

Appendix 1 – Summary Report of investigation into BUILD! Procurement

An investigation was undertaken into procurement and contract management practices within the BUILD! Team, which concluded (May 2022) that there were some control weaknesses, with regards the use of the current external supplier:

- Non-compliance to the Council's Procurement procedures to ensure a transparent and competitive process was followed when selecting this supplier. There was no evidence of due diligence checks. There is no formal written contract in place.
- Potential failure to transparently declare and document a conflict of interest.
- Potential failure to achieve value for money, due to lack of formal contract terms, absence of a competitive procurement process, insufficient detail recorded on invoices from the supplier and the operating procedures within the team.
- Lack of assurance that staff used by the external supplier all had up-to-date DBS (Disclosure and Barring Service) checks in place.

During the investigation the two relevant officers left the organisation. The action plan to address the control weaknesses identified has therefore been agreed with the Assistant Director – Growth & Economy, who is leading on the implementation of the improvement actions. Good progress is being made to address the weaknesses identified. The actions include:

- Working with Legal, Finance & Procurement to formalise the current contract arrangements with the existing supplier. This will include agreement of a standard schedule of charges. A review of the service is currently being undertaken, once that is complete there will be a robust and competitive procurement process undertaken if any services require external commissioning.
- The implementation of new standard operating procedures. These have been reviewed by the Internal Audit/Counter Fraud Team. They provide clear guidance for the arrangement of repairs and the operational expectations of the supplier. We suggested some further enhancements to the procedures, and these have been adopted. The standard operating procedures have been now been agreed with the supplier and became operational from 4 July 2022.
- The Assistant Director – Growth & Economy has met with the supplier and in agreeing the standard operating procedures, this has included agreeing what is expected in terms of the level of detail required for the invoices and timeliness of submitting them. This greater level of information combined with the new procedures within the team for ordering and checking works invoiced, alongside a standard schedule of charges will enable the team to ensure value for money is achieved.

- The team have confirmed that all staff working for the supplier and entering resident's homes had been DBS checked, but these had not been recorded by the Council, therefore no actual safeguarding risk existed. A further improvement action has been instigated by the team to offer safeguarding training to the staff working for the supplier.