At the pre-tendering phase

### What you might see

- Officer/member insisting on the need for goods/services
- Atypical use of single sourcing
- Unusual timing of procurement
- Procurement of goods/services not in procurement plans
- Tender requirements are overly specific or vague
- Close relationship between officer/member and supplier

### What it might mean

- Officer/member keen to ensure that a specific supplier wins the contract.
  - Either because:
    - linked to a specific supplier, either directly as a director or via family or friend
  - Or:
    - Officer/member receiving a bribe in exchange for contract money or other benefit
  - Or:
    - Officer/member receiving being coerced/forced into giving supplier work

### What can you do about it

- Ensure no one individual solely responsible for procurement decisions
- Robust and transparent management of Conflict of Interest
- Robust and transparent management of Gifts and Hospitality
- Robust needs assessment process
- Up-to-date and embedded contract procedure rules
- Scrutiny of single-sourcing justification
- Use standard templates for tender specifications

### How can you measure it

- Survey usage of goods/services purchased
- Identify contracts where there was only one (or limited) bids. Assess market place to see whether this would be expected.
- Data analysis and testing of contracts where values lie just below relevant thresholds.
- Review single source contracts
- Data analysis on contracts to identify splitting
- Review tenders within a short period/holiday period
### At the tendering phase

#### What you might see

- Pattern of certain suppliers securing tenders over time
- Only one bid is credible
- Similarity between bids of several suppliers
- Lower than expected number of bidders/bidders withdrawing unexpectedly
- Suppliers share contact details or bank account with other supplier/staff
- Bid matches very closely the ‘should cost’ model
- Direct communications or close relationship between bidder and staff/member.
- Discrepancies between original and final bid
- Unexplained extensions
- Tender not advertised or inappropriately advertised

#### What it might mean

- Collusion between suppliers. Including:
  - Bid rotation
  - Market sharing
  - Bid suppression
  - Bid rigging/price fixing
  - Cover pricing
- Staff member connection to supplier (undisclosed conflict of interest or fictitious supplier)
- Leak or sale of information by officer/member to supplier
- Officer/member keen to ensure specific supplier wins contract.
  - Either because:
    - linked to a specific supplier,
    - receiving a bribe in exchange
    - being coerced/forced into giving supplier work

#### What can you do about it

- Monitor winning suppliers over time
- Be alert to similarities in bids
- Conduct market engagement
- Mechanisms for suppliers and staff to raise concerns
  - Share intelligence across LAs
  - Declarations of non-collusion
  - Create ‘should cost’ models
- Verify new suppliers to Companies’ House, VAT registration, trade associations, financial institutions.
- Check new supplier details against staff and existing suppliers
- Use e-tendering platform to prevent early bid-opening
- Use e-tendering platform and mandate all communication with suppliers through this.
- Use e-tendering platform and mandate all communications with suppliers through this.
  - Use e-tendering platform to prevent early bid-opening
  - Put in place rules about how opportunities must be advertised and monitor for non-adherence

#### How can you measure it

- Data analysis to look at procurement patterns both across departments and organisations
- Benchmarking prices to similar suppliers used elsewhere across government.
- Identify instances where low number of bids submitted
- Background checks on status of companies submitting bids and evidence of previous work
- Review email traffic to ensure all communication with suppliers via e-tendering platform
- Identify all cases where extensions given - who made and authorised them; and impact on final outcome - did winning bid come in late?
- Identify advertisement routes and benchmark to usual practice to highlight anomalies
At the award phase

What you might see

- Scoring criteria not set in advance
- Scoring criteria used for evaluation different from those in specification
- Selection or award criteria appear unrelated to contract type
- Individual tries to influence other panel members
- Panel members not appropriately qualified
- Unsigned panel meeting minutes
- No panel or committee used to evaluate tenders/bids
- Manual alteration to bid documentation after submission

What it might mean

Officer/member keen to ensure that a specific supplier wins the contract.

Either because:
- linked to a specific supplier, either directly as a director or via family or friend

Or:
- Officer/member receiving a bribe in exchange for contract money or other benefit

Or:
- Officer/member receiving being coerced/forced into giving supplier work

What can you do about it

Agree evaluation criteria in advance and publish with the tender documentation.

Ensure that no single individual is responsible for drafting/agreeing criteria.

Use an evaluation with appropriate skills, experience and seniority.

Clear guidelines on the role of evaluation panels and verify process is followed.

Conduct assessment using an online system to maintain independence.

Use an e-tendering platform to protect bids from alteration.

How can you measure it

Test validity of scoring / weighting against original specification.

Compare instances of excluded bidders against original specification.

Interview all panel members individually to ascertain reasons why supplier selected.

Identify all cases where contract decisions made by single individual. Assess for patterns, trends. Use data analytics to see if any relationship with supplier can be confirmed.
### During contract delivery

**What you might see**

- Unexplained spend increases
- Invoices outside of usual billing cycle
- Goods, services or works do not match contract
- Unusual/new line items on invoices
- Undocumented amendments to contract
- High level of complaints, product failures, high maintenance costs
- Substandard work, unqualified
- Supplier chasing payment urgently
- Close relationship with supplier
- Lack of monitoring reports or perfect reports every time
- Unexpected delays or unwillingness of supplier to respond to communication
- Different delivery address used

**What it might mean**

- Supplier charging for goods or services not provided, may be in collusion with staff member
- Supplier extending contract scope to overcharge, may be in collusion with staff member
- Supplier may charge twice for same goods/services
- Product substitution: lower quality goods or underqualified consultants substituted at same cost
- Payment made to staff member or fictitious supplier
- May indicate: linked to a specific supplier, receiving a bribe, being coerced/forced
- Deliberate delay to allow for extra costs to be claimed
- Officer/Member ordering goods for personal use

**What can you do about it**

- Regular contract audits
- Checks on invoices before payment
- No PO, no pay policy
- Spend analysis to flag unusual payments
- Clear process in place for change orders/contract amendments
- Link payments to lifecycle stages
- Spot check quality of goods received
- Collect and monitor user and customer feedback
- Verification of supplier on set up
- Close dormant accounts
- Process in place for bank account change requests
- Conflicts of interest and G&H procedures
- Spot checks on monitoring
- Use approved delivery addresses
- Inventory/asset registers
- Monitor usage levels
- Monitor purchasing card spend

**How can you measure it**

- Test for physical evidence of goods/services as well as supporting documentation e.g. timesheets
- Review and independently verify all contract amendments.
- Run duplicates test. Test all invoices from supplier and match to specific goods/services
- Independent quality assessment of goods received
- Identify and review all bank account changes within a specified time period.
- Independent review of monitoring reports and assessments
- Identify and review contracts where delays occurred.
- Test goods received notes for unusual delivery addresses.
- Identify missing GRNs.
- Physical inspection.

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**Legend**

- **During contract delivery**
- **What you might see**
- **What it might mean**
- **What can you do about it**
- **How can you measure it**
Where no formal tender in place

**What you might see**

- Unexplained spend increases
- Invoices outside of usual cycle
- Aggregate spend exceeds thresholds for tender yet no tender process conducted
- Purchasing card spend increases, or used for unsuitable spend
- No justification for use, or continued use, of consultant(s)
- Consultant influencing or leading procurement process
- Newly created suppliers used with no previous work history
- Supplier has same address or account as staff or other supplier
- Close relationship with supplier
- High usage of petty cash or large petty cash balance
- Petty cash used for inappropriate items
- Different delivery address used

**What it might mean**

- Supplier charging for goods or services not provided, may be in collusion with staff member
- Splitting contract/purchases into smaller amounts avoiding thresholds to favour a supplier
- Fraudulent purchases using cards
- Personal connection to supplier or receipt of bribe
- Consultant manipulating process for own/company’s benefit
- Entirely fictitious supplier set up to steal funds
- May indicate:
  - linked to a specific supplier,
  - receiving a bribe
  - being coerced/forced
- Petty cash used to conceal fraudulent purchases
- Officer/Member ordering goods for personal use

**What can you do about it**

- Invoice checks before payment
- No PO, no pay policy
- Spend analysis - unusual payments
- Clear process in place for change orders/contract amendments
- Link payments to lifecycle stages
- Monitor aggregate spend
- Monitor purchasing card spend
- Limit merchant categories
- Use spend limits
- Conflicts of interest and G&H procedures
- Due diligence on consultants
- Robust process for use of consultants/contract extension
- Verification of supplier or on set up
- Close dormant accounts
- Process in place for bank account change requests
- Conflicts of interest and G&H procedures
- Limit cash usage
- Monitor petty cash/spend analysis
- Strict controls/usage rules
- Use approved delivery addresses
- Inventory/asset registers
- Monitor usage levels

**How can you measure it**

- Test for physical evidence of goods/services as well as supporting documentation e.g. timesheets
- Data analysis of Procurement Card purchases to identify unusual items, suppliers or transactions that have taken place at unusual times
- Identify, review and test process for recruiting and employing consultants
- Identify and review all bank account changes within a specified time period.
- Verification of supplier companies using Companies House data and internet searches. Look for directors and related companies
- Review and test all Petty Cash transactions.
- Test goods received notes for unusual delivery addresses.
- Identify missing GRNs.
- Physical inspection.