

REVIEW OF PROCUREMENT

Report By: DIRECTOR OF RESOURCES

Wards Affected

County-wide.

Purpose

1. To report to the Audit and Corporate Governance Committee on the Review of Procurement undertaken by the Audit Commission.

Financial Implications

2. These are outlined in the report.

RECOMMENDATION

THAT the Audit and Corporate Governance Committee notes and comments on the Audit Commission's review of procurement.

Reasons

3. Procurement is an important activity with close links to the delivery of effective services and value for money. In 2008 the Audit Commission was requested to carry out a specific audit on procurement with an emphasis on the work that had already commenced to review the partnership arrangement with AMEY.

Considerations

4. The audit consisted of two parts;-
 - i) a management overview of the Council's approach to procurement, looking in particular at governance arrangements, the guidance provided to managers procuring goods and services, and the extent to which this is followed; and
 - ii) an overview of the process for developing the partnership arrangement with Amey Wye Valley and with Amey Owen Williams.
5. The audit was carried out during October and November 2008 and included;-
 - i) A review of strategic procurement documents;
 - ii) Interviews with procurement officers;
 - iii) Interviews with departmental procurement/commissioning officers; and
 - iv) Interviews with lead councillors and officers with responsibility for procurement
6. The timing of the audit work has helped assist the project to develop the partnership arrangements with Amey. At the time of the report the negotiations have not been

concluded and the Audit Commission recognizes that the Council's negotiations have moved forward significantly from the position in October and November. The report acknowledges that the Council immediately addressed four key issues to enable the service delivery review to progress. These details are included in the report's action plan.

7. The audit has helped further develop overall procurement improvements in the Council and the discussions gave rise to a series of recommendations that are included in the action plan contained in appendix 2 of the report.
8. The Audit Opinion Plan will be presented by the Audit Commission's Audit Manager.

Risk Management

9. Procurement is a significant and far reaching area of Council activity. The appropriate training and skill level of staff engaged in this activity is an important mitigation of any risk.

BACKGROUND PAPERS

None