

NORTH YORKSHIRE FIRE AND RESCUE AUTHORITY

Fire Audit Committee

Report of the Head of Assets

22nd July 2021

UPDATE ON PROCUREMENT AUDIT

1.0 Purpose of Report

- 1.1 To provide the Committee with an update on the action plan for addressing the procurement audit findings.

2.0 Introduction

In 2020, the Service was audited and found to have weaknesses in its procurement compliance. The audit provided limited assurance and whilst there was some evidence to demonstrate that contracts with significant organisational value and/or risk were properly procured, a material amount of expenditure of lesser value could not be identified as being associated with a compliant arrangements.

In addition to compliance risks, it also makes it difficult to clearly demonstrate that value for money is being achieved across all procurement activity.

The Service agreed an action plan to address these issues which is set out in the Veritau audit report. The actions within the plan remain fit for purpose, but delivery of the action plan hinges on the ability to increase resources and therefore capacity around procurement support and subsequently introduce and manage the processes and activity within the overarching governance structure.

3.0 Current Activity

Whilst action has been taken to address the issues, the fundamental problem is an absence of resources to address procurement for the Service, leading to a lack of capacity to progress the action plan.

It was agreed at the end of March 2021 that on-going day to day support for procurement activity due in 2021/22 would continue to be provided by the NYCC procurement team. The NYCC arrangement is now in place.

To address the afore mentioned lack of capacity, appointment of an additional officer(s) to work within the enable procurement team has also been agreed. This resource will work specifically to address delivery of the action plan. This resource will work for the enableNY Procurement Manager (who was confirmed in role from 1st June 2021) and is in addition to the NYCC support.

Efforts to secure the additional resource are on-going. Until a resource is secured, it will not be possible to fully address the plan however, the Head of Assets is continuing to raise awareness for budget holders of the need to ensure the contracts which are in place are up to date and that any new expenditure is undertaken through compliant routes with the assistance of NYCC.

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Whilst the overall action plan remains suitable to address the assurance shortfalls, it is anticipated that a dedicated procurement resource may introduce additional measures beyond those outlined in the plan. These may include (but not be limited to):

- Better procurement planning and forecasting
- Assurance monitoring through dashboards and KPIs
- Better use of online portals and improved day to day monitoring of compliance and value for money
- Improved oversight and transparency of buying arrangements
- Improved support for budget holders

4.0 Next Steps and Further Reporting.

The brief for the additional resources has been completed and the enableNY Procurement Manager is working with the Head of Finance and the Head of Assets to develop a suitable role profile(s) to be able to recruit the fixed term resource. This work is almost complete.

Once in place, that resource will be tasked with delivery of the necessary changes set out in the action plan, and with aligning procurement processes across fire and police through enableNY to ensure standardisation. Governance of this area will fall under the Strategic Commercial Board and align with governance processes agreed with the joint Executive.

Veritau are providing on-going monitoring of actions and have agreed in principle to a follow up audit. Current thinking is that this should take place around six months after the additional resource commences activity to allow time for some progress to be made, but still leave enough time to advise if the direction of travel is not suitable.

5.0 Recommendation

The Audit Committee are asked to note the position. Given progress to date has been hampered, it is proposed that a further update in three months is provided.

SIMON GARNETT-SPENCE

Head of Assets

enableNY for an on behalf of North Yorkshire Fire and Rescue Service

19th July 2021