Non-Competitive Procurement Audit Presentation

Audit Committee
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Niagara Region

The Regional Municipality of Niagara

Audit Committee – Presentation of Non-Competitive Procurement Audit

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Niagara Region – Audit Committee Presentation
Key findings from Non-Competitive Procurement Audit

Scope: To determine whether adequate and sufficient documentation is provided which supports non-competitive procurement decisions. This included a review of the justification provided within PeopleSoft to ensure justifications were thorough, fulsome and in line with the relevant sections of the procurement by-law, and whether appropriate approvals were provided. We selected a sample of 245 non-competitive and 30 competitive procurement transactions to test as part of our review.

Areas of good practice	• Approval workflows exist within the PeopleSoft system, which have been created based on the authorities listed in the Procurement By-law. Our testing identified no exceptions around the approval of transactions. • Procurement PO analytics is undertaken periodically to identify and monitor high spend across the Region. • Training is scheduled for Region staff on Procurement, which is due to be delivered in December 2020.
Opportunities for improvement	• Justification for non-competitive procurements were not always sufficiently detailed when recorded on PeopleSoft. • Our testing noted a number of instances where purchase orders were raised after receipt of an invoice. • We noted purchases procured through the competitive route however were deemed non-competitive procurement transactions from our testing. • We noted inconsistencies between the Procurement By-law and current practices, in particular around reporting and publishing of purchases. • We identified additional analytics Procurement could use to monitor procurement activity, including the timeliness of purchase order raising.
Action plan highlights	• Procurement to consider including justification requirements within PeopleSoft or through use of a separate justification form. • Upcoming training in December 2020 should include training on recording justification for non-competitive procurements, timeliness of purchase order raising, which procurement routes to select, and retention of documentation. • Procurement to incorporate additional items to their current monitoring and analytics. Actions are already underway to identify reports showing where invoices have been received in advance of the requisition being created. These will be sent to Directors/Commissioners on a periodic basis.