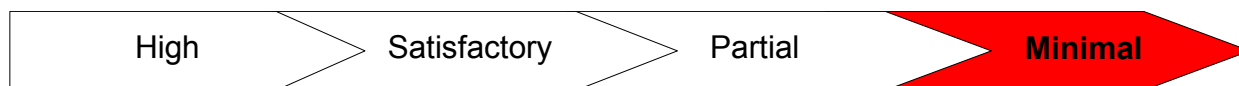


Appendix 3D: Opinion and Themes

Assurance



Social Care IT Case Management System Contract, Procurement

Objective

To assess whether the:

- letting of the Social Care IT Case Management System contract was administered fairly, without favouritism or bias, in accordance with the Council's Contract Procedure Rules
- exercise produced a contract that will ensure stakeholders' expectations / requirements are met in accordance with the respective budgets.

Themes

The Project Board had undertaken an initial options appraisal and an Options Appraisal Authorisation Form had been completed. However, it could not be evidenced as to how the decision to use a Framework Agreement was made, as this was not documented in the options appraisal reported to the Project Board.

Stakeholders were involved in preparing the service specification and evaluating whether submissions met their requirements. However, there was no evidence that the specification or evaluation questions had been signed off by the Project Board, to confirm they reflected stakeholder objectives.

The key elements expected of a good practice procurement process, had taken place when the Social Care IT Case Management System contract was let, within budget. However, there were instances where best practice guidance and the Council's Contract Procedure Rules were not followed or insufficient evidence was retained to confirm compliance. Most of the issues related to the way in which the tender process was conducted by a member of staff who has now left the Council.

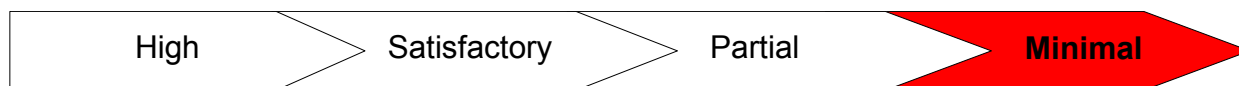
The manner in which the Corporate Procurement team operate is set out in a Strategy and Toolkit (which has been subject to a separate audit) which should have been applied when letting this contract. The opportunity is being taken to amend the Procurement Toolkit to further clarify expectations in a few areas. A quarterly check is also being introduced of completed procurements to confirm that all relevant documentation has been retained.

Further negotiation is being undertaken around one aspect of the contract to try to improve the terms, regarding the cost of optional software modules going forward.

Number of actions agreed: 9

Appendix 3D: Opinion and Themes

Assurance



Purchasing Cards (P-Cards)

Objective

To assess whether the arrangements in place to monitor and challenge expenditure on Council Procurement Cards (P-Cards) are sufficient to prohibit inappropriate use or inconsistent practices.

Themes

The majority of Purchasing Card (P-Card) expenditure was not supported by receipts or other appropriate evidence on the system. This fundamentally limits the Council's ability to detect errors or fraud and challenge the validity of spend in a number of key areas, namely whether:

- VAT is being recorded accurately
- the Council's HR policies regarding personal allowances / expenses are being followed appropriately
- areas of expenditure protected by specialist gatekeepers (e.g. ICT equipment purchases) are being bypassed.

This also increases the risk that the Council will be unable to:

- reclaim VAT it should be entitled to
- defend challenges from Her Majesty's Revenues and Customs in this regard.

Delays in staff coding this expenditure can also adversely impact on how promptly the P-Card system can be reconciled to the Council's General Ledger.

Action is being taken to ascertain whether a module can be purchased for the P-Card system that would allow receipts and supporting evidence to be saved within it so all the relevant information is contained in one place. At present, such evidence is being saved in a different IT system, CIVICA. This would make it easier to produce reports that identify staff who continually fail to provide the evidence required amongst other things.

It is also being ascertained whether the P-Card system can be configured so that the VAT code is locked down or the choice of codes restricted.

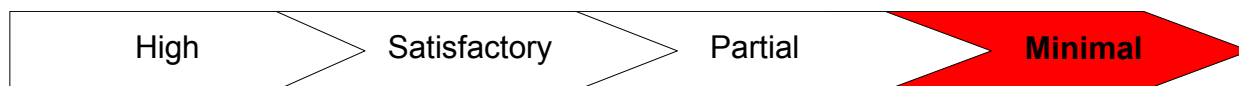
In the meantime, officers are exploring the current reporting options from the P-Card system so see whether any useful management information can be obtained from this source. Persistent offenders will be reported to management and / or their P-Card will be withdrawn.

Spot checks of P-Card expenditure are also being introduced to confirm that relevant Council policies are being complied with, expenditure is valid and being coded properly, particularly in terms of VAT.

Number of actions agreed: 8

Appendix 3D: Opinion and Themes

Assurance



Section 75 Partnership Agreement Integrated Equipment Service

Objective

To assess whether the Section 75 Partnership Agreement clearly sets out the service requirements and how the service will be managed on an on-going basis, to ensure that expected benefits are realised.

Themes

The Section 75 Partnership Agreement (the Agreement) for the Southend Equipment Service (SES) was approved on 27 September 2006 and the supporting Terms of Reference were last updated approximately three years ago. Key elements of the Agreement were found to be satisfactory including the exit strategy, treatment of overspends and the arrangements for the pooled budget. However, both documents now need to be formally reviewed and updated to reflect the current needs of all partners. A more formal and regular review arrangement for these documents also needs to be established.

A more robust operational and performance management framework (which includes the assessment and monitoring of risk) needs to be established for the SES that involves all partners. There are concerns with the current funding arrangements which need to be renegotiated so they are fair, equitable and based on demand for services, as the Southend University Hospital NHS Foundation Trust is the biggest user.

Review meetings, which are a requirement of the agreement, need to be re-established as they had lapsed. A Governing Board or Panel should be established with a schedule of meetings to take place across the year. This will enable stronger lines of communication and aid in:

- the development and future update of risks to the SES
- discussions about its performance and the terms of the Agreement.

Further work will be undertaken to establish how the Council records and monitors the currency and quality of all "agreements" it has with others to provide, buy in or share services, including Section 75 Partnership Agreements.

Number of actions agreed: 9