

Date: 2021-11-15

Subject: **Vendor Performance Management Audit**

Contact: Richard Gervais, Acting Director, Internal Audit, (905) 874 3836,
Richard.Gervais@brampton.ca

Report Number: CAO's Office-2021-1239

Significant Improvement Required**Executive Summary:**

Internal Audit undertook a review of vendor performance processes across the organization.

The background, objective, and audit scope are explained in **Appendix 1**.

During our review, we observed the following strengths:

- Contracts include clear obligation requirements and terms that allow the City to take appropriate action if goods or services are not delivered or provided.

Internal Audit discussed the following improvement opportunities with Management:



- Vendor Performance scorecards used to evaluate vendors are not being consistently filled out by contract managers within operating departments.
- Improved management oversight is needed to monitor overall compliance and effectiveness of the Vendor Performance Evaluation program.
- Integration of electronic workflows should be considered to streamline the data collection process and facilitate utilization of the information for management decisions.

Other Matters

In the "Other Matters" section of **Appendix 1**, we noted issues observed in the audit which pose no or low future risk, but should still be considered by Management.

These issues and associated management action plans are explained in more detail within the body of this report.

Internal Audit discussed the following improvement opportunities with Corporate Support Services Management:

Process	Finding	Rating
1. Vendor Performance Evaluation (VPE) Effectiveness	VPE scorecards are not being consistently completed in accordance with the SOP. Without vendor evaluation, there is a risk that the City is unable to rectify poor performance and take appropriate action.	 P1
2. Oversight controls	Lack of centralized controls to monitor completeness and reporting of vendor performance evaluation performed at the department level.	 P3

These issues and associated management action plans are explained in more detail in **Appendix 1**. These issues are rated as per criteria explained in **Appendix 2**.

Conclusion:

Significant Improvement is Required by management to strengthen oversight over vendor performance management processes.

The overall report rating is determined as per the criteria for audit report rating explained in **Appendix 3**.

Authored by:

Mary Chu, Sr. Internal Auditor
Internal Audit

Reviewed by:

Gurpreet Singh, Acting Director
Internal Audit

Approved by:

Richard Gervais, Acting Director
Internal Audit

Submitted by:

David Barrick
Chief Administrative Officer

Attachments:

Appendix 1: Vendor Performance Management Audit 2021 Report

Appendix 2: Criteria for Evaluating Audit Findings

Appendix 3: Criteria for Audit Report Rating