

# Putting the Citizen First

## Walsall Metropolitan Borough Council

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#### Summary Report

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<b>Reference:</b>	Putting the Citizen First
<b>Date:</b>	January 2005

## Introduction

The council is in the process of developing an outsourcing partnership which is due to come into operation in 2005. This involves a range of IS/IT investment and the possible transfer of a large proportion of support services staff including revenues, payroll, debtors, creditors. The exact extent of the level of outsourcing has not yet been finalised. This will be subject to final negotiation with the selected preferred bidder.

## Audit approach

Our approach has been to review the contracting process incrementally whilst allowing the council to come to its own decisions.

We have also taken account of the work of internal audit.

We have reviewed key documentation relating to the set up of the project and in relation to the invitation to negotiate. We have also reviewed the methodology used to assess the initial expressions of interest.

This report is based upon the activity undertaken by the council up to the end of August 2004. Additional work is planned in conjunction with internal audit to provide a view on subsequent aspects of the project.

## Main conclusions

Overall we conclude that the council has established a robust process and it has continued to develop the process as time progresses. The council has appointed a range of professional advisors to help with this complex project and an advisor whose role is to challenge and moderate what the council is doing.

The project has been managed within the original timescales and for a scheme of such complexity this reflects well on the way in which it was established and upon the commitment of the council and its officers.

We have reviewed the methodologies developed to assess tenders and have found them to be generally sound and well documented. This demonstrates a commitment to good governance.

Not with standing the above there are still a number of issues which the council needs to address. Some of these are in the IA report issued on 1 November 2004; some are in the detailed queries which we raised on the ITN.

The main issues which require further consideration are

- The increasingly urgent need for the council to firm up on the specification of what it wants to be delivered. This will form an important part of the final negotiations and the council negotiating team must have a clear understanding of what can and cannot be agreed
- The need to ensure clarity over the relationship any contractor will have the council's wide range of partner organisation
- Developing certainty about the savings expected to be achieved. These are pitched at a high level in the ITN and form a crucial part of the affordability of the project. If they cannot be delivered then the value of the project may be in doubt.

- Developing certainty about tolerance levels in the contract. The response to the questions we have raised about this is that they are yet to be negotiated.
- The identification of the negotiation team and the subsequent client management team. There is some merit in ensuring that the latter will comprise some of the former so that there is a clear transfer of knowledge and understanding.
- Careful consideration needs to be given to ensure that key members of the team on the TUPE list are provided sufficient guidance to forestall possible accusations of lack of independence. Since this report was drafted the council has developed a protocol to deal with this issue. This will be supervised by an Executive Director and the monitoring Officer.
- The development of clear contract monitoring processes.
- Developing an appropriate indexation formula
- Developing a process to ensure that the negotiations with the preferred bidder are properly controlled and fully documented.

## Status of our reports to the Council

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