

To: Martin Crouch[Martin.Crouch@ofgem.gov.uk]
From: Robert Hull
Sent: 2013-11-25T08:52:41Z
Importance: Normal
Subject: FW: Audit contracts
Received: 2013-11-25T08:52:41Z

Martin

Just to follow up in more detail now I'm in the office..

While I'm all for cost savings, I'm afraid that this single large contract will not achieve the desired effect, either in terms of delivering the audits we need, or overall cost reductions. I have seen no discussion of the advantages/disadvantages, our track record on the current contract, depth of supplier pool, savings from staff outsourcing etc.

To my mind, there are potentially several relevant learning points that we need to look at from the recent RHIND compliance issue

- why were we spending money auditing areas with little financial impact and only finding out several months later
- what is the competence of staff commissioning audits - and could they cope with larger contracts
- where is this contract going to be managed
- if there is only one supplier, we are completely reliant on them

Lets try and speak before MC

Bob

-----Original Message-----

From: Robert Hull
Sent: 24 November 2013 22:19
To: Martin Crouch
Subject: Audit contracts

Martin

I was very surprised to see 2 very large audit contract proposals coming to MC on tuesday. Do you know about these? I have serious concerns about the proposed approach and would like to understand how we have reached this stage without any discussion.

Bob

To: Matthew Harnack[Matthew.Harnack@ofgem.gov.uk]
From: Martin Crouch
Sent: 2013-11-25T13:21:10Z
Importance: Normal
Subject: Audit contract
Received: 2013-11-25T13:21:12Z

Matthew,
Bob has some 'concerns' on this - including some questions we should discuss. Maybe better outside MC - are you around tomorrow?
Or we could take off the MC agenda and discuss offline before coming to MC next week?
Martin