



## Executive Summary

This report represents the results of our audit of contract management practices and compliance in the Material and Contract Management section of the Common Administrative Services Directorate (CASD).

Our audit covered a review of the management control framework in place to ensure compliance with Treasury Board's Contracting Policy and Government Contracts Regulations as well as the Council's own policies when applicable, and to ensure that departmental procedures are effective, efficient, and provide value for money and ensure financial integrity in accordance with our Memorandum of Agreement.

In summary, we found deficiencies in complying with contracting policies as well as areas where improvements are warranted. The first observation below is the most significant in that it addresses a number of ongoing contracting compliance deficiencies. These areas are summarized below and detailed in the attached body of the report:

- A review of contracts for NSERC and SSHRC indicated a number of recurring significant compliance deficiencies.
- There is a need for a better system to gather information on contracting activity for analytical, managerial and reporting purposes.
- The delegated authority to initiate the contracting process should be communicated in a clearer manner.
- Contractor Performance Evaluations should be completed and entered in a data base so the resulting information will be available to appropriate parties as required.
- Human Resourcing in the Material and Contract Management section of CASD requires review to ensure proper skill sets are in place for a changing and more demanding environment.
- The Material and Contract Management section requires work standards to have a benchmark for internal evaluation and to facilitate an understanding with clients on what standard of service can be expected.

Our observations describe necessary processes that are not in place and repetitive deficiencies or omissions in the contracting process. It was not thought helpful to management in developing a comprehensive response to our observations to include isolated omissions or deficiencies in our report. Consequently, all observations identify significant problem areas with a reasonable risk assignment. The observations are interrelated and, accordingly, should be appropriately responded to as a whole, making any specific priority ranking of reduced relevance.

We believe that once the additional processes are put in place and described deficiencies and omissions in processing contracts are corrected, the Material and Contract Management section will: be better placed to provide services to client groups; have a higher level of compliance with Central Agency and Council requirements; operate on a more professional and proactive basis; and, be better positioned to withstand scrutiny in a contracting environment that is certain to become more demanding.



It is recognized that management of both the Material and Contract Management section and CASD as a whole is anxious to address the issues detailed in this report and has already taken action in some cases based on discussion and an exchange of information.