

## Breaches Of Financial Regulations Not Yet Addressed

## Annex 2

Item	Breach	2005/06 Spend (£'000s)	Current status/comments
<b>Corporate Issues</b>			
Security Services (including F1 Security Service)	<p>No formal tendering arrangements or framework agreements exist for purchasing security services. Work is commissioned by several departments, from a number of different suppliers. Individually, most departments appear to be acting in accordance with Financial Regulations. However, aggregate expenditure across the Council has led to breaches of Council Financial Regulations and EU procurement rules.</p> <p>A specific breach was identified in relation to F1 Security Service. In 2005/06, £80k was spent on the provision of security services at Council run hostels. Aggregate expenditure over several years exceeds Council and EU tendering thresholds. However, no tendering exercise had been carried out.</p>	NA <sup>1</sup>	<p><b>Newly identified in 2005/06 – not yet addressed</b> Some elements of expenditure on security services have been separately tendered. However, there are no corporate arrangements in place to ensure that breaches of Financial Regulations do not occur where aggregate spend across the Council on similar products and services, or with the same supplier, exceeds tendering thresholds.</p> <p>Although security services were considered for inclusion as part of the new agency staff contract currently being tendered (see below), this was not possible. It is now planned to address this issue through the development of a separate corporate contract. Time has been allocated as part of the 2007/08 Corporate Procurement Team workplan to provide support to the relevant client officer in the development of this contract.</p>
Pickering's Ltd	No tendering or overall contract in place for the purchase and maintenance of lifts (including stair lifts). Aggregate expenditure exceeded EU and Council tendering thresholds.	179	<p><b>Newly identified in 2005/06 – not yet addressed</b> This contractor provides lifts and lift maintenance services for the Council. An analysis of expenditure shows that this is incurred across several departments including Adult Services, Housing, and Facilities Management. Time has been allocated as part of the 2007/08 Corporate Procurement Team workplan to provide support to the relevant client officer in the development of a corporate contract.</p>

<sup>1</sup> This is a cross directorate issue, and the full range of suppliers used for security services by different departments is not known. In addition, some elements of service have been tendered separately. It is therefore not clear what amount of this supply is in breach.

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Newsquest	No overall contract or framework agreement was in place for advertisements placed in local newspapers. Aggregate expenditure exceeded the Council's tendering threshold.	59	<p><b>Outstanding from 2001/02 – not yet addressed</b></p> <p>In 2003/04 a contract was let to Rileys for recruitment advertisements and public notices. However, expenditure is still being incurred in other areas with this supplier. This totalled £59k in 2005/06, across all directorates. Cumulative expenditure with the company for the last three years totals £361k. Time has been allocated as part of the 2007/08 Corporate Procurement Team workplan to provide support to the relevant client officer in the development of appropriate corporate procurement arrangements.</p>