

Putting the Citizen First

Walsall Metropolitan Borough Council

Audit 2004/2005

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Summary report

Introduction

- 1 The committee have asked for a regular update of our views on the progress the Council is making in relation to this major project. The Summary below sets out our views on the areas we have considered since the last meeting of the committee.

Audit approach

- 2 Our work over the past weeks since the last Audit committee has been in the form of discussions with officers.
- 3 The project team has also established a fortnightly meeting with auditors (internal and external) so that we can be kept up-to-date

Main conclusions

Service specifications

- 4 Service specifications are still under development and discussion and have not yet been finalised. The Council has established a process whereby there has been wide consultation with senior managers across the authority then all service specifications are reviewed and challenged by the project team, reviewed by your external legal advisors and then have to be signed off by the relevant executive director. This should provide some certainty that the specifications contain the correct level of detail and are accurate. The project team intend to carry out further work to ensure that the specifications and the budgets to which they relate are compatible.
- 5 It is important to ensure that these are precisely worded and that clearly identify the point at which the responsibilities of Council officers' end and those of the contractor begin. This point will vary depending on the service area but is important from governance, delivery and contract management standpoints.
- 6 We also think that the service specifications should identify the key controls on which the Council seeks to rely for future governance arrangements.

Client function

- 7 First interviews for the role of the client manager took place week commencing 20 June. The role profile makes it clear that this officer will be the focus of all issues relating to the partnership. This is a good development as it will avoid the risk of confusing messages to and from the Council's partners.

- 8 There is still a need to develop this function as soon as possible and a good start has been made with the establishment of a client arrangements task team chaired by of the Executive Director (finance, legal and performance). This group is considering practical issues, thus enabling the project team to concentrate on the final stages of contract negotiation. This group will consider:
- budget cut off and budget restructuring;
 - ordering arrangements cut off;
 - agreeing letters sent out by the contractor in the name of the Council;
 - control of passwords;
 - agreeing the scope and nature of Internal Audit activities; and
 - performance management arrangements.

Contract negotiations

- 9 These are continuing and the project team is striving to ensure that the Council is not disadvantaged in the negotiations. There is still a significant financial gap between what the contractors expects to be paid and what the Council feels it needs to pay for the services set out in the BAFO.
- 10 Such issues are not uncommon in this type of negotiation and the Council has experience of this process from past PFI and LSVT negotiations and is making good use of that experience, and the experience of its external advisors in the current meetings with the contractor.