

IT / BPO Contract Test - See if you need contract audit services



As one of the key divisions in the company providing critical services to the Business and IT, the Sourcing and Procurement Office need to be able to assess the efficiency and effectiveness of a service providing contract, in pursuit of achieving the organizational goals such as focus, flexibility, quality of the service, efficiency, and cost of service delivery .

CSAs 2014 research reports that IT and BPO Sourcing and Procurement leaders spend about 36% of their time in managing internal stakeholders, about 22% of their time in sourcing strategies, 18% time in supplier relationship management, about 14% of their time in new RFPs, 6% time goes towards managing escalations and issues and the remainder 4% of time gets absorbed in individual development. Thus there is no time left for them to look, audit and introspect existing contracts with incumbent service providers. This results into non-compliance, leakage of value and degeneration of provider services over the contract life period.

Take the following **Audit Test** to determine if you need a contract audit right away

- When was the last time you visited the initial business case set with your Contract?
- Do you think there may be some value leakage in your contract?
- Do you have industry standard SLAs and are SLAs getting reported, tracked, measured, validated and reviewed?
- Are you contracted for and paying for more resources, personnel, licenses or capacity than you actually consume?
- Is your contract compliant with external as well as internal policies, standards, processes and guidelines?
- Are you regularly monitoring your operational, technological, relationship and environmental risks?
- Have you taken any significant measures to conduct benchmarking and continuous improvement?
- Are you paying for provider resources, infrastructure, connectivity, etc.?
- Are you regularly auditing invoice reconciliation and invoice overpayment?



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Santosh Sharma is the Chief Sourcing Auditor at **Sourcing Auditors**. Sourcing Auditors focuses on effective Contract Governance© to help clients derive fullest value from the Contract, safeguard and protect their organization against any external threat or internal non-compliance and continuously strive to improve the stakeholder satisfaction levels from the Contract. Sourcing Auditors uses a uniquely designed, best practices-based and highly comprehensive Audit Framework© that uses about 1200+ sourcing parameters to ensure Contract Compliance©, Contract Optimization© and Contract Improvement©. For more information please contact santosh.sharma@sourcingauditors.com