

Higher Education Authority
Corporate Procurement Plan 2014-16

Draft 2: 3rd November 2014
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Mission Statement

The HEA will ensure that its procurement activity operates in accordance with best practice as outlined by the Office of Government Procurement and support effective value for money purchasing while ensuring probity and accountability.

Introduction

The HEA is required under the National Public Procurement Policy Framework and Code of Practice for the Governance of State Bodies (May 2009) to prepare a Corporate Procurement Plan. The HEA will seek to meet the obligations of the Policy Framework and will reinforce its commitment to effective and efficient resource allocation and service provision as prescribed by the Public Service Management Act, 1997 and the Comptroller and Auditor General (Amendment) Act, 1993. The Plan will be submitted to the HEA's Audit Committee for consideration and will be subject to periodic review.

Responsibility for the implementation of the plan is assigned to the Head of Corporate Affairs and updates on progress will be submitted to the Audit Committee on a periodic basis. The Head of Corporate Affairs will submit the approved plan to the senior management team who will have a responsibility to ensure the plan is implemented in their areas.

Implementation of this plan and the HEA's procurement policy will be monitored by Personnel and Accounts Section and shall be subject to review by the internal audit service.

Developments in Procurement over last number of years

The HEA's HR and Accounts Office assumed responsibility for the administration of procurement activities of the IRCHSS and IRCSET in 2011, prior to the Councils being amalgamated in the Irish Research Council in 2012.

The HEA developed an on-line procurement facility using focal point web interface, a system integrated to the HEA's Access Dimensions accounts package. This facilitates the payment of invoices by reference to approved purchase orders.

During 2013 the HEA's internal auditors undertook a review of Procurement in the HEA. Amongst the key recommendations were the need for a new procurement policy and the need for more effective management of contracts on an ongoing basis. The HEA's Audit Committee approved a new procurement policy for the HEA at its meeting in November 2013. The HEA also agreed to increase staff resources to the HR and Accounts Office. During 2014 a new EO was appointed to work in particular on procurement and an additional SEO was appointed in mid 2014.

Procurement Overview and Analysis

The HEA has reviewed expenditure for the calendar year 2013 with a view to identifying opportunities for improvement in the manner procurement is carried out in the HEA. There are currently three separate administrative budgets within the HEA – HEA, Irish Research Council and Access Office. The non-pay expenditure (i.e. exclusive of pay, superannuation, members and assessors fees) in total in 2013 was €3.443m. The largest single supplier was Jones Lang La Salle who act as agents for the HEA's landlords.

Appendix One is an analysis of purchases in respect of the HEA (includes IRC & Access Office) administration account by supplier and shows that there are 240 external suppliers in 2013 on the HEA Access Accounts.¹ 10 suppliers account for 58% of invoices. 66 suppliers invoiced HEA for less than €1k, indicating a scope for reducing its number of small and once off purchases. The HEA will carry out a review of its suppliers across the four budget headings with a view to achieving this objective. In particular the opportunity to streamline the number of suppliers following the transfer to the HEA of Research Council procurement activities will be addressed.

Procurement Principles and High Level Goals

The high level goals of this plan are;

- Procurement activities should underpin the strategic and business objectives of the HEA and Irish Research Council
- Ensuring there is probity in relation to all procurement activities
- Value for money should be a key consideration in all procurement decisions
- Ensuring that the HEA complies will national and EU procurement requirements
- All staff have a role in ensuring these principles are adhered to, HR & Accounts shall assist staff through dissemination of information and assisting staff with procurement activities.

High Level Goals

Goal One

The HEA will ensure that there is a coherent and consistent approach to procurement across the organisation and that best procurement practice initiatives are complied with.

Goal One will be progressed through the following objectives:

¹ A small number of suppliers are paid via Credit Card (mainly travel bookings), direct debit and foreign transfer. However over 90% of non-pay costs were paid through Access Accounts.

- Development of a Corporate Procurement Plan to be submitted to the Audit Committee for their consideration who in turn will issue its recommendation to the Authority – Head of Corporate Affairs by November 2014
- A procurement section on the staff intranet will be set up to include the following – SEO Accounts by November 2014
 - HEA Procurement Policy
 - HEA Corporate Procurement Plan
 - List of approved HEA suppliers
 - Framework agreements concluded by the Office of Government Procurement
 - Training material
 - Useful addresses
- The Head of Corporate Affairs shall be responsible for implementation of the policy. The CEO and members of the senior management team shall be provided on a quarterly basis procurement compliance reports – Management Accountant/Head of Corporate Affairs from September 2014
- The internal audit service, through its annual review of the System of Internal Financial Controls shall report to the Audit Committee on implementation of the HEA's procurement policy and plan – Internal Audit Service annually

Goal Two

The HEA will avail of procurement initiatives developed by the OGP, Educational Shared Services Group (EASS) and other appropriate consortia in order to deliver effective purchasing performance for goods, services and policy development common to the group. During 2013 the HEA participated with a number of other agencies on procurement training arranged by the NCCA. In 2014 the HEA and SEC undertook a joint supplementary tender for the provision of internal audit services and accountancy services.

Goal Two will be progressed through the following objective:

- Continued engagement with other education agencies to identify efficiencies in the procurement process and cost savings in the purchase of common goods, services and policy development and implementation – Head of Corporate Affairs ongoing
- Liaison with other groups such as IoTI, IUA and associated consortia who are engaged in joint procurement activities – Head of Systems Funding/Head of Corporate Affairs ongoing
- Sharing information with other organisations, as appropriate – Head of Corporate Affairs ongoing
- The HEA will continue to avail of framework agreements concluded by the OGP in accordance with circular DPE033/005/12 – Head of Corporate Affairs/SEO Accounts ongoing

Goal Three

The HEA will continue to develop its on-line procurement facility and its engagement with suppliers.

Goal Three will be progressed through the following objectives:

- Purchase orders over a value of €1000 will be issued electronically – SEO Accounts, EO Accounts from January 2015
- Suppliers will be advised of the need to await a purchase order to be issued by HR & Accounts before they undertake work – SEO Accounts, EO Accounts from November 2014
- The HEA will encourage suppliers to issue invoices electronically to HR & Accounts electronically to speed up the payment process – EO Accounts from January 2015
- This facility will also be used to upload current tax clearance certificates – EO Accounts from January 2015

Goal Four

The HEA will put in place systems to ensure that appropriate arrangements are in place to ensure that the contractual terms of larger contracts are adhered to.

Goal four will be progressed with through the following objective;

- A requirement that a letter of engagement is issued for all contracts over €25k. This will set out the key deliverables for the contract, a copy of this letter will be retained by HR & Accounts who will, with the staff member responsible for the contract, ensure the terms are being adhered to prior to payment being issued – Head of Corporate Affairs & SEO Accounts from November 2014
- Formal service level agreements will be required for contracts in excess of €100k. SLAs will be reviewed by HR & Accounts prior to formal approval by the CEO – Head of Corporate Affairs & Management Accountant from November 2014

Goal Five

The HEA will review more effective ways of paying smaller suppliers through the use of credit cards and corporate procurement cards. This will be subject to strict controls.

Goal Five will be progressed through the following objective:

- Reviewing the experience of bodies similar to the HEA of the OGP Framework for Procurement Cards - Head of Corporate Affairs & SEO Accounts from March 2015

Goal Six

The HEA will use the opportunity of its analysis of its 2013 supplier list to reduce the number of suppliers through the elimination of duplicate suppliers.

Goal Six will be progressed through the following objective:

- Review the list of small suppliers and offering such suppliers the opportunity to quote for the particular good or service. - Head of Corporate Affairs & SEO Accounts by March 2015

Risks

The HEA recognises the requirement under the National Public Procurement Policy Framework to prepare a Corporate Procurement Plan.

- Failure to produce a plan will mean that the HEA will not be in a position to demonstrate a commitment to effective and efficient resource allocation and service provision as prescribed by the Public Service Management Act, 1997 and the Comptroller and Auditor General (Amendment) Act, 1993 and outlined in the revised Code of Practice for the Governance of State Bodies
- An opportunity will have been lost to achieve cost savings and efficiencies in the procurement process.
- Failure to put in place a Corporate Procurement Plan will be noted by the Comptroller & Auditor General during the course of his audit and/or the internal auditor while reviewing the system of internal financial controls and may be regarded as a serious breach if plan is not prepared.

Key Dependencies

- Resources – the HEA has invested both in additional staff for HR & Accounts and the development of focal point. The ability of the HEA to retain the necessary resources in HR & Accounts is dependent on a number of factors including the HEA's ECF and budget, changing HEA priorities and the possible extension of Peoplepoint facility to the HEA.
- Commitment from all managers in the HEA and Research Council to identify efficiencies in the procurement process and cost savings in the purchase of goods and services.
- Commitment from the Authority and Audit Committee

Assumptions

- The HEA is committed to the effective and efficient resource allocation and service provision as prescribed by the Public Service Management Act, 1997 and the Comptroller and Auditor General (Amendment) Act, 1993.
- The HEA will be in a position to allocate staffing and financial resources required to implement a Corporate Procurement Plan, including finance for the procurement and implementation of an appropriate financial management system

Appendix One

Analysis of Suppliers paid through Access Accounts in 2013

Value range	Number of Suppliers	Total Value
Over €1m (Rent & Service Charges)	1	€1.055m
€100k - €999k	2	€339k
€50k - €99k	7	€446k
€20k - €49k	17	€564k
€10k - €19,999	21	€292k
€5k - €9,999	30	€216k
€1k - €4,999	96	€241k
Upto €1k	66	€30k
Total	240	€3.183m