

## Regulatory and Other Committee

### Open Report on behalf of Richard Wills, Monitoring Officer

Report to:	<b>Audit Committee</b>
Date:	<b>06 September 2016</b>
Subject:	<b>Review of Serco Contract by KPMG</b>

#### Summary:

The Audit Committee previously approved the terms of reference for a review of the Serco Contract, following a resolution at the meeting of the County Council in May 2016. The review commenced later than expected because of a delay in getting approval for KPMG to undertake the work from Public Services Audit Appointments Ltd.

There will be a presentation by KPMG on the findings of the review so far. The Committee will be invited to comment and give the Chairman the power to consult with the Chief Executive in preparing the covering report for KPMG's Serco Contract Review Report to the County Council on 16 September 2016.

#### Recommendation(s):

The Committee is recommended to:

1. receive the presentation;
2. comment on what it has heard to inform the covering report for KPMG's Review that will be presented to County Council; and
3. authorise the Chief Executive in consultation with the Chairman of the Committee to prepare the final covering report for KPMG's Serco Contract Review Report to the Council to be presented in the name of the Chairman of the Committee.

#### Background

1. At its meeting in May, the County Council resolved to ask the Chief Executive to ensure that the promised review of the procurement and award of the Serco contract and the implementation of Agresso is undertaken at once using the Council's external auditors KPMG. The terms of reference for the review (Appendix A) were agreed by the Audit Committee at its meeting on 20 June.

2. KPMG are the Council's external auditor and as such they required approval from the body that appoints auditors to councils, Public Services Audit Appointments Ltd. Disappointingly, this body did not give its approval until 8 August, despite numerous attempts to get a response sooner.
3. Consequently, there was a delay of over a month in commencing the review. KPMG have been conducting interviews from the time they received approval until after the publication of this agenda.
4. At the meeting, KPMG will present its findings and draw some preliminary conclusions. This is a post implementation review, which will draw out learning points. The review should enable the Council to refine procurement in future outsourcing contracts.

## **Conclusion**

The delay in commencing the review has meant that KPMG's Review of the Serco Contract final report is yet not available. It is proposed that this will form an appendix to a covering report to be prepared for the Council Meeting on 16 September 2016. The Audit Committee's comments on the Review can be taken into account in the covering report to Council and it is recommended that the Committee authorises the Chief Executive in consultation with the Chairman of the Committee to prepare the covering report.

## **Consultation**

### **a) Policy Proofing Actions Required**

n/a

## **Appendices**

These are listed below and attached at the back of the report	
Appendix A	Terms of reference for the review

## **Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Richard Wills, who can be contacted on 01522 553001 or [richard.wills@lincolnshire.gov.uk](mailto:richard.wills@lincolnshire.gov.uk).