

# FAREHAM

## BOROUGH COUNCIL

### Report to Audit and Governance Committee

**Date:** 23 March 2020

**Report of:** Head of Finance and Audit and Head of Democratic Services

**Subject:** FIRST YEAR REVIEW OF THE NEW PROCUREMENT AND CONTACT PROCEDURE RULES

#### SUMMARY

In October 2018 the Council adopted a new set of Procurement and Contract Procedure Rules, which sought to change the Council's approach to buying goods and services against 7 Procurement Principles:

1. *Be clear about what you want and why you need it*
2. *Be able to justify your thinking to the person on the street who pays council tax*
3. *Pull in the Experts early*
4. *Anything over the european procurement limit = must go out tender (non-negotiable)*
5. *Get the best deal for the Council you can*
6. *Engage with local Small and Medium Enterprises (SMEs)*
7. *Buyer beware*

A presentation will be given to the Committee at the meeting which will cover:

- The work carried out to roll out the new process across the Council.
- The current status of the Council's Supplier base.
- The results of the first annual audit of compliance with the new policy including:
  - Cost Centre Managers' awareness and justification for spend with a sample of suppliers.
  - Cost Centre Manager's' approach to testing the market and obtaining value for money.
  - A review of the route to market options that Managers have been choosing.

#### RECOMMENDATION

It is RECOMMENDED that the Committee notes the findings from the first-year review of the new Procurement and Contract Procedure Rules, as a source of assurance on the effectiveness of the procurement internal controls that have been adopted.

**Background Papers:** Internal Audit Annual Procurement audit working papers

**Reference Papers:**

Report to the Audit and Governance Committee 23/07/2018 – Procurement and Contract Procedure Rules

**Enquiries:**

For further information on this report please contact Elaine Hammell (Ext 4344) or Leigh Usher (Ext 4553).