



Contracts Review Procedure

Procedure Number
WCDHB-PF-0002

Version Nos:
5

1. Purpose

This Procedure outlines the standardised process to be utilised by the West Coast District Health Board (WCDHB) for reviewing and signing off contracts internally. It outlines the contract review process for revenue contracts, expenditure contracts and for Funder-Arm contracts.

2. Application/Responsibilities

This Procedure is to be followed by all WCDHB staff members.

3. Definitions

There are no specific definitions associated with this Procedure

4. Responsibilities

For the purposes of this Procedure:

The *Finance Department* will:

- establish a Contracts Register for the management of revenue contracts;
- establish a Contracts Register for the management of expenditure contracts;
- circulate copies of contracts to General Managers and other identified staff members
- track movement of each contract via the Contracts Register.

The *Assistant Accountant – Contracts* will:

- invoice funders according to the contract terms and keeps a register of all current revenue contracts, their renewal dates, expiry dates, etc.
- remind relevant staff about contracts that are coming due for renewal.

The *Assistant Financial Accountant* will:

- check that invoices signed by managers comply with the contract terms and will keep a register of all current expenditure contracts, their renewal dates, expiry dates, etc.

The *PA to the GM Planning and Funding* will:

- check that invoices approved for payment comply with the contract terms and will keep a register of all funder - provider contracts, their renewal dates, expiry dates, etc.

5. Resources Required

This Procedure requires:

- WCDHB Expense Control Sheet
- WCDHB Funder Control Sheet
- WCDHB Revenue Control Sheet



Contracts Review Procedure

Procedure Number

WCDHB-PF-0002

Version Nos:

5

1.00 Revenue Contracts

- 1.01 All revenue contracts are to be forwarded to the Finance Department (FD) for processing. They are then photocopied, attached a contract review sheet and brought to the Executive Management Team (EMT) so that the General Managers (GMS) can ask to have their name added to the list of key staff reviewing the particular contract.
- 1.02 The FD is then to send a photocopy of the contract (not the original) around various key staff members for review (as per the contract control form). Staff members should conduct their reviews promptly (with a targeted turnaround of 3 working days) and pass it on to the next person, notifying the FD so that they can track the contract's progress through the process on a register.
- 1.03 When the GMS responsible is satisfied the contract is in order and can be signed, they are to arrange with the FD for the original copy of the contract to be sent to the CEO for signing along with a briefing paper outlining details of the contract.
- 1.04 When the process is completed (and all relevant authorisation is obtained), and the contract has been signed, the original is to be filed in a revenue contracts file, managed by the Assistant Accountant – Contracts, who is responsible for invoicing funders according to the contract terms and keeps a register of all current revenue contracts, their renewal dates, expiry dates, etc. A signed copy of the contract is also to be forwarded to the relevant General Manager responsible for the contract.
- 1.05 The Assistant Accountant – Contracts is also responsible for reminding relevant staff about contracts that are coming due for renewal. These reminders are to be sent to all EMT members on a monthly basis, showing all contracts falling due for renegotiations in the next 3 months and also including an 8 month notification so that we are in a position to give 6 months exit notice on any discontinuing contracts.

2.00 Major Expenditure Contracts

(Over \$20K or with commitments spanning 3+ months or contracts that contain lease provisions).

- 2.01 General one-off expenditure items that do not impose ongoing commitments on the organisation, do not contain lease provisions and fall within delegated authority limits can be signed off by managers under the WCDHB Delegations of Authority Procedure.
- 2.02 Contracts that impose ongoing commitments greater than 3 months in duration, that have lease provisions or that exceed the relevant GM's delegated authority are required to comply with this contract review process.
- 2.03 All expenditure contracts are to be forwarded to the FD for processing. They are then photocopied, attached a contract review sheet and brought to EMT so that GM's can ask to have their name added to the list of key staff reviewing the particular contract.
- 2.04 The FD then sends the contract around various key staff members for review (as per the contract control form). Ideally staff members should conduct their reviews promptly (with



Contracts Review Procedure

Procedure Number

WCDHB-PF-0002

Version Nos:

5

- a targeted turnaround of 3 working days) and pass it on to the next person, notifying the FD so that they can track the contract's progress through the process on a register.
- 2.05 When the GMS responsible is satisfied the contract is in order and can be signed, they are to arrange with the FD for the original copy of the contract to be sent to the CEO for signing along with a briefing paper outlining details of the contract.
- 2.06 When the process is completed (and all relevant authorisation is obtained), and the contract has been signed, the original is to be filed in a expenditure contracts file, managed by the Accounting Cadet, who is responsible for checking that invoices signed by managers comply with the contract terms and keeps a register of all current expenditure contracts, their renewal dates, expiry dates, etc. A signed copy of the contract is also to be forwarded to the relevant General Manager responsible for the contract.

3.00 Funder Arm Contracts with Providers

- 3.01 All Funder-Arm contracts with health service providers are to be forwarded to FD for processing. They are then photocopied, attached to a contract review sheet and brought to EMT so that GMS can ask to have their name added to the list of key staff reviewing the particular contract.
- 3.02 The FD then sends the contract around various key staff members for review (as per the contract control form). Ideally staff members should conduct their reviews promptly (with a targeted turnaround of 3 working days) and passed it on to the next person, notifying the FD so that they can track the contract's progress through the process on a register.
- 3.02 When the GMS responsible is satisfied the contract is in order and can be signed, they are to arrange with the FD for the original copy of the contract to be sent to the CEO for signing along with a briefing paper outlining details of the contract.
- 3.04 When the process is completed (and all relevant authorisation is obtained), and the contract has been signed, the original is to be filed in a central expense contracts file, managed by the PA to the GM Planning and Funding, who is responsible for checking that invoices approved to payment comply with the contract terms and keeps a register of all current funder - provider contracts, their renewal dates, expiry dates, etc. A signed copy of the contract is also to be forwarded to the relevant General Manager responsible the contract.

7. Precautions And Considerations

- ➔ General one-off expenditure items that do not impose ongoing commitments on the organisation, do not contain lease provisions and fall within delegated authority limits can be signed off by managers under the WCDHB Delegations of Authority Procedure.
- ➔ Contracts that impose ongoing commitments greater than 3 months in duration, that have lease provisions or that exceed the relevant GM's delegated authority are required to comply with this contract review process.

8. References

There are no specific references associated with this Procedure



Contracts Review Procedure

Procedure Number
WCDHB-PF-0002

Version Nos:
5

9. Related Documents

WCDHB Delegations of Authority Procedure.

Revision History	Version:	5
	Developed By:	WCDHB Finance Department
	Authorised By:	Chief Executive Officer
	Date Authorised:	January 2004
	Date Last Reviewed:	August 2006
	Date Of Next Review:	August 2008