



Compliance  
& Adding  
Value

# Background

## Our Journey here

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The Higher Education Authority (HEA) engaged Deloitte to undertake its first Rolling Review in June 2016, the area of focus being Procurement of Goods and Services.

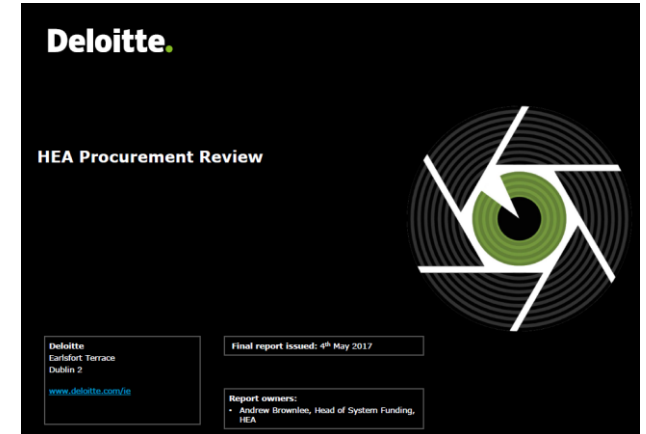
Following a desktop review of Financial Statements and Annual Statements of Governance and Internal Control across 26 HEIs, seven HEIs were selected for review.

A number of key themes were identified where improvement was required:

- Policy and Procedures whilst in place could be more comprehensive to fully serve as a practical guide to staff;
- Whilst HEIs had elements of a Corporate Procurement Plan (CPP), it was felt that a more consistent and comprehensive approach to the CPP would add value;
- Annual Statements of Governance (ASG) and Annual Statement of Governance and Internal Control (ASGIC) to be more aligned with the Financial Statements (FS) and to include more details (i.e. #, €) to indicate the level of non-compliance – 2016 review identified 46% inconsistency between FS and ASG/ASGIC;
- Training to be mandatory for those involved in procurement. We identified 5 of the 7 HEIs visited operated a devolved procurement structure; and
- Documentation to support the procurement process to be retained.

That report was published in May 2017 and is available on the HEA website.

The findings of this report were presented to HEIs at the first Higher Education Procurement Summit in May 2017.



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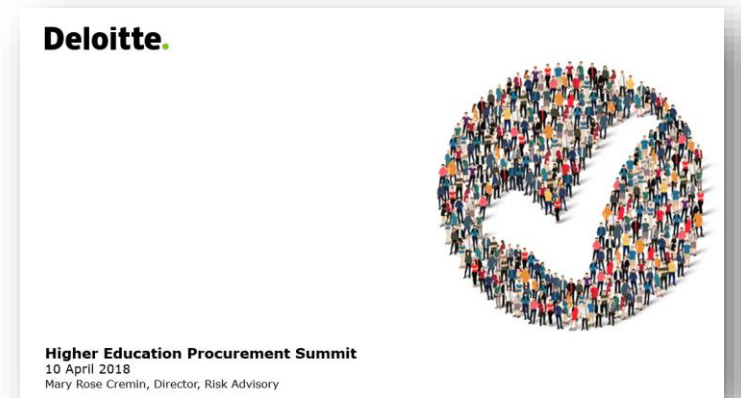
In 2017/2018, we supported the Education Procurement Service (EPS) with the development of a HEI Corporate Procurement Plan (CPP) template.

The template was developed in consultation with representatives from the HEI sector.

The template was in 2 parts:

1. HEIs to tailor the document to reflect their procurement strategy by documenting their mission, values and goals and was designed to assist staff within the HEI understand the strategy, structure and operation of procurement within their HEI;
2. The Multi-Annual Procurement Plan (MAPP) which was to be completed by all HEIs and returned to EPS by November 2018.

The Corporate Procurement Plan template was presented at the second Higher Education Procurement Summit in April 2018.



# Compliance and Adding Value

## Planning for Success

# Compliance

## Challenges and adding value

Structure of procurement within the HE sector from the seven HEIs reviewed during the 2016 Procurement Rolling Review

Question	HEI 1	HEI 2	HEI 3	HEI 4	HEI 5	HEI 6	HEI 7
Within your Higher Education Institution (HEI) is procurement - Centralised - Devolved - Hybrid	Devolved	Hybrid	Devolved	Devolved	Devolved	Devolved	Hybrid
Where there is a procurement office, how many staff work in the procurement office?	1	2	2	n/a	n/a	1	3
Where it is devolved, approximately how many staff across your institution are involved in procurement?	90	6	100	25	30	40	84 (81 Buyers and 3 Procurement Staff)

From the sample of 7 HEIs:

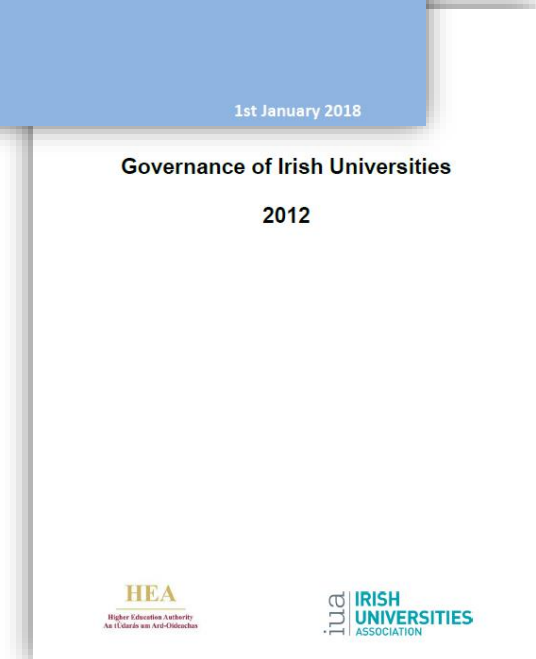
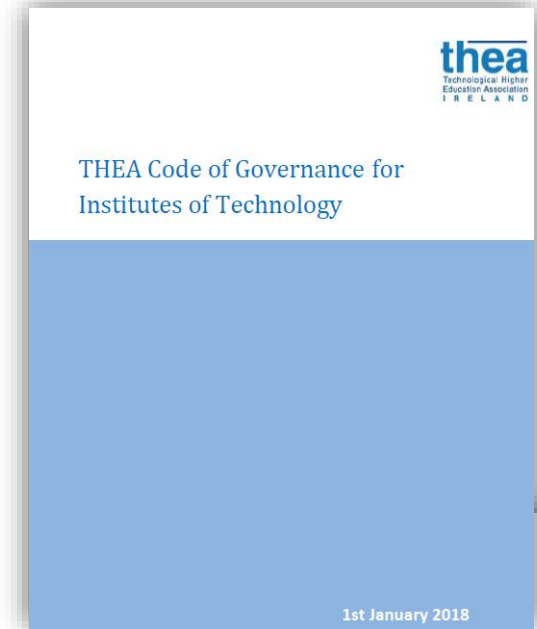
- 71% (5) were devolved
- 29% (2) were hybrid
- 29% (2) had no procurement office
- **375 staff were involved in procurement**

# Corporate Procurement Plan – the Compliance bit . . .

## Compliance Adds Value

### HEI Governance Framework

- HEIs are required to comply with the Public Procurement Guidelines;
- This includes the development and implementation of a Corporate Procurement Plan (CPP);
- Procurement is one small part of the overall HEI Governance Framework, however value is significant;
- All HEIs were asked by the HEA to submit their Corporate Procurement Plan and their MAPP to the HEA and EPS by November 2018
  - *95% of HEIs completed and returned their MAPP*
- Annual Governance Statements
  - The THEA Code of Governance requires the Chairperson of the Governing Body to affirm adherence to procurement policy and procedures and the development and implementation of the Corporate Procurement Plan in the Annual Governance Statement;
  - A similar requirement will be reflected in the revised IUA Code of Governance for the Universities due to be published shortly.
- Where a CPP or the MAPP has not been submitted by a HEI, or reference to this has not been mentioned on the Annual Governance Statement, a query will likely be raised by the HEA.



# Corporate Procurement Plan

## So what has happened since the last Procurement Summit . . .

There was a great response by HEIs to completing and returning the MAPP with a 95% return rate

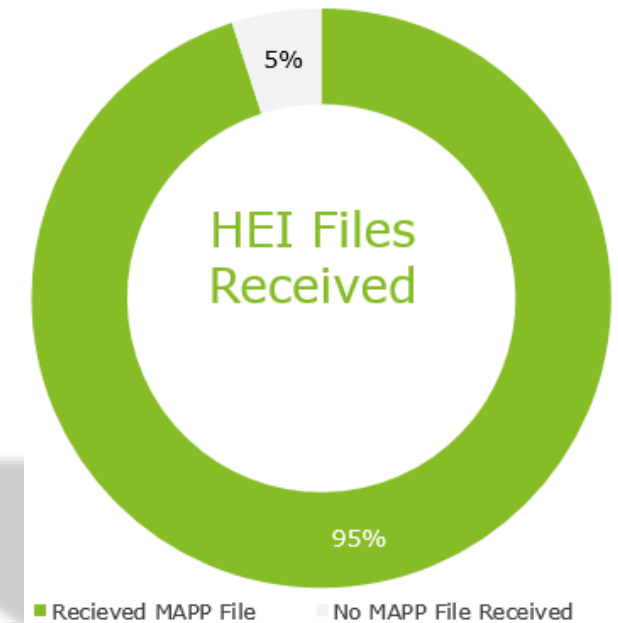
In collating the MAPP, HEIs had:

- to nominate someone to collate the data;
- to reach out to budget holders to collate the spend by product by year;
- to identify the existing procurement arrangements in place (framework, drawdown, own contract, expiry date)
- the opportunity to have a gain good oversight of the procurement arrangements and hopefully to identify potential enhancements that could be made.

The purpose of having the plan and MAPP is to:

- have a clear procurement strategy designed to achieve good value for money
- share this knowledge with EPS / OGP to enable them to identify other procurement options to add value and to make life easier for you when procuring goods and services

HEI's returned their MAPP - 95% of data received.





# Adding Value

## Multi-Annual Procurement Plan – a mass of information

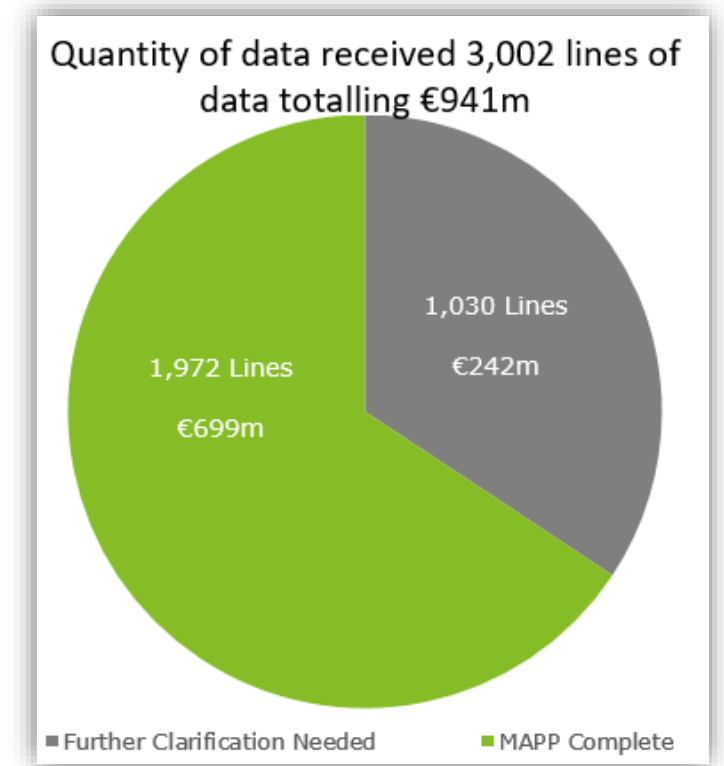
The MAPP data was collated into one database

A significant volume of information is being analysed by EPS

Information will give valuable insight to procurement within the HEI sector

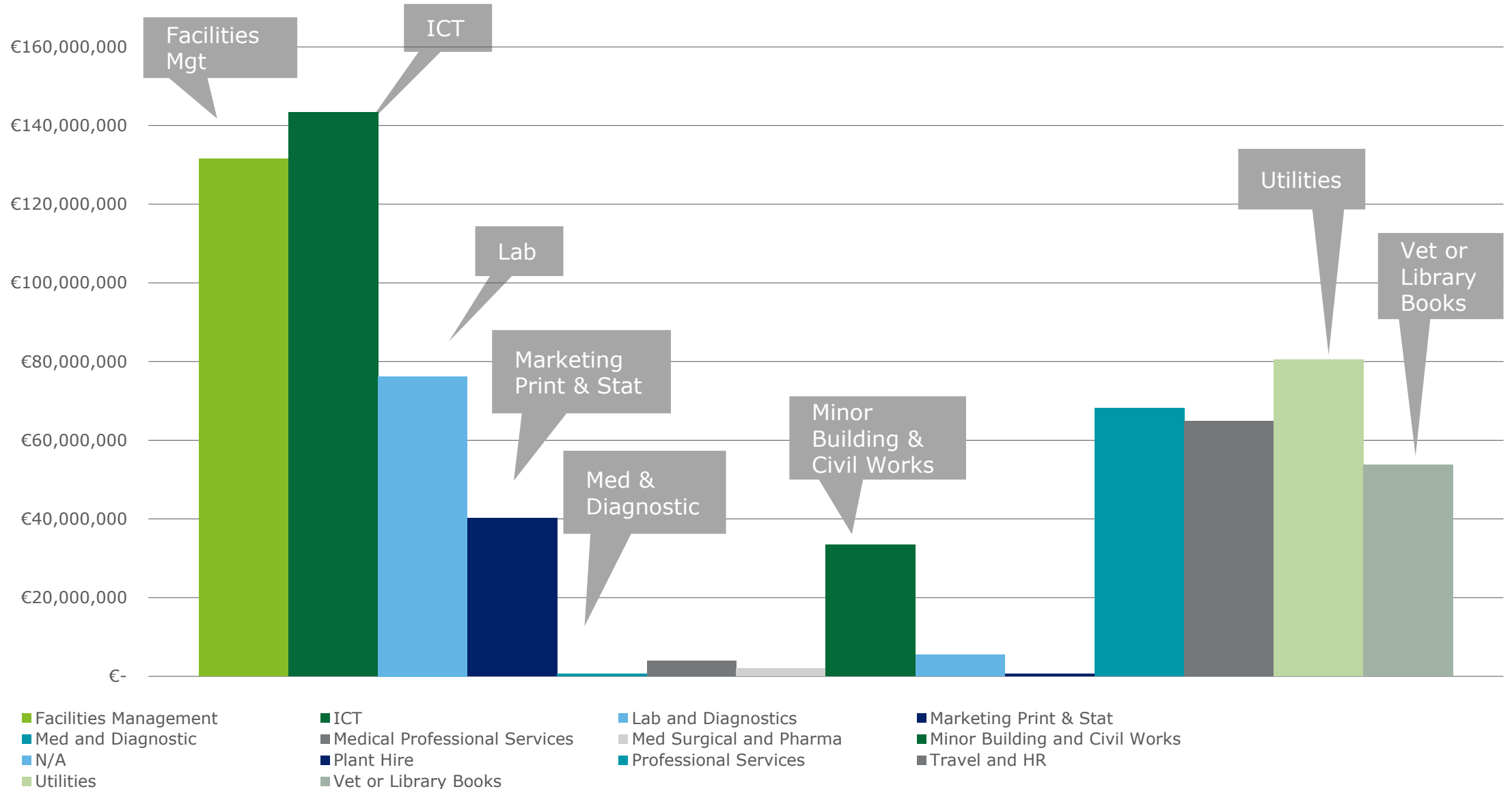
Just some facts:

- Over 3,000 lines of information was received totaling €946m;
  - Approx. €941m is forecast to be spent between 2018 – 2020 on contracts over €22.5k
  - Approx. €5m is forecast to be spend on goods and services under €22.5k (1,100 lines)
- $\frac{1}{3}$  or around 1,000 lines were not mapped to a product code and will require further clarity;
  - Area for improvement when completing the MAPP this November 2019



# Adding Value

## Multi-Annual Procurement Plan – OGP Categories Breakdown by Value



# Compliance and Adding Value

## The route to success

### Key messages to take away

- Huge work going on within the area of Procurement
- Information collated provide significant insights that need to be understood
- Steps are being taken to make procurement easier
- Continued need for HEI support

# Statement of responsibility

WE HEREBY TAKE RESPONSIBILITY FOR THIS PRESENTATION WHICH IS PREPARED ON THE BASIS OF THE LIMITATIONS SET OUT BELOW.

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For and behalf of  
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Date: 07 May 2019

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This presentation was prepared at the request of the Education Procurement Service. The presentation is a high level summary of the activities to the first and second Higher Education Institution (HEI) Procurement Summit and is designed to be an introduction to the third HEI Procurement Summit on 09 May 2019. The statistical information provided in this presentation is based on data collated from the Multi-Annual Procurement Plans as provided by the HEIs to Education Procurement Service. No audit, review or testing was performed by Deloitte of the data to ascertain its accuracy. This presentation has been prepared solely for the Education Procurement Service. No responsibility to any third party is accepted as the presentation has not been prepared and is not intended, for any other purpose.



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