

Report for: Corporate Committee – 15 September 2022

Title: 2020/21 Procurement Internal Audit Update

Report authorised by: Jon Warlow, Director of Finance

Lead Officer: Barry Phelps, Head of Strategic Procurement

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non-Key Decision

1. Describe the issue under consideration

This report provides an update on the actions in relation to audits undertaken as part of the 2020/21 audit plan which included three audits focused on risk areas directly related to contracts and procurement. The areas audited were: -

- Arrangements for Letting Contracts.
- Contract Management; and
- Management and Use of Waivers.

All three audit areas reviewed as part of the 2020/21 audit plan have been assigned “Limited” Assurance.

2. Cabinet Member Introduction

Not applicable.

3. Recommendations

To note the updates on the action items from the 2020/2021 internal audits shown in Appendix 1.

4. Reasons for decision

At the last Corporate Committee meeting on the 21 July 2022, it was suggested that the Head of Procurement be invited to the next meeting to give an update on the status of procurement recommendations.

5. Alternative options considered

Not applicable.

6. Background information

- 6.1** Many of the issues raised by the audit will be addressed with the implementation of the new procurement technology and adoption of a new Procurement operating model.

6.2 Procurement technology

The findings of the audit report are integrated into the system requirements with the intention of the new technology to provide the necessary controls and notifications.

The solution is to be fully compliant with the legislative processes and notifications with a comprehensive contract management and performance management capability with continuing management/monitoring of awarded commitment.

The implementation of the new technology is scheduled to be make it available for use from December 2023

6.3 Procurement operating model

A new operating model for Procurement will be developed, which will respond to issues raised in audit reports and, importantly, will over a planned period ensure that the Council's procurement practices represent best practice and give best value for money. For example, amongst the considerations for the operating model are changes to the threshold at which Strategic Procurement will lead procurements eliminating some of the risks identified by the audit.

7. Contribution to strategic outcomes

Not applicable.

8. Statutory Officer Comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

8.1 Finance

The cost of implementing the new procurement technology solution has been budgeted for within the existing ERP Improvement capital scheme.

The financial implications of implementing a new operating model for Procurement are still to be worked through and any request for additional resources will be presented to the relevant Cabinet meeting at that time.

8.2 Strategic Procurement

Strategic Procurement prepared this report and are working with all services undertaking procurements to ensure the issues raised are not repeated pending the introduction of changes referred to in section 6.

8.3 Legal

The Head of Legal and Governance has been consulted in the preparation of this report and advises that there are no direct legal implications arising from the report.

8.4 Equality

Not applicable.

9 Use of Appendices

Appendix 1 provides an update on the action items

10. Local Government (Access to Information) Act 1985

Not applicable.

