

Exemptions & Category Management Audit Actions 2022

Reference Number	Finding	Original Action	September 22 Update	Priority	Status	Start Date	Due Date	% Complete	Done/Overdue?
46167	Council is required to have an exemptions process as part of the Constitution, however, exemptions process is currently being used excessively by officers. Council needs to ensure that correct process is followed & exemptions route is not seen as a viable or easy alternative to following correct process. Current exemptions include contracts for large values & of high public interest. Consider how it can deliver training on exemptions to reinforce message that this is an exceptional route & will only be approved in exceptional circumstances.	Exemptions Audit We will review the definition of exemptions in the Constitution to ensure it is made clear the circumstances in which an exemption would be a legitimate route. We will also provide training for officers on exemptions to include when it can be used and how to complete an exemption form.	Definition: Definition drafted and under review in collaboration with our Legal colleagues. Further advice to be taken in respect of changes that maybe needed to the Constitution. Training: options - remove everything from the Epic Hub so service areas have to approach procurement? Review exemption form to ensure it is clear when an exemption is appropriate & how to complete the form. Exemptions Panel: relaunched by DB. QA model: End to End process will inform.	1	In Progress	01/04/22	31/10/22	50%	
46170	As per procurement rules, exempted contracts should not be for a period of more than 6 months. Reviews of contracts should be undertaken at regular intervals to ensure contracts are not continued longer than agreed period. Resources not available to undertake these reviews within SPH. Whilst we can confirm that there has been some monitoring of spend overall per cost centre, we cannot confirm that there is review of exempted contracts to ascertain if spend is being incurred. Without review, risks remain of incurring spend against contracts which should have been archived.	Exemptions Audit The contract register will be subject to regular review by the Commercial Board (or delegated out) to monitor exempted contract end dates. This will include monitoring spend against exempted contracts to provide assurance that it does not spend more than was agreed. This information will be made available to the Corporate Leadership Team.	This is now complete. The contracts register informs our pipeline which is shared and reviewed at Commercial Board. All contracts have an end date that is consistent with the approval to award. Procurement activity commences in advance of the end date to ensure that we have a new contract in place that commences on the day after the end of the contract.	2	Complete	01/04/22	31/08/22	100%	✓ Done
46124	Procurement Officers are required to demonstrate specific competencies as part of their role. The competencies required are contained within the competency framework, available via the intranet, a newer version has however been published by the Cabinet Office. The procurement service is one of the areas undergoing restructure & without updating the competency framework there is risk that assessment of future roles will not reflect the competencies required.	Exemptions Audit Following the restructure of the Procurement Team, we will create a whole new commercial procurement competency framework which will reflect Cabinet Office guidance.	As per previous update <--	3	In Progress	01/04/22	30/09/22	50%	
46063	Category management is a strategic approach to procurement where organisations segment their spend into areas which contain similar or related products enabling a focus on opportunities for consolidation & efficiency. There is currently no overarching category management strategy available defined to support the strategic vision of category management within the council & align to corporate objectives. Furthermore, the policies related to the wider procurement service do not specifically reference category management in sufficient detail.	Category Management Audit As part of the procurement governance refresh, the Strategic Procurement Hub will consider an overarching category management strategy which the individual category management plans/strategies can then be aligned to. There will be reference to this in the procurement manual.	The Category Plans will align to the 'Where the Money Goes' slides. Based on risk and value to the council, a rolling programme of Category Plans will be produced to share with Commercial Board. There are three things that now need to be complete; 1. Agree format of the Category Plans with Commercial Board (due Sept 2022) 2. Agree how we will calculate the risk score and apply this 3. Once the first two are complete write a strategy that can be shared with the Commercial and Procurement Team and relevant teams	2	In Progress	01/04/22	30/09/22	50%	
46076	Individual CM plans, or strategies as defined by CIPS should document: SRM; Supplier evaluation & appraisal; Effective communication incorporating soft skills; Market analysis, competitive forces & external factors; Stakeholder identification & management; Sustainable/ethical procurement; Team leadership & management. Council did not have complete or agreed CM plans for 5 areas sampled & it is understood that there are currently no completed plans in place. This is related to the finding above whereby the council does not have an overarching strategy in which to align the underlying plans/strategies to. Individual CM plans/strategies will be created or reviewed to ensure consistency & completeness.	Category Management Audit Individual category management plans/strategies will be created or reviewed to ensure consistency and completeness.	Subject to approval at Commercial Board this action is nearly complete. A rolling programme of Category Plans has been devised. It will be presented at the next Commercial Board and if approved will ensure that we produce Category Plans on regular basis.	2	In Progress	01/04/22	30/09/22	75%	
46033	To ensure that benefits & efficiencies of business cases are being achieved, there should be spend reports per category of spend. This granularity of financial information is an ambition at this stage for SPH. Only 2 service areas are reporting outcomes, whilst another was described as a statutory service. Without this level of detail & appropriate challenge & review, the risk that procurement does not achieve the benefits expected increases. This could be part of the Category Manager role. Furthermore, without sufficient details relating to spend per category available, the Commercial Board is unable to make sound decisions based on robust financial data.	Category Management Audit Reports of spend per category should be made available for category managers. We will implement a process to ensure Category Managers are able to produce this information.	This is now complete. Spend data can be generated as required. We are aware that sometimes there are inconsistencies and work is underway to address this.	2	Complete	01/04/22	30/09/22	100%	✓ Done
45968	It is not clear where CM sits in terms of the existing policies & questions remain as to whether it is part of Commissioning or Procurement. This impression was reinforced during discussions with commissioning officers who were of the opinion that CM sits in procurement. Until this is made clear there is an increased risk of procurement missing out on opportunities of scale & efficiencies.	Category Management Audit As part of the restructure the role and position of the Category Manager will be made clear.	Complete	3	Complete	01/04/22	30/09/22	100%	✓ Done
46082	Changes in procurement legislation are not consistently shared & there is a reliance on staff proactively finding the information. Without effective sharing of information there is an increased risk of procurement not being legally compliant. This might fit with the Category Manager role who could be responsible for ensuring the service area is complying with applicable legislation in procurement. We understand that recruitment for these posts is ongoing.	Category Management Audit As part of the restructure we will consider where this will be best achieved and ensure there is a proper system in place for effective information sharing, including changes in procurement legislation.	COMPLETE	3	Complete	01/04/22	30/09/22	100%	✓ Done

### Corporate Audit Actions

Principle	AGS improvement actions	Current Status	July 22 Update
<p>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>	<p><b><i>Review commissioning and procurement approaches to embed industry standard contract management as part of staff job descriptions; deliver policy and training to embed social value across the council;</i></b> and strengthen our approach to partnership working with the VCS through business planning processes.</p>	<p>An end-to-end review of processes across procurement has been undertaken, and a refreshed process has been devised (involving, appropriately, colleagues from Legal and SWAP Audit). This will be formally launched in June. A restructure of the Commercial &amp; Procurement team has been undertaken and all job descriptions revised. An improvement plan is in place. Work has during Q1 (of calendar year 2022). The Job Descriptions have also been completely refreshed and form part of the Procurement Team Restructure (also during Q1); each aspect of this Improvement Action has been reflected therein. A social value strategy has been drafted and will be finalised shortly.</p>	<p>Contract Management is now part of procurement JDs. Social Value - Socially Responsible Procurement Policy (SRPP) developed. Training to follow. End to End process developed. To be reviewed once templates have been reviewed &amp; agreed. Restructure complete. JDs revised &amp; refreshed. Improvement Plan in progress.</p>
<p>Principle B - Ensuring openness and comprehensive</p>	<p>Review commissioning and procurement approaches to embed industry standard</p>	<p>See above for review of end-to-end processes. Training has been undertaken with all</p>	

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stakeholder engagement	contract management as part of staff job descriptions; deliver policy and training to embed social value across the council; <b><i>and strengthen our approach to partnership working with the VCS through business planning processes.</i></b>	commissioning staff by IPC (Institute of Public Care) which is a nationally led, locally delivered programme that supports the development of skills in the staff. Following the redesign of end-to-end processes and the development of a social value strategy, there will be an identification of skills gaps for commercialization and procurement	
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