

## Appendix B

### Recommendations regarding the Procurement Strategy and/or Contract Regulations resulting from the Internal Audit review of Contract Services

<b>Internal Audit recommendation</b>	<b>Management comment</b>	<b>Amendment to Contract Regulations</b>
<p>A full tender process is required for Level 3 purchases (£25,001 - £50,000). The same process is followed for Level 4 Purchases (£50,001 - £120,000). For purchases over Level 4 (£120,001 - £139,893), the same process is again followed, only a performance bond may be necessary.</p> <p>The authority should consider removing the additional band of £120,000 - £139,893 from the Contract Regulations, and expand Level 3 maximum limit to £139,893.</p> <p>[Suggestion]</p>	<p>The Levels have various implications within the Council's Constitution, which go wider than their application to contract tender processes. This recommendation will therefore be considered as part of an overall review of the use of the Levels within the Council's Constitution</p>	<p>Tender process requirements have been clarified by amalgamating</p> <ul style="list-style-type: none"> <li>- Level 3 (£25,001 - £50,000),</li> <li>- Level 4 (£50,001 - £120,000) and</li> <li>- up to the EU threshold (£139,893)</li> </ul> <p>i.e. there is now one process for contract values of £25,001 up to the EU threshold.</p> <p>The flowchart on page 3, the table on page 4 and the schedule under paragraph 16.6 refer.</p>
<p>One contract did not provide specific details of contract management arrangements, however, a general provision for performance was included. Additionally, testing undertaken did confirm evidence of monthly meetings and discussions of KPIs. It is acknowledged that data requirements are not always known at the time of tendering a contract and that such requirements are often identified upon the commencement of the contract and it is also acknowledged that not</p>	<p>This will be considered as part of the next review of the Procurement Strategy and Contract Regulations.</p>	<p>Guidance about performance management and key performance indicators has been added to paragraphs 16.4 and 20.3.</p>

<b>Internal Audit recommendation</b>	<b>Management comment</b>	<b>Amendment to Contract Regulations</b>
<p>all contracts are the same. However, in the absence of specific performance arrangements, there is a risk of financial loss due to underperformance or inappropriate performance management.</p> <p>All contracts should include specific performance management arrangements.</p> <p>[Low]</p>		
<p>Some minutes on one contract were not in sufficient detail to confirm whether actions had been identified, whether actions had been completed, or whether the contract was being appropriately scrutinised. Assurance can, therefore, only be placed on meetings being undertaken on a monthly basis.</p> <p>We confirmed with the contract lead that as many of the issues are identified and resolved on a day to day basis, there is often very little to discuss at the meeting. Whilst this is acknowledged, to evidence the fact that an adequate contract review has been undertaken, the minutes of the meeting should be in sufficient detail.</p> <p>Contract management meeting minutes should be in sufficient detail so that it is evident that adequate discussions and scrutiny has taken place.</p> <p>[Low]</p>	<p>(a) This will be considered as part of the next review of the Procurement Strategy and Contract Regulations.</p> <p>(b) The recommendation will also be passed on to the relevant contract manager to implement.</p>	<p>Guidance about contract management meeting minutes has been added to paragraph 20.1.</p>