

Agenda Item 24.

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| TITLE | Retrospective Purchase Orders |
| FOR CONSIDERATION BY | Audit Committee on 28 September 2016 |
| WARD | None Specific |
| DIRECTOR | Graham Ebers, Director of Finance & Resources |

OUTCOME / BENEFITS TO THE COMMUNITY

Offering excellent value for Council Tax Payers

RECOMMENDATION

That the Committee note the report and the actions being taken to reduce the incidence of raising retrospective purchase orders.

SUMMARY OF REPORT

This report details the progress being made to reduce the incidence of raising retrospective purchase orders (RPOs). The last report presented to the Audit Committee was in June 2016.

The incidence of RPOs now forms part of the regular monthly budget monitoring process. This has raised the profile of the practice and the risk to financial management. Finance business partners continue to work across the council to minimise the level of RPOs being raised.

Reporting for the latest month (August 2016) stands at 9%. A total of 57 RPOs were raised in the month. This covered some 55 suppliers.

The value of retrospective orders raised during August 2016 was £402k. Individual order values ranged from £5.10 to £257,808. Of the total, 8 RPOs were in excess of £5,000, one of which was in excess of £50,000. The largest RPO valued at £257,808 was raised against West Berkshire Council. This related to the Trading Standards Shared Service.

The attached information breaks this information down in more detail.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

| | How much will it Cost/ (Save) | Is there sufficient funding – if not quantify the Shortfall | Revenue or Capital? |
|---------------------------------|-------------------------------|---|---------------------|
| Current Financial Year (Year 1) | Nil | | |
| Next Financial Year | Nil | | |

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|-----------------------------------|-----|--|--|
| (Year 2) | | | |
| Following Financial Year (Year 3) | Nil | | |

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| Other financial information relevant to the Recommendation/Decision |
| N/A |

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| Cross-Council Implications |
| N/A |

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| Reasons for considering the report in Part 2 |
| N/A |

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| List of Background Papers |
| N/A |

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