



Internal Audit Report

Chief Executives' Unit

Review of Major Capital - Capital Contracts – Bruichladdich Pier

April 2008

4 SUMMARY OF MAIN FINDINGS

- 4.1 The main findings in this review relate to matters which will be more appropriately dealt with in the Overview Report and do not therefore appear in the Action Plan at Appendix 2.
- 4.2 There is no check on contractors' insurances that expire during the contract period or that professional indemnity insurance in respect of design and construct contracts are renewed each year thereafter.

APPENDIX 2

ACTION PLAN

ACTION PLAN NO	PARAGRAPH	GRADE	WEAKNESSES IDENTIFIED	AGREED ACTION	RESPONSIBLE OFFICER	DATE OF IMPLEMENTATION
2	1.13 to 1.15	Material	Delays did occur but no information was recorded in the contract file communicating details of delays or action to be taken. We were advised that communications would have been verbal or by e-mail thus explaining the lack of documentation on file.	Consideration should be given to electronic contract filing with a folder for each contract/project where all documents including e-mails, letters and other text and “pdf” files could be stored. This could be introduced as part of the Quality System Review planned for this summer.	Principal Engineer	September 2008
3	1.22 to 1.24	Material	Roads Design do not check insurances as a matter of course. Liability and other insurances are obtained at the award of the contract by Corporate Services. Where contractors or consultants are employed with a design	The Roads Design Service should identify all recently completed projects (2 years) where the contractor or an external consultant has design responsibility and all current contracts where the Contractors liability	Principal Engineer	September 2008

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			responsibility it is vital that the Council verify that their annual Professional Indemnity insurance is renewed and the level of cover maintained otherwise the Council will be at risk for any design defects. Similarly liability insurances that expire during the period of a contract need to be verified as to renewal.	insurances were due to expire during the contract period and agree with Corporate Services a process that ensures the appropriate professional indemnity and liability insurance cover is in place and remains in place as appropriate.		