



Legislation Details (With Text)

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Title: Procurement Audit Recommendation
Notice given by: Councillor Hughes

Sponsors:

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Date	Ver.	Action By	Action	Result
12/2/2021	1	Committee of the Whole	approved	

TAMRMS#: B06

Procurement Audit Recommendation

Notice given by: Councillor Hughes

BUDGET POSTPONED MOTION:

That Financial Services and Information Technology Procurement Audit Recommendation for \$102,000 is funded for 2022 from the capital budget.

Administration's Understanding of the Intent of the Motion:

That one-time funding in the amount of \$102,000 be approved from the capital reserve to support further work on the implementation of the 2019 MNP procurement audit recommendations.

Operational or Organizational Impacts if Motion is Approved:

An additional resource will be maintained from April 2022 to March 2023 to add additional capacity to focus on implementation of audit recommendations.

Financial Implications of Motions:

Given that this is a pure operating expense to the organization, it is not recommended that the capital reserve be identified as the funding source. With diminishing grants and our identified infrastructure deficit it would not be recommended to remove any funding from this category. If the intent is not to impact the 2022 tax requirement for this one-time initiative, as an alternative, the Stabilization Reserve may be a more appropriate funding source.

Stakeholder Consultations:

N/A

Background:

The MNP Internal Audit report on Procurement included 20 recommendations aimed at modernizing our procurement tools and practices with the intent of creating efficiencies, capturing potential savings and increasing internal controls around compliance. Further to this review, the E&Y Operational and Fiscal review made a specific recommendation around Category Management.

In later 2020 and 2021, Administration was able to temporarily fund an additional procurement specialist through allocations from the vacant pool. Effective for 2022, this fund is no longer available.

Due to COVID, limited progress was made on the recommendations however we were able to introduce policy changes to address tendering limits and authorities as well as the development of an RFP for online bidding software which was approved in a prior budget. During 2021, the contract for this software (Bids & Tenders) was awarded and the 1st module to allow on-line submission of bids was launched successfully in the fall of 2021. Future planned modules being planned for implementation include Bid Evaluation, Vendor Performance and contract management, all of which will help achieve recommendations from the audit report. Work will continue in 2022 towards implementation of these modules even without an additional resource albeit timelines will be delayed.

The proposed deferral of this business case will not completely halt progress on the recommendations but will likely slow the process. Efficiencies gained through implementation of this new system and processes will be redirected to continue some work on this multi year project. The recommendations in the report focus more around continuous improvement and efficiencies vs recommendations to address significant risk.

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Author: Diane McMordie, Director/CFO

Department: Financial Services and Information Technology

Deputy Chief Administrative Officer: Kerry Hilts

Chief Administrative Officer: Kevin Scoble