

CONTRACTS SUB-COMMITTEE

Exempt minutes of the meeting held at 7.00 pm on 24 August 2016

20 /1 CONTRACTS ISSUES ARISING FROM INTERNAL AUDIT

Report CSD16122

A summary of contracts was provided in view of related issues that had arisen from recent Internal Audit reviews.

The Public Protection service had received critical Internal Audit reports on contracts concerning CCTV and Stray Dogs. Issues had been highlighted around contracting processes with Personnel issues, Key Documentation, and Contract Monitoring identified as themes across the cases.

Other issues arising from a number of Internal Audit investigations were also covered. All the highlighted issues had already been reported to Audit Sub-Committee, which normally received copies of the actual Internal Audit reports.

Members considered the various issues raised by audit findings from the contracts. Members found the issues particularly disturbing and expressed concerns in relation to timing/timetabling, an apparent lack of training and skills sets, a lack of understanding of contract monitoring, and a poor quality of management and knowledge of a contract.

To help improve overall contract management a number of broad measures were suggested. This included training and better contract specifications and definitions. It was important for a contract to be clear on what happens should KPIs not be met. The importance of Contract Management (in contrast to Contract Monitoring) was highlighted as a key foundation. Having a Contract Compliance expert to look through contracts was also suggested and this was supported by another Member. It was important the Council performed highly in Contract Management given the level of services being commissioned.

To raise concerns, the Contracts Register provided Red and Amber warnings; developing the Register further would provide a valuable contract management tool to drill down for relevant detail. Contract material was also seen by the Commissioning Board and contracts were regularly prevented from going forward given problems. Additionally, the Council's Legal team saw a number of contracts (other than smaller contracts).

Every contract over £200k should be seen by legal (with the commissioner in a Department). Officers undertake contract planning, involving experts as necessary, to ultimately arrive at a contract package. Generally, contract documentation was considered satisfactory; however, problems sometimes occurred in monitoring. Different services had different approaches, some of which were poor and a central team was being created for contract monitoring, headed by the Director of Commissioning.

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Members agreed that Report CSD16122 should be escalated to the next E&R PDS Committee along with minutes of the Sub-Committee's meeting. The Chief Executive could also be questioned on Contract Management at the meeting. A summary of actions proposed by Audit Sub could also be available to E&R PDS along with a record of progress made to help address the concerns.

For the moment, it was agreed that future minutes would exceptionally be referred to E&R PDS, to draw a particular matter to the Committee's attention; an assessment would subsequently be made on whether to regularly refer minutes to the Committee. The Sub-Committee's Annual Report would also go to E&R PDS.

In view of concerns for the contracts highlighted in Report CSD16122, it was RESOLVED that the report and minutes of the Sub Committee's meeting be referred to the Executive and Resources PDS Committee.

The Meeting ended at 10.05 pm

Chairman