

Agenda Item No. 10

Title: **Contract Monitoring - update**

Lead Member: **Cllr Hames - Chair of Audit Committee**

Reporting Officer: **Ian Jamieson - Head of Finance**

Purpose

To update the Audit Committee on progress in implementing the internal audit recommendations detailed in the report 'The Council's approach to the management of contracts'.

Background

A review of the Council's approach to the management of contracts was carried out by KPMG as part of the 2005/06 audit plan. The outcome of the plan work was reported at the previous audit committee. The majority of audits received the highest rating of 'good'. However, this review received the next rating of 'satisfactory' and the committee requested further update reports.

A significant number of the recommendations would be addressed by the future work of a contract monitoring group.

Key Issues

The first meeting of the group took place on November 6 and agreed the following:

- The terms of reference as set out in appendix 1.
- The corporate framework for the monitoring of contracts as set out in appendix 2, drafted using the KPMG internal audit advice.
- Members of the contract monitoring group would take opportunities to shadow monitoring of contracts and share best practice.
- The contract register would be expanded to include contracts below £50,000.

Effect on strategies and codes

The adoption of a corporate framework will improve the governance arrangements and support the 'sound financial management' principle.

Risk Management implications

These are contained within the report.

Financial and performance implications

There are no financial implications.

Legal and human rights implications

There are no direct legal or human rights implications.

Next steps


Recommendations will be implemented as detailed in the individual internal audit report action plan. The current years internal audit work will review progress on implementation.

Recommendations

The Audit Committee:

- Notes the progress being made
- Request a further progress report for the March meeting

Background Papers: Final Accounts Working Papers – Room 35

 Plain English guidance given

28 November 2006

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