

Alternative Procurement and Management of Selected Health Contracts

Nova Scotia Health



AUDIT FOCUS

We selected six vendors to determine whether Nova Scotia Health:

- Procured vendors in compliance with provincial procurement policies
- Signed contracts with vendors that included clear terms and conditions
- Identified and disclosed any real or perceived conflicts of interest
- Is effectively monitoring and managing vendor performance

WHY WE DID THIS AUDIT

- Nova Scotia Health (NSH) has awarded over \$3.7 billion in contracts through alternative procurement since 2020
- Alternative procurement can lead to higher costs, less favourable contract terms, and an overreliance on a single vendor
- Past Nova Scotia Auditor General performance audits and financial reports have identified NSH concerns with the use of alternative procurement by NSH



KEY AUDIT RESULTS

- Our testing of alternative procurements for six vendors found NSH is inappropriately using alternative procurement and not following provincial procurement policy
- Improvements needed to manage conflict of interest
- Contract weaknesses noted including one vendor with no contract, another contract signed after work started, and contracts missing important terms and conditions
- With regards to contract oversight and management, regular vendor monitoring noted for five of six contracts, but improvement needed



Thirteen recommendations to NSH which has agreed to implement all of them in the coming months

➤➤➤ Important to note Auditor General concerns are not with specific vendors but rather NSH's internal processes for procuring and managing vendor delivery of goods and services.