

REPORT TO COMMUNITIES COMMITTEE – 9 DECEMBER 2021

COMMITTEE REVIEW PROCESS STAGE 1 REFERRAL: INTERNAL AUDIT REPORT 2124 - HOUSING PURCHASING & CREDITORS

1 Reason for Report / Summary

- 1.1 This report offers a detailed assessment of Housing Purchasing & Creditors and answers the associated questions within the agreed framework of the Stage 1 process. Members are asked to consider recommendations and agree future improvement actions.

2 Recommendations

The Committee is recommended to:

- 2.1 Consider whether this Stage 1 scrutiny report and recommendations provides the Committee with sufficient assurances on this matter; and**
- 2.2 Where the Committee feels that the report does not provide adequate reassurance, request the delivery of a Stage 2 workshop for the Committee to allow for further exploration of the issue and identification of potential improvement actions.**

3 Purpose and Decision-Making Route

- 3.1 On 13 October 2021 Communities Committee considered a report from the Director asking it to consider a referral from the Audit Committee on a proposed Committee Review Process of Housing Purchasing & Creditors. It was agreed that a Stage 1 Report be submitted by the Head of Housing & Building Standards to this meeting of Communities Committee.
- 3.2 On 4 November 2021 the Audit Committee considered a report advising that Communities Committee at their meeting of 13 October 2021 had agreed to conduct a Stage 1 Committee Review and receive a report to this meeting of Communities Committee.

4 Discussion

- 4.1 The detailed scope of this review is noted in Appendix 1. This report aims to provide information and assurance around the scope as outline. The service commentary is provided within Appendix 2.

5 Council Priorities, Implications and Risk

- 5.1 This report helps deliver the principles of “right people, right places, right time” and “responsible finances” which underpin the Council’s Strategic Priorities.

Pillar	Priority
<i>Our People</i>	<i>Education Health & Wellbeing</i>
<i>Our Environment</i>	<i>Infrastructure Resilient Communities</i>
<i>Our Economy</i>	<i>Economy & Enterprise Estate Modernisation</i>

5.2 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed.

Subject	Yes	No	N/A
Financial		x	
Staffing		x	
Equalities and Fairer Duty Scotland		x	
Children and Young People's Rights and Wellbeing		x	
Climate Change and Sustainability		x	
Health and Wellbeing		x	
Town Centre First		x	

5.3 An integrated impact assessment is not required because this report is to provide committee with information relating to a matter being processed by way of the Committee Review Process.

5.4 The following Risks have been identified as relevant to this matter on a Corporate Level ([Aberdeenshire Corporate Risks](#))

ACORP001 – Budget Pressures; ACORP003 – Workforce; and ACORP009 – Operational Risk Management.

6 Scheme of Governance

6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report. They are satisfied that the report complies with the Scheme of Governance and relevant legislation.

6.2 The Committee is able to consider and take a decision on this item in terms of Section G.2.2.b of the List of Committee Powers in Part 2A of the Scheme of Governance, as the report relates to the Committee Review Process.

6.3 Communities Committee should determine whether it is sufficiently assured by this report and, if not, it can recommend moving to Stage 2 of the Committee Review Process.

- 6.4 This scrutiny report originated from a referral from the Audit Committee and, therefore, it will be updated on the progress and outcomes from this Committee.

ALAN WOOD
Director of Environment and Infrastructure Services

Report prepared by Rob Simpson, Head of Housing & Building Standards
13 October 2021

APPENDIX 1 - Agreed Scope for Stage 1 Report

APPENDIX 2 – Service Comments

Appendix 1: Agreed Scope for Stage 1 Report

1. the implementation and monitoring of staff training within the service;
2. the potential for linking training records to purchase approvals to promote compliance; and
3. further clarification on what improvements are expected from the actions proposed by the service to address issues of non-compliance

Appendix 2: Service Comments

1. the implementation and monitoring of staff training within the service

As part of the Housing Procurement Audit it was found that during the financial year 2020/21 105 members of the housing team had raised orders and 76 team members had approved an order. Of those 50 of the approvers had completed training and 38 requesters. Upon checking with HR and Procurement colleagues the lists of those who had undertaken training do not match and therefore we required to seek some assurance as to who was and who was not trained.

A reminder was sent by the Head of Housing & Building Standards to the whole service on 23rd September 2021 to remind them of the training requirements. A task was also placed against each Housing Manager to undertake an audit of their service area and ensure that all team members who undertake procurement or approve procurements are appropriately trained.

Training is being monitored by the Housing & Building Standards management team with a spreadsheet being held within the Housing Management Team 'Teams' site detailing all those who have undertaken training and to which level said training has been undertaken. The spreadsheet also details whether Delegated Procurement Approval has been applied for and confirmed and the dates thereof. This is split into service areas. It is the responsibility of each Housing Manager to ensure that their area of the spreadsheet is kept up to date at all times. The Head of Housing & Building Standards shall request quarterly reports from colleagues within HR and Procurement to allow cross checking of data, providing assurance to the Head of Service that everything is in order and that all training records now match.

At present there are 232 members of staff who have completed module 1 of the ALDO procurement training, 126 completed module 2, 114 module 3, 82 module 4, 144 module 5, 62 module 6 and 58 module 7. For completeness I have outlined below what each module relates to:

- Module 1 – DPA Level 1
- Module 2 – DPA Level 2
- Module 3 – DPA Level 3
- Module 4 – Introduction to Contract and Supplier Management
- Module 5 – Sustainable Procurement
- Module 6 – Advanced Contract and Supplier Management
- Module 7 – Evaluation and Award

There are also 70 people registered with procurement colleagues as having completed the procurement training.

The Housing induction manual has recently been updated to detail the required procurement training for new starts within the service. This states:

Staff who must complete all 7 Modules to Level 3 are:

- Housing Managers
- Team Leaders
- Senior Housing Officers

Staff who must complete Modules 1 – 5 to Level 1 are:

Housing Officers
Assistant Housing Officers
Housing Admin Staff

The Service also has a 'knowledge hub' on SharePoint where information and links will be available.

While it is not possible to provide specific training hours for team members due to the tenant led nature of the work undertaken, all teams will be encouraged to undertake training at a time and place which works best for them. The critical point is that the training is undertaken and that team members are supported to do so.

2. the potential for linking training records to purchase approvals to promote compliance

Housing & Building Standards have set up an approval process within Teams. Every Procurement Approval Form (required for all procurements over £10,000) must be approved by the Housing Management Team. The approval process requests answers to the following questions:

- i) Is the procurement being undertaken in line with the Financial Regulations?
- ii) Is the Procuring Officer a Designated Procuring Officer?
- iii) Has the Procuring Officer undertaken the Delegated Procurement Authority training and has the Delegated Procurement Authority been applied for and granted?

Should the answer to any of the above questions be no the form cannot be approved. Should the answers be yes the form moves to the approval stage and must be considered and approved by each member of the Housing Management Team. The 'approvals' process allows for an audit trail to be created, logging all forms within the system.

The Housing Procurement Audit found that all Procurement Approval Forms were approved in accordance with the regulations and therefore this advancement is another measure which will ensure compliance.

3. further clarification on what improvements are expected from the actions proposed by the service to address issues of non-compliance

It is anticipated that the actions taken by the service will ensure that there is full compliance. The Service acknowledges that previously there was an insufficient number of trained procurers and a lack of understanding of requirements in some service areas. This is being fully addressed by the actions undertaken and by all managers taking ownership of the issue. Spot checks together with quarterly monitoring will ensure that compliance is in place.