Final Internal Audit Follow Up Report – Procurement Processes

Background
A review of consultant engagement undertaken in 2023/24 identified recurring risks in procurement practices across the Council. These findings were detailed in a separate report, which resulted in a Limited assurance opinion and included three high priority recommendations to address the identified issues. Management accepted all recommendations. This report provides a follow-up assessment of the progress made in implementing those recommendations, with a focus on improving governance, transparency, and compliance within procurement processes.

Assurance Opinion - Limited

The overall audit opinion remains limited on the basis that whilst progress has been made, such as the drafting of revised Contract Procedure Rules and the proposal to introduce a formal procurement board, these changes have not yet been fully approved or implemented. As a result, the underlying risk remains that procurement activities may not consistently meet governance expectations, and mechanisms to prevent and detect non-compliance may still be insufficient.

Recommendation	Progress Update
High: A control process should be established to ensure that all procurements are subject to appropriate governance (sufficient control, transparency, scrutiny, visibility and challenge) and that there are sufficient mechanisms in place to prevent and detect non-compliance with these expectations.	The recommendation has not yet been fully implemented, but progress is underway. The Council has acknowledged the risk posed by fragmented procurement processes and has proposed the establishment of a formal procurement board to replace the Gateway Review Group. This board aims to streamline governance, reduce duplication, and improve compliance. The proposed changes are embedded within the redraft of the Contract Procedure Rules (CPRs), which were presented to the Executive Leadership Team in August 2025 and will now be presented to the Constitution Working Party and Full Council. Until these changes are formally approved and operationalised, the recommendation remains in progress. **Priority: High** **Status:** In progress – completion due end of December 2025

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Recommendation	Progress Update
High: The Council's intranet, oneSource intranet and any other applicable sources of information / documents should be updated to incorporate any changes or additional information gathered and documented as part of this review. This should include any supporting documents and should clearly signpost users to other applicable governance processes. Consideration should also be given as to the clarity of guidance available to officers and if there is a risk that this is left open to interpretation.	This recommendation will be marked as implemented following the launch of the new Intranet. Any additional work will be addressed as part of the rollout of the new procurement regulations. **Priority: High** **Status: Implemented**
High: A decision should be made as to whether non-compliance with any of the governance processes referred to in this report, would be deemed unacceptable and if so, how will non-compliance be reported and addressed. This should also include consideration as to whether the Council can meet its statutory obligations through the current processes.	Significant cases of non-compliance will be reported by Procurement to the Executive Leadership Team. **Priority: High** **Status: Implemented**