

# Procurement Audit Update

Deborah Bull – Head of Procurement

17<sup>th</sup> October 2024

# Introduction

In May 2024 the Procurement Team was subject to audit which produced a limited assurance opinion. The scope of the Audit was to review and assess:



- Readiness and preparation for the new legislation - expected to be introduced in 2024;
- Adherence to the Council's own rules and regulations (Constitution) including Records of Officer Decisions;
- The efficiency and effectiveness of the Council's procurement processes; and
- Decision-making throughout the procurement process

*\*A full copy of the audit report is provided a separate document to this presentation*

# Context

- The Procurement Team has been subject to several management changes and a high level of turnover of officers.
- Vacancies have been high
- Previous audit reports have provided limited assurance opinions
- Public Sector procurement is regulated by the Public Contract Regulations 2015 (PCR2015)
- New procurement legislation will be introduced, in the form of The Procurement Act 2023 (the Act) and the Procurement (Transparency) Regulations 2024 (the Regulations) from the 24<sup>th</sup> February 2025
- The Procurement Team have been making significant progress in terms of addressing previous audit actions and improving practice. It was agreed that this audit would be needed to assess our readiness for the changes in legislation and how the organisation addresses it's procurement activity

# Key Conclusions

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	The service recognised that there were control weaknesses and implemented a new end to end procurement process approximately six months ago. This has resulted in notable improvements within the Procurement Team, however, there remain gaps in the information held in Atamis relating to contracts which implies that services are not engaging with Procurement as required by the Council's Constitution, for contracts over £25,000.
	The Procurement Strategy and other procurement related policies and procedures have not been updated for a significant period of time and refers to incorrect legislation. This was fully recognised by the service prior to audit and there are plans to update the documentation by September 2024.
	Reliance has been placed on management knowledge across service areas to ensure arrangements can be made in the event of supplier failure. Establishing and documenting contingency plans ensures that the service can prioritise and plan for the most significant risks, develop response plans, and maintain clear lines of communication throughout the disruption

# Findings, Actions and Progress

## **Finding 1** – Records Missing in Atamis and Closer Working with Service Areas

### **Actions (due 30/09/2024):**

- Procurement Business Partners will be established to raise awareness of procurement rules and regulations within the service areas.
- Reports will be created that identify non-compliant spend, these will be shared by the business partners with service areas to identify where action needs to be taken.
- Awareness and training will include the storage of records. Where noncompliance is identified this will continue to be escalated to senior management and training provided.

### **Progress:**

- Business Partners have been established and the approach is embedding well. Relationships are, in general) stronger with services areas. **Complete**.
- Reports are in their initial phases of development. Work is ongoing to improve the quality of our spend data so that meaningful reports can be produced. **Due date under review, likely to be extended to the New Year.**
- Training for the organisation is being designed and will be rolled out in the autumn this includes expectations around contract storage. **Complete**

# Finding 1 – Additional Actions

To support the delivery of Finding 1 the following activity is being undertaken. This will have a longer delivery time but will put the Council in robust and enhanced position in the future.

- Introduction of DocuSign for contract/agreement signature, anticipated completion by the New Year.
- Maximising SharePoint and Power BI:
  - Explore creating a centralised storage facility for contracts and associate documentation
  - Explore the use of Power BI to create real time reports and dashboardsInitial phase complete by spring 2025
- A working group has been established to explore how we can improve the accuracy of our spend data in respect of contracted/non-contracted spend. They are specifically looking at:
  - Interfaces between systems and options as to how we get the best data out
  - The process' that officers undertake to request Purchase Orders (POs) to ensure that we are putting in good quality data to get good quality data out.
  - How spend data is managed outside of Oracle and what we need to do be able to effectively report any relevant information.

# Finding 1 – Additional Actions

## Progress:

- Work is underway to establish the benefits of introducing DocuSign (including any financial savings, likely to be limited, that could be achieved) as well as the best way to introduce it. It is hoped that we can get agreement to proceed during October.
- The Procurement Team are working on their SharePoint area to explore its functionality, this will lead to the introduction of Power BI so that we can provide dashboards and reporting. Learning from this will then be taken forward to establish what opportunities/challenges there will be in creating a centralised storage facility and what support may be needed.
- Improving the accuracy of our spend data and reporting is proving slightly more challenging than we had hoped. There are a number of data sources and processes that need to be looked at as part of that work. The team however are making slow progress, the next step will be to summarise where we are, what the benefits and challenges are, to create a plan to move things forward. The initial phase should be complete by November 2024, it is at this point we will agree timescales to move the work forward.

# Findings, Actions and Progress

## **Finding 2 – Procurement Strategy**

### **Action (due 30.09.2024):**

- The new Strategy Document is in draft and due to be completed by the end of July 2024 and published by 1st September 2024. All other procurement related documentation will also be updated by this date and communicated to all relevant staff.

### **Progress:**

- The strategy has been drafted (it will cover the next five years) and is now being refined before being sent to our Communications team for review.
- There is a delay as during drafting there became the need to ensure that:
  - Consideration had been given to the Council's new Risk Management Policy
  - That the content is reflective of changes in legislation, our process' and updated procurement policy information
- A full draft version will be available during October and will form the basis of the activities at the Procurement Team's Away Day.

**Anticipated competition date 30/11/2024**



# Findings, Actions and Progress

## **Finding 3** – Procedures in the event of supplier failure

### **Action (30/09/2024):**

- Processes will be reviewed to ensure that service areas are aware of the need to include procedures to mitigate risk in the event of supplier failure

### **Progress:**

- This action was passed to the Emergency Planning, Resilience and Response Specialists (EPRR) for inclusion in relevant Business Continuity Plans
- The EPRR team will include supplier/market failure as a core consideration of this year's business continuity planning across services, including appropriate scoring to ensure provision is made alongside other key criteria. Emphasis will also be placed on testing this within Services.
- Furthermore, SWAP and Wiltshire Council are currently scoping an audit around business continuity across the council, with failure such as this being a part of the examination to determine interdependencies between services and their partners. This will be presented to Audit and Governance in 2025