

DEPARTMENT <b>Environment</b>	AUDIT REVIEW <b>Departmental Contract Management</b>	AUDIT REF <b>6615001</b>
PLANNED DAYS <b>10</b>	ACTUAL DAYS <b>10</b>	Frequency of Audit
<p><b>Background</b></p> <p>The Authority spends approximately £200m per annum on goods, works and services. Following a number of Internal Investigation exercises carried out which highlighted issues surrounding the procurement of Contractors, an Internal Audit Review was undertaken on the procedures for purchasing works and services.</p> <p><b>Scope</b></p> <p>The review ascertained whether suppliers are awarded work either as part of a framework or following a successful competitive tender exercise, in accordance with the Authority's Contract Procedure Rules and EU legislation. Analysis was undertaken of a number of Framework Contracts and payments relating to a number of Contractors.</p> <p><b>General Opinion</b></p> <p>Departmental Contract Management is assessed as high risk in the Internal Audit Plan for 2015/16.</p> <p>Payments made to 8 Contractors during the period April 2012 to December 2015 were analysed, in relation to four Framework Contracts as to how the contractors were appointed in accordance with the call off policies.</p> <p>The review identified a number of instances where Contract Procedure Rules have not been fully complied with. Of particular concern is that:-</p> <ul style="list-style-type: none"> <li>• contracts or frameworks are not in place;</li> <li>• where there are frameworks they are not always utilised correctly;</li> <li>• contractors have not always been appointed in accordance with the framework call off policy,</li> <li>• quotations were not always obtained or not always retained.</li> </ul> <p>Procurement is often undertaken on a Departmental basis and the cumulative level of spend is not known. This could impact on the requirement to comply with EU directives or result in failure to gain better prices through economies of scale.</p>		
<b>RECOMMENDATIONS</b>		<b>OVERALL ASSURANCE</b>
Priority 1- Fundamental Weaknesses	<b>1</b>	<b>LOW</b>
Priority 2 – Strengthen Existing Controls		
Priority 3 – Minor Issues		