



Regularity audit of procurement arrangements during the pandemic

Committee Audit and Standards

Date of meeting 4 June 2021

Date of report 18 May 2021

Report by Assistant Chief Executive

1. Object of report

To advise the committee on the findings a regularity audit of procurement arrangements during the pandemic. This engagement was included in the annual Internal Audit plan for 2020/2021.

2. Background

Since the start of the pandemic in March 2020, the Scottish Government acknowledged that there was a requirement to procure goods, services and works in exceptional circumstances and have provided procurement policy notes on this matter.

In July 2020, Audit Scotland published a report titled '*Covid-19: Emerging fraud risks*', which was presented to and noted by this committee at its meeting of 28 August 2020. This report identified the risk that '*Procurement fraud could increase as normal controls may be relaxed to allow bodies to buy goods or services which are required urgently, possibly from new suppliers.*'

Procurement within SPT is governed by the Scheme of Delegated Functions, the Financial Regulations and the Standing Orders relating to Contracts.

This engagement tested elements of the internal controls and mitigation against SPT 22: Governance arrangements as identified in the Corporate Risk register.

3. Outline of findings

SPT policies and procedures have been unchanged during the period of the pandemic, with the procurement section continuing to provide advice and guidance to service management as and when required.

There have been a number of adjustments to current contract arrangements which were required as a consequence of the pandemic. These adjustments were found to be in accordance with procurement policy notes.

In accordance with Scottish Government procurement policy notes, SPT applied supplier relief to make contractual payments to bus operators to continue service delivery during lockdown periods, and in line with the guidance issued.

SPT has also incurred additional costs as a result of the pandemic to provide a Covid-secure environment for employees, contractors and customers.

4. Conclusions

The Audit and Assurance team has undertaken a regularity audit of procurement arrangements during the pandemic.

Key controls exist and are applied consistently and effectively in most areas covered in this engagement.

Sound assurance in most areas can be taken from this engagement.

5. Committee action

The committee is asked to note the contents of this report.

6. Consequences

Policy consequences	<i>None.</i>
Legal consequences	<i>None.</i>
Financial consequences	<i>None.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>As detailed in the report.</i>

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