

**RESOURCES DIRECTORATE  
IT CONTRACT MANAGEMENT REVIEW**

**TERMS OF REFERENCE  
Audit Plan – 2015/16 & 2016/17**

**1 INTRODUCTION**

This review forms part of the above years' Internal Audit annual plan and was proposed as a result of a review undertaken of the IT Data Centre as part of the 2014/15 risk based annual audit plan. The review links to the all council's corporate priorities as IT is a key element of the achievement of the Council's objectives.

**2 AUDIT OBJECTIVE AND SCOPE**

The objective is to ensure that effective contract management is in place for the IT Contract with Sopra Steria, that services are obtained in accordance with the contract and that value for money is achieved.

**Scope (Agreed Key Risk Areas)**

- Skills and level of resources in place to monitor the contract
- Risk Management
- Performance monitoring/quality assurance
- Financial management
- Relationship management
- Governance and reporting

**3 METHODOLOGY**

The review will be split into two parts. The first part will be undertaken as part of the 2015/16 Internal Audit Plan and will involve Internal Audit working pro-actively with management providing advice on the controls expected to be incorporated into a robust Contract Management process.

The second part of the review will be undertaken as part of the 2016/17 Internal Audit Plan and will involve the normal risk based approach that will include the identification, sample testing and evaluation of key internal controls within the system. Sufficient testing will be undertaken to enable Internal Audit to provide managers with a balanced view and appropriate assurance as to the adequacy and application of the key internal controls.

**4 REPORTING**

Audit findings will be verbally reported to the Head of Business Transformation Partnership and a written draft report issued within one week of this meeting. An Action Planning Meeting will be held with the client within 2 weeks of the issue of the draft report to obtain agreed actions to the recommendations.

A final report will be issued within two weeks of the client's response to the draft report. The final report will include agreed action for the implementation of recommendations, including timescales and responsible officers.

The report will provide:

An overall opinion of the system audited, highlighting key strengths and weaknesses in internal control;

An explanation of the risks associated with identified weaknesses in internal controls to enable the client to clearly identify the priority that they should afford to each issue;

Any necessary recommendations for enhancing the internal control system categorised to indicate significance.

## **5 REPORT DISTRIBUTION**

The draft report will be issued to the:

- Head of Business Transformation Partnership; and
- Director of Customer Services & Business Transformation

The final report will be issued to:

- Head of Business Transformation Partnership;
- Director of Customer Services & Business Transformation; and
- Corporate Director Resources & Commercial
- Director of Finance

## **6 RESOURCES**

The first part of the audit will be undertaken by the Head of Internal Audit

Who can be contacted on extension 2420

## **7 CLIENT SIDE AGREEMENT**

I agree to the above terms of reference and undertake to ensure that:  
Internal Audit is provided with access to records and personnel necessary for the purpose of the audit;

The audit findings will be discussed with Internal Audit and that the proposed action and timescale for the implementation of recommendations is confirmed promptly.