Chapter 47
University of Regina—Procuring Goods and Services

1.0 MAIN POINTS

The University of Regina improved its processes to better co-ordinate procurement of goods and services across the University. In addition, the University established sufficient contract documentation requirements for purchasing consulting services.

Strong procurement processes help the University protect its reputation and interests, and receive best value for money in its purchasing decisions.

2.0 INTRODUCTION

2.1 Background

Established pursuant to *The University of Regina Act*, the University is a non-profit educational organization providing post-secondary education and research.

For the year ending April 30, 2019, the University spent approximately $21.6 million on operational supplies and expenses (2018: $18.6 million), as well as about $19 million on equipment, rentals, maintenance, and renovations (2018: $17.8 million), and nearly $26.7 million on capital asset purchases (2018: $81.9 million).[1]

The University's purchasing policy directs responsibility to its Supply Management Services department to provide professional guidance and oversight of all goods and services purchased by the University. The policy also authorizes the Library, Bookstore, and Facilities Management departments to purchase goods and services on behalf of the Supply Management Services department.

Effective purchasing processes help the University make good use of its resources while ensuring transparency, fairness, and achievement of best value.

2.2 Focus of Follow-Up Audit

Our *2013 Report – Volume 2*, Chapter 32, assessed the University's processes for the 12-month period ended June 30, 2013 for the procurement of goods and services. It included 13 recommendations. The University implemented 11 recommendations by June 9, 2017.[2]

This chapter describes our third follow-up of the University's actions on two outstanding recommendations we first made in 2013.

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[1] Costs associated with large capital projects (e.g., College Avenue Campus, College West) resulted in the University incurring more capital asset purchases in 2018 than in 2019.
[2] We reported previous follow-ups of the University's actions on recommendations in Provincial Auditor Saskatchewan, *2016 Report – Volume 1*, Chapter 36, and *2017 Report – Volume 2*, Chapter 49.

To conduct this audit engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the University's progress toward meeting our recommendations, we used the relevant criteria from the original audit. University management agreed with the criteria in the original audit.

To perform this follow-up audit, we reviewed a sample of procurement contracts to test whether they contained expected terms and complied with University tendering policies. We also interviewed relevant University officials.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Public Accounts agreed to the recommendation, the status of the recommendation at September 23, 2019, and the University's actions up to that date.

3.1 Procurement Processes Co-ordinated and Written Contractual Agreements Improved

> ***We recommended the University of Regina implement a process to co-ordinate the departments that procure goods and services, including construction, to efficiently manage procurement in accordance with the University's policies.*** (*2013 Report – Volume 2*, p. 263, Recommendation 10; Public Accounts Committee agreement January 14, 2015)

Status—Implemented

> ***We recommended the University of Regina establish sufficient contract documentation requirements for the procurement of goods and services.*** (*2013 Report – Volume 2*, p. 264, Recommendation 11; Public Accounts Committee agreement January 14, 2015)

Status—Implemented

The University co-ordinated procurement of goods and services across its departments. It also established sufficient contract documentation requirements.

In December 2015, the University adjusted its purchasing policy so that the Supply Management Services department maintains responsibility for co-ordinating the University's purchases of goods and services. The policy also authorizes the Library, Bookstore, and Facilities Management departments to purchase goods and services in accordance with the policy requirements.

In our 2017 follow-up, we found the Facilities Management department did not follow the formal tendering processes required by the University's purchasing policy, and it used an insufficient contract template for purchasing consulting services.

Since 2017, we found the Facilities Management department:

> ➢ Where deemed necessary, requests the assistance of the Supply Management Services department when tendering purchases. We tested a sample of seven procurement contracts from the Facilities Management department, and found all contracts adhered to the University's tendering requirements. In addition, management approved these contracts in accordance with the University's delegated signing authority.

> ➢ Adopted the terms and conditions used by the Supply Management Services department in its contracts for purchasing consulting services. We tested a sample of five consulting services contracts from the Facilities Management department and found the contracts included appropriate terms and conditions (e.g., termination, privacy, confidentiality, severability).

In September 2019, the Facilities Management and Supply Management Services departments continue to work collaboratively with the University's legal counsel to develop consistent tender and contract documents to better support construction projects. The University expects to implement these documents by January 2020.

The co-ordination of goods and services procurement across departments helps the University to ensure consistent use of its purchasing policy. The use of sufficient contract documentation requirements helps the University limit its exposure to legal and/or financial risks.