



Highway Maintenance - Application for Payment

Follow Up Report

13th September 2021

Working in Partnership to Deliver Audit Excellence

Executive Summary

Audit Objective	Progress Summary				
		Complete	In Progress	Not Started	Total
To provide assurance that the agreed actions within the 2020-21 audit report have been implemented.	Priority 1	1	2	-	3
	Priority 2	1	2	-	3
	Priority 3	1	-	-	1
	Total	3	4	0	7

Audit Conclusion

This follow-up review has concluded that the previously identified risk exposures are reducing but due to the size and complex nature of some of the actions required, improvement work remains in progress.

It should not be understated however, how much has been achieved in a relatively short timescale compared to the amount of work required.

At the time of reporting, a new Contract Management Team and a new CONFIRM payment system* are both on the verge of being implemented. The former represents an approved investment in further resource and skill and the latter has involved a substantial amount of collaborative work between the Highway team, the system vendor and the contractor**, which will eventually replace the current Application for Payment (AfP) spreadsheet.

These improvements will vastly improve the financial and performance management of the highway maintenance contract and also the process for scrutinising and certifying the task orders completed by the contractor, including the audit process.

In the interim period, the service has implemented a number of additional measures to reduce the levels of risk previously identified. They include a mandatory requirement for the contractor to provide explanatory comments where significant cost variances have occurred. There has also been an extension to the timescale for certification and certifiers now have a supplementary report with a full breakdown of all in-month costs for all task orders.

A number of our previous findings and recommendations related to the size, format and complexity of the AfP and while it remains in place, there have been several enhancements and alterations to improve the ease and timeliness of the monthly certification process, by increasing the cost visibility of task orders. The Highways Team are performing detailed monthly analyses to track compliance and the impact of changes.

The most significant issue identified was a high differential between the ordered cost of works, compared to the actual cost applied for by the contractor. Our analysis has identified that recently implemented improvements have had some impact on reducing these differentials, but further progress is required. This will be achieved via the introduction of compensation events via the new payment system.

In terms of the other areas where significant risks remain, these are principally with the amount and scope of auditing and the lack of thematic reporting, and also the reconciliation process, which is still limited to a three-month payment history.

The work in progress to address these risks are the new Contract Management Team and a new payment system, both in the final stages of implementation.

Further audit work will be required to assess satisfactory completion of the remaining actions, which will be in line with the revised implementation dates for the relevant recommendations below.

* CONFIRM is SCC's highway maintenance management system, which will contain a module to manage payment processes across the client and contractor interface.

** The Highways Maintenance Contract is now delivered by Milestone Infrastructure (previously Skanska Construction UK Ltd (prior to the contract novation on 1st May 2021)).

Scope

Testing has been performed in relation to all recommendations and supporting evidence obtained to support implementation of recommendations.

As per the previous audit, we have obtained payment data and conducted a number of analyses to assess the degree of improvement for a number of our recommendations.

We have also held interviews with certifying officers and Highways management team.

Objective

To provide assurance to the S151 Officer, Management and Audit Committee that the agreed actions to mitigate against risk exposure have been implemented.

Findings and Outcomes

Risk: Financial loss through a failure to identify and remove duplicate payments applied for, in relation to highway maintenance.

1.1 Finding and Action		
Issue	Recommendation	
There are high differentials between the ordered and actual costs in the Application for Payment.	We recommended that the Strategic Manager – Highways should: <ul style="list-style-type: none"> • introduce a differential threshold above which, a variation order must be raised; • introduce a requirement for accurate cost accounting, to address the issue of orders being raised for nominal £1 values; • assess and address knowledge and skills gaps across operational staff teams. The outcome should be to ensure that all officers raising task orders apply the same interpretation of safety defect work measurements and the price list; • consider the optimum level of resource required to address these issues and seek to increase it where required. 	
Management Response		
<ul style="list-style-type: none"> • Senior Quantity Surveyor (SQS) to review use of arbitrary figures used to raise Task Orders as part of process review. The intention to put an immediate cessation on procuring works of this nature. (General agreement that this cannot continue for budget management purposes). • Skanska will need to be engaged on the process review, SQS to review how we address this with Skanska. • Strategic Manager – Highways to review knowledge and skills gaps across Operations and consider optimum level of required resources. 	Priority Score	Priority 1
Follow Up Action	Follow Up Status	IN PROGRESS
<p>1.1 (a) Introduction of a Variation Order (VO) / Compensation Event (CE) threshold</p> <p>Efforts to ensure that SCC can command more control over the authorised spend of highway task orders have progressed, and a differential threshold has now been set whereby a variation order in the form of a compensation event will be raised.</p> <p>In order to agree the threshold value, an analysis was performed by taking the order value and the actual value, to calculate the differential, which was then run through a number of scenario options. Each scenario was used to calculate the number of compensation events that would be required for three recent AfP's, in order to calculate a combined weekly and daily total of compensation events to be raised by the contractor and SCC. The reason for doing so was to understand an average workload in terms of the additional administrative burden of the compensation event approach.</p>		

Whilst a purely percentage threshold was explored, but it became evident that this would reduce the cost visibility for the higher value orders. The threshold negotiated with the contractor was agreed at £1,000 as a workable level.

The first phase of implementation is complete, and the second will be implemented when the CONFIRM system functionality becomes available after the end of September 2021. A mandatory comment in the AfP must now be provided by the contractor for all task orders with a differential above the threshold. Phase 2 will mean that the contractor must ensure that for all such orders, a compensation event is generated by the CONFIRM system.

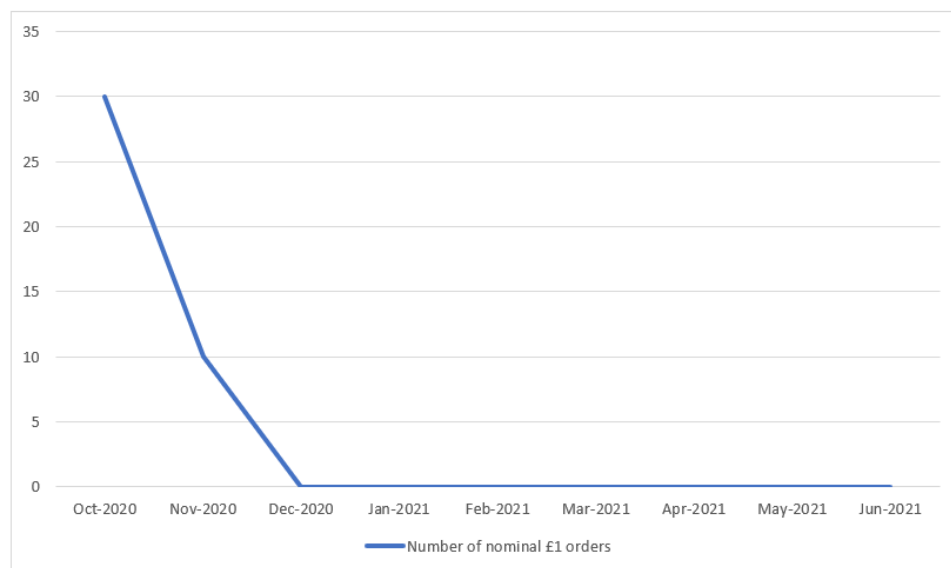
The chosen approach will then be embedded and allowed to operate for a period of time, before SCC will instigate a joint review with the contractor to establish the impact and whether the threshold is proving to be effective in addressing previous issues.

Compliance with this process is further explored in 1.2b below.

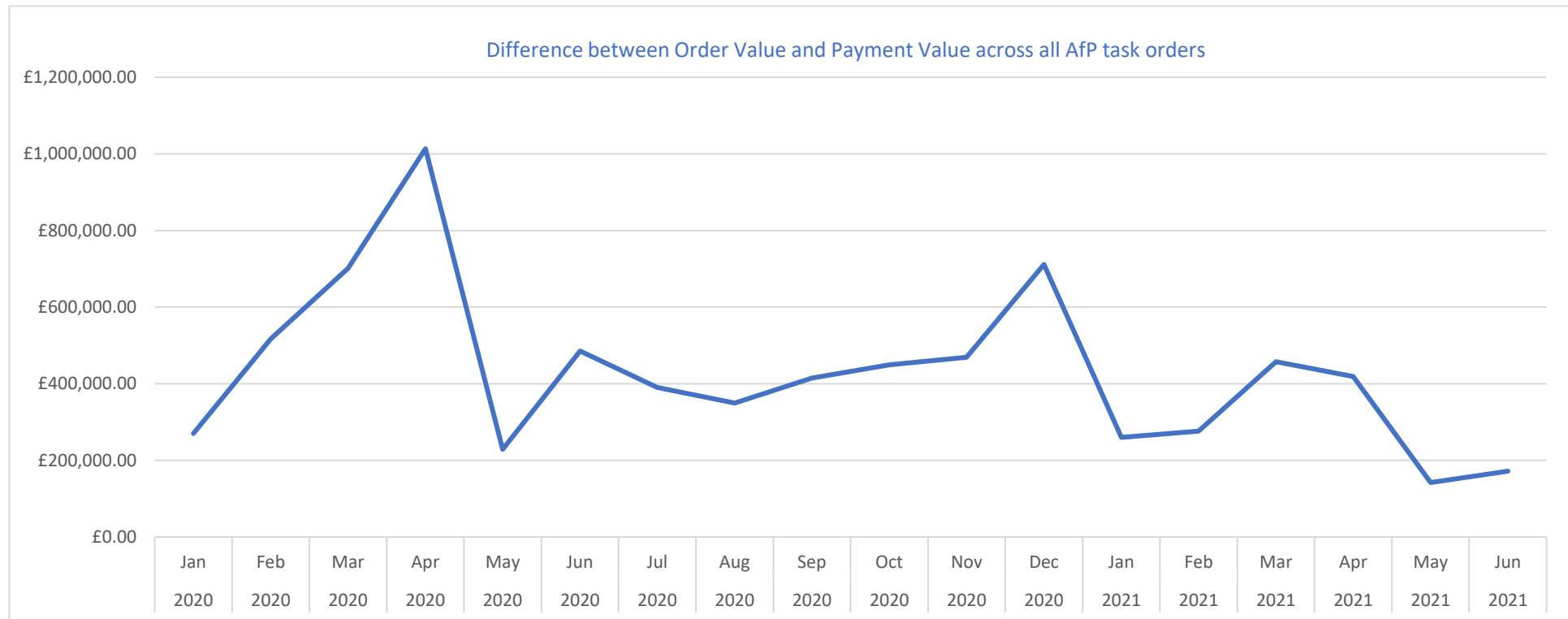
1.1 (b) Cessation of nominal £1 values within the AfP data set

From November 2020, nominal order values have been removed from the AfP, which means that £1 orders are no longer within the data that requires certification by SCC.

We conducted an analysis to include the months prior to the change in practice, to show the degree of improvement. This confirmed that £1 orders have indeed been removed and although some low values continue to be used, the amount has reduced substantially. We were also satisfied that no nominal orders were subsequently converted into much higher values when payment was applied for:



The service is not currently analysing the timeliness of the contractor's conversion of nominal order values into accurate estimates, but they are instead analysing the value of task order differentials appearing in the AfP, within a tracker. This has shown that the overall value of differentials has started to reduce. We conducted our own analysis to verify this conclusion and found that a reduction has become evident over the past three to four months. It should be noted that the differential is always relative to the total amount of the AfP, and further information is included in the appendix to this report:



We have also reperformed the analysis conducted in our original audit using the most recent payment data, in order to break down the value of task order differentials across the three separate elements of the AfP. Full details are presented in the appendix to this report; however, this summary shows the current position:

Analysis of % differentials across the three AfP tabs between the current and previous twelve-month periods

AfP	Task Order – New Assets (1)	Task Order - Other	Task Order - Safety Defects
Total payment value for both periods	£3,986,949	£30,123,421	£9,533,543
Proportion of total	9.1%	69%	21.8%
July 2019 to June 2020	45.80%	33.50%	36.80%
	↑	↓	→
July 2020 to June 2021	128.80%	21.90%	37.70%
Commentary	Order values used in differential calculation are less relevant for delivery of new assets*	11.6% improvement in reducing the differential percentage	0.9% deterioration in the differential percentage
Known impacts	The differential calculation can be disregarded for the purposes of this audit	Removal of: £0 link & sections £1 nominal orders	Refresher training for raising accurate requisitions is planned**

(1) Previously referred to as Small Improvement Scheme (SIS) and adjusted in this report for consistency with the terminology in the highway contract.

It is positive to note that the area of greatest improvement is where the most significant works in terms of total value are delivered, and this can be attributed to the improvements discussed in 1.1b and 1.5.

*For the New Highway Assets task orders, which has the highest differential in percentage terms, it must be understood that New Assets use a different model of delivery within the contract. We have been advised that use of a true cost estimate, derived after tender processes have been completed, has now been implemented but this follow-up audit has not verified any evidence to confirm this is the case. This will be investigated further in subsequent audit follow-up work.

**For Safety Defect works, the Highways team will be undergoing refresher training this year, to standardise the approach to requisitioning and to achieve greater consistency in how task orders are costed.

1.1 (c) Assess and address knowledge and skills gaps across operational staff teams and (d) consider the optimum level of resource required to address these issues and seek to increase it where required.

The structure of the new Contract Management Team has been approved and includes additional contract auditing resource, to bring the audit capacity up to one full time equivalent.

The status of implementing the team at the time of reporting is that vacancy adverts are now in the public domain, with a closing date of 16th August and interviews have been diarised for early September.

Revised implementation date	31st December 2021	Revised responsible officer	Strategic Manager – Highways
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1.2 Finding and Action

Issue	Recommendation
Other issues with the cost visibility of orders in the Application for Payment may impact on the number of task orders refused for payment and re-applied for by the contractor.	We recommended that the Strategic Manager – Highways should work with the contractor to agree an improved approach to the use of explanatory comments in the AfP by both the client and the contractor. This action should seek to achieve a ‘right first time’ approach to certification, which will reduce the number of repeat requests. As part of this action, consideration should be given to introducing a differential threshold, above which comments are mandatory.

Management Response		
<ul style="list-style-type: none"> SQS to review use of explanatory/mandatory notes as part of the process review. (Acceptance there is a lack of commentary from SCC and Skanska on the cost differentials). Skanska will need to be engaged on the process review as this is likely to result in an amended / agreed process with Skanska. 	Priority Score	Priority 1
Follow Up Action	Follow Up Status	COMPLETE

1.2 (a) Cost visibility of Task Orders

The original audit found that due to only 15% of officers responsible for AfP certification having access to the contractor’s system and the information within, there were issues with full cost visibility for the majority of officers through the certification process. However, since November 2020 a new jointly developed report has been made available. The ‘Task Order Detail Report’ is now provided alongside the AfP as a key supporting document for the certification process. This report provides certifying officers with a full breakdown of all in-month costs for all task orders. A sample of officers were interviewed and commented that in most cases, it is helpful that task orders requiring more scrutiny are now identified and the information provided does assist with the certification task.

1.2 (b) Use of mandatory explanatory comments for differentials above £1000

The Task Order Detail Report also includes a new innovation that helps certifiers to understand the context to the task orders they are reviewing, when works have exceeded their initial order value by more than £1000. To improve the cost visibility of these task orders, the contractor now inserts a signposting comment on the AfP which draws the certifiers attention to the high differential. Certifiers are now required to interrogate the Task Order Detail Report and review the additional narrative explanation contained within.

In terms of contractor compliance with this new process and the agreed threshold, a visual check is completed each month by the Highway team and there is evidence of an average increase of explanatory comments from 5.8 to 8.5% per AfP.

Using the Task Order Detail report for the four latest AfP’s, we conducted our own analysis to assess whether all task orders with variations >£1000 have comments. This has confirmed that the contractor has achieved 100% compliance with the agreed process and no applicable task orders were found to be without mandatory comments. Our analysis appears in the appendix to this report.

1.3 Finding and Action		
Issue	Recommendation	
The amount and scope of routine auditing of highway task orders is not commensurate with the total value of expenditure, or the financial risks associated with the outsourced maintenance contract.	We recommended the Strategic Manager – Highways should seek to resource an increased amount and scope of routine auditing of task orders completed by the contractor, to confirm both the quality of works and the correct application of the price list. The approach to auditing should be reviewed to ensure that certifiers and contract auditors target the areas of highest financial risk.	
Management Response		
<p>This has been recognised within the Contract Management Business Case and more resource is requested (subject to financial approval).</p> <p>There is also a need for Task Order commissioners to undertake their own audit for payment purpose and record as such (this will be a process issue that will need to be factored in issues above).</p> <p>Current audit activities to be re-focused on value and risk. Highways Strategic Manager to discuss with contract Auditor.</p>	Priority Score	Priority 2
Follow Up Action	Follow Up Status	IN PROGRESS
<p>As per the previous audit, the Highway service has one FTE funded for auditing activities within the highway maintenance contract. The post is currently filled part time and the plan is for the remaining unfilled hours to be addressed as part of the recruitment phase for the wider Contract Management Team.</p> <p>The approach to sampling task orders for audit therefore remains as before, with the focus being on areas of risk. The Auditor seeks evidence of accurate accounting from the contractor's system for all task orders over £1000, along with a sample of any under that value which have been identified as areas of weakness through previous audits. There are also detailed audits carried out on specific task orders, which include a full site measure and a review of all relevant documentation. These reviews are selected either by request from operational staff, based on previously identified weaknesses or as deemed necessary by the Auditor.</p> <p>There are opportunities for further improvement in the following areas:</p> <ul style="list-style-type: none"> • The scope of auditing activity to be expanded to compare the true cost estimates for new assets against the AfP. • It is not quantified what percentage of all task orders are audited, but the estimate is 5-10%. The lack of an agreed sampling methodology is not problematic whilst responsibility remains with one experienced individual but will need to be considered when the audit resource is expanded. • There has also not been any periodic reporting of audit outcomes to provide management feedback, and identified thematic issues are not currently notified to the contractor. A quarterly report to summarise the themes of audit outcomes should be considered. 		

These are developments which can be allocated to the additional resource via the Contract Management Team when posts are filled.

Revised implementation date	31st March 2022	Revised responsible officer	Strategic Manager – Highways
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1.4 Finding and Action		
Issue	Recommendation	
The size and format of the Application for Payment exceeds the capabilities available from a spreadsheet and does not enable the certification process to achieve compliance with Financial Regulations. There is also a lack of cost visibility for certifiers.	We recommended the Strategic Manager – Highways should explore options for improving the architecture of the Application for Payment through either adoption of a highways system payment module, or a database to replace the current spreadsheet format.	
Management Response		
<ul style="list-style-type: none"> SQS to review current support systems activity. Confirm on Demand appears to provide an opportunity to explore further. SQS to discuss with Neil Guild the long-term aspirations of the AfP review with a view to ensure the IT systems are aligned to support. 	Priority Score	Priority 1
Follow Up Action	Follow Up Status	IN PROGRESS
<p><u>1.4 (a) The AfP does not include any previous paid data</u></p> <p>From February 2021, the contractor has incorporated both a ‘Previous Paid’ and an ‘Amount Due’ column within the AfP. In terms of improving cost visibility for certifiers, they no longer need to interrogate historic payment data in order to clarify previous payments. There has not been any specific or overall analysis of the reduction of task orders with long running disputes in order to evidence the impact of this improvement, but certain specific examples are being monitored via a Dispute Tracker. However, there is now a Certification Performance Tracker which has been created to assess complete and timely certification, by summarising the overall performance between the various departments in terms of their completion of the processes that contribute to AfP certification. In June 2020, this reporting showed that the first AfP with 100% compliance for complete certification was achieved, and full compliance has been consistent from that date.</p> <p><u>1.4 (b) Explore options for improving the architecture of the AfP through either adoption of a highways system payment module, or a database to replace the current spreadsheet format.</u></p> <p>The vendor of the CONFIRM system was engaged to implement the Payment Process module of the database, which will remove the requirement for a monthly AfP spreadsheet. Design of the new system has been jointly progressed with the vendor and contractor and at the time of reporting, the timetable for implementation of the new payment module is the end of September 2021. This is dependent on completion of the final design, user acceptance testing and any further changes required. The payment module will be run in parallel with the AfP spreadsheet until such time it is confirmed that the spreadsheet is redundant.</p>		

As part of this development, the contractor has also been party to discussions regarding alternative payment timetable scenarios. In summary, three options have been considered:

A – monthly, as per the current process but using the payment database to replace the spreadsheet

B – ongoing certification as and when task orders are ready, with a monthly payment process

C – scenario A or B, but with multiple payment runs per month.

At present, it has been decided to remain with the current approach, but it has been agreed with the contractor (who is keen to have more timely payments) that both parties will work towards either scenario B or C in due course, when other process changes have been completed. It was explained that more time is needed in order to understand how such a change will affect compliance with highway maintenance legislation and also because a number of concurrent changes to the process will compromise the extent to which it is possible to understand the individual impacts, particularly when the CONFIRM payment module is still to be introduced. In summary, the plan is to implement the system, and to adapt as required.

Revised implementation date

31st December 2021

Revised responsible officer

Strategic Manager – Highways

1.5 Finding and Action		
Issue	Recommendation	
There is a lack of cohesion between the processes of the authority and the contractor that impact on the data quality of the Application for Payment.	We recommended the Strategic Manager – Highways should explore options with the highways system provider for streamlining system functionality that will remove differences between authority and contractor processes in respect of allocating task orders to specific parts of the highway.	
Management Response		
Significance of Link & Sections to be reviewed to determine usage requirements and potential for streamlining system functionality.	Priority Score	Priority 2
Follow Up Action	Follow Up Status	COMPLETE
<p>Historically, the AfP has included significant numbers of task orders valued at £0.00, because the highway is split into Link & Sections for asset management purposes. The original audit found that this approach, whilst not relevant to the AfP process itself, was causing the application spreadsheet to become substantially inflated in size. Certifying officers were required to review each block of data and remove each Link & Section valued at zero prior to certification. The £0.00 values were found most significantly on the "Task Order Other" sheet, to some degree on the "Small Improvement Sheet" sheet, and not at all on the Safety Defects sheet. In terms of the largest impact, the Task Order Other tab is where the contractor applies for payment on gully clearing rounds, and this is where large blocks of unnecessary data, sometimes in excess of 900 additional lines per month, were exacerbating difficulties with certifying payments.</p> <p>Since January 2021, the contractor has removed all Link & Sections valued at zero which has significantly reduced the size of the AfP in general.</p> <p>In terms of the impact on the data quality of the AfP and being able to ensure complete and accurate certification on a monthly basis, we have obtained evidence that the June 2020 AfP was the first to achieve 100% compliance for complete certification. Ongoing performance data also confirms that certification has been consistently at 100% since that date, meaning that there is now reasonable assurance that certifying officers are fully accountable for reviewing all task orders under their responsibility.</p>		

1.6 Finding and Action		
Issue	Recommendation	
The authority's highway maintenance payment reconciliation process does not include sufficient data to be effective.	We recommended the Strategic Manager – Highways should explore options for expanding the reconciliation process beyond the three-month dataset currently used.	
Management Response		
<ul style="list-style-type: none"> • SQS to review quarterly reconciliation process currently undertaken by Business Support Team. • SQS to discuss potential development of improved SCC reconciliation process with Neil Guild. 	Priority Score	Priority 2
Follow Up Action	Follow Up Status	IN PROGRESS
<p>The current plan is for the new Contract Management Team to adopt responsibility for the local authority reconciliation process, which will also be enhanced by the new CONFIRM payment module when it is implemented. Therefore, at present, the 3-month check carried out by Business Support Team remains in place. The process is an analysis of the past three AfP cycles in order to discover any potential duplications in payment request, or actual payment. This timescale means that for payment requests with long running disputes where the payment history spans either side of the three-month window, the validity and reliability of the reconciliation can be reduced, due to the whole payment history not being consistently taken into consideration.</p> <p>This also means that reliance continues to be placed on the contractor's reconciliation process, which although is more robust in terms of analysing a broader payment history, is less frequent at bi-annual. The contractor agreed to work towards a quarterly reconciliation that aligns with that of the local authority and at the time of reporting, the first quarterly report has been received. A timetable for future quarterly reporting is in the process of being agreed.</p> <p>As part of this follow-up audit, we queried whether further instances of duplicate payment requests had been identified. Essentially there have not been, but an issue was recently identified by a certifier, in relation to a task order for resurfacing works. The contractor had applied for payment of the same element of work within both the March and April AfP's because of a human error, which was an assumption that payment had not been applied for, when in fact it had been included under a different task order. However, the certifier noticed the error and it was raised and resolved with the contractor before any payment was made.</p> <p>The contractor conducted an investigation which returned a conclusion of human error, with "no intentional error nor requirement for adjustment to the process in place" and "<i>this clearly is an area of learning for (the contractor) to ensure that there is a cross reference against all Task Orders for the same site, prior to submission for AfP</i>". From review of the circumstances, it does appear that this is an entirely different incident to the previous AfP issues with duplicate payment requests.</p> <p>Highways have now asked the contractor to revert back to a one task order per scheme approach, as this change was not formally requested or agreed, and will reduce the risk of this type of duplication. One cost ledger for each scheme will be clearer from a cost visibility perspective, as the whole scheme cost will be located within one task order for review. This approach remains under review.</p>		

It is acknowledged that neither party's current reconciliation process can offer the degree of granularity needed to identify if a single element has been charged twice across two separate task orders. However, the risk of any kind of human error cannot be fully mitigated and for this reason, it remains crucial that the reconciliation process is expanded.

Revised implementation date

31st March 2022

Revised responsible officer

Strategic Manager – Highways

1.7 Finding and Action		
Issue	Recommendation	
The Application for Payment process does not have a realistic completion timescale given the complexity of the certification process.	We recommended the Strategic Manager – Highways should review the role of the Commercial & Procurement team in the Application for Payment process, to establish any benefits achieved through involvement and whether the Highways Operations team should assume responsibility for distributing the AfP.	
Management Response		
This is to be reviewed as part of the review and implementation of the Contract Management Team.	Priority Score	Priority 3
Follow Up Action	Follow Up Status	COMPLETED
<p><u>1.7 (a) The AfP process does not have a realistic completion timescale given the complexity of the certification process</u></p> <p>There was no opportunity to extend the certification timescale via the contract variation from Skanska to Milestone because a) the contract was novated in its entirety and b) payment terms are set by legislation, there was no opportunity to vary contract terms on the points of law. In terms of actual working days that the certifiers have to scrutinise costs, this can fluctuate depending on where the weekend falls in the AfP cycle and is also impacted by bank holidays.</p> <p>However, from December 2020 onwards it has been possible to amend the payment schedule for the AfP, following a re-examination of the deadline by the Commercial and Procurement team. The average days for certification were 4.5 days pre-December 2020, which are now extended to 6.75 days post December 2020 and extension of approx. 2.25 days for the fifth contract year.</p> <p><u>1.7 (b) Review of the role of the Commercial & Procurement team in the AfP process</u></p> <p>Discussions have taken place between Highways and Commercial & Procurement regarding the future distribution of work in relation to the AfP process. It has been agreed that following the creation of the Contracts Management Team, full responsibility for the payment process will sit entirely within the Highways Group.</p>		

Other Observations

A further issue contributing to the size and complexity of the AfP was identified in the original audit, whereby the contractor was failing to consistently supply satisfactory photographic evidence of job completion.

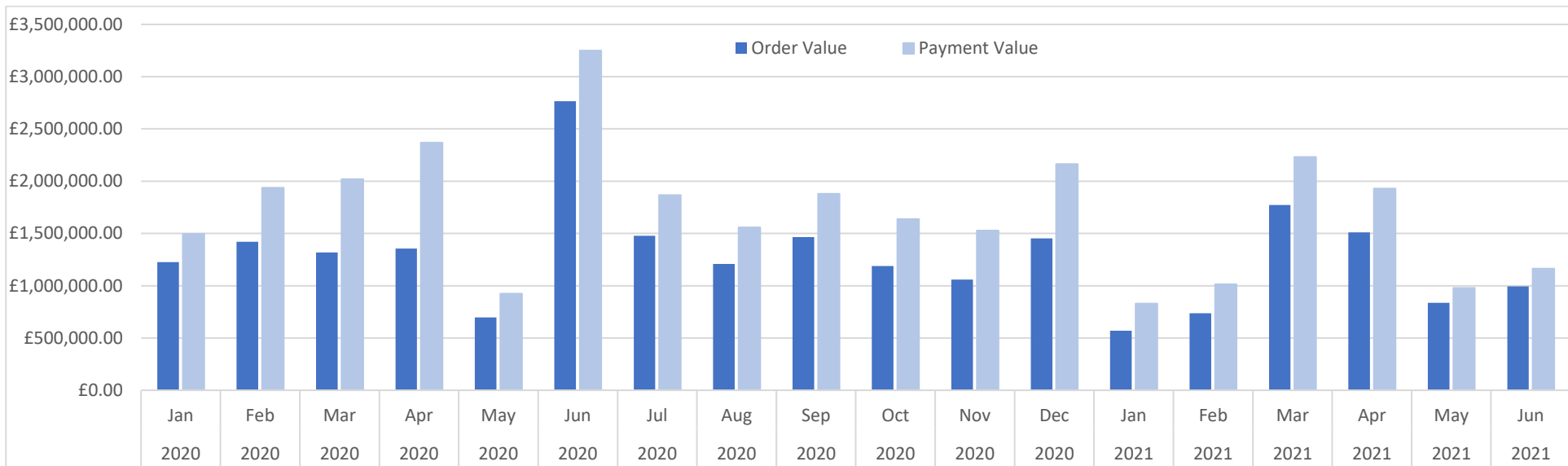
It was noted during this follow-up review that the relevant task orders have now been removed and no longer appear in each monthly AfP, which has improved the ease of the certification task. There is ongoing work with the contractor to resolve this matter.

Appendix A

In addition to the data analysis included in **Paragraph 1.1b** for the differentials between original task order cost and the contractor's requested payment value for Safety Defects task orders, the following is a table of monthly values and the differential value, along with the percentage. This is a combined total of all three elements of the Application for Payment:

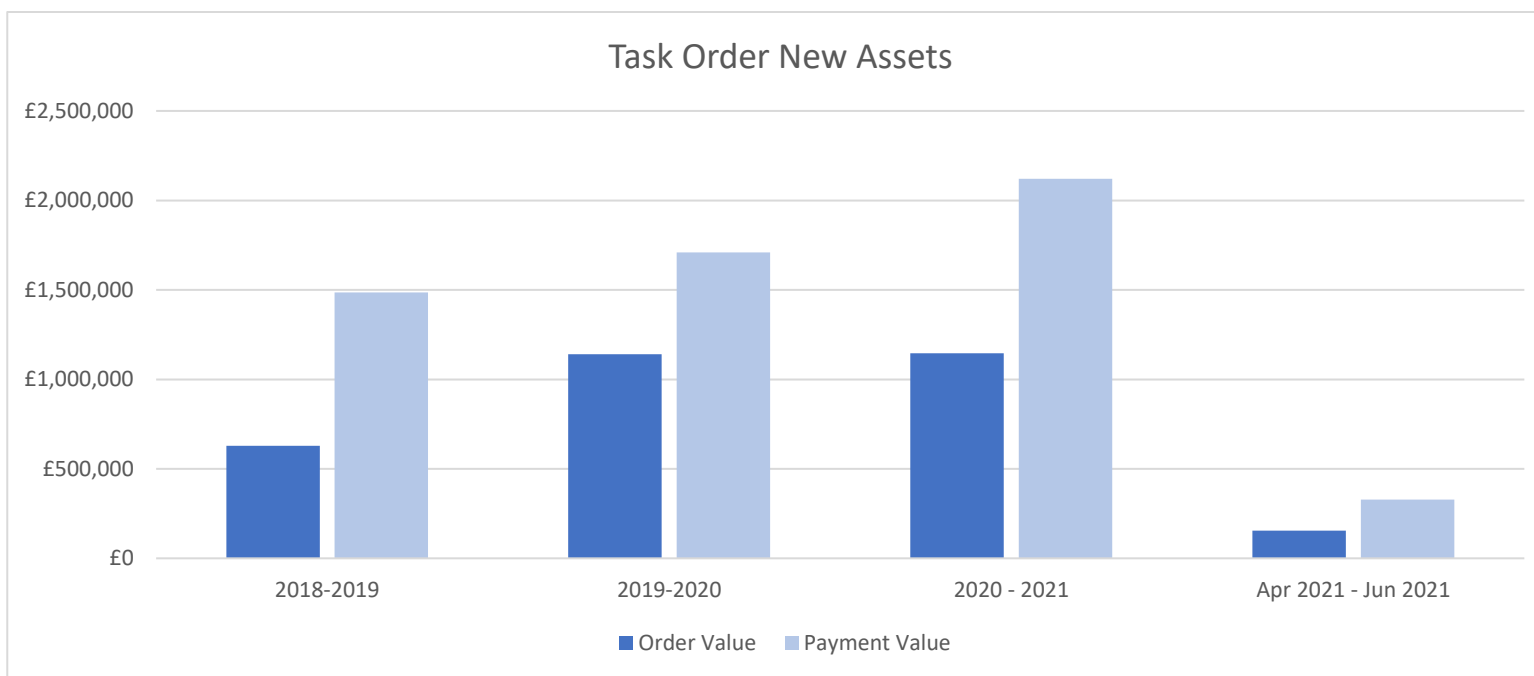
Total AfP Differentials by Month					
Years	Month	Order Value	Payment Value	Difference	% Difference
2020	Jan	£1,225,831.13	£1,495,900.19	£270,069.06	22%
2020	Feb	£1,420,712.40	£1,937,767.55	£517,055.15	36%
2020	Mar	£1,319,121.84	£2,020,671.03	£701,549.19	53%
2020	Apr	£1,356,206.03	£2,369,547.66	£1,013,341.63	75%
2020	May	£696,202.20	£924,807.46	£228,605.26	33%
2020	Jun	£2,765,108.15	£3,250,537.61	£485,429.46	18%
2020	Jul	£1,477,010.79	£1,867,589.34	£390,578.55	26%
2020	Aug	£1,208,982.43	£1,558,440.06	£349,457.63	29%
2020	Sep	£1,466,349.56	£1,880,969.83	£414,620.27	28%
2020	Oct	£1,188,848.92	£1,638,321.07	£449,472.15	38%
2020	Nov	£1,059,234.34	£1,528,362.10	£469,127.76	44%
2020	Dec	£1,452,180.73	£2,163,593.64	£711,412.91	49%
2021	Jan	£568,778.97	£829,053.18	£260,274.21	46%
2021	Feb	£737,919.79	£1,013,974.97	£276,055.18	37%
2021	Mar	£1,773,491.13	£2,231,251.77	£457,760.64	26%
2021	Apr	£1,511,359.21	£1,930,398.83	£419,039.62	28%
2021	May	£836,587.06	£978,743.78	£142,156.72	17%
2021	Jun	£993,258.67	£1,164,736.11	£171,477.44	17%

Total AfP Differentials by Month

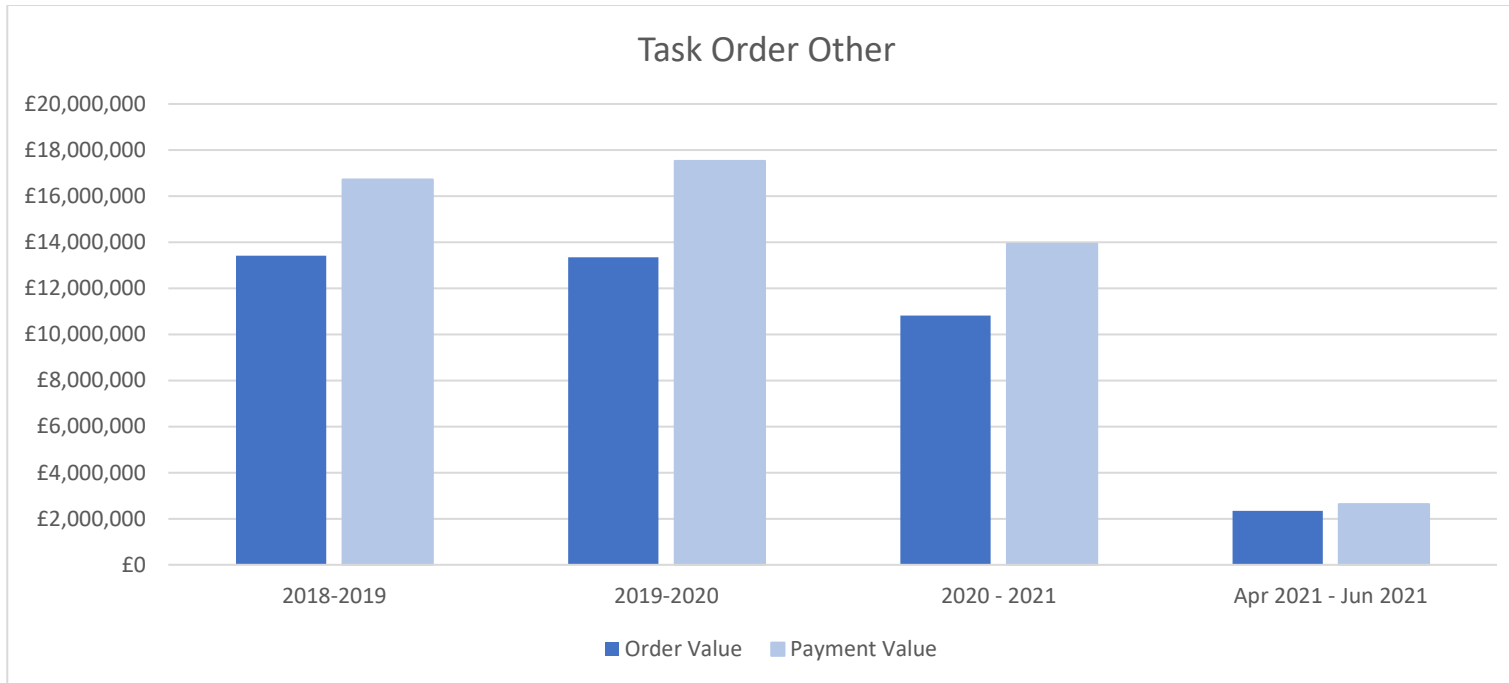


The following tables and charts show a breakdown of the above data, into the three separate elements of the Application for Payment:

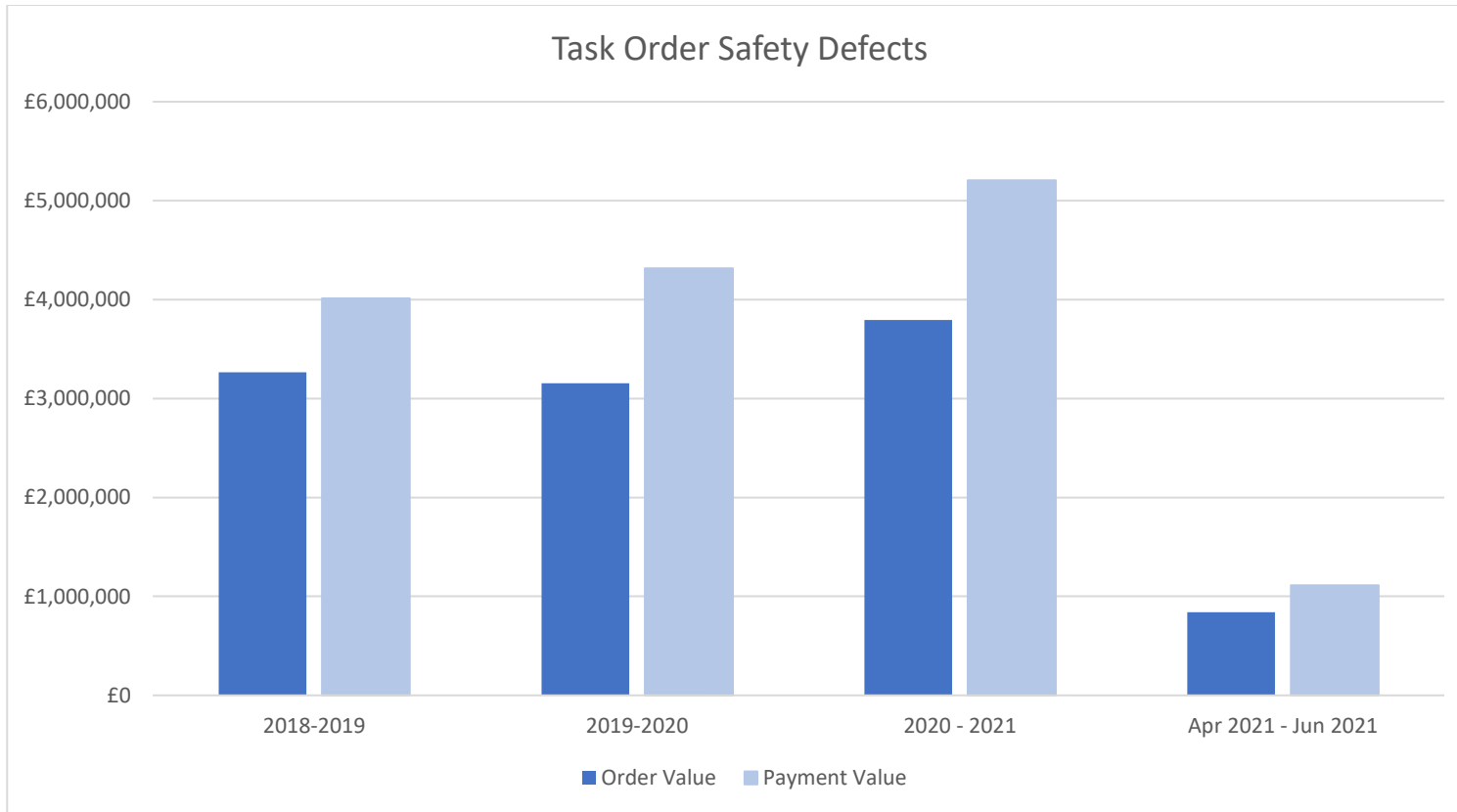
Task Order New Assets				
Financial Year	Order Value	Payment Value	Difference	% Difference
2018-2019	£628,895	£1,485,771	£856,877	136%
2019-2020	£1,141,209	£1,709,070	£567,861	50%
2020 - 2021	£1,145,046	£2,120,020	£974,974	85%
Apr 2021 - Jun 2021	£153,966	£328,255	£174,289	113%



Task Order Other				
Financial Year	Order Value	Payment Value	Difference	% Difference
2018-2019	£13,414,547	£16,727,823	£3,313,276	25%
2019-2020	£13,345,452	£17,527,554	£4,182,102	31%
2020 - 2021	£10,811,326	£13,932,161	£3,120,836	29%
Apr 2021 - Jun 2021	£2,345,560	£2,631,833	£286,273	12%



Task Order Safety Defects				
Financial Year	Order Value	Payment Value	Difference	% Difference
2018-2019	£3,264,375	£4,011,490	£747,115	23%
2019-2020	£3,153,238	£4,314,578	£1,161,339	37%
2020 - 2021	£3,793,941	£5,204,267	£1,410,326	37%
Apr 2021 - Jun 2021	£841,679	£1,113,790	£272,111	32%

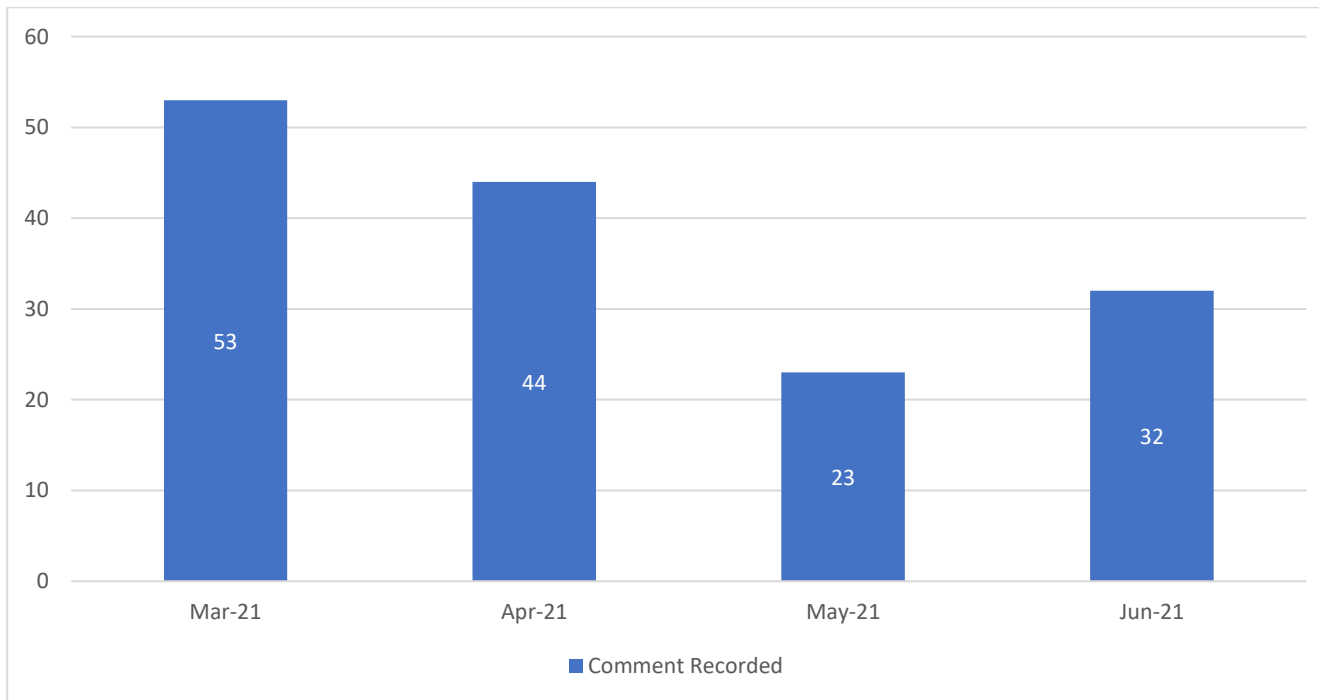


Paragraph 1.1(b) Cessation of nominal £1 values within the AfP data set

Month	Number of nominal £1 orders
Oct-2020	30
Nov-2020	10
Dec-2020	0
Jan-2021	0
Feb-2021	0
Mar-2021	0
Apr-2021	0
May-2021	0
Jun-2021	0
Total	40

Paragraph 1.2 (b) Use of mandatory explanatory comments for differentials above £1000

Month	Comment Recorded Where Required	No Comment Recorded	Total	% of Task Orders with recorded comment
Mar-21	53	0	53	100%
Apr-21	44	0	44	100%
May-21	23	0	23	100%
Jun-21	32	0	32	100%
Total	152	0	152	100%



SWAP's Audit Framework and Definitions

Audit Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Corporate Risk Assessment Definitions

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Categorisation of Actions

In addition to the corporate risk assessment it is important that management know how important the required action is to their service. Each action has been given a priority rating at service level with the following definitions:

Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Authors and Distribution

Please note that this report has been prepared and distributed in accordance with the agreed Audit Charter and procedures. The report has been prepared for the sole use of the Partnership. No responsibility is assumed by us to any other person or organisation.

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