

Procurement in public service organisations is big business. Around £175 billion is spent each year on contracting for a wide range of projects, goods and services. The public is right to expect, especially in the current financial climate, that this money is spent wisely and safely.

Each year CIPFA invites submissions for the Cliff Nicholson Award for innovations in audit. This year Transport for London (TfL) submitted their *Contract Audit Toolkit* and this was highly commended by the judges, including Cliff Nicholson.

The judges welcomed the toolkit and the principles and techniques set out, and believed that it could help auditors in organisations of all sizes with procurement and contract audits. This includes all stages, from the options appraisal/decision to buy through to specifications, tender evaluations and monitoring and post-contract review. Part One of the toolkit will help auditors be confident that they understand the procurement and contract process and Part Two will help them focus attention on some of the key risks. CIPFA is pleased to endorse the approach and to publish this toolkit with TfL.

A handwritten signature in purple ink, appearing to read 'A Barrett', with a stylized flourish at the end.

Anthony Barrett

Chair of the CIPFA Audit Panel

TfL Foreword



The *Contract Audit Toolkit* has been designed by TfL, and written by Senior Audit Manager Sandra Wheatley MCIPS, as an aid to auditors conducting audits of procurement and contract management.

Our aim in developing this toolkit was to assist auditors, who may not have contract management experience, to understand more fully the procurement lifecycle and to be able to identify key generic risks inherent at each lifecycle point.

By referring to the toolkit, the auditor is able to develop an audit scope, follow best practice in procurement and contract management, and have an understanding and appreciation of the legislation that underpins the procurement process.

The toolkit also enables the auditor to develop a set of questions around value for money in terms of cost, quality and sustainability.

We were pleased to be highly commended by the Cliff Nicholson Award Panel for this toolkit. We hope that it will assist other audit departments to improve their approach to procurement and contract audits and add value in this important area.

A handwritten signature in purple ink, appearing to read "Mary Hardy". The signature is stylized with a long horizontal stroke extending to the right and a loop at the end.

Mary Hardy

Director, Internal Audit, TfL