

7. INVESTIGATION OF COMPLAINT

The Audit Committee considered a report (copies of which had been circulated) by the Internal Audit Manager informing the committee of the outcome of an investigation into a complaint received from a director of a manufacturer of doors, windows and conservatories, based in Houston Industrial Estate, Livingston.

The Internal Audit Manager advised that, on receipt of the letter of complaint (copy of which was appended to the report), the Head of Housing and Customer Services had asked Internal Audit to conduct an investigation. The investigation by Internal Audit had involved a number of meetings with representatives from the company that had made the complaint, interviews with council officers named in the complaint, and detailed audit work on contracts let by property Services and Building Services.

The Internal Audit Manager had concluded that, for the reasons given in the report, it would be completely inappropriate to interview the officer assumed to be the subject of the allegations made.

In relation to Building Services Tendering Procedures, the Internal Audit Manager advised that, as part of the audit work, Internal Audit had reviewed the arrangements in place within Building Services for procuring replacement doors and windows. This had identified a major breach of the council's Standing Orders for Contracts in relation to the procurement of replacement doors and windows. A Memorandum dated 31st July 2009 covering these matters was appended to the report.

The Internal Audit Manager concluded that no evidence of corruption had been identified in relation to the letter of contracts by either Property Services or Building Services. However, Internal Audit had identified a number of serious areas of non-compliance by Building Services with the council's Standing Orders for contracts, and control in this area was considered to be poor.

An action plan had been prepared by the Internal Audit Unit (copies of which had been circulated) detailing the findings and recommendations made, grading their risk, and including management comment. The implementation of the recommendations made within the report would help improve control.

The Head of Housing and Building Services responded to questions raised by members of the Committee, full details of which would not be recorded in the minute given that it involved the likely disclosure of exempt information. The Head of Housing and Building Services confirmed that the service had accepted all recommendations made by the Internal Audit Unit.

The Audit Committee was invited to note the terms of the report.

Decisions

1. To note the terms of the report.
2. To note, in particular, that the recommendations set out in the Action Plan, which had been agreed with the Head of Housing and Building Services, were being implemented and would help improve control.
3. To agree that progress against the Action Plan be reported to a future meeting of the Committee.