



A review of Council procedures relevant to the employment of contractors and consultants

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Overview

- A “cradle to grave” review of the procurement and management of the Technical Consultancy Services Framework contract comparing against relevant policies and procurement rules
- No evidence of wrongdoing by any officer or interim member of staff was discovered
- This conclusion is based upon the information that was provided to Internal Audit during the course of the review
- As a consequence of the original lead officer and other key officers having left the Council, in many instances there was a lack of documentary evidence for review and analysis

Overall Conclusion

- The review identified that the arrangements in place at the time of the review did not demonstrate transparency or enable a conclusion to be reached about achieving value for money. A number of recommendations have been made to address this.
- Internal Audit have worked with relevant officers across the Council to address the issues identified.
- Immediate prompt action has been taken by officers to resolve these issues.

Strengths

- Contract specification followed the standard CBC format covering
 - Sustainability, H&S, and Equality and Diversity
 - Financial stability
 - Technical ability to deliver
 - Capacity to deliver
 - References for similar work elsewhere
- Suppliers were taken from the Government Procurement Scheme (GPS), an executive agency of the Cabinet Office
 - Overall priority to provide procurement savings to public sector
 - Essentially buys services in bulk using specialised procurement skills to get most cost-effective price possible

Learning points 1

- Procurement records and documentation were not maintained and retained by the primary service area (Assets) leading to an inability to demonstrate in a transparent manner that the **steps prior to letting the contract** and **contract management** were robust and to enable a conclusion about achieving value for money to be reached.
- Overall governance, budget management , and contract management of the framework agreement was impaired. This may have led to poor value for money through a lack of general oversight and joined up approach i.e. Assets and Housing, and individual projects.
- No completed declaration of interests forms were made available during the course of the review. However it was noted that potential conflicts of interest had been declared by interim managers associated with the framework for other projects (Joint Venture Working Group). The requirements for interim staff to make declarations of interests is unclear.

Learning Points 2

- The procurement exercise was undertaken within a very short time frame, with a start date of 5 November 2012 and submission return date of 30 November 2012. Only 2 suppliers submitted bids. The short timescales may have excluded potential suppliers but this can only be conjecture.
- The adequacy and relevance of the tender specification in terms of value of money could not be determined as no anticipated list of call off projects was available to measure against.

Management Actions

- Immediate action has already been taken to address the issues identified as detailed below.

Assets

- Governance arrangements have already been improved and will continue to be so for life of the contract with the main focus ensuring that a single point of accountability and responsibility is put in place.
- Contract arrangements will be reviewed.
- In future, adequate Procurement records and documentation will be maintained and retained by the primary service area (Assets)
- Tender specifications and evaluations will be clearly linked to business cases and steps prior to letting of future contracts to ensure that the original requirements of the exercise will be measured and monitored.
- Declaration of interests forms will be completed and reviewed by senior management for all officers involved or participating in the Technical Services Framework contract.

Management Actions

Council-wide monitoring and oversight of procurement exercises

- Effective Council-wide oversight and monitoring of procurement exercises will be facilitated by the introduction of a e-procurement and contract management tool that will provide automated governance and adequate audit trails.
- The Procurement Team will facilitate training and development for officers participating in procurement exercises throughout the Council to ensure that appropriate timescales are considered as part of all tender exercises.
- Consideration will be given to updating Section 4 of the 'Guidance on the Code of Conduct for Officers' document to incorporate declaration of interests requirements for interim staff.

Summary

The review found:

- No evidence of wrongdoing by any officer or interim member of staff was discovered.
- A number of areas of improvements (learning points) were identified.
- Immediate management has already been taken.