

## Retrospective Purchase Orders – Detailed Information

The issue of retrospective purchase orders (RPOs) was identified as an issue with the implementation of the new financial system. The first data point - and the start point for action - was May 2015 when RPOs represented 31% of total purchase orders. Since then there has been a marked improvement (as reported in Table 1) falling to 9% of total in August 2016, although there is further work to be done.

Table 1 – Retrospective purchase orders as percentage of total orders last 12 months

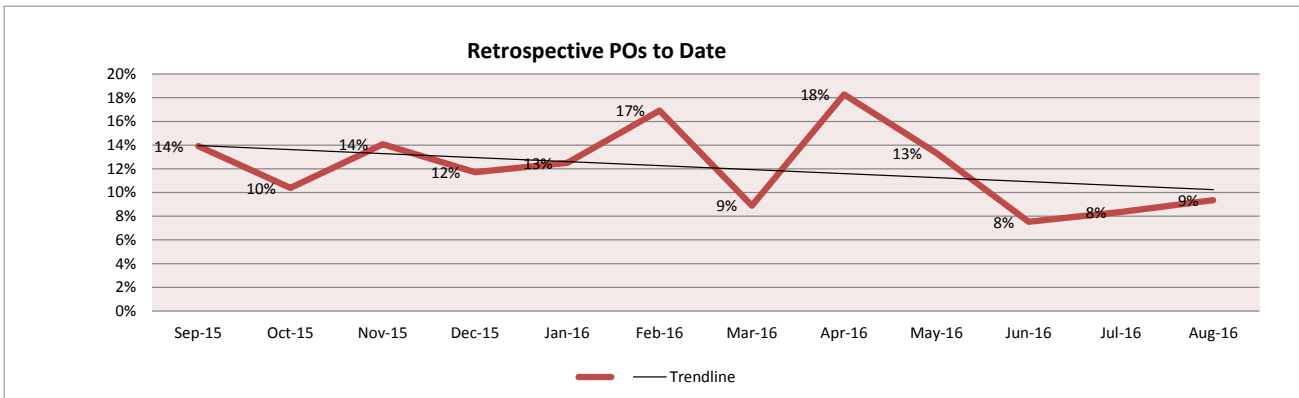
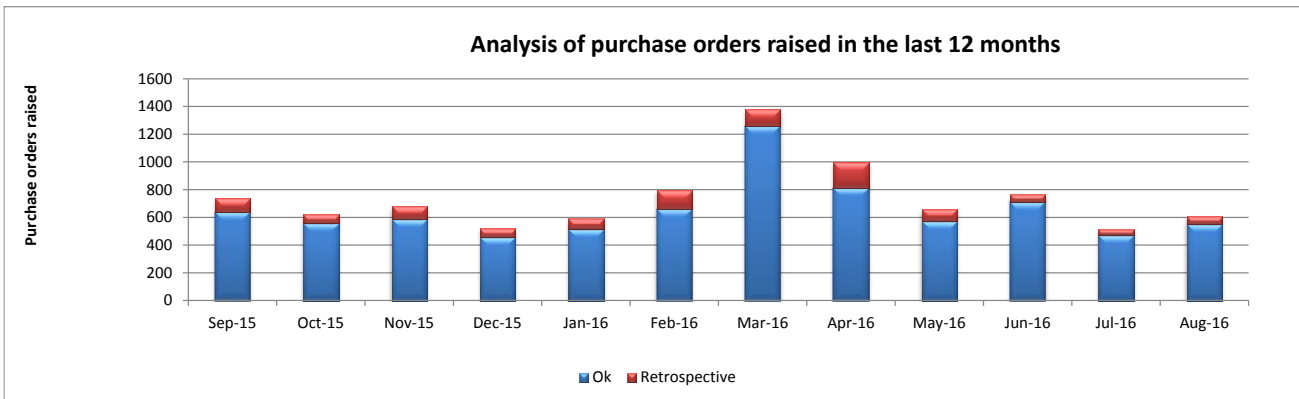


Table 2 shows the levels of total purchase orders which were raised in the last 12 months broken down into those which were raised correctly and those which have been raised retrospectively.

Table 2 – Analysis of purchase orders raised in the last 12 months

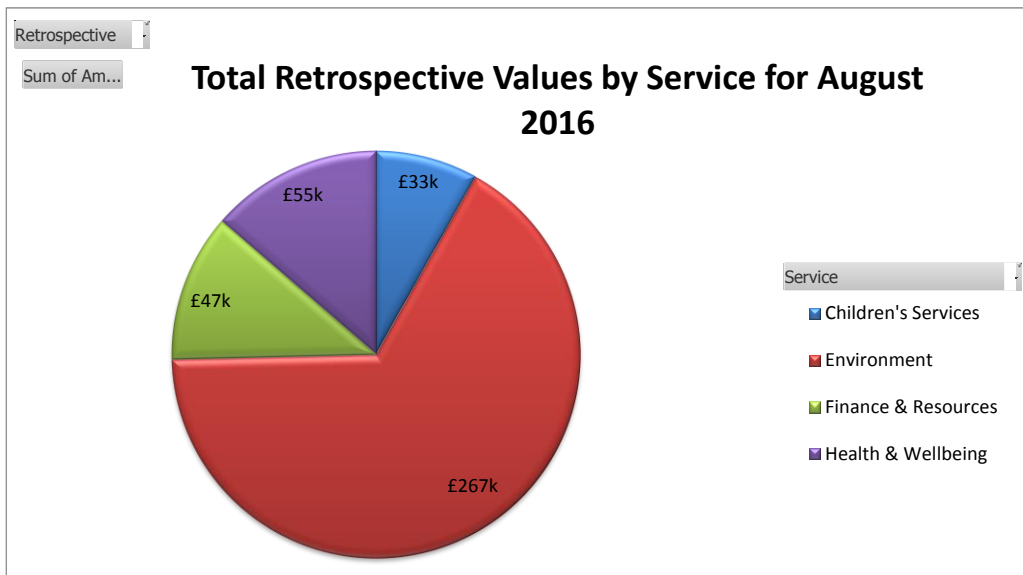


The volume of RPOs by service area for the most recent complete month is reported in Table 3.

Table 3 – Retrospective purchase orders August 2016

Service Unit	Aug-2016			Aug Total
	OK	Retrospective	% Retrospective	
Chief Executive	8	0	0%	8
Children's Services	131	15	10%	146
Environment	139	13	9%	152
Finance & Resources	178	19	10%	197
Health & Wellbeing	96	10	9%	106
<b>Grand Total</b>	<b>552</b>	<b>57</b>	<b>9%</b>	<b>609</b>

The following chart (Chart 1) represents the August information by value. Details of the individual purchase orders are reported in Table 5.



With RPOs a key control question is whether these items of expenditure may be foreseeable and / or quantifiable and therefore whether it is possible to raise a purchase order in advance.

- Within Environment the majority of the value (£257k of £267k) relates to cost of the Trading Standards Shared Service for the period 1<sup>st</sup> April 2016 to 9<sup>th</sup> January 2017. As the service is known and quantifiable a purchase order should be raised, one for the period 10<sup>th</sup> January to 31<sup>st</sup> March 2017 has now been requested.
- Within Finance and Resources, the majority of the value (£35k of £47k) relates to contributions to the Berkshire Pension Fund. Whilst the cost is foreseeable the value is variable therefore it may not be possible to raise a purchase order in advance of contributions being made. This is to be investigated further.
- The largest single transaction in Health & Wellbeing is the cost of car parking permits (£33k of £55k) for staff in the joint Better Care Fund team. As both the requirement and the value may have been foreseeable a purchase order should have been raised in advance. This is to be discussed further with the service area.

### Next Steps

It is recognised that the council, led by the Finance Team need to further improve in this area. The Head of Finance and Business Partner Team have agreed the following actions which will prevent avoidable delays, more effectively route purchases, and in the longer term may enhance our buying power:

- Ensure that an approved (and regularly updated) supplier list is available for use by all budget managers;
- Ensure that hierarchy / delegation / approval changes within WISER are dealt with promptly and ensure that budget managers are aware of the need to redirect during periods of absence;
- Examine enforcing the 'no purchase order, no pay' rule;

- Promote the use of procurement card for low value transactions;
- Targeted training of admin support staff;
- Encourage the wider use of blanket POs for utilities, service charges and similar supplies;
- Ensure that relevant product codes are completed during supplier setup therefore preventing subsequent payment delays.

These will begin to be delivered from November 2016.

Table 4 - The table below analyses August transactions by category of spend.

Service Unit	Aug-2016								Aug Total	
	Less than £500		£501 - £1000		£1001 - £5000		£5001 +		Retrospective	Amount
	Retrospective	Amount	Retrospective	Amount	Retrospective	Amount	Retrospective	Amount		
Chief Executive	0	£0k	0	£0k	0	£0k	0	£0k	0	£0k
Children's Services	7	£2k	5	£4k	2	£4k	1	£22k	15	£33k
Environment	9	£2k	2	£1k	0	£0k	2	£264k	13	£267k
Finance & Resources	14	£3k	1	£1k	2	£3k	2	£41k	19	£47k
Health & Wellbeing	5	£1k	0	£0k	2	£5k	3	£49k	10	£55k
<b>Grand Total</b>	<b>35</b>	<b>£7k</b>	<b>8</b>	<b>£6k</b>	<b>6</b>	<b>£12k</b>	<b>8</b>	<b>£377k</b>	<b>57</b>	<b>£402k</b>

Table 5 – August 2016 RPOs in excess of £5,000.

Service	SupplierID(T)	PO_desc	Amou	Categ
Environment	West Berkshire District Council		£258k	£5001 +
Finance & Resources	Royal Borough of Windsor & Maidenhead (RBWM) Payroll ONLY	Berkshire Pension Fund for 2016/17 including year end,adjustments	£35k	£5001 +
Health & Wellbeing	Berkshire Healthcare NHS Trust	Car parking permits for staff based at the Old Forge. 38,permits at £900.68 (not inc VAT), fo	£33k	£5001 +
Children's Services	Cotswold Chine School	Summer holiday costs for child 507201 at res school	£22k	£5001 +
Health & Wellbeing	Optalis Limited	Project Management costs for Dom Care Plus Night Responder,scheme from April 2016	£10k	£5001 +
Environment	Bracknell Forest Borough Council	Contribution to Elgin Berkshire Consortium 2016/17	£7k	£5001 +
Finance & Resources	RTPI Conferences	RTPI SEASON TICKET FOR SCHEME 2016/2017	£6k	£5001 +
Health & Wellbeing	Housing Partners	Homeswapper subscription 05/10/16 to 04/10/17	£6k	£5001 +