

Action Plan – Procurement Audit



Issue		
Category	Details	Outcome
Significant		
1)	Access to bank accounts outside of delegated authority.	The City has reviewed and reconciled the authorising parties to bank. The issue occurred during changeover of banks.
2)	Proof of payment from bank accounts.	The City has change its process and is now saving and printing authorising party information for every EFT.
3)	Insufficient information to support use of sole supplier provision.	This is a documentation issue. The purchasing policy and procedure have been amended and in future reports to audit and finance committee will be made.
It should be noted we disagree strongly with issues 1 & 3.		
Moderate		
4)	Approving purchase orders outside of delegation limits.	This is an education issue whereby officers need to understand their obligations. Policy and procedures have been reviewed.
5)	Raising zero or nominal purchase orders / standing orders.	This is an allocation mechanism issue. The Citys' systems automate the raising of utility requisitions at zero due. These orders will be raised with a value going forward and we are now compliant.
6)	Insufficient information documented regarding decisions on a tender.	This is a process to ensure due process is followed. We have reviewed our procedures to comply.
7)	Staff failing to seek or record quotes as per CKB policy.	A full review of purchasing policy and procedures limits and education has been completed.
8)	Segregation of duties when approving purchase orders, receiving goods and issuing invoices.	Requisitioning officers are no longer able to convert their purchase requisition to a purchase order. The value of delegations has also been changed and streamlined.
9)	Purchase orders raised after invoices.	Practically this doesn't always work however purchasing policy and procedure changes and education will ensure officers understand their obligations and responsibilities.
10)	Reconciliation not performed, or not recorded, prior to invoice payment.	We have restructured the creditor's team to improve accountability. Our commitment to ensure we meet payment terms has ensured efficiency creation and supplier reconciliation.
11)	Recording of conflict of interest declarations	The intended process to minute panel meetings was implemented well before this audit. The Citys process at the time included a review but not documentation of that review.
Minor		
12)	Review purchasing policy to improve clarity	The review was completed and adopted by council on 28 th may 2018 and remains consistently under review.
13)	Include review dates and council resolution number in purchasing Policy	Updating version details will be done.
14)	Timely payment of Invoices	We are committed to make payments in agreed terms and working towards processes that are better than their recommended in 30 days.
15)	Maintaining he Purchasing authorisation delegation register	We identify designated positions as "ongoing". The audit wants start and end dates. We will comply.
16)	Administrative issues in tendering documentation	The audit concluded work books needed more information. We will comply.