

Internal Audit Report Procurement 2023/24

Draft report: 4 July 2024

Final report: 19 July 2024

Last audited: November 2020 (Satisfactory assurance opinion)

Audit Objective

The procurement processes are written and adhered to ensuring that the process is transparent, adequate resources are in place and procurement is adequately monitored.

Assurance Opinion

Number of Actions

Key Risks Reviewed

Substantial

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Priority	Joint	South	Vale	Reference
Priority 1	-	-	-	-
Priority 2	-	-	-	-
Priority 3	1	-	-	1
Total	1	-	-	Appendix 1

- Lack of procurement process may result in the councils not achieving value for money.
- Failure to comply with the UK threshold could risk procurement contracts being legally challenged, resulting in the councils' re-tendering and potential financial loss and reputational damage.
- Not publishing contract data required by the Local Government Transparency Code 2015 may adversely impact the councils' reputation.

The audit scope included:

Objective	Audit Scope
1 Strategy, policies, and procedures	<ul style="list-style-type: none"> • Appropriate strategy and policies are in place, which are in accordance with relevant legislation and are being adhered to. • Comprehensive procedures, which supports the strategy, are in place, regularly reviewed, updated and available to all officers in the process.
2 Resources	<ul style="list-style-type: none"> • Appropriate resources are in place to effectively oversight the councils' procurement process. • Roles and responsibilities are clearly defined to ensure that all officers involved in the procurement process is aware of their duties.
3 Process	<ul style="list-style-type: none"> • Renewals are managed are processed in appropriately and in a timely manner. • Amendments and cancellations are processed in appropriately and in a timely manner.
4 Framework	<ul style="list-style-type: none"> • An adequate procurement framework allowing to the councils to procure quality and capable contractors.
5 Monitoring	<ul style="list-style-type: none"> • Procurement is reported and monitored on a regular basis. • Procurement details are published on the website, in line with the Local Government Transparency Code 2015.

Key Findings		
Objective	Audit Scope	
1	Strategy, policies, and procedures	<ul style="list-style-type: none"> • South and Vale procurement strategy 2021-2025 is available on Jarvis, up to date and appropriately approved by Cabinet. • Procurement procedures and templates, such as producing specification and evaluation guidance notes, procurement management plan, are in place and available to all officers via Jarvis.
2	Resources	<ul style="list-style-type: none"> • The councils have an adequately resourced procurement team, which contact details are available to service areas on Jarvis. Service teams are also provided with service level details for when the procurement team respond to procurement activities. • Service areas are provided with sufficient knowledge for their role in the procurement process, as appropriate training and guidance are provided.
3	Process	<ul style="list-style-type: none"> • From our review of a sample of ten (three joint, four South and three Vale) active contracts, we validated that the procurement process undertaken was in line with council procurement procedure rules (part of the Constitution) and legislative regulations. • As part of the levelling up initiative, the Department of for Levelling Up Housing and Communities provide the councils UK Shared Prosperity Fund (UKSPF) to undertake projects for increasing people’s skill and local businesses. From our review of five (two joint, one South and one Vale) active contracts for UKSPF projects, and we are satisfied that the council procurement process was followed ensuring that funding was appropriately spent.
4	Framework	<ul style="list-style-type: none"> • South and Vale do not have procurement frameworks in place but instead use a variety of Government approved frameworks. Other procurement frameworks are only used if approved by the councils’ legal service. • The procurement framework page on Jarvis exists but guidance is not available.
5	Monitoring	<ul style="list-style-type: none"> • The joint contracts register is on Jarvis and on a quarterly basis, as per the Transparency Code 2015, a limited version, i.e. reference number, agreement title, responsible department, procurement type, supplier name and details, and start and end date of the contract is uploaded on the councils’ websites for both internal and external use. Both South and Vale websites are compliant with the requirements of code. • It is the responsibility of service teams to ensure the information on the contracts register (on Jarvis) is complete and accurate. In the latest procurement management plan (updated in May 2024) a section was added on updating the contracts register. We found a number of contracts where information is missing on the register (e.g. contract end date, responsible officer).

3.2

Agenda Item 9