



*Inspired Performance*

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# PROCUREMENT PROCESS IMPROVEMENT PROJECT CLOSURE REPORT

*A Project closure and benefit realisation report.*

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***Project Sponsor: Debra Just, General Manager***



# Project Background



**August 2014:** *Internal Audit Review made 8 recommendations to improve Procurement process and controls.*



**December 2015:** *A better services review noted improvement opportunities and cost savings associated with procurement function.*



**Early 2016:** *Council's risk identification, business improvement and pre merger action planning also identified process gaps and a need to enhance controls for procurement function.*



**Early 2016:** *Ad hoc improvements made to processes and systems in lieu of previously completed reviews.*



**1<sup>st</sup> August 2016:** *Council General Manager initiated a Procurement Process Improvement project led by Head of Business Improvement supported by Chief Financial Officer and Procurement Co-ordinator (and everyone across the Council)*



**15 August 2016:** *Project Plan approved by General Manager and problem analysis as well as the Implementation of various planned actions started.*

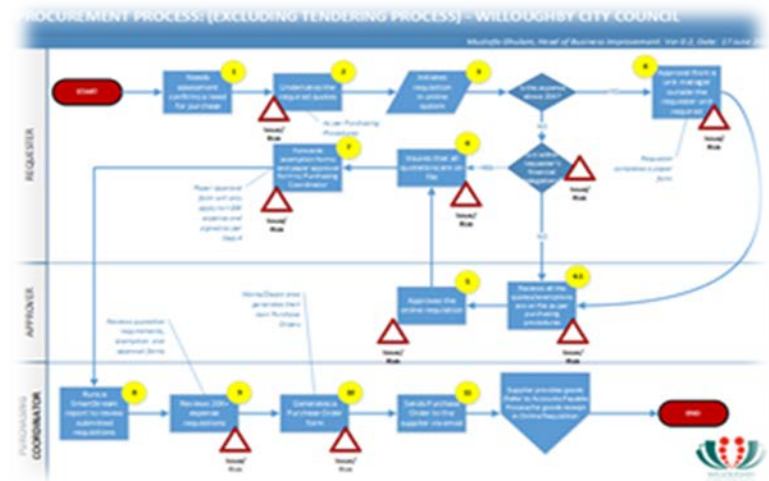
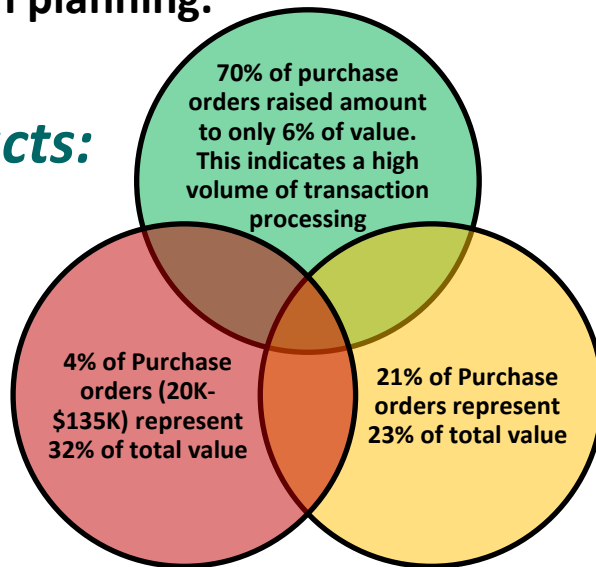


**31 December 2016:** *Key actions completed and Project closed. Handover back to operations. Project closure report presented to Executive Leadership team and audit committee.*

# Project Objective

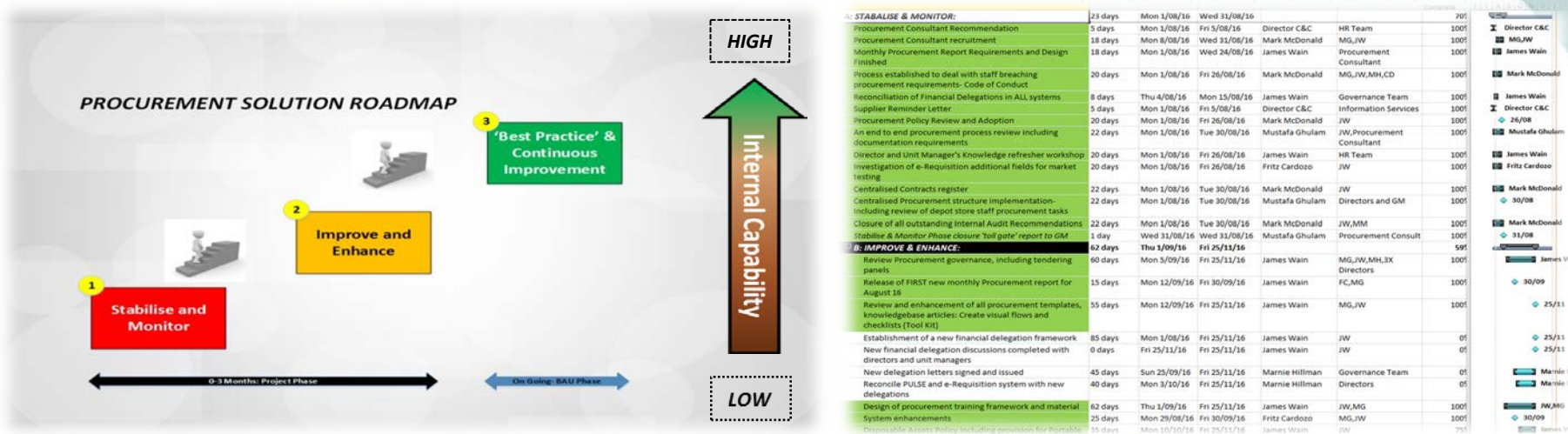
- ✓ To improve, procurement processes, systems and build procurement capability across Willoughby City Council.
- ✓ To mitigate operational and strategic risks by raising the market testing compliance rate across Willoughby City Council.
- ✓ To understand and action 'Quick Wins' and immediate risks as part of short to medium term planning.

## More Key Facts:



# Project Approach


- ❑ A **three phased** approach was devised to undertake the project. The rationale was to undertake targeted changes focused on specific risks within specific time:



- ❑ Specific tools from business improvement toolkit such as *Lean*, *Systems thinking* and *PDSA* cycles were used to understand the problems, trial new solutions, sustain solutions and to improve the stakeholder engagement.


• Reviewed current procurement process, identified root cause with new reporting and deployed system /non system solutions

**PDSA**




• Mapped the end to end process with value add activities

**Lean Thinking**



• Undertook a process, systems, and tools view to build organisational capability

**Systems Thinking**



# Key Actions Delivered

**30 Actions**  
Delivered in total as  
per Project Plan

## Process/Policy

- Supplier reminder letters issued
- New Procurement policy adopted
- Closure of 8 Internal Audit recommendations
- New Governance procedures
- Portable & Attractive assets policy reviewed



## Systems

- Online requisition system enhancements
- Monthly reporting dashboard
- Procurement toolkit introduced
- Interactive digital fillable forms
- Financial delegations review

Site	WCC
Description	
Supplier No	
Deliver By	27/Jan/2017 @ammyyyy
Ship To	GOODS ALREADY RECEIVED
Testings	Two Quotes
Testings for	Three Quotes
Testings	Four

## People

- Unit Manager's knowledge refresher session
- 44 key Council staff formally trained about Procurement procedures/Policy
- Internal Secondment to add additional resource in procurement team



## Risk Controls

- System prompts
- Additional reporting
- Depart work transfer
- Additional 2-20K checks (*In progress*)
- Centralised contracts register
- Updated Fit for Purpose policies



# Project Improvements on a Page



## BEFORE Improvements

No monthly reporting

Low Market testing compliance rate and operational risks

Not everyone knew the correct process / Unclear financial delegations and procurement team structure

8 Outstanding Internal Audit Recommendations

Lack of system prompts and information

Out-dated Procurement Policy

Unclear and fragmented Procurement Process information

## AFTER Improvements

New monthly dashboard report

Market testing compliance rate of 90%+

New Procurement Tool Kit

All Internal Audit recommendations completed

Online Requisition System Enhancements

New Procurement Policy adopted on 13/09/16

44 staff and managers provided training