

**Minute of the Minister for Public Expenditure and Reform for the
Committee of Public Accounts in response to the
Second Interim Report on Procurement in the Prison Service and Public
Procurement matters generally.**

The Minister for Public Expenditure and Reform has examined the Committee's Report and has taken account of its conclusions. In relation to the Committee's recommendations, his response is as follows:

Department of Public Expenditure and Reform:

Recommendation No. 1:

Key Performance Indicators that will govern the work of the National Procurement Service should be set so that its impact in achieving value for money can be measured.

The Minister for Public Expenditure and Reform accepts this recommendation.

The Minister is informed that the National Procurement Service will actively seek to place efficiency and value for money measures on each initiative launched. These will be reviewed regularly and methodologies refined to provide appropriate indicators of savings.

Recommendation No. 2:

The National Procurement Service should review its staffing requirement prior to filling the 21 posts approved in 2010 by the Department of Finance so as to ensure that it recruits and/or appoints staff with key skills that are necessary for the Service to achieve its mandate.

The Minister for Public Expenditure and Reform notes this recommendation.

The Minister is informed that the National Procurement Service has recruited six buyers through an open competition and a further competition is being undertaken for the recruitment of six senior buyers. Currently there are two solicitors seconded from the Chief State Solicitors Office. The National Procurement Service will continue to review its staffing requirement with respect to specialist skills and expertise required.

Recommendation No. 3:

Accounting Officers, having regard to the level of risk associated with procurement, should ensure that those involved in procurement, in particular procurement officers, have the appropriate skills and qualifications required to undertake the procurement function in that regard, public bodies are encouraged to avail of the accredited training courses that have now become available through external providers. Bodies are also encouraged to participate in the educational opportunities that are increasingly being made available by the National Procurement Service.

The Minister for Public Expenditure and Reform accepts this recommendation.

The Minister is informed that the current Public Procurement Guidelines require that management in Government Departments and Offices ensure that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. Capacity building and training are key elements of the procurement policy framework.

In addition, the Minister is also informed that one of the strategic goals contained in the National Procurement Service's (NPS) published Statement of Strategy 2010- 2012 is to further the knowledge of both contracting authorities and suppliers in the area of public service procurement, thus ensuring that all parties can participate in procurement exercises in a professional and efficient manner.

Recommendation No. 4:

All public bodies should use the template tender and contract documentation that has been developed by the National Procurement Service and the Chief State Solicitors Office.

The Minister for Public Expenditure and Reform accepts this recommendation.

The Minister is informed that the suite of standard tender competition and contract documents was published on 17 June, 2011 and their use is encouraged in a covering Circular from the Department of Public Expenditure and Reform.

Recommendation No. 5:

Accounting Officers should establish cross divisional teams within their organisations to evaluate procurement proposals so as to get maximum value from contracts and to ensure that risks associated with procurement are managed.

The Minister for Public Expenditure and Reform accepts this recommendation.

The Minister is informed that the current Public Procurement Guidelines recommend that for significant contracts (€50,000 or greater) evaluation is carried out by teams with the requisite competencies, including, where appropriate, a competent outside independent person.

Recommendation No. 6:

Accounting Officers should ensure, unless there are valid reasons to the contrary which should be clearly recorded for audit purposes, that frameworks negotiated by the National Procurement Service are availed of by the public authority.

The Minister for Public Expenditure and Reform accepts this recommendation.

The Minister is informed that his Department will liaise with the National Procurement Service on measures to ensure that national frameworks are used by contracting authorities unless there are justifiably exceptional reasons.

Recommendation No. 7:

The Appropriation Account of each Department should contain a note of the figure supplied to the Comptroller and Auditor General under Circular 40 of 2002 relating to the amount of goods and services that were procured without a competitive process.

The Minister for Public Expenditure and Reform agrees with this recommendation.

The Minister will consider the most appropriate way to present such information.

Recommendation No. 8:

The accounts of all public bodies should outline the overall amount spent by that body in the year in question on publicly procured goods and services and this figure should be further broken down in a note to the accounts into a number of standard categories as set down by the Department of Finance.

The Minister for Public Expenditure and Reform notes this recommendation.

The Minister would like to advise the Committee that, as provided for in the Programme for Government, developments are underway for Departments to publish purchase order information in relation to goods and services.

Recommendation No. 9:

In order to enhance its oversight role, the Department of Finance should outline the conditions attached to the annual allocation of funds to the department and office in respect of the allocation for the procurement of goods and services. A similar provision should be made by Accounting Officers in respect of public authorities that receive funding from the vote.

The Minister for Public Expenditure and Reform accepts the recommendation.

The Minister would also point out that the general conditions of sanction issued by his Department require Accounting Officers to ensure compliance with a range of legal and procedural requirements, including with procurement rules – both National and EU.

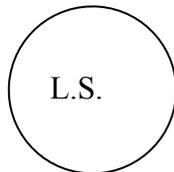
Recommendation No. 10:

The National Procurement Service should, before 31st March of each year report to the Comptroller and Auditor General and to the Department of Finance on contracts and frameworks established for use by public authorities.

The Minister for Public Expenditure and Reform accepts this recommendation.

The Minister is informed that the National Procurement Service has reported on this matter to the Comptroller and Auditor General in March, 2011, and will continue to do so.

Given under the Official Seal of
the Minister for Public Expenditure
and Reform on this the
day of November , 2011



Robert Watt
Secretary General
Department of Public Expenditure
and Reform