



Leading learning and skills

Contract Monitoring Visit Process

Procedure supporting CMA End to End Business Processes and Contract Management Framework
Part 3 of 7

Author East of England Contracts Team

Amendment History

Issue No	Date	Amended by	Change
0.1	16 Jan 09	Alex Woodcock	Initial draft
0.2	27 Jan 09	Alex Woodcock	Draft
0.3	29 Jan 09	Alex Woodcock	Amendment to Draft
0.4	27 Feb 09	Alex Woodcock	Changes to draft after consultation – Removal of term ESF from functional titles/roles within the Contracts Team, Re-numbering of paragraphs, addition of timescales, clearer definition of interaction between Advisers and H&S and Quality Teams.
0.5	07 April 09	Alex Woodcock	Addition of National Contract Register and variation process.
0.6			

Approval History

Issue No	Date	Approved by	Change
1.0	07 April 09	Nichola Cowell	

1. Purpose

1.1 The purpose of this document is to outline the processes undertaken by the East of England Contract Team in setting up ESF Co-financed Contracts. These procedures focus on the ESF 2007-13 funding stream.

1.2 The following processes have been designed to compliment the existing LSC National Office procedures for contract management including: The Qualified Provider Framework; Open and Competitive Tendering and Procurement; Creating and issuing LSC contracts; CMA End to End Business Processes; Contract Management Framework; Data Collections; Provider Financial Management; LSC Finance; H&S and quality procedures. They should be used in conjunction with the above. Where possible, links have been provided to the appropriate team/websites for further guidance on the related processes.

2. Scope

2.1 These procedures apply to all ESF Co-financed projects only.

2.2 These procedures start from the completion of the Project Set up Meeting as detailed in the LSC ESF [Contract Set up Process](#). These procedures cover the total life cycle of LSC contract monitoring meetings, up to but not including the project closure Meeting. For further details of the Project Closure Meeting please refer to the LSC ESF [Project Closure](#) procedures.

2.3 These procedures do not cover the requirements for desk based monitoring through the provider reports on a monthly basis. Further details on this procedure can be found in the [Monthly Contract Monitoring processes](#).

3. References

[PFM Audit Procedures](#) – Provider Financial Management Procedures for Managing LSC Provider Contracts.

[LSC Data Collection Procedures](#) – LSC processes and forms for collecting learner data from providers through the LSC OLDC system.

[Contract Management Framework](#) – National LSC document detailing practices and principles of LSC Contract Management.

[CMA End to End Business Processes](#) – National LSC processes for LSC Contract Management Application (CMA) System.

[Qualified Provider Framework](#) – LSC process for maintaining a national list of providers who meet the criteria to tender for LSC provision.

[Procurement Procedures](#) – LSC process to Open and Competitively Tender for LSC Provision including WBL, Train to Gain, Entry to Employment, ESF etc.

[LSC Risk Management Procedures](#) – LSC process for managing contract risks.

4. Definitions

4.1 For further definition of terms and acronyms used within this and all related documents, please refer to the East of England Process Glossary available from the Performance and Planning team site.

5. Background

5.1 When the LSC has awarded a contract, it must monitor whether the service is being delivered to specification and in accordance with all the terms of the Contract. This means being able to check that the service does what it is required to do; that is the service is being delivered well, to the agreed Key Performance Indicators (KPIs), and, as appropriate OfSTED/Self Assessment Report (SAR) and any other relevant standards.

Note: LSC Key Performance Indicators will include but not be limited to Quality, Health & Safety, Minimum Levels of Performance (MLP), E&D and sub-contracting arrangements.

5.2 LSC Contract Management is based upon an approach which ensures that contract management resource is focused effectively on areas of higher risk. It follows the principles for managing delivery and quality as set out in a much earlier LSC publication, 'Planning for Success'. To view further details of the LSC Risk Management Approach please [click here](#).

5.3 Delivery & Performance Management must be undertaken for each provider, at area, regional and national levels as specified in the Contract, to ensure effective contract management. We have a duty to ensure effective and efficient use of public funds to provide maximum benefit to learners.

As part of the Performance Management of contracts, Contract Advisers are required to complete monitoring visits with the provider. The purpose of these visits is to review delivery, check evidence records and data, review the projects risks and assess the quality and management of the project. The type and frequency of these meetings will be determined by completing the [Contract Risk Assessment](#).

5.4 The Monitoring Visits have been split into three main types. This is to account for the varying levels of monitoring of certain aspects of the contract and ESF regulations. The required frequency of monitoring for each aspect of the contract (every review, every other review, yearly) is determined by the level of risk that element carries for the LSC. For example the progress against targeted deliverables and evidence to support claims should be reviewed at each meeting as they carry a greater risk than say, sustainable development or case studies, which although required and should be monitored, are less of a risk to the delivery of the Contract and can be reviewed less frequently.

Another consideration in determining the frequency of the review of a particular element has been the practicality and availability of information. For example, a provider should receive a maximum of one audit per year, so the audit report would only need to be discussed at a monitoring visit when an audit is undertaken and there are outstanding actions. Any formal action must be in accordance with the terms of the Contract.

5.5 Full and accurate records should be kept of all meetings and discussions with providers to ensure effective monitoring and audit. Click here to obtain a copy of the [Contract Adviser File](#) structure that should be used to store paper copies of project information and meeting records.

6. Procedure

6.1 Arrange Meeting with Provider

6.1.1 Within 2 months of the Project Set up meeting the Contract Adviser will contact their provider to arrange a Monitoring Visit. The timings for subsequent meetings will monthly, bi monthly or quarterly depending on the progress and risks of the project. Please see the [Risk Management Process](#) for further details. Once the meeting has been arranged the Contract Adviser will send a copy of the agenda to the provider confirming the following in writing (email is sufficient):

Meeting Time
Meeting Date
Meeting Location
Attendees (if required)
Meeting Objective

6.2 Prepare for the Meeting

6.2.1 The Contract Adviser will either complete the [CMA reporting processes](#) to obtain the necessary reports to show the providers progress to date or they will use the most up to date reports available, if a reporting period has just past (please see the Monthly Monitoring Processes for further detail). Using these reports the Contract Adviser will review the provider's performance and make notes of any issues or queries to raise at the meeting. The Contract Adviser will also review the provider's financial situation and update the [Contract Risk Assessment](#) for the project with any identified changes.

6.2.2 The Contract Adviser will then review the excel export of learner data (running an up to date report if required) and copy and paste the required information into the [ESF Data Spreadsheet](#) to check [MLP Levels](#) and to confirm residential eligibility. Any employed learners that are highlighted on the report will need to be check against the [State Aid Appendix 1 form](#). The Contract Adviser will print the last reported copy of the [State Aid Appendix 1 form](#) and check that the employers and learners are eligible as required. This list will be used at the meeting to confirm new employers recruited and to check signed State Aid forms are in place.

6.2.3 Following the initial assessment and ongoing monitoring of each providers Health and Safety (H&S) the Regional LSC H&S Adviser will contact the Contract Adviser to inform them if there are any issues or queries to be followed up. If the provider has an action plan in place the Contract Adviser will print an up to date copy for the meeting.

6.2.4 Following the yearly submission of the providers Self Assessment Report through the provider gateway, the Contract Adviser will check with the Quality Team to see if there are any issues or queries to be followed up. They will also obtain a copy of the report and where available the providers gradings.

6.2.5 Using the [Single Provider View](#) and [National Contracts Register](#) the Contract Adviser will ensure that there are no financial issues that could affect the providers risk status and update the risk register.

6.2.6 Following a provider audit the PFA Team will issue the Contract Adviser with a copy of the audit report and recommendations. The Contract Adviser will review the report and take any required actions as necessary (i.e. removing ineligible learners from the claim). They will then print a copy of the audit report to take to the meeting to follow up any further actions with the Provider.

6.3 Monitoring Meeting

6.3.1 Click here to access the Monitoring Meeting [Agenda](#) and [Report](#).

6.3.2 When the Monitoring Meeting has been completed the Contract Adviser will follow the [Risk Management Process](#). They will review the provider's delivery and update the Contract Risk Assessment. If high risks or strategic changes are identified the Contract Adviser will notify the Local Area Team/Project Lead and Lead Contract Manager immediately. The Contract Manager, Local Area Team Lead and the Project Lead will then determine if further action/escalation is required as detailed in the Risk Management Process.

6.3.3 The Contract Adviser will update the Monitoring Report with the discussions from the meeting and email it to the provider within 10 working days for them to agree. The Contract Adviser will also email a copy of the report and up dated Contract Risk Assessment to the Project Lead and Local Area Lead for information/comment/action. Once returned the Contract Adviser will send the report to the Contract Manager for countersignature. Once the countersigned copies have been received back a copy should be returned to the provider and a copy should be retained in the [Contract Advisers File](#).

6.3.4 Where a contract variation has been identified the Contract Adviser will follow the [Variation process](#).