

AUDIT COMMITTEE

24 September 2015

CONTRACT MANAGEMENT REPORT – UPDATE

REPORT OF CORPORATE DIRECTOR

Contact Officer: Steve Tilbury Tel No: 01962 848256

RECENT REFERENCES:

Contract Management Update Report AUD 126 22 June 2015

EXECUTIVE SUMMARY:

The report updates the Committee on the implementation of the measures to correct the control weaknesses identified in the November 2014 Contract Management report.

RECOMMENDATIONS:

- 1 That the report be noted.

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DETAIL:

1 Introduction

- 1.1 In November 2014 the Internal Audit team produced a report on the contract management for River Park Leisure Centre (RPLC) and Meadowside which found that the contract process produced 'limited assurance' and identified a number of medium and low risk control weaknesses. There were no high risk items.
- 1.2 A number of steps taken to address the control weakness were reported to the Committee at its last meeting in AUD126 and there is nothing to add to these at this time.
- 1.3 The outstanding issue, as noted in the report and in the Minutes of the meeting on 22 June 2015 relate to the verification of the income received under the income share arrangement since 2009 and production of an agreed procedure for verification in the future.
- 1.4 The Corporate Director, having consulted with the Chief Finance Officer and the Corporate Governance Group, has requested that the Chief Finance Officer commission an external independent review the results of which will be reported back to the Audit Committee.
- 1.5 It should also be noted that resources within the Estates team remain very constrained due to their large volume of work and the difficulty of recruiting to vacancies. This does have an impact on the number of meetings and inspections that they can carry out on all the Council's operational property. It will be possible with existing staff resources to undertake quarterly inspections and the Head of Estates considers that this is sufficient.
- 1.6 The Finance team have been asked to prepare the summary of the Council's own expenditure on River Park Leisure Centre and at the time of writing this is in progress. An update will be reported at the meeting.

OTHER CONSIDERATIONS:**2 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):**

- 2.1 The provision and effective management of the leisure centre is considered to be a significant community benefit providing health and well-being benefits.

3 RESOURCE IMPLICATIONS:

- 3.1 There will be costs for the external work commissioned which will be charged to the Leisure Services budget.

4 RISK MANAGEMENT ISSUES

- 4.1 The purpose of the Internal Audit report is to improve contract management and to reduce risk arising from non-compliance.

BACKGROUND DOCUMENTS:

Southern Internal Audit Partnership Internal Audit Report 'Contract Management'
(Confidential)