
Appendix 3

SWAP Contract Management Audit January 2023

SWAP completed a Contract Management audit, reported in January 2023, which surveyed a sample of contract managers from across the organisation and found that:

Audit recommendation	Action / Progress
1. The record of contract managers out of date. After we issued the questionnaire, several officers identified as contract managers in the contract register reported they were not the contract manager. Based on officer responses, we believe there are 17 contracts with the wrong contract manager recorded. We also found there are 27 contracts with no named contract manager.	<p>The Service Manager for Commercial is now ensuring the contract information within Somerset Councils contract register is up to date, including the list of commissioners and contract managers. The update is targeted to be completed prior to the transfer of this information to the new contract management system.</p> <p>The list of contract managers within the new contract register will be reviewed every three months due to the level of change planned.</p> <p>Cross reference 7.5 of main body report.</p>
2. Survey results highlight that 35% of the contract managers were unaware of the Contract Managers' Toolkit. Of the managers who manage a Tier 1 or 2 contract (T1/T2) this was 32%. While the Toolkit is accessible to staff, 43% of respondents that were aware of the Toolkit stated they did not use it.	<p>The contract management toolkit uses the latest documentation available at Welcome - Knowledge Hub (khub.net)</p> <p>Lunch and learn sessions will be made available to contract managers which will include information on the location and use of the contract management toolkit. 3 sessions to be delivered by September 2024.</p> <p>An introduction to contract management and contract management quick start guide is being developed for those who do not need the full toolkit.</p>
3. Our survey also highlighted uncertainty from managers	<p>Training was also made available to contract managers, listed in the contract</p>

about the content of their contracts. We found that:

- 21% were not sure if there were consequences for failing to meet performance targets (16% for T1/T2 contract managers)
- 21% were not sure if the contract detailed how variations should to be managed (28% for T1/T2 contract managers)
- 8% did not know if there were agreed KPIs for the supplier to work towards and report on (4% for T1/T2 managers)

register, through the Government Commercial College. Figures are available in Appendix 2.

Cross reference 7.11 of main body report.

4. Our survey also highlighted inconsistency in contract management activity. We found that:

- 13% have no periodic meetings/visits with the supplier (8% of T1/T2 manager responses).
- 33% receive no performance reports from the supplier (16% of T1/T2 manager responses)
- 33% had no contingency plans in place should the supplier be unable to fulfil the contract (20% for T1/T2 managers). This should be in place and reviewed annually for T1 and every 2 years for T2.

A supplier resilience checklist is drafted awaiting approval of the SRO when in position.

The supplier resilience check list sets out the minimum level of engagement for Tier 1 and Tier 2 contracts and the information which contract managers should gather from suppliers on an annual basis.

Somerset Council has a system, Creditsafe, which contains portfolios of Tier 1 suppliers and suppliers with an annual spend over £1 million. The system provides daily reports if the financial standing of a company changes, CCJs are issued, Directors change, or new financial information has become available. The alerts are monitored by the Commercial team and sent to contract managers when deemed appropriate.

-
- 27% were not aware of the requirements to complete supplier resilience checks (16% for T1/T2 contract managers). Contract Procedure Rules mandates a supplier financial and business standing review for T1 and T2 contracts on an annual basis.