



DERBY CITY COUNCIL

**AUDIT AND ACCOUNTS
COMMITTEE
4 DECEMBER 2008**

Report of the Head of Audit and
Risk Management

ITEM 10

Contract Procedure Rules – Non-Compliance

RECOMMENDATION

- 1.1 To approve the procedure for reporting non-compliance with Contract Procedure Rules through to Members as outlined in paragraph 2.3.

SUPPORTING INFORMATION

- 2.1 At the meeting on 12 December 2007, Committee received a presentation from the Head of Procurement on Improving Procurement Performance across all Council departments. The Committee expressed some concerns with the report's findings and requested that procurement performance be monitored on a quarterly basis and asked for feedback to a future meeting of the Committee.
- 2.2 At the meeting on 26 June 2008, the Head of Procurement presented a report on non-compliance with Contract Procedure Rules for all Council departments. The Committee resolved that it wished to receive an update report from the Director of Regeneration and Community at the September 2008 meeting and that it would request further updates from other departments as necessary.
- 2.3 In line with the Council's corporate review of Contract Procedure Rules, Chief Officers have asked that a formal reporting procedure be introduced for instances of non-compliance with Contract Procedure Rules. Following discussions between the Corporate Director – Resources, the Head of Procurement and the Head of Audit and Risk Management, the following process has been developed.
- (i) The Head of Procurement will notify the Head of Audit and Risk Management as soon as the Procurement Team becomes aware of any non-compliance issues. Each instance will be reviewed to ascertain whether it is a case of:
- Officers not being aware of the requirements of the Contract Procedure Rules
 - Officers being aware of the Rules but made an error
 - Officers being aware of the Rules but have not followed the procedure

- (ii) The Head of Procurement will pick up any cases where officers were not aware of the rules and will work with those involved to ensure that proper training is provided.
- (iii) The Head of Audit and Risk Management will investigate any cases where officers have been aware of the Rules but have not followed the procedure.
- (iv) The Head of Audit and Risk Management will report all cases of non-compliance with Contract Procedure Rules to the respective Chief Officer and a consolidated report of all cases to Chief Officer Group on a quarterly basis. The report will outline the areas of non-compliance and the reasons for it.
- (v) Twice a year, the Head of Audit and Risk Management will report all cases of non-compliance in that period to this Committee. It is recommended that the June and December meetings receive such reports. The report will detail by department each instance of non-compliance, outlining the reason for that non-compliance, the consequences of it and the action taken to redress the issue, including the responses of each Chief Officer to non-compliance within their respective departments.

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Background papers:

List of appendices: Appendix 1 – Implications

IMPLICATIONS

Financial

1. None directly arising

Legal

2. None directly arising

Personnel

3. None directly arising

Equalities impact

4. None directly arising.

Corporate objectives and priorities for change

5. The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.