

MAIDSTONE BOROUGH COUNCIL

AUDIT COMMITTEE

19th SEPTEMBER 2011

**REPORT OF ASSISTANT DIRECTOR OF ENVIRONMENT AND
REGULATORY SERVICES**

Report prepared by Stephen Trigg

1. AMENDMENT OF THE CONTRACT PROCEDURE RULES

1.1 Issue for Decision

1.1.1 To consider amendments to the Contract Procedure Rules arising out of changes to UK legislation, a review of purchasing procedures for the acquisition of Council materials, services and works and an update of related guidance documentation.

1.2 Recommendation of the Assistant Director of Environment and Regulatory Services.

1.2.1 That the Audit Committee recommend to the Council that the Contract Procedure Rules within the Councils Constitution are amended in accordance with the proposed wording detailed within Appendix A attached to this report.

1.2.2 That subject to further review in 2 years time, existing financial thresholds for the purpose of obtaining the appropriate number of quotations and tenders for the provision of Council required materials, services and works are retained at the existing levels.

1.2.3 That appropriate amendments are made to the commentary and advice for Council officers contained within the Councils Purchasing Guide.

1.2.4 That the Audit Committee request that the Standards Committee evaluate the proposed changes to the Contract Procedure Rules prior to consideration by the Council.

1.3 Reasons for Recommendation

- 1.3.1 The contract procedure rules state that they should be reviewed and updated on a regular basis.
- 1.3.2 The Audit Committee has previously been advised that a review was underway. A working group consisting of representatives of Property and Procurement, the Head of the Audit Partnership, Head of Finance and Customer Services, Head of Democratic Services and Head of Legal Services was established and a comprehensive review has now taken place. The findings showed that the financial thresholds for receipt of quotations and tenders established two years ago are consistent with the majority of the borough and district councils in Kent. The Council's financial spend should continue to be reviewed for anomalies and adverse trends by the Procurement team and that the existing financial thresholds are maintained at the current levels subject to a further review in 2 years time.
- 1.3.3 Recent changes to the Council's senior management require the updating of purchasing procedures contained within the Council's Purchasing guide. The proposed amendments have also been agreed by the working group mentioned above.
- 1.3.4 The opportunity was also taken to correct ambiguities and other drafting irregularities that existed within the Contract Procedure Rules and associated guidance documents.

1.4 Alternative Action and why not Recommended

- 1.4.1 The Contract Procedure Rules and associated guidance documentation could remain unchanged. This would however serve no useful purpose. Leaving out of date content within the constitution is misleading, changes within the law of the United Kingdom in respect of acts of bribery, as well as reorganisation of the Councils management structure and delegated responsibilities require the Councils documents and procedures to be kept up to date and relevant.

1.5 Impact on Corporate Objectives

- 1.5.1 The recommendation supports a key value of the Council to maintain integrity and high standards of corporate governance.

1.6 Risk Management

- 1.6.1 There are potential risks with officers not complying with the revisions to the purchasing processes. This will be mitigated by a series of information updates, training where appropriate and the issue of the revised and updated Purchasing guide for officers.

1.7 Other Implications

1.7.1

- 1. Financial
- 2. Staffing
- 3. Legal
- 4. Equality Impact Needs Assessment
- 5. Environmental/Sustainable Development
- 6. Community Safety
- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management

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1.7.2 Legal - If the recommendations are accepted the Constitution will require amendment.

1.7.3 Procurement – The Purchasing Guide for officers will be amended in accordance with the agreed revisions to the Contract procedure Rules.

1.8 Relevant Documents

1.8.1 Appendices

Appendix A attached.

1.8.2 Background Documents

The Constitution, and the Purchasing Guide for Officers.

IS THIS A KEY DECISION REPORT?

Yes

No X

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because:

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Wards/Parishes affected:

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