



SOMERSET
County Council



SWAP

INTERNAL AUDIT SERVICES

Assuring - Improving - Protecting

Highway Maintenance: Duplicate Payment Requests

Final Report

Executive Summary

Assurance Opinion

Non-Opinion Audit

It was agreed that this audit would be a supportive advisory piece of work focused on the areas of concern. As we have not reviewed the entire control framework, we have not offered an assurance opinion.

Recommendation Summary

Priority	Number
Priority 1	3
Priority 2	3
Priority 3	1
Total	7

Audit Conclusion

In relation to the Highway Maintenance Contract, our analysis of Skanska's submitted Application for Payment (AFP) files has confirmed a significant number of duplicate payment requests made across the three-year contract period. Importantly though, we identified these duplicate instances are in fact re-applied requests for payments that have previously been refused through the certification process. Due to data quality and visibility issues, it was not possible to confirm that there have not been any duplicate payments made in error.

We have established several complex root cause issues that relate to both operational process and the AFP certification process, which have given rise to the situation of repeat payment requests being submitted by the contractor.

The most significant issue is a high differential between the ordered cost of works, compared to the actual cost applied for. There are further process and system issues, which are causing the amount of data within the AFP to be unnecessarily inflated, and therefore the certification process is less than efficient or effective. These combined issues increase the likelihood that a duplicate payment request could be overlooked and approved in error.

We also assessed the extent to which payment request and certification processes are sufficiently robust to mitigate the risk of duplicate payments being erroneously applied for and paid. This has identified that whilst the contractor has recently implemented enhanced controls, the authority is yet to secure approval for the required improvements on their side to be funded and priority action is needed.

The requirements of the the certification process are also beyond the capabilities of the current spreadsheet and a module added to the highway system would provide a better framework for such a high volume and complex process

Due to the significant value of highway maintenance payments and the lack of assurance that public funds can be effectively safeguarded via the current processes in place, we have made a series of recommendations to address the root causes.

Background

Following a formal procurement process, Somerset County Council (SCC) awarded the Highway Maintenance Contract to Skanska Construction UK Ltd. The contract commenced in April 2017 and is valued at approximately £30m each year. Skanska entered into an agreement with SCC dated 18 January 2017 pursuant to which the contractor agreed to provide the design, construction, and completion of the services as required by the contract. These works are mostly instructed by the authority via a task order process, specifying the location, size, and nature of the work to be completed. This includes safety defects such as potholes, road resurfacing, gully cleansing and new highway works. There are also permitted circumstances whereby Skanska raise task orders for works themselves and then complete the works. In these instances, certification of these contractor-raised task orders always resides with a SCC member of staff. The contractual agreement specifies how task orders should be processed and the evidence required to complete them and trigger payment.

On average, there are 35-36,000 task orders raised per year. The table below represents the value of work (ordered by both the contractor and the authority) since April 2018 for the main three areas included within the AfP. It should be noted that there is a significant difference between the value of orders raised and payments made, which is an issue in itself and reported under 1.1:

April 2018 - March 2020

	Order Value
Task Order - Other	£10,625,399
Task Order - Safety Defects	£1,861,748
Task Order - Small Improvement Schemes	£798,337

Further data analysis is included within paragraph 1.1 of the report and in Appendix A.

When a task order is completed, Skanska apply for payment. The mechanism is a monthly spreadsheet called the Application for Payment (referred to as the AfP). It is a substantial document comprised of thousands of rows of task orders. Various certifying officers review the task orders and determine whether the payment is made in part or full, or not paid.

In a recent AfP, Skanska mistakenly applied for an incorrect amount concerning resurfacing work. Although £241,669 had been previously paid, Skanska incorrectly re-applied for full payment, disregarding the previous paid sum. If the SCC certifier had not identified the duplication, SCC could have paid the sum twice.

Due to the sheer size of the AfP, no previous paid amount is easily identifiable. The current system relies heavily on certifiers collating information from various systems and being able to identify any errors. The Highways team have been reviewing and working on a number of improvements to the AfP to streamline the certification process. A major factor in triggering this review was that due to the complexity of certification in comparison to the short timescale in which to complete it, there was a high proportion of task orders being paid with no review. In recent months, the improvements to the process have increased the certification compliance rate from 30% to 92% completion.

Corporate Risk Assessment

Objective

- To establish the extent of duplicate payments applied for across the three-year contract period, through analysis of submitted Application for Payment files; and
- To assess the extent to which both the authority and contractor processes are sufficiently robust to mitigate the risk of both duplicate payments being applied for and paid.

Risk

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

Inherent Risk
Assessment

Manager's Initial
Assessment

Auditor's
Assessment

High

High

Medium

Scope

The SCC Highways Team asked SWAP to carry out this audit, following an advisory report on a review of the Application for Payment process carried out by the Senior Quantity Surveyor. We began by collating all the AfP data across the three years of the contract and analysing it for duplicates. However, it was not possible to extend the analysis to include payments, due to the number of repeat payments requests, part and interim payments, and the fact that there is an inconsistent use of comments to explain where there have been changes.

A Reconciliation Tool recently developed and provided by the contractor was instead used to interrogate a sample of task orders, which were identified through the SWAP data analysis as having duplicate payment requests across multiple AfP's. Due to the absence of full supporting comments by both the contractor and the certifier it was not possible for the testing to assess whether there were any illegitimate requests for payment.

Findings and Outcomes

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

Medium

1.1 Finding and Action

Issue

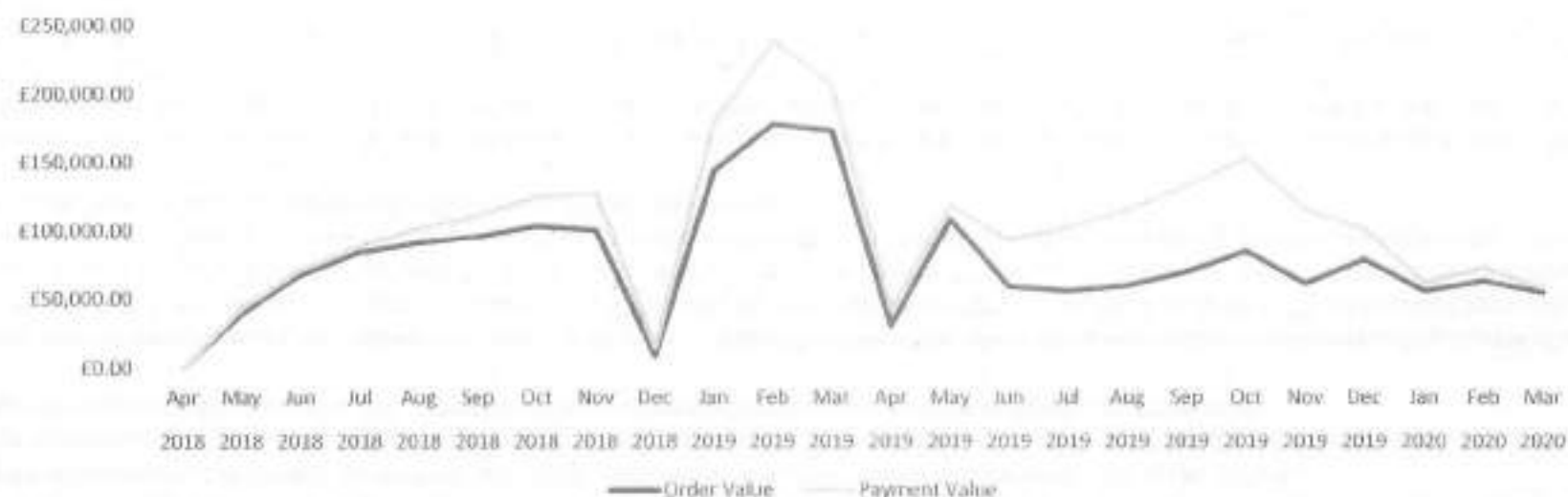
There are high differentials between the ordered and actual costs in the Application for Payment.

Findings

Our analysis of the Application for Payment data has highlighted a significant issue with differentials between the value of original task order cost and the contractor's requested payment value.

For safety defects works, which have the most significant variances, this graph represents the scale of the issue (April 2018-March 2020). Further analysis for the other major areas of the AfP is available in Appendix A of this report, which shows there are both higher and lower costs across all task order types:

Task Order Safety Defects



On average, the cost differential for Safety Defect task orders has been 32% across the period, with the highest monthly variance being 94% in August 2019. There are numerous legitimate reasons why a differential can occur and not least because of the dynamic nature of highway maintenance, which means that rectification requirements can change significantly and rapidly between an initial inspection and the works being carried out. Another prevalent issue exists specifically for surface dressing works where cost values can be substantial, but it has become common practice for task orders to be raised for a nominal £1 value only. This represents poor cost accounting practice and creates significant differentials.

Safety defect works are not valued and quoted by the contractor prior to, but at the time of the works being completed. The compensating control of a variation order, to ensure that a cost variance is properly managed and sufficiently transparent to the client, is not commonly used. This is because approximately 90% of works are subject to some degree of variance. Time and resource issues were cited as the barriers to completing a variation order in every applicable case. We also understand that the use of variation orders is not enforceable via the current contract. Therefore, addressing the root causes for why such significant variances occur from the outset is a more effective means of rectifying the issue.

As per paragraph 1.3, we have established that unrealistic job costs being submitted in task orders are due to knowledge and skills gaps across operational teams. This largely relates to use of correct measurements and interpretation of the contractor's price list. The impact on the AfP is a reduction in cost visibility for officers certifying payments.

This in turn can impact on the number of orders refused for payment and then re-applied for by the contractor, the impacts of which are further explained in paragraph 1.4.

Recommendation

Priority Score

1

We recommend that the Strategic Manager – Highways should:

- 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.

Agreed Action

- 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.

Responsible Officer

Strategic Manager – Highways / Senior Quantity Surveyor

Timescale

31 March 2021 (with implementation from 1 April 2021)

1.2 Finding and Action

Issue

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.

Findings

Having established that cost differentials are a major reason why the contractor will repeatedly reapply for payment, we reviewed examples in order to establish the impacts on the AfP certification process. This identified that a lack of consistency in the use and format of comments added to task orders, by both the contractor and the client, creates a weakness in the certification process.

The prevalent observations were:

- Absence of comments by the contractor where there is a high cost differential;
- Absence of comments by the certifying officer to explain reasons when there is a refusal to pay;
- Numerous examples of where there was a series of refusals to pay, but the task order is subsequently paid months later with no comments to explain the reason for the delay.

These instances could be addressed by mandating the set of circumstances where an explanatory comment must be added, along with an agreed format.

Other common issues observed were:

- When part payments have previously been agreed by the certifier and the contractor then applies for the balance to be paid – the contractor's comment does not consistently state the previous sum applied for or the part payment value. Comments are not consistently formatted or detailed, and so do not provide the detail required by the certifier;
- When an interim payments has been agreed for a high value task order running over an extended period – the contractor's comment does not make clear that the payment is interim and does not typically include previously paid values, which makes the certification process more protracted.

These issues increase the likelihood that a duplicate payment request could be missed and approved in error.

Recommendation

Priority Score

1

We recommend 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.

Agreed Action

- 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.

Responsible Officer	Senior Quantity Surveyor	Timescale	31 March 2021 (with implementation from 1 April 2021)
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1.3 Finding and Action

Issue

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.

Findings

For the vast majority of task orders fulfilled by the contractor there is no on-site auditing to confirm the quality of works, or accuracy of the cost submitted by them for payment. This approach places an over-reliance on the AfP certification process, which has its own known weaknesses.

In discussion with the officer responsible for auditing the contractor's work via the AfP, it was also established that many of the AfP certifiers are not responsible for raising the task orders themselves and are not always able to confirm the accuracy of measurements used by the officers who do.

The monthly audit process focuses on only a small sample of desktop reviews, as well as a small sample of task orders for which the completed works are visually inspected.

Further discussions with certifying officers highlighted instances where upon investigating a high differential between the value of the task order raised and value of payment requested, it was discovered that the original task order had been submitted with an unrealistic cost. This was either due to mismeasurement of the works required, or through an incorrect application of the contractor's price list.

Therefore, issues with the highways officer's knowledge of and interpretation of the nature of the works required and the correct rate, is a contributing factor to the differentials between the values of works raised and payment requested. Task orders with such high differentials may be refused for payment and can then enter a protracted negotiation before they are resubmitted in the next AfP, or they may be passed for payment with insufficient assurance that the works have been completed to a quality standard and charged at an accurate cost.

Recommendation

Priority Score

2

We recommend 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.

Agreed Action

This has been recognised within the Contract Management Business Case and more resource is requested (subject to financial approval). There is also a need for TO 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). Current audit activities to be re-focused on value and risk. Highways Strategic Manager to discuss with contract Auditor.

Responsible Officer

Strategic Manager – Highways

Timescale

January 2021
(following Full Council decision).

1.4 Finding and Action

Issue

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.

Findings

SCC Financial Regulations require that:

"Invoices are not authorised for payment, or payment otherwise authorised, unless the goods or services have been received to the correct price, quantity and quality".

These are the standards required from the Application for Payment (AfP) certification process.

The AfP is essentially a substantial spreadsheet, divided into four key areas which represent the main types of highway works carried out by the contractor. The areas differ in size considerably, with the most substantial relating to safety defect work.

A recent AfP included 2,435 safety defect task orders requiring certification, and this is typical of the number of this type of task order completed and requested for payment on a monthly basis.

In addition to recently completed task orders requested for payment, the AfP also contains applications for interim payments, as well as payments previously requested and rejected by the certifier. With the size of each spreadsheet and amount of data included, it is difficult if not impossible for certifiers with high volumes of task orders to track and reconcile against any previous request or part payment, to ensure that only the correct value is applied for and certified at each stage.

The AfP does not include any previous payment data and therefore, certifiers are required to manually enter the task order number into either, or both the highways management and contractor systems, in order to obtain further information to make the decision as to whether to pay. When certifiers are responsible for hundreds of task orders, this is infeasible within the seven-day window for completing the certification process.

Given the size and quality of the data within the AfP, the spreadsheet format is far from ideal. The Strategic Manager has advised that there are discussions in progress with the provider of the highways management system, and this presents an opportunity to explore whether a bolt-on payment module could be procured. Failing that, an in-house developed database similar to the version developed by the contractor for their own reconciliation purposes would deliver the improvement required.

Recommendation

Priority Score

1

We recommend 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.

Agreed Action

- 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.

Responsible Officer	Senior Quantity Surveyor	Timescale	31 March 2021 (with implementation from 1 April 2021)
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1.5 Finding and Action

Issue

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.

Findings

The highways service operates a system whereby the county highway network is divided into a series of unique reference numbers, for asset management purposes. In practice, this means that a stretch of road is divided into subsections, known as 'Link & Sections'.

When highways officers raise an order for works to be completed by the contractor, they will divide the task accordingly across the relevant Link & Sections and raise a separate task order for each. For example, resurfacing a whole road may incorporate several Link & Section numbers and officers will place an individual order for each to be resurfaced.

However, the contractor does not use Link & Section numbers and has no access to the schema by which they are allocated. Therefore, when they apply for payment, they will submit a total cost to only the first Link & Section of the road in question and the remaining lines will be charged at zero. This means that in terms of the AfP, the amount of data is unnecessarily expanded with numerous rows of zero value charges.

Through discussion with certifying officers, this issue was identified as another contributing factor which exacerbates existing difficulties with the AfP certification process. Certifying officers require further time to review each block of data relating to the highway section and then remove each zero-value charge.

The Strategic Manager has advised that there are discussions in progress with the provider of the highways management system, and this presents an opportunity to explore whether there is an alternative approach that better aligns with the contractor's process.

Recommendation

Priority Score

2

We recommend 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.

Agreed Action

- Significance of Link & Sections to be reviewed to determine usage requirements and potential for streamlining system functionality

Responsible Officer

Senior Quantity Surveyor

Timescale

31 March 2021 (with implementation from 1 April 2021)

1.6 Finding and Action

Issue

The authority's highway maintenance payment reconciliation process does not include sufficient data to be effective.

Findings

As previously explained, the contractor has recently developed a Reconciliation Tool which is essentially a spreadsheet database and is used by them to perform several data quality checks on the task orders within each AfP. The database includes every task order instance, certification outcome and associated payments from the three-year contract period. The contractor has shared this tool with the client to provide assurance of their control framework following the duplicate payment error. However, they have stated that due to the amount of data included, it is too labour-intensive for them to run a full reconciliation every month.

SCC's own reconciliation process is far less robust and is completed by the Business Support team, rather than the Highways team. This is a historic arrangement and the amount of data included is dictated by the capacity of the Business Support team who provide the reconciliation. The reconciliation itself is run every three months and includes only three months' worth of data.

Having reviewed the format of AfP and surrounding processes, as well as specific task order examples, it is clear that a three-month view will only provide partial assurance. This is the because there is a high proportion of task orders for which the ongoing application, certification and payment activity can run for up to a six-month period.

The outcome of the recommendation made under paragraph 1.4 will determine the options available for expanding this reconciliation process, so that it can provide full assurance.

Recommendation

Priority Score

2

We recommend the Strategic Manager – Highways should explore options for expanding the reconciliation process beyond the three-month dataset currently used.

Agreed Action

- 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.

Responsible Officer

Senior Quantity Surveyor

Timescale

31 March 2021 (with implementation from 1 April 2021)

1.7 Finding and Action

Issue

The Application for Payment process does not have a realistic completion timescale given the complexity of the certification process.

Findings

It is understood that there are legal compliance reasons why the timescales for certification of the AfP. However, as part of our review of the process, we observed that the contractor submits their initial application on 28th day of each month and it is sent to the SCC Commercial & Procurement Team, for onward distribution to the certifying officers.

Whilst we acknowledge that this stage of the process appears to create no delays, it appears to be a legacy arrangement that no longer adds any value.

It is arguably more important for the Highways team to have ownership of the end to end process and therefore we have recommended a review.

Recommendation

Priority Score

3

We recommend 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.

Agreed Action

This is to be reviewed as part of the review and implementation of the Contract Management Team.

Responsible Officer

Strategic Manager – Highways

Timescale

31 March 2021

Other Observations

A further issue contributing to the size and complexity of the AfP is an ongoing contract dispute with regards to the supply of before and after photographs by the contractor, as evidence of completion of the works.

This issue relates to the contractor failing to supply satisfactory photographic evidence of job completion. This occurred as a result of performance issues with certain operatives and also sub-contractors, who have failed to take photographs of completed road repairs, or the photographs have been of poor quality.

The contractor's stance is that the work has been completed and whilst evidence cannot be provided of the before and after state, the maintenance works are obvious from visual inspection.

The overall dispute is ongoing, and both the contractor and the client have made proposals for a price percentage reduction on the respective works. However, there is a lack of agreement over who should accept liability, should there be a third-party claim relating to a road section where there is no completion evidence for the repair. Therefore, the negotiations are still ongoing and the task orders for these works continuing to appear in each AfP with a line of data for each repeated request.

To illustrate the extent of this issue, the AfP for February 2020 was analysed and found to include 86 task orders that were included in at least one previous AfP due to the ongoing dispute.

The relevant task orders have continued to appear in each monthly AfP as the contractor believe they are entitled to payment and are therefore continuing to apply. This is an ongoing contractual dispute and negotiations are in progress to agree a resolution.

Appendix A

In addition to the data analysis included in Paragraph 1.1 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:

Task Orders Safety Defects

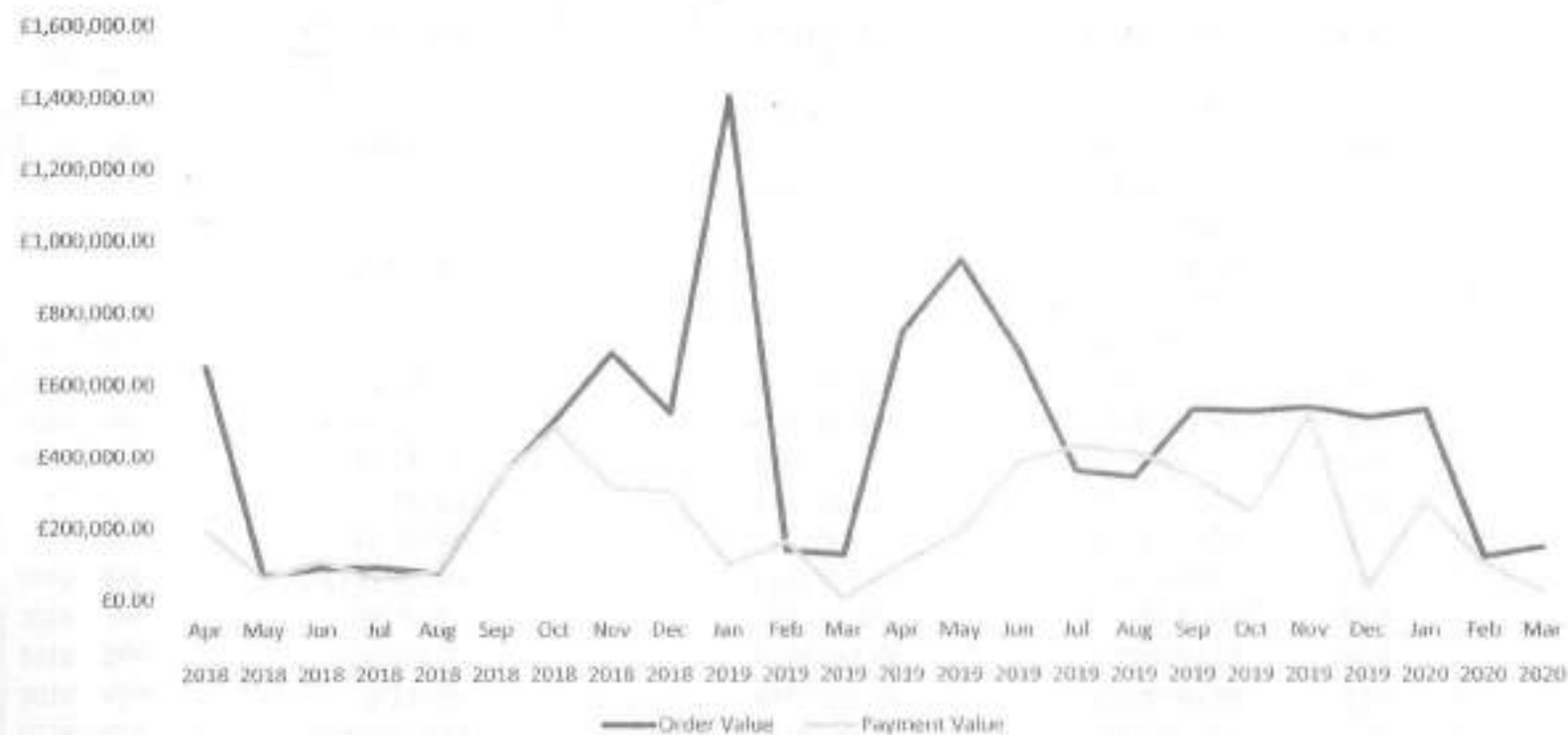
Years	Month	Order Value	Payment Value	Difference	% difference
2018	Apr	£244.37	£156.56	-£87.81	-36%
2018	May	£39,454.97	£43,413.29	£3,958.32	10%
2018	Jun	£67,552.45	£71,081.25	£3,528.80	5%
2018	Jul	£84,064.07	£88,608.51	£4,544.44	5%
2018	Aug	£90,786.81	£102,035.23	£11,248.42	12%
2018	Sep	£95,764.29	£110,864.40	£15,100.11	16%
2018	Oct	£103,482.32	£124,845.46	£21,363.14	21%
2018	Nov	£100,362.34	£126,676.83	£26,314.49	26%
2018	Dec	£8,992.25	£14,869.45	£5,877.20	65%
2019	Jan	£143,697.74	£179,318.06	£35,620.32	25%
2019	Feb	£177,246.34	£237,269.89	£60,023.55	34%
2019	Mar	£172,426.20	£205,218.05	£32,791.85	19%
2019	Apr	£30,450.60	£41,662.50	£11,211.90	37%
2019	May	£108,227.10	£117,977.16	£9,750.06	9%
2019	Jun	£58,627.52	£92,729.26	£34,101.74	58%
2019	Jul	£55,494.88	£102,205.63	£46,710.75	84%
2019	Aug	£59,172.48	£114,972.15	£55,799.67	94%
2019	Sep	£69,407.42	£132,685.70	£63,278.28	91%
2019	Oct	£84,489.91	£151,899.44	£67,409.53	80%
2019	Nov	£60,944.87	£115,367.72	£54,422.85	89%
2019	Dec	£78,349.24	£100,941.21	£22,591.97	29%
2020	Jan	£55,403.64	£61,410.80	£6,007.16	11%
2020	Feb	£62,746.38	£72,058.77	£9,312.39	15%
2020	Mar	£54,359.39	£57,653.15	£3,293.76	6%
Grand Total		£1,861,747.58	£2,465,920.47	£604,172.89	32%

This table and graph present the same data in respect of task orders within the 'Other' and 'Small Improvement Scheme' categories:

Task Orders - Other

Year	Month	Order Value	Payment Value	Difference	% difference
2018	Apr	£649,299.96	£195,144.54	-£454,155.42	-70%
2018	May	£67,457.36	£58,301.26	-£9,156.10	-14%
2018	Jun	£88,753.40	£108,878.53	£20,125.13	23%
2018	Jul	£89,478.98	£57,456.41	-£32,022.57	-36%
2018	Aug	£75,940.59	£82,407.02	£6,466.43	9%
2018	Sep	£328,030.49	£331,614.62	£3,584.13	1%
2018	Oct	£499,675.24	£478,655.78	-£21,019.46	-4%
2018	Nov	£686,157.08	£311,459.20	-£374,697.88	-55%
2018	Dec	£520,661.33	£300,196.19	-£220,465.14	-42%
2019	Jan	£1,396,899.13	£97,920.47	-£1,298,978.66	-93%
2019	Feb	£137,481.52	£162,430.12	£24,948.60	18%
2019	Mar	£125,181.40	£3,901.87	-£121,279.53	-97%
2019	Apr	£743,364.88	£103,042.74	-£640,322.14	-86%
2019	May	£942,796.32	£186,861.07	-£755,935.25	-80%
2019	Jun	£690,372.76	£381,253.94	-£309,118.82	-45%
2019	Jul	£357,268.63	£425,861.26	£68,592.63	19%
2019	Aug	£340,116.39	£410,742.38	£70,625.99	21%
2019	Sep	£528,614.25	£340,421.37	-£188,192.88	-36%
2019	Oct	£522,062.20	£244,489.45	-£277,572.75	-53%
2019	Nov	£534,845.88	£513,386.89	-£21,458.99	-4%
2019	Dec	£506,561.99	£37,328.91	-£469,233.08	-93%
2020	Jan	£526,850.21	£272,773.75	-£254,076.46	-48%
2020	Feb	£120,681.24	£99,174.65	-£21,506.59	-18%
2020	Mar	£146,847.42	£27,775.70	-£119,071.72	-81%
Total		£10,625,398.65	£5,231,478.12	-£5,393,920.53	-51%

Task Order Other



Task Orders - Small Improvement Scheme

Years	Month	Order Value	Payment Value	Difference	% difference
2018	Apr	£280,000.00	£84,452.30	£195,547.70	-70%
2018	Sep	£750.00	£91,120.24	£90,370.24	12049%
2018	Oct	£750.00	£91,120.24	£90,370.24	12049%
2018	Nov	£115,000.00	£165,184.29	£50,184.29	44%
2019	Mar	£115,000.00	£165,843.38	£50,843.38	44%
2019	Apr	£115,000.00	-£165,184.29	£280,184.29	-244%
2019	Oct	£85,918.61	£110,000.00	£24,081.39	28%
2020	Feb	£85,918.61	£119,564.70	£33,646.09	39%
Total		£798,337.22	£662,100.86	£136,236.36	-17%

Task Order SIS

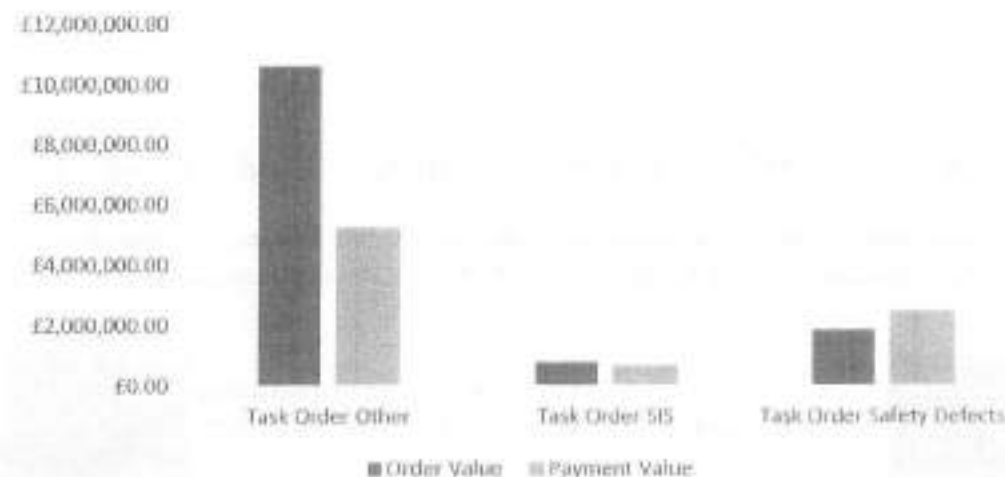


Finally, this is a summary of the differentials for all task order types:

April 2018 - March 2020

	Order Value	Payment Value	Difference	% Difference
Task Order Other	£10,625,398.65	£5,231,478.12	£5,393,920.53	-51%
Task Order SIS	£798,337.22	£662,100.86	-£136,236.36	-17%
Task Order Safety Defects	£1,861,747.58	£2,465,920.47	£604,172.89	32%

April 2018 - March 2020 Total



Audit Framework and Definitions

Definition of Corporate Risks

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 Recommendations

In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation 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.

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