UPDATE ON COMMUNITY NETWORK UPGRADE AND CRITICAL 1 RECOMMENDATIONS IN USE OF CONTRACTORS IN ICT SERVICES

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

This report responds to the request made by the committee at its meeting on 19th October for an update on the current position regarding the timetable on review of the Community Network contract and in relation to the four critical recommendations set out in paragraph 11 of the update number two on the Interim Assurance Report 07/08.

Financial Implications

None arising directly from this report although the actions referred to are designed to ensure that a sound system of financial control is in place.

RECOMMENDATION

THAT the report be noted.

Reasons

To comply with the request by the committee to report on the critical recommendations contained within the Use of Contractors in ICT audit and the Community Network contract review.

Considerations

The four critical recommendations are contained within the Use of Contractors in ICT audit report.

The draft action plan relating to this audit was tested out with internal audit on 25th September prior to submission on 28th September.

In working through the action plan process, it was proposed that a workshop session for Legal, Audit, Procurement and ICT Services would be helpful in clarifying practical guidance on contract procurement and management which could be rolled out across the Council. This would be designed to complement the procurement strategy and

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on tel: (01432) 260037

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revised financial standing orders.   The workshop is being planned for later in November.

Turning to the four critical recommendations in relation to the use of contractors in ICT, it is important to set these in the context of recommendation number one, which deals with preparation of robust business cases.

Recommendation one: **The Director of Corporate and Customer Services should ensure that the management of major ICT projects exhibits robust practices. Including the preparation and approval of a detailed business case that secures value for money and assists in achieving Council objectives. Further, the governance arrangements should be adequate to ensure the effective monitoring and reporting of the project.**

Recommendation two: **The Director of Corporate and Customer Services should ensure that the Directorate follows the formal tender process as laid down in standing orders for contractors and procurement where the estimated contract is in excess of £50,000. In order to achieve this, a strict appraisal of all business cases must be undertaken.**

All major ICT projects are now consolidated under a single programme of work and all current and future projects will be subject to the standard business case benefits cards process, which has been developed in consultation with colleagues from the Resources Directorate.

All business cases with a technology element will be required to go through a two stage Directorate Management Team (DMT) approval process. At the conceptual stage, DMT's will be required to approve work on the business case. Once the business case is complete with quotes and validation of the benefits it again needs to be signed off by the relevant DMT and put through the agreed process for challenge by the IPG. That process is designed to test out consistency with corporate priorities, robustness of business case, assurance that the whole life costs of the project have been taken into account, impact on the infrastructure.

Some IPG members were trained on challenge at the October meeting although not all were present and a further session is taking place on 7th November, to ensure that the right degree of robustness and challenge takes place. In order to ensure that business cases are seen as a corporate requirement and not something driven by ICT alone, The Resources Directorate have taken ownership of the combined business case and benefits card and support is provided by the Client Account Managers in ICT Services.

All ICT related projects and programmes are supported by a robust business case. In addition, a guide to procurement will be drafted which will include instructions on the way in which particular scenarios which might arise through the procurement process should be followed. This will include specific reference to software selection and procurement and will be a key output from the workshop described above. This completed document will be presented to Corporate Management Board (CMB) prior to rolling it out to all staff involved in any procurement activity. In addition this will be promoted through the corporate programmes team of project and programme managers will receive training on how to apply the guide by the end of December

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2007. Additional promotion will take place through channels such as news and views and through DMT's.

Tender documentation and templates will be overhauled and written specifically to deal with software/service selection and applied to all projects with an ICT element, again by the end of December 2007. The proposed workshop will also deal with appropriate procurement methods identified through a series of scenarios. The intention is to provide practical support to managers as they move through the process.

Recommendation three: **The Director of Corporate and Customer Services should ensure that contracts that have an estimated value in excess of the European limit are subject to appropriate protocols. In order to achieve this, a strict appraisal of all business cases must be undertaken.**

Reference has already been made to the process for approving projects. Further work is being undertaken on EU procurement rules and OJEU process, as it relates to Catalist and other framework arrangements. This will be fully documented by December 2007. A review of the directorate register of contracts for ICT Services is nearing completion. The process is being rolled out to all other contracts in the directorate and a monthly review of the contract register will be included as part of the standing item on performance at the relevant meeting of the DMT.

Recommendation eight: **The Director of Corporate and Customer Services should implement a protocol to monitor the budget and actual for major projects in line with Council Regulations and Policies.**

All projects that originate in ICT, are managed by Corporate Programmes and are now included within the ICT Strategy. All such projects are subject to the same protocols. Project managers submit weekly reports to the support office and then to the relevant project boards convened by project sponsors. A major project report, setting out progress, risks and issues is considered every month by the IPG to allow for follow up with individual project sponsors. The Corporate Programmes Manager reviews this on a monthly basis with the Director and it is included as part of the Directorate's performance report. Again all projects are subject to the discipline outlined at the beginning of this report.

Review of Community Network Contract

The Director has been assisted by the Strategic Procurement and Efficiency Review Manager and Legal Services in addition to ICT Staff to commission an independent value for money review of the Community Network contract. Following advice and support from the Strategic Procurement and Efficiency Review Manager and using the Council's approved processes, the Society of Information Technology Managers (SOCITM), which provides independent, professional support to public sector ICT organisations has been selected to undertake the review in conjunction with the Council. Its main delivery partner, Siemens Communications, have been fully supportive of the process and undertaken to provide every assistance necessary.

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SOCITM have been on site since the beginning of the week commencing 5th November and are scheduled to complete their work by the end of November. It will be possible to update the committee at its meeting on progress to date.

Risk Management

That if the actions are not carried through the authority is exposed to risk. The action plan is reviewed on a monthly basis by the Interim Head of ICT and the Director.

Background Papers

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