
CONTRACTING WITH EXTERNAL AGENCIES

SUMMARY

This note is issued to assist departments dealing with External Agencies. When developing an agreement with any outside body relevant teams should ensure compliance with all sections of the Following the Public Pound Code.

DETAIL

As part of the Internal Audit Report on Value for Money and Following the Public Pound in September 2010 a review was carried out on how we contract with External Agencies.

The main objectives of the 2009/2010 audit were:

- Confirm Service Level Agreements (SLAs) were in place with large payments paid to outside organisations;
- Confirm the SLAs meet the requirements of Following the Public Pound
- Confirm if the SLAs have been enforced in connection to payments, performance information and financial information;
- Look at the process for deciding what information is included in the SLA's;
- Check member/official involvement as included in the SLAs.

A Review was carried out of the use of written agreements with external bodies to ensure compliance with the 6 principles of Following the Public Pound which are

- Purpose
- Financial
- Monitoring
- Representation
- Limitations
- Accountability

As part of the review, written agreements we have with third party organisations have been streamlined, simplified and standardised. Applications for funding are being standardised and developed in line with the new style agreements. A Central Register of all contracts has been prepared and is due for completion shortly. A training programme for staff and members will be carried out over the next few months. The next stage in the process of review is to raise awareness of these changes and to ensure that **when dealing with outside bodies** all staff are aware of the following:

- Ensure that the correct Application for Funding has been used. If there is no application ensure that a process for funding has been followed and is recorded.
- Ensure that a contract is in place to cover the relationship with the external body and the new style written agreements have been used.
- Ensure that the details of the written agreement are passed to the Commissioning Team for noting on the Central Register.
- Confirm compliance with the terms of the written agreement in relation to finance and monitoring.
- Ensure the information given to the Commissioning Team is correct , current and relevant for the contract

For further information contact: Moira Logan, Commissioning Team, 01631 567948