

# FAREHAM

## BOROUGH COUNCIL

### Report to Audit and Governance Committee

**Date:** 19 October 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*

In January 2020, officers completed the first annual review of how working to the new rules was going; as a source of assurance to the organisation. A presentation on the findings of the review was prepared for the March meeting of the Council which unfortunately had to be cancelled due to the country going into lock down.

The presentation is now attached to this report and opportunity will be given for members to discuss the contents at this meeting. The presentation covers the following:

- The work carried out to roll out the new process across the Council.
- The status of the Council's Supplier base at the time of the review.
- 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.

**Appendix A** – Presentation on the Findings from the first annual review of the Procurement and Contract Procedure Rules.

**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).