

BARROW BOROUGH COUNCIL
INTERNAL AUDIT FINAL REPORT CR 133
INSURANCE 2019–24

Executive Summary

Introduction

This contract relates to the provision of the Council's property, liability, travel and accident insurance. With the help of JLT insurance brokers, an open tender exercise was undertaken in 2019 via The Chest online procurement portal.

The contract was awarded to Zurich Municipal for a period of five years from 1st October 2019, with the option to extend for a further two years. The value of the contract is £215,815.35 per year, totalling £1,079,076.75 – £1,510,707.45 across the lifetime of the contract.

Audit Objectives

Internal Audit are required to consider for review all contracts entered into by the Council. The Director of Resources through the Head of Internal Audit will select all contracts valued over £100,000 and a sample of smaller contracts for detailed scrutiny and review.

The audit objectives were to perform an examination of the procurement method, selection of suppliers and provision of goods and services. Details of the audit methodology are provided in Appendix 1.

Key Points
Restricted Assurance
2 major issues
5 important issues

Audit Conclusion – *Restricted Assurance*

As a result of the audit, significant weaknesses have been identified in the system of control, which put the system objectives at risk.

Internal Audit have made two Priority 1 recommendations, relating to officers ensuring that:

- Contract Management Checklists are completed fully and submitted to Internal Audit in a timely manner;
- any financial arrangement entered into by the Council is supported by a written and signed agreement;

In addition, Internal Audit have made five Priority 2 recommendations, relating to officers ensuring that:

- all aspects of the contract tendering and letting process are fully documented and evidence made available to Internal Audit;

- pre-tender estimates are fully documented and budgetary provision is properly identified prior to procurement;
- the online Contract Register is up-to-date and readily available to the public and staff;
- contract managers are present at tender openings and their presence is recorded; and
- details of contracts awarded under delegated authority are reported to Executive Committee in full.

Management Response

Constructive management responses were received from the Director of Resources and Procurement Officer.