations have also been provided.</p> <p>Discussions were also held with the key officers responsible for submitting notices and it was identified that they were aware of the Traffic Management Act and the requirement to submit relevant notices within defined timescales. However, it was agreed that notices were not being submitted for all works for road purposes</p>						

2 Action Plan

Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
	<p>and this was due to a number of factors with the main reasons being how works for road purposes are conducted and a lack of resources being available. It was established that works for road purposes are undertaken on a planned and reactive basis. Notices for either type of work are not currently being submitted on a regular basis. The TASK system is currently used for recording all works for road purposes. Initial concerns were identified in that users may record the number of works for road purposes for reactive works under one heading and therefore it is not possible to determine both the total number of works undertaken and the number of jobs requiring notices to be submitted.</p>						

2 Action Plan

Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
	<p>Additional pressures were also reported regarding the time taken to complete and submit notices and it is felt by the key officers that resources are not currently available to fully adhere to the regulations. An example was provided of workers undertaking 5-6 reactive works for road purposes per day being out on site without having the equipment readily available to submit the appropriate notices as required</p> <p>However for planned works, no apparent reason could be provided for these notices not being submitted and notices should be compiled during the process when determining what planned works are to be undertaken.</p>						

2 Action Plan

Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
	There are concerns that the authority is at risk for failing to comply with regulations as street works are not dealt with consistently between internal and external notices. The authority currently issues penalties to external companies i.e. utility works, who fail to comply with these regulations, however no actions are taken for internal notices not being completed.						
2	It was identified that specific procedural documentation is not in place for the completion and submission of notices for works for road purposes. However, there is a "Code of Practice for the Co-ordination of Street Works and Works for Road Purposes and Related Matters" which provides information on the authority submitting notices regarding its	A procedural document for key staff detailing the exact requirements needed for the Highways Regulatory Services Team should be introduced.	Significant	Y	Current code of practice outlining noticing requirements to be re-circulated to all Streetscene officers.	1 June 2012	Senior Street Works Engineer

2 Action Plan

Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
	<p>own works being recorded on the street works register.</p> <p>Discussions were held with a number of key staff involved in the process for undertaking works for road purposes and although they were aware of the legislation, the exact requirements were not clear and it was felt that a checklist or a brief summary of the exact requirements would be beneficial.</p>						
4	<p>A discussion was held with the Senior Street Works Engineer and it was identified that 166 notices had been received for internal works for the current financial year. This was in comparison to 4140 notices being received from utilities companies. It is understood that the two sets of figures should be similar and there are obvious failings for internal notices being produced.</p>	<p>Agreement will need to be obtained with key officers to establish a method to ensure that all notices required for each particular works undertaken are submitted to the Highways Services Regulatory Team. This may involve changing the way individual jobs are recorded.</p>	Significant	Y	See paragraph 1	1 April 2013	Head of Streetscene & Senior Street Works Engineer

2 Action Plan

Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
	<p>Discussions were also held with key officers responsible for managing works for road purposes and it was identified that jobs are not always specified into individual works and often are included within set job codes over a period of time.</p> <p>Over 1500 jobs have been recorded for the current year by street works, however this figure does not reflect the actual number of jobs undertaken. Set job codes are recorded for a number of varying types of work including reactive works, maintenance and repairs, potholes, patching and general sign maintenance which could include a requirement for a notice to be completed.</p>						

2 Action Plan

Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
	A sample was selected of works undertaken and it was identified that no notices had been submitted and this was confirmed with the key officers involved, who reported the lack of resources available in order to complete this work.						
4	As above.	Liaison should be undertaken with other local authorities to determine best practice and the findings should be shared with management to determine a best way forward.	Significant	Y	Whilst FCC are committed to the Mayrise system, contact will be made through the Mayrise user group to consider options currently being used in other Counties in respect of the notification process.	1 August 2012	Head of Streetscene & Senior Street Works Engineer

2 Action Plan

Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
5	<p>A discussion was held with the Senior Street Works Engineer and it was identified that in addition to services providing information on specific works for road purposes being undertaken there is also a requirement to submit traffic light and road closure applications and these are received by the Highways Services Regulatory Team.</p> <p>The applications are for temporary traffic notices to be issued and displayed on public highways as required within the Road Traffic Regulation Act 1984. Information detailed on the applications is input into the street works register by the regulatory team staff.</p> <p>An exercise was undertaken for this review to identify the total number of traffic light and road closure applications had been received over a four month period and establish the number of notices that have been submitted to support</p>	<p>Following agreement with key officers for adhering to the regulations, the regulatory team should consider undertaking this exercise on a regular basis in order that relevant officers can be notified of applications requiring notices to be submitted.</p>	Significant	Y	Quarterly performance reports to be issued to area managers for each Streetscene area.	1 April 2013	Senior Street Works Engineer

2 Action Plan

Para	Findings	Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
	<p>these applications. It was identified that from the 61 internal applications received a total of only 12 notices had been submitted equating to 20%. A further comparison from utilities companies identified a total of 134 applications being received for which 129 notices had been submitted equating to 96%.</p> <p>It was identified that traffic light and road closure applications are not compared to the notices received by regulatory team staff and this exercise was only undertaken as part of the audit review.</p>						