

MAIDSTONE BOROUGH COUNCIL

COUNCIL

14 DECEMBER 2011

REPORT OF THE AUDIT COMMITTEE HELD ON 19 SEPTEMBER 2011

1. AMENDMENT OF THE CONTRACT PROCEDURE RULES

1.1 The Audit Committee, at its meeting held on 19 September 2011, considered a report by the Assistant Director of Environment and Regulatory Services setting out suggested 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. A copy of the report is attached.

1.2 It was noted that:-

- There was a clause within the Contract Procedure Rules stating that the Rules should be reviewed and updated on a regular basis. A Working Group comprising representatives of the Property and Procurement Team, the Head of Audit Partnership, the Head of Finance and Customer Services, the Head of Democratic Services and the Head of Legal Services had been established and a comprehensive review had now taken place. The findings of the review showed that the financial thresholds for the receipt of quotations and tenders established two years ago were consistent with those of the majority of other Borough and District Councils in Kent. It was recommended that the Council's financial spend should continue to be monitored for anomalies and adverse trends by the Procurement Team and that the existing financial thresholds be maintained at current levels subject to a further review in two years' time.
- Amendments were proposed to the purchasing procedures within the Council's Purchasing Guide arising from recent changes to the Council's senior management structure and delegated responsibilities.
- The opportunity had also been taken to correct ambiguities and other drafting irregularities within the Contract Procedure Rules and associated guidance documents.

1.3 The Committee asked a number of questions of the Officers relating to, inter alia, the minimum requirements in relation to contract

documentation; the threshold for the recording of contracts in the Council's Contract Register and the process in the event of amendments being made to the value of a contract which might push it beyond that threshold; the scheme of delegation in respect of Council purchasing; the acceptability of only one written quote in advance being required for the provision of works, supplies and services up to the value of £10,000; and the involvement of Internal Audit in the review of the Contract Procedure Rules.

1.4 Having considered the replies to its questions, the Committee:-

RESOLVED:

1. **To RECOMMEND to the COUNCIL:** That the Contract Procedure Rules within the Constitution be amended in accordance with the proposed wording set out in Appendix A to the report of the Assistant Director of Environment and Regulatory Services.
2. That subject to a further review in two years' time, the 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 be maintained at the existing levels.
3. That appropriate amendments be made to the commentary and advice for Officers contained within the Council's Purchasing Guide.
4. That the Standards Committee be requested to evaluate the proposed amendments to the Contract Procedure Rules prior to them being considered by the Council.

1.5 RECOMMENDED: That the Contract Procedure Rules within the Constitution be amended in accordance with the proposed wording set out in Appendix A to the report of the Assistant Director of Environment and Regulatory Services.

EVALUATION OF THE STANDARDS COMMITTEE

The Standards Committee has, in accordance with Article 15.02(a) of the Constitution, evaluated the proposed amendments to the Contract Procedure Rules within the Constitution, and has no comments to make.