

Public Procurement in Performance Auditing - Boosting Innovation through Public Procurement

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Audit approach to public procurement

- Traditionally, the audit approach to public procurement has been a review of the correctness of procedure.
- A different perspective on the theme could be a review of opportunities generated by the procurement procedure.
- How to do things better?



Audit approach to public procurement

- In innovation policies public procurement is seen as an instrument to create demand for innovative products and services.
- The public procurement has been set high expectations. One key problem at the moment is a minor volume of innovative procurement.



Audit approach to public procurement

- The National Audit office of Finland published last summer reports “Innovative public procurement procedures” 8/2017 and “Implementation of innovation strategy in public procurement” 9/2017
- In these audits attention is paid primarily to what factors encourage innovation and, on the other hand, reduce the threshold to make innovative procurement.





A hand holds a magnifying glass over a white card. The card displays the word "Audit" in a blue, hand-drawn font, and "Methods" in a pink, italicized font. The background is a white brick wall.

Audit

Methods

Audit methods

- These audits were largely based on a case study. We intentionally choose different types of innovative public procurement cases in a review.
- In addition to this we sent requests for information to the state authorities responsible for innovation policy.



Audit methods

- We decided to present guidelines for defining the concept of innovative procurement in our audit reports.
- We also examined what kind of challenges the strategic development of innovative procurement includes.
- These audits combine different research fields (administration and innovation research, legal context)



The main conclusions of the audits

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- Procurement and contracting arrangements can be tools that support the creation of innovative solutions.
- An essential part of risk management is knowledge of the substance of the procurement and of the operating environment.



The main conclusions of the audits

- We reviewed the role of strategy from two different angles (macro and micro level).
- The role of macro-strategies (national policies) in procurement organizations (at the field level) is quite limited.

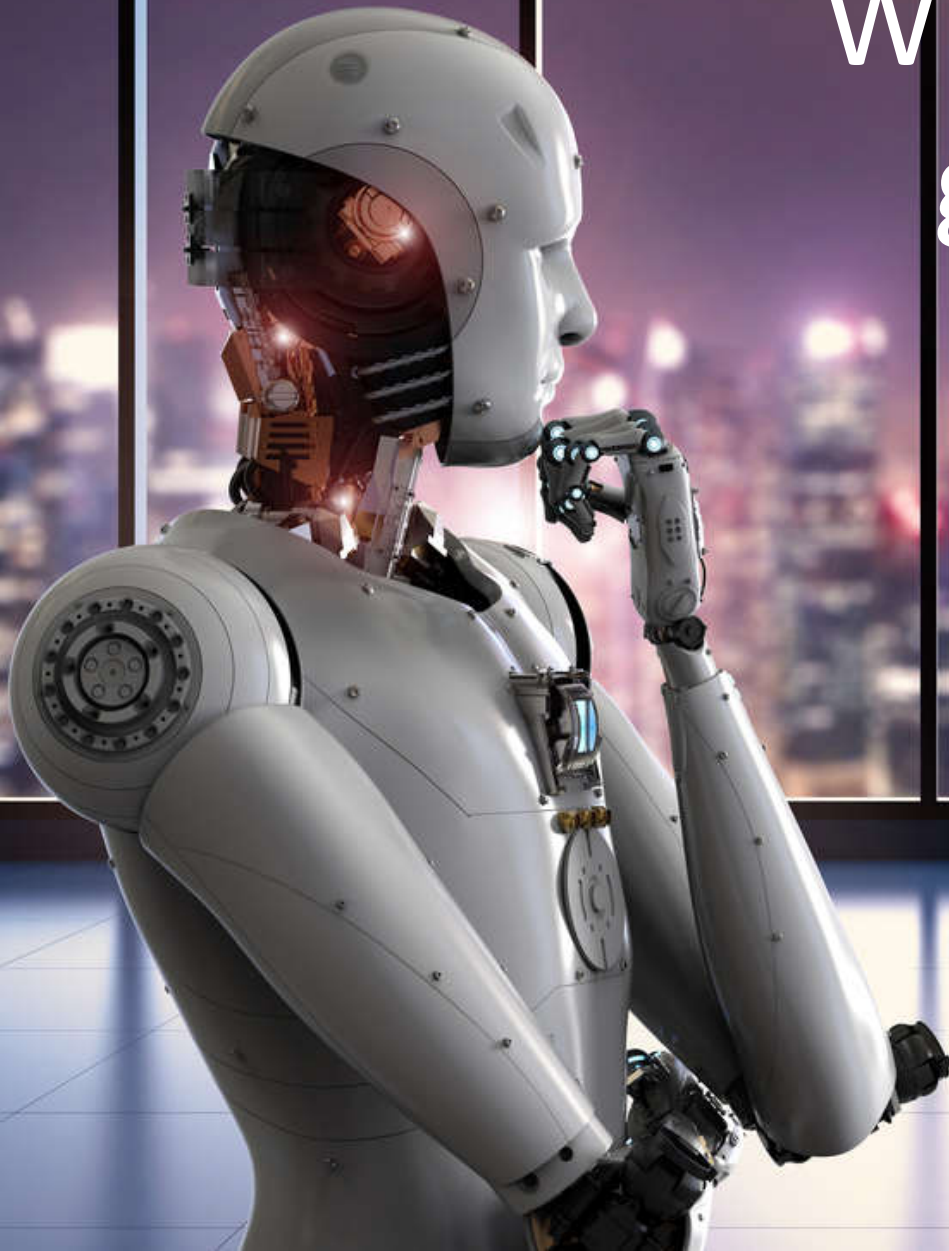


The main conclusions of the audits

- There are two pioneer cities (Oulu and Tampere) where innovative procurement is incorporated as a systematic part of these cities' (micro level) procurement strategy.
- The challenge is to spread systematic thinking beyond the other large procurement organizations.



What's new is
going on?



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- We are now continuing development oriented audit work by looking through the issue from the perspective of sustainable (green) development.
- We are currently processing our project “State as a promoter of Cleantech procurement”.



What's new is going on?

- The audit relates to the Finnish government's strategic goal according to which Finland should be a pioneer in clean technology (Cleantech) and bio-economy.
- One key instrument to reach this objective of the strategy is public procurement. The purpose is to create demand for sustainable solutions.



What's new is going on?

- The goal of the audit is to determine whether the public authorities and procurement organisations have succeeded in promoting the policy goals set for Cleantech procurement. On the other hand, the audit examines how Cleantech procurement can be developed.
- Consequently, also this audit is characterised by a forward-looking approach.



Thank you!

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