

INTERNAL AUDIT REPORT - PROCUREMENT SYSTEM
WDA/23/22

Recommendation

That:

1. Members note the contents of the report from the Internal Auditor.

THIS PAGE INTENTIONALLY BLANK

INTERNAL AUDIT REPORT - PROCUREMENT
WDA/23/22

Report of the Treasurer

1. Purpose of the Report

- 1.1 The Authority is required to maintain an effective Internal Audit as a part of its statutory governance arrangements. The Authority's Internal Audit is provided by St Helens Council. The Auditor reviews the arrangements at the Authority and reports to Members on any weaknesses and recommends improvements. This report brings to Members attentions the outcome of the latest reviews.

2. Background

- 2.1 The agreed audit plan for the year 2021-22 included a review of:
- The Authority's Procurement System, in relation to revenue and capital expenditure.

3. The Procurement System

- 3.1 The review considered the arrangements in place to ensure that the procurement system is appropriate, and transactions are authorised and processed in line with the Contract and Financial Procedural Rules.
- 3.2 The Auditor's detailed report is attached at Appendix 1 to this report.
- 3.3 The Auditor concluded that in their overall opinion Limited Assurance could be taken from the system and the way it was operated. This means a number of expected controls do not exist or are not applied consistently or effectively. There are weaknesses in the design or operation of controls that could impact upon achievement of the service or system's business objectives and these may have resulted in the emergence of key issues.

- 3.4 The auditor has identified Key Recommendations for Members, and there are a number of recommendations for improvements, these have been accepted by officers and an action plan for implementation of the recommendations has been included as an appendix to the auditor's report.
- 3.5 In order to ensure the recommendations for improvements are implemented, the Contract Procedural Rules are currently being updated to reflect the necessary changes, these will be redistributed to all staff upon completion.
- 3.6 In addition, a number of training sessions have been arranged for all authority staff, which will focus on reinforcing the instruction on the requirements when procuring goods and services.

4. Risk Implications

- 4.1 The work carried out by the Internal Auditor assists the Authority in ensuring that appropriate internal control arrangements are in place and that these are operating effectively.
- 4.2 Failure to act on the recommendations made by the auditor may affect the ability of the Authority to ensure that effective arrangements continue.

5. HR Implications

- 5.1 There are no new HR implications

6. Environmental Implications

- 6.1 There are no new environmental implications

7. Financial Implications

- 7.1 There are no new financial implications.

8. Legal Implications

- 8.1 There are no legal implications associated with this report.

9. Conclusion

- 9.1 Internal Audit reviewed the arrangements for managing the Authority's:

- Procurement System

9.2 And concluded that Limited Assurance was provided and an action plan for implementation of the recommendations has been agreed with Officers and included as an appendix to the auditor's report

The contact officer for this report is: Peter Williams
7th Floor, Number 1 Mann Island, Liverpool, L3 1BP

Email: peter.williams@merseysidewda.gov.uk

Tel: 0151 255 2542

Fax: 0151 227 1848

The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.