

PWYLLGOR ARCHWILIO

15^{FED} RHAGFYR 2017

CAFFAEL CYHOEDDUS YNG NGHYMRU

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

I dderbyn adroddad Swyddfa Archwilio Cymru fel a nodir uchod

Y Rhesymau:

Mae Swyddfa Archwilio Cymru yn gweithredu gwaith archwilio i'r Cyngor ag i'r sector gyhoeddus yng Nghymru

Ymgynghorwyd â'r pwyllgor craffu perthnasol NADDO

Angen i'r Bwrdd Gweithredol wneud penderfyniad NAC OES

Angen i'r Cyngor wneud penderfyniad NAC OES

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:-

Cyng. David Jenkins

Y Gyfarwyddiaeth: Gwasanaethau Corfforaethol

Awdur yr Adroddiad:

Swyddfa Archwilio Cymru

EXECUTIVE SUMMARY

AUDIT COMMITTEE

15TH DECEMBER 2017

PUBLIC PROCUREMENT IN WALES

Each year, public bodies spend significant amounts of money on buying-in goods, services and works from the third and private sectors a process known as procurement

Effective procurement involves:

- having adequate numbers of appropriately qualified staff and appropriate organisational structures and policies to manage and govern procurement activity;
- a well-planned process for deciding what the public body needs, including deciding how the public body should provide services and looking at alternative ways of delivering services;
- sourcing strategies and collaborative procurement – having a good idea of how the public body can best meet its needs;
- effective contract and supplier management; and
- effective and reliable processes and ICT systems to support procurement.

In addition, public bodies need to ensure they have staff with sufficient commercial skills to understand, engage with and shape key markets working in partnership with suppliers and other stakeholders. Public bodies also need staff with these commercial skills to negotiate and manage potentially complex contracts and supply chains, whether public bodies undertake procurement individually or through collaboration.

Ineffective procurement arrangements present risks for the delivery of public services. Essential goods, services and works not being available in sufficient quantity or quality when required may result, for example, in a service being delayed or being sub-standard. If prices for goods, services and works, do not represent value for money, money is being wasted that could be better spent on front-line services.

Wales Audit Office have prepared this report in the context of a changing landscape for public procurement. Over the last few years, there have been significant changes in public procurement legislation and regulations, both at a European level through the implementation of new EU procurement directives and at a national level with a renewed Welsh Government procurement policy statement. Public bodies must also purchase goods, services and works in the context of wider legislation, such as the Well-being of Future Generations (Wales) Act 2015 and UK-wide legislation such as the Modern Slavery Act (2015).

Public procurement is also adapting to the rise of electronic tools and technology which should, in theory, make procurement more efficient through electronic advertising of contracts, and systems for invoicing and payments. Public procurement can also benefit from services which enable public bodies to analyse procurement spend to inform their procurement strategies, identify savings opportunities and monitor contract compliance.

On behalf of the Auditor General for Wales, Wales Audit Office staff have examined whether there is evidence that current procurement arrangements in Wales are helping to deliver value for money in public spending and are fit for the future. This high-level review relies heavily on secondary evidence and intelligence from our regular audit work. They have not examined in detail individual public bodies' procurement arrangements as part of this review.

This report sets out the regulatory and policy context for public procurement in Wales. It considers how much public bodies in Wales are spending through procurement and on which goods, services and works, including through the main Wales-based procurement consortia and public buying organisations⁴. The report also examines how individual public bodies are performing and how their procurement arrangements are developing in the context of changing policy and legislation.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

The report is a Wales Audit Office Report and any implications are detailed within the report.

I confirm that other than those implications listed below there are no implications for the Authority arising from this report. If necessary, the Authority will need to respond to implications arising from the report where applicable.

Signed: Owen Bowen Head of Financial Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below:

Signed: Owen Bowen Head of Financial Services

1. Scrutiny Committee – N/A
2. Local Member(s) – N/A
3. Community / Town Council – N/A
4. Relevant Partners – N/A
5. Staff Side Representatives and other Organisations – N/A

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE