

ABCD

Argyll & Bute Council

Argyll & Bute Council
Internal Audit – PECOS
eProcurement Report

KPMG LLP

26 February 2008

This report contains 4 pages

jc

1 Executive Summary

1.1 The review of the PECOS eProcurement system used by Argyll & Bute Council indicated that while the implementation of the system appears satisfactory there are still some issues which are causing resistance to the adoption of the system.

1.2 The issues identified during our review are listed below:

- Current reporting functionality within the system has proved inadequate. The system as specified by the Scottish Executive was supplied with fifteen standard reports; these have not been suitable to cover all the needs of the Council. Alternative solutions are currently being sought.
- There is still some resistance by staff to adopt the PECOS system. This is due to a number of factors, including perceived problems with the system, some of which have already been identified by the eProcurement Team. Additionally some of the issues identified by users have proved to be due to misunderstanding of the operation of the system.
- The savings identified in the original business case have yet to be achieved. There have been some successes such as within Fleet Management; however there have been delays in getting the efficiencies out of the system due to the demands of the McClelland Report recommendations.
- The PRINCE2 project management methodology was adopted for the initial deployment of PECOS. This has not been adhered to since the initial phase, project documentation has not been updated, project board meetings have ceased apart from a weekly meeting held between the eProcurement Project Manager and the Head of ICT & Financial Services. The application of PRINCE2 to the ongoing deployment of PECOS would ensure that the system is implemented with the appropriate level of control and rigour.

1.3 Below is a summary table indicating an assessment of the Council's eProcurement system against the specific objectives of the audit.

2 Management Letter Points

Action Plan Number	Paragraph	Grade	Weakness Identified	Management Response/Agreed Action	Responsible Officer	Date of Implementation
1	3.1.4	Material	<p>There is currently not a regular project board meeting in relation to the eProcurement Project.</p> <p>There is a risk that the project does not receive the appropriate project governance, and that the level of quality and business benefits expected are not achieved.</p> <p>We would recommend that project board meetings are convened at regular intervals.</p>	<p>Shared Services and Procurement Board now meets at regular intervals and produces quarterly reports to SMT</p>	Head of ICT & Financial Services	Complete 19 November 2007
2	3.1.4 & 3.1.18	Material	<p>Project Documentation has not been maintained and has not kept up with the phased deployment of the PECOS system.</p> <p>There is a risk that secondary phases of the PECOS implementation are not controlled with the same level of governance, quality and rigour.</p>	<p>Report made to Shared Services & Procurement Board 18 Jan 2008 of roll-out plans. Reports will be made to future board meetings as required.</p> <p>In May 19% of all invoices were processed via Pecos up from 13% in April as a result of further roll out to schools, and</p>	Exchequer Services Manager	Complete

Argyll & Bute Council
Internal Audit – PECOS eProcurement Report
KPMG LLP
26 February 2008

Action Plan Number	Paragraph	Grade	Weakness Identified	Management Response/Agreed Action	Responsible Officer	Date of Implementation
			We recommend that each phase of the PECOS deployment should continue to use the PRINCE2 methodology which was applied to the initial deployment of the system.	to NHS staff for aids and adaptation orders.		
3	3.1.5	Material	The current reporting tools within the system have proved inadequate. This has caused issues for staff trying to trace errors within the system, this has caused particular problems at year end. There is a risk that errors go undetected in the system. We would recommend that a solution be sought to allow the level of reporting required by end users.	Reports of unmatched invoices are now being produced regularly. General requirement for reports has been communicated to Scottish Procurement Directorate	Exchequer Services Manager	Complete