

JANUARY 2013

Department of Energy Climate Change Warm Front Scheme – six months ended 31 March 2012



Introduction

Overview

This report is made solely to the Department of Energy and Climate Change ('DECC' or 'the Department') in accordance with our agreement dated 3 July 2012. We designed and undertook certain agreed-upon-procedures to enable us to report to the Department on specific aspects of the management of the Warm Front Scheme by Carillion Energy Services ('CES', 'Carillion', or 'the Scheme Manager').

Sources of information and measurement

We visited the offices of CES from Monday 25 June to Friday 6 July. The information contained in this report is based primarily on:

- walk-through tests
- reviews of source documentation for sample measures
- discussions with Rob Morgan, Warm Front Account Director, Erik Coates, Planning Director and their staff at CES.

Scope of work and limitations

DECC engaged us to perform certain specific procedures documenting and testing the processes and controls designed and operated by the Scheme Manager. The procedures were performed solely to assist the Department in reviewing the performance of the Warm Front Scheme and the Scheme Manager. These are listed at Appendix 4.

Our engagement was undertaken in accordance with International Standards on Related Services 4400 applicable to agreed-upon procedures engagements. Our work was based primarily on information provided to us by the Scheme Manager and was carried out on the assumption that the information is reliable and, in all material respects, accurate and complete. We have not subjected the information to checking or verification procedures except to the extent expressly stated. This is normal practice when carrying out such limited scope procedures.

For the avoidance of doubt, we stress that the work that DECC engaged us to perform does not constitute an audit or a review made in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements (UK and Ireland) 2410, accordingly we do not express any assurance. Had we performed additional work or procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements (UK and Ireland) 2410, other matters might have come to our attention that would have been reported to the Department.

Confidentiality

Our report is prepared solely for the exclusive use and reliance of DECC and solely for the purpose described above. We recognise that DECC may publish this report on its website, which DECC agree to do in its entirety, without extracting any part thereof, with the exception of excluding commercially sensitive information. Responsibility for ensuring the integrity of the report published and for the controls over, and the security of, the website resides with the Department. The examination of the controls over the maintenance and integrity of the website is beyond the scope of our work in connection with the Warm Front Scheme. In particular, this report was not prepared to be relied upon by any party who was subject to the agreed upon procedures performed.

Grant Thornton UK LLP neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by parties' other than the Department's reliance on our report.

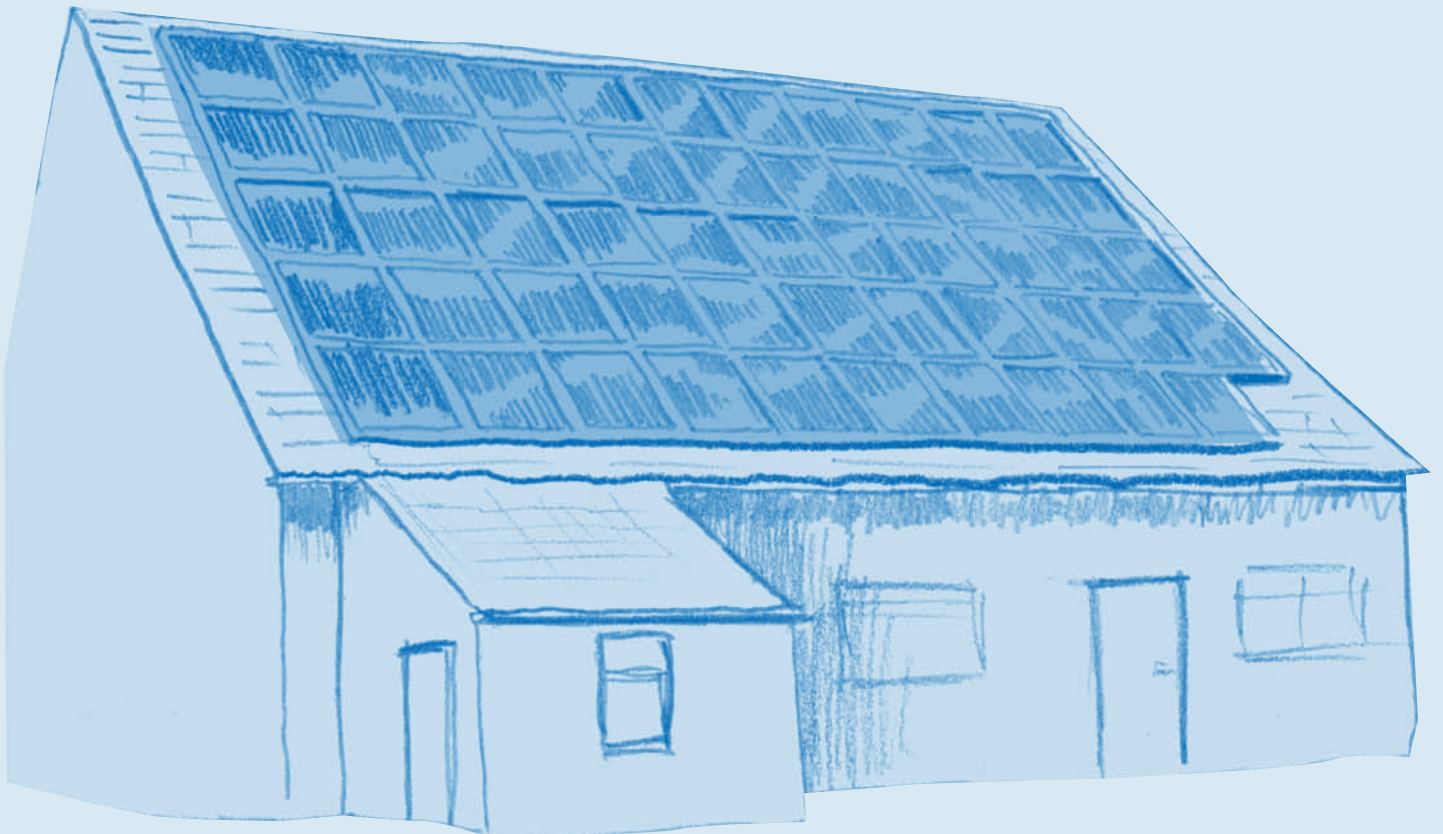
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1. Executive summary



Sample testing key findings

Time taken to complete survey

We noted from our sample testing that for 25 of the 60 jobs examined the time taken from application to survey was in excess of 70 days. The delays were attributed to customers being unavailable or difficult to contact. There were also delays in logging postal applications onto EBS and operational inefficiencies in the Operations team, based in Hull at the time, which contributed to the length of time taken to complete the surveys. The Operations team has since been relocated to Head Office where it can be more closely monitored and Carillion expects that the performance in this area will show an improvement when this is next examined.

Negative SAP ratings recorded

Four of the 60 measures sampled were recorded as having a negative SAP score either prior to the installation or an expected negative rating following the installation of the measure. Carillion confirmed that these were the result of human error on the part of the Technical Surveyors. It appears that the Surveyors have completed all the necessary inspections and updated either 9ilite or the heating survey system MSA, but not then updated 9ilite with the data from the MSA survey. Since it is 9ilite that is used to generate the SAP rating, this can result in a negative rating owing to missing information. Management have investigated this issue and found 76 SAP errors in total. In all 76 cases customers were eligible for the Warm Front Scheme and the SAP ratings have been corrected. SAP rating checks will be incorporated into the Desktop Audit process going forward.

Eligibility

Absence of a marketing plan

There is currently no formal marketing plan in place. We understand that Carillion is liaising with DECC to have a marketing plan in place by Autumn 2012.

Examination of 9ilite data

Following the scheme extension and changes to the eligibility criteria, much of the historical data held by Carillion on the efficacy of old marketing campaigns is now out of date. There

is a team currently examining 9ilite surveys that have been closed to identify the reasons for the customer dropping out but the results of this analysis are not expected to be available until August. This data may be useful in helping inform the exit plan in terms of determining the appropriate level of marketing activity required to generate the required number of leads.

Customer Satisfaction

Eight out of ten customers surveyed were satisfied or very satisfied with the Warm Front Scheme and almost nine out of ten of those surveyed felt that it was now easier to keep their home warmer. Six out of ten customers either didn't suggest any improvements to the scheme or felt that they were not necessary.

Where customers did suggest improvements they related to communication issues, installer issues or the timeliness of the process. Feedback on the Customer Service Centre was mixed with 54% of people finding the advisor helpful but a significant minority (27% of the 41 customers who responded to this question) said that they were unhelpful. Satisfaction levels were higher for the surveyors (93%) than for the installers (85%) and overall the satisfaction levels with these two groups were consistent with that of the scheme as a whole.

Further details on the findings from the customer surveys have been included in section 4.

Managing the installer network

Installer of last resort

Carillion is currently the installer of last resort. An internal restructuring means that they no longer have the ability to provide this service. Carillion remain confident that their contractual arrangements and long-standing relationships with installers, mean they will always be able to allocate work to an installer so avoiding the need for an installer of last resort.

Maintaining a healthy installer network is essential to minimise the need to call upon an installer of last resort.

The e-bid process

Where the e-bid process has resulted in a measure being awarded at the primary stage, it has generated an average saving of 26% against the normalised price (based on our sample of 60 measures). The decision to require almost all measures to be tendered for e-bid rather than allowing Carillion to allocate a proportion to installers means that the installers no longer have any certainty of or even medium-term visibility over income levels. While Carillion have always encouraged its installers to maintain or develop other income streams so as not to be wholly dependent on Warm Front, not all of them heeded this advice. There is a need to balance the cost savings which the e-bid system delivers with the need to maintain a healthy installer network throughout the remaining lifetime of the scheme.

Rank and capacity

Carillion currently monitors the quantum of work awarded to each of its installers to ensure that they are not being awarded more work than they have the capacity to properly deliver. Where they suspect that an installer may have over-reached themselves, they restrict their access to the e-bid portal for a period of time thus preventing them from taking on any more work. As the scheme moves into the close-down phase, if a few installers are awarded more jobs than they have the capacity to deliver, then it may be necessary to re-allocate those jobs in order to ensure that they are completed within the timeframes for the scheme exit. Consideration should be given as to at what price these jobs should be re-allocated.

Management information

Data sheet contains superfluous data

This means that the data sheet takes longer to prepare than is necessary and it increases the risk that the wrong data sets may be picked up by the reporting templates.

Manual processes for compilation

It is a manual process to extract information from EBS and copy it into the data sheet. As with any manual process there is the risk of human error resulting in transposition and other clerical errors. This risk is exacerbated by reductions in staff numbers which have meant that one person is now responsible for compiling the monthly report, where historically this was done by a team of four.

Data extracted from alternative sources

Not all data is taken consistently from EBS. In some instances figures are taken from other reports which have not been reconciled to EBS. EBS is a real-time system with limited reporting functionality. A report can only be run for that particular moment in time and it is not possible to run a report to show the results as at a past date.

Exit planning

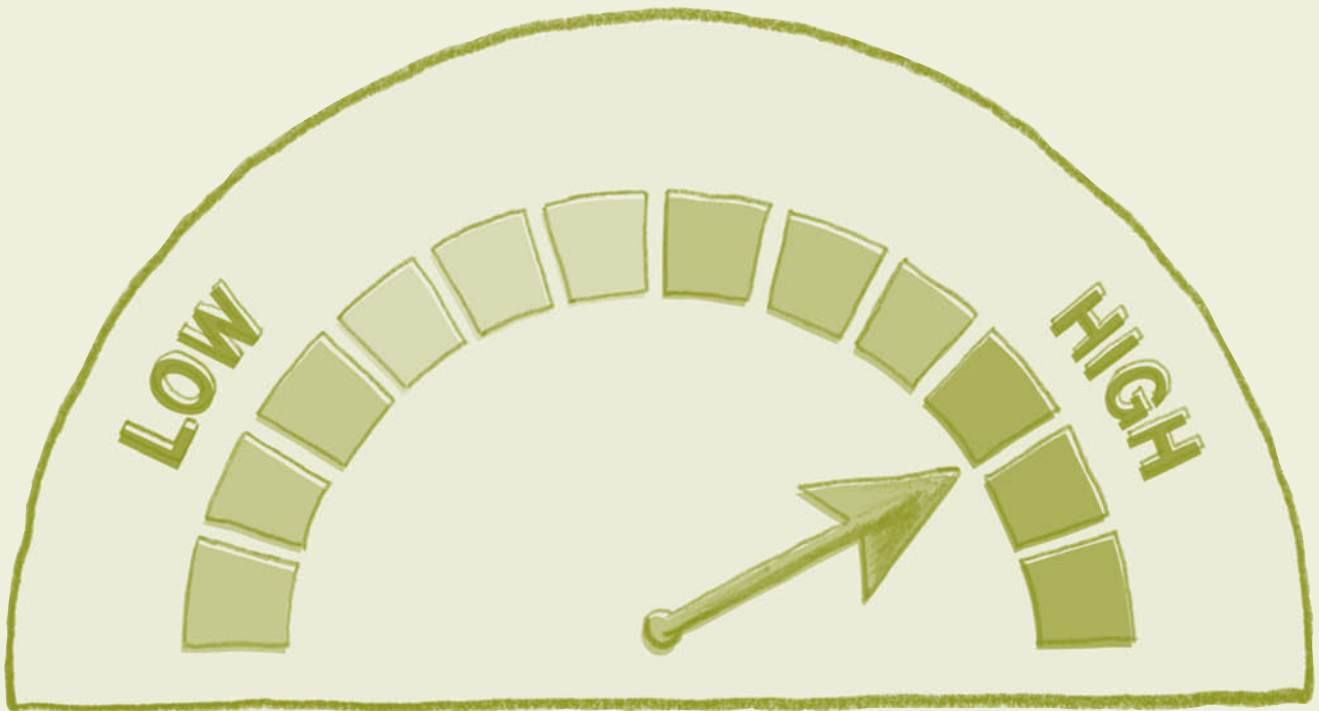
Carillion has not prepared any financial models, modelling likely costs and timings of any of the scenarios currently under discussion. We note that the Exit Plans prepared to date have been prepared by the Warm Front Contract Manager on behalf of DECC. Through discussions with the Scheme Manager we have identified key uncertainties which may impact on the exit plan.

Those which we consider may have the greatest impact are:

- application rates
- Networker numbers
- Surveyor capacity
- the need to cancel down customer applications
- the need to maintain a healthy installer network.

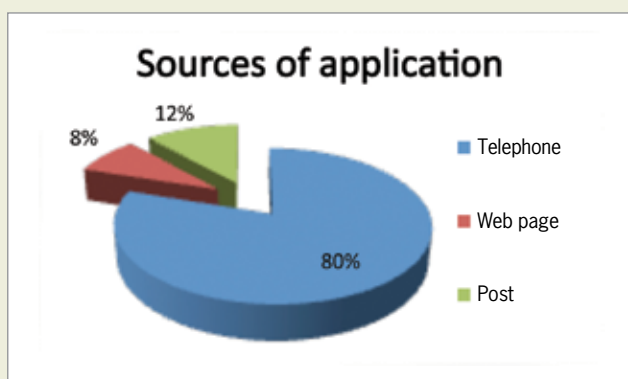
These have been considered in more detail in section 7.

2. Summary findings from our testing



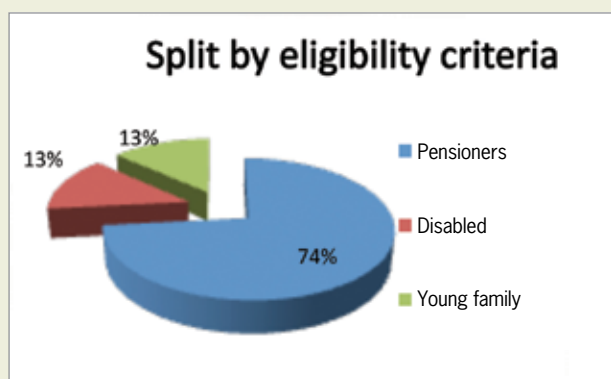
The key findings from our sample test of 60 measures were as follows:

Sources of referral



The chart above shows that most jobs (80%) were the result of an application by telephone calls, with the remainder being split between postal applications (12%) and web-based application forms (8%).

Eligibility criteria



In terms of benefit entitlements, the majority of qualifying applicants were on pension credits (74%). The others were split equally between those on disability benefits and those in receipt of child tax credit.

Time taken to complete the survey

We calculated the length of time from application to survey completion for the 60 jobs we sampled and the table below shows that a significant element (42%) took longer than 70 calendar days.

We note, however, that there is no contractual requirement for surveys to be completed within a specified time from the date of application.

In those instances where the survey took place more than 70 calendar days after the application date, we were informed that these are typically due to delays caused by the customer, such as being on holiday or in hospital or having suffered a bereavement, issues with asbestos, as well as seasonality demands. Following investigation, a detailed breakdown of the number of instances for each type of delay was provided and is outlined below.

Number of days from application to survey completion	Number of customers
0-3	2
4-30	14
31-70	19
70-100	8
100+	17
Grand Total	60

Delay Reason	No
Customer unavailable to arrange survey date	4
Specialist fuel surveyor required	4
Eligibility issues	3
Landlord permission delay	3
Customer away on holiday	2
Customer delay in ordering gas supply	1
Customer requesting change in survey date	1
Duplicate referral, couldn't undertake survey until previous referral had been checked and cancelled correctly	1
Surveyor IT issue	1
No access	1
Previously overlooked by Hull Team no further information available	1
Surveyor unavailable	1
Third party customer delay	1
Unable to establish customer contact	1

SAP rating appears ineligible

One of the key issues identified from the sample test was that there were four instances where the customer's property was above the SAP eligibility criteria but measures were still installed. Discussion with management confirmed that in all four instances, although the customer's property did not meet the scheme criteria from a SAP points perspective, their respective boilers had subsequently broken down and were not working, and this by default would give a SAP rating of less than 55 points.

We noted, however, that a new 9ilite survey was not performed to calculate a revised SAP rating following the breakdown of the boiler. It should be noted that from our walk-through the SAP ratings were only recorded on the 9ilite system and not the MSA system. Management confirmed for all four instances that although a 9ilite survey was not re-performed, a new MSA heating survey was performed. This would have confirmed that the boilers were no longer in operation thus, in effect, making the customer eligible for the grant. The Operational Department Manager confirmed that there were cases of inconsistencies when the scheme was managed by the Hull branch, but that the policy now for returning applicants is to create a new referral which will trigger a new 9ilite survey. This will ensure that a revised SAP rating will be calculated to confirm their eligibility for the scheme.

Negative SAP ratings

There were two instances where the 9ilite survey had calculated a negative SAP rating (ie before measure installation) and two instances where it calculated a negative expected SAP rating (ie after measure installation). Management confirmed that these were due to human error. The human error resulting in a negative SAP rating was often due to an incorrect input of a particular item or room type. There is a SAP error code listing, which is provided to the Technical Surveyors as a reference to investigate the negative SAP ratings. All Technical Surveyors have been given guidance on how to correct these errors and instructed to correct them on-site at the time of survey.

In the cases identified by our sample testing, the negative errors related to missing data for hot water, no cylinder volume entered and no heating efficiency. The Technical Surveyor had not made the corrections, which allowed the 9ilite to be completed with a negative rating, and notes were made on the MSA to confirm the eligibility and that the boilers were not working at the time of the survey. The Desktop Auditors who had reviewed the quality of surveys, would have checked the negative SAP ratings and notes on EBS and determined that the SAP ratings were below 55 points and allowed the jobs to be moved on in the process.

Management have confirmed that this represents a training issue for the Technical Surveyors and that those negative SAP ratings should have been queried during the Desktop Audit stage. This will be done going forward. The Technical Surveyor should have been required to correct the error before the job proceeded.

Desktop Audit

Out of the 60 items in our sample only five desktop audits were not completed. Of the five, four were not done as the prescribed measures were for either loft or cavity insulations. The remaining one was considered as a priority install owing to the customer being 90 years old, severely ill and living in poor conditions. There were two instances where the desktop audit was not logged on the internal tracking spreadsheet.

Management confirmed that these had been done by the Hull branch, where there were inconsistencies in terms of monitoring the desktop audit process. Based on our observations as part of the walk-through testing, it appears that the internal spreadsheet for tracking those surveys in query or failed is being updated.

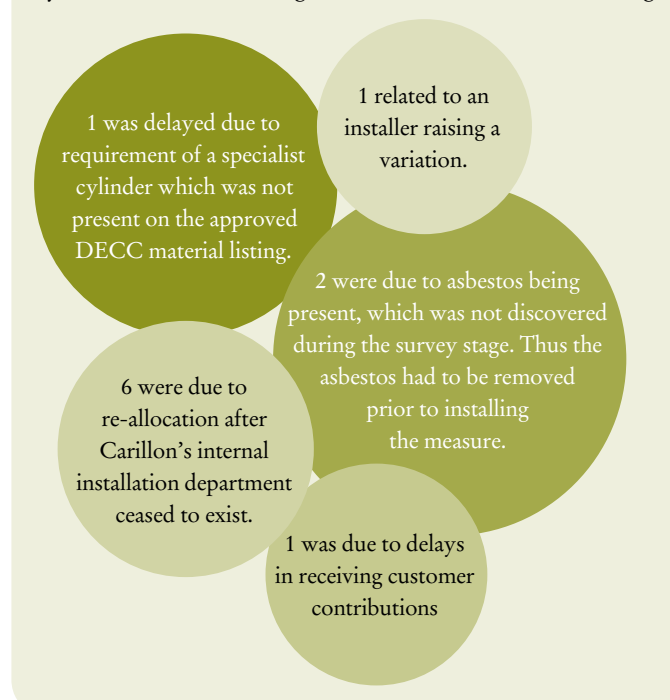
Time taken to complete installation

Overall our sample testing showed that the following eBid and allocations process, installations had completed on a timely basis. The table below provides an indication on the timescales of the delivery of measures by installers:

Day range for installation completion	No of measures
0-10	3
11-20	17
21-30	5
31-40	5
41-50	12
51-60	6
60-70	1
70+	11
Grand Total	60

It should be noted that our sample consisted of 57 heating measures and 3 insulation jobs. With regards to the insulation measures, only one did not meet the installation timescale of 40 days. On review we noted that the measure was 7 days late and this was due to installer issues.

Of the 57 heating measures, 11 were not delivered within 70 days. From further investigation we confirmed the following:



Variations

A total of 29 variations were raised by the installer and approved by the appropriate Carillon Management team. Details for each variation were recorded on EBS.

Quality Checks

Six measures were subjected to quality checks after measure installation. For all six we confirmed that these had passed the quality checks.

Payments

All supplier claim forms were completed as expected and were matched to purchase orders for payment. Only two had not matched to the original purchase order but this was due to variations. All payments to installers were traced to BACS payment runs and where customer contributions were expected these were traced to the customer contributions account.

3. Eligibility



Eligibility Metrics

Carillion historically tracked the performance of their marketing campaigns in order to monitor the level of applications generated, the percentage of those which qualified or not in respect of benefits entitlements and the percentage that qualified or not in terms of the property's energy efficiency rating. Following the scheme extension and changes to the eligibility criteria much of this data is now out of date. There is a team currently examining 9ilite surveys that have been closed to identify the reasons for the customer dropping out but the results of this analysis are not expected to be available until August.

Networker Team

When the contract was extended the marketing budget was significantly reduced and this led to a reduction in the number of networkers. There are currently just three networkers covering England and marketing activity appears to have been minimal.

Local authority dashboards

Carillion is, however, generating referrals from local authorities in particular regions, such as the North West. This has been driven by the publication of dashboard information. This dashboard summarises performance information for each local authority within the region and enables each authority to compare its performance with that of its peers in respect of the following indicators:

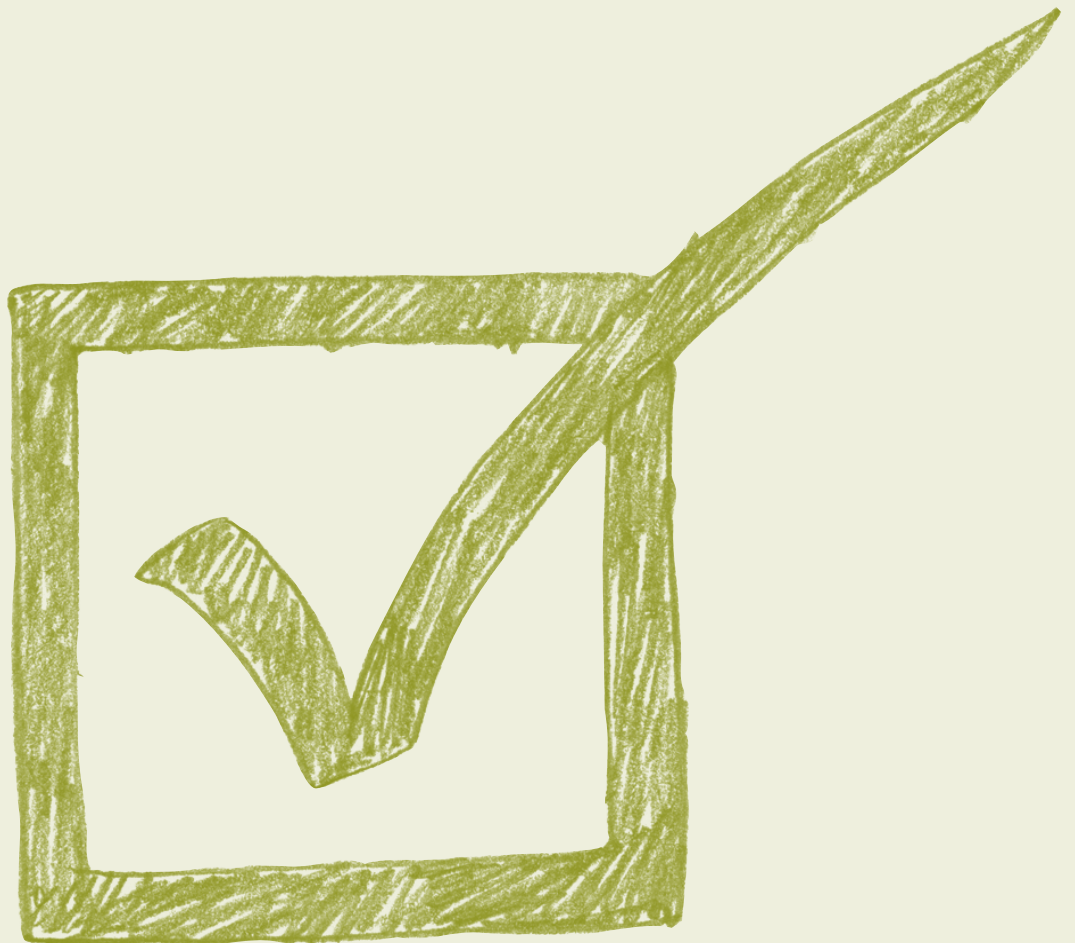
- number of qualifying referrals
- number of referrals that became customers and had property surveyed
- referrals broken down by measure type.

This monthly dashboard appears to have generated competition between the local authorities. This has helped Carillion to generate more referrals with minimum impact on the restricted marketing budget.

Marketing plan

There is currently no formal marketing plan in place. We understand that Carillion is liaising with DECC to agree a marketing plan by Autumn 2012.

4. Customer satisfaction



Customer satisfaction monitoring

Carillion use a web-based survey tool, Survey Monkey in order to log the customer satisfaction survey responses. Survey Monkey calculates a customer satisfaction score expressed as a percentage based on the responses to the questions asked. The benchmark score for customer satisfaction is 93.5% and Carillion measures customer satisfaction by whether or not the Survey Monkey percentage is above or below the benchmark. Survey Monkey has the ability to analyse this data by specific question, by measure type, by individual installer. This information is extracted and used to inform the vendor rating for each installer.

Complaints in the reporting period



The chart tracks the number of complaints per month over the reporting period compared with the number of jobs completed per month. It also shows the percentage of complaints closed within 28 days for each month. It appears to suggest that somewhere between one in four or one in five jobs results in a complaint being received. However, based on March 2012 data, typically only 35% of total complaints received are upheld. This equates to an upheld complaint occurring for one in every 11 – 14 jobs, ie a 91 – 93% satisfaction score. This is consistent with the customer satisfaction results from our independent survey.

Complaints master spreadsheet

To track all current complaints the Customer Management Unit (CMU) have a 'Master Spreadsheet'. All complaints logged on EBS are downloaded into the Master Spreadsheet on a daily basis. The Master Spreadsheet contains macros to

allocate those logged customers to specific CMU managers. This then creates a daily task list for the CMU.

The spreadsheet also performs the following:

- tracks the number of days taken to resolve the complaint
- RAG rates each complaint based on number of days
 - ie 0 to 6 days: no colour
 - 7 to 13 days: green
 - 14 to 19 days: amber
 - 20+ days: red
- highlights which cases are currently open and closed

The Master Spreadsheet appears to provide sufficient information to allow customer complaints to be adequately monitored.

Reporting to DECC

On a monthly basis the CMU Manager reports to DECC. This report summarises Carillion's performance measured against the following KPIs:

- Number of complaints received
- % of complaints logged within 24 hours
- % letters sent within 48 hours
- Average handling times (in days)
- % closed in 28 days
- % complaints received that involved customer contribution
- % of upheld complaints vs. customer contact

The above performance indicators are compared to the two preceding months, as well as prior years. In addition the report provides the top five reasons for complaints, as well as brief updates on issues discussed with installers.

We received the monthly reports sent to DECC from September 2011 to March 2012 and confirmed that they provided Carillion's performance against the service indicators. They included tables showing the top five complaints by:

- deliverable
- stage in scheme process
- complaint theme

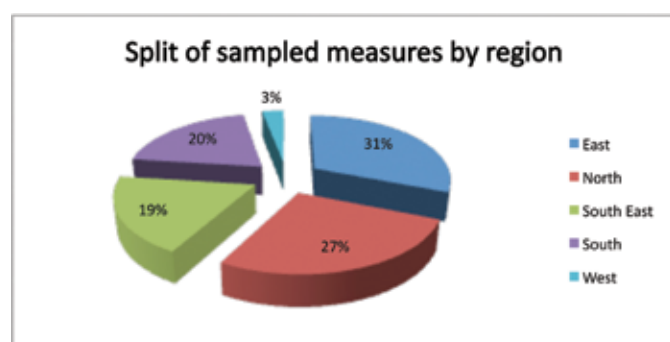
We confirmed with the CMU Manager that where common themes were noted, a further review was done to see if the Warm Front scheme process should be amended to improve customer satisfaction levels.

An example presented to us is the introduction of an end of job walk-through with the customer in response to customers complaining about damage to their home or possessions. This was implemented in the summer of 2012. Once this walk-through is complete, a sheet is signed by both the customer and installer, confirming that this has taken place and that there were no issues arising.

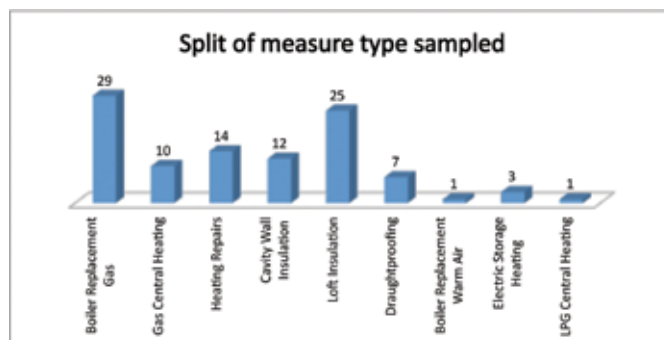
We understand from our discussions with the CMU Manager that each month Carillion is required to present three challenging cases to DECC. For each case, the customer communication audit trail, investigation evidence and any other supporting documentation is presented to DECC for them to assess whether the actions undertaken by the CMU constituted an acceptable response.

Survey results

A random sample of 100 customers was selected from Carillion's database, to complete an independent customer satisfaction survey. The survey questionnaire was designed to capture the customer experience of their Warm Front journey from initial contact to installation of relevant measures. This survey was performed by Llewellyn Smith and conducted either through home visits (54%) or telephone calls (46%).



The sampled measures were chosen to be reflective of the geographical spread as well as the measure type.



Overview

The vast majority (86%) of customers surveyed were satisfied or very satisfied with their overall experience of the Warm Front Scheme. This positive response was also reflected in the proportion of people who recommend the Scheme to a friend or relative (89%). 88% of those surveyed felt that it was now easier to keep their home warmer.

When asked how the scheme could be improved, 57% of customers surveyed either did not suggest any improvements or did not feel any improvements were required. Where improvements were not felt to be necessary there were often positive comments made including; 'Everything was 1st class.' and 'Noticed the difference straight away and our bills have reduced.'

For the remaining 43%, where improvements were suggested, the majority related to communication problems (15%), issues with installers (10%) and timeliness of the process (9%). Examples of comments made include: 'speed up the process, we were without heat for at least three months' and 'had to chase several times.'

Making customer contact

Over 80% of those sampled were happy with their initial contact with the Warm Homes Scheme. This level of satisfaction was reflected across the board in terms of how clear the communication was, how helpful the advisor was and how clearly the next steps were identified.

Of those sampled, 49% of customers had reason to contact the Warm Front Customer Service Centre. 63% of those calls were to find out when the work would be carried out and 16% to find out when an assessor would visit their property.

There was a mixed response regarding how helpful the customer found the advisor at the Customer Service Centre. 54% of customers sampled found their advisor helpful and 27% unhelpful. Similarly, 49% of sampled customers were satisfied with the response to their query, while 32% felt dissatisfied.

Technical survey

The great majority of customers surveyed (93%) were satisfied with their pre-installation survey overall. These levels of satisfaction were mirrored in the rating of the surveyors in terms of courtesy, time keeping and explanations of next steps.

97% of customers surveyed were satisfied with the explanation given by the surveyor regarding the survey process. A further 93% indicated that the surveyor had both assessed the existing heating and explained the recommendations clearly, however only 73% surveyed the loft. In the majority of cases customers were asked to sign the computer screen to confirm recommendations had been explained.

The installer

85% of customers surveyed were totally satisfied with the work carried out as well as the installer's explanation of the work. The majority of the customers surveyed were satisfied with the quality of workmanship. 75% were satisfied with the explanations provided on how to get the best out of the installation.

90% of customers surveyed advised they were shown the installer's ID badge when they arrived.

5. Management of Installer Network



How Carillion manages its network of installers

Carillion has an Installer Management Network team responsible for monitoring the installers' performance. There are eight Installer Management Managers, each managing their own portfolio of installers. They check that the installers are delivering measures within the agreed timescales and to the required quality standards.

Normalised prices

Carillion split the country into 62 regions. Installers from each region were invited to complete a pre-qualification questionnaire which was reviewed by Carillion's procurement department and marked against pre-determined criteria. The scoring focused around experience in delivering required measures, technical ability, health & safety policies and financial health. Installers scoring high points were invited to participate in a formal presentation.

At the tender presentation stage, installers were judged upon their quality of work, method statement, type and volume of deliverable measures, along with their proposed standard labour rates. Results from the formal presentations were collated by Carillion's procurement department and used to calculate a "normalised price" for each geographic region. The normalised price acts as the maximum rate on which the installer can place a bid for a measure on Carillion's e-auction website, e-Bid. This was calculated by taking a view on the offered installer labour prices for the measures, the long term sustainability of the proposed prices, and geographic coverage. The lowest sustainable price was determined as the basis for any contractual installer agreements. These regional normalised prices were built into the contracts of all appointed installers. Installers are only able to undertake work within their allocated regions.

Performance bonds

As part of their contracts, the appointed installers had to agree to provide a performance bond. Only those installers who agreed to put up a performance bond were accepted into the installer network. The performance bond cover is dependent on the volume of anticipated work and ranges from £25,000 to £100,000. It acts as an insurance cover and is kept for two years after measures have been delivered and will be used to cover any remedial work that may arise in the warranty period or if the installer falls into administration.

Purchase of materials

All materials required to complete the measures are purchased using the Warm Front grant. DECC has supplied Carillion with a preferred materials listing, which clearly states the unit price at which each item must be bought. Only items within this list can be purchased with the grant money.

In April 2011 Carillion undertook a tender to source one supplier for their materials. Following the tender process, Plumb Centre were appointed as the sole material supplier for Carillion. They were chosen based on their prices per the DECC material schedule and Carillion's judgement that they represented good value in terms of the price, quality mix. The prices agreed with Plumb Centre are fixed until scheme closure.

For all heating measures, installers are prohibited to purchase and use their own materials or purchase the materials on behalf of Carillion. To ensure minimum abuse of the grant fund, the materials for all heating measures are ordered by Carillion's Technical Surveyors during the initial Survey process. This is done on the MSA system, which is programmed with DECC's approved material listing. The MSA system automatically populates the required materials based on the type of heating installation prescribed by the surveyor.

When a Technical Surveyor prescribes a specific heating measure on the MSA system, the system automatically generates the list of components required to deliver that particular measure. This prevents the Technical Surveyor ordering incorrect items or quantities, and thus gives Carillion more control over the management of its material purchases.

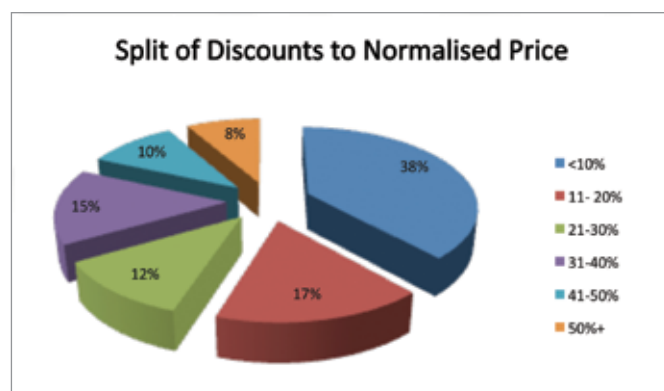
The purchase order for materials is automatically generated following the MSA survey but sent to Plumb Centre when the measure has been allocated to an installer. It is the installers responsibility to contact Plumb Centre to pick up the ordered materials. There is a claw-back process in place for managing purchase order variations or cancellations with both the installer and Plumb Centre.

For non-heating measures, such as cavity insulations, the installers are required to purchase the materials as prescribed by the Technical Surveyor on the 9ilite system. The cost of the materials is included within the installer's price bid on e-Bid. This is to try and ensure that neither the cost of materials nor labour exceeds the normalised price.

We confirmed with management and operational staff at Carillion that all materials procured were done so from Plumb Centre based on the approved materials schedule. From our walkthrough and sample testing we confirmed that:

- all non-insulation measure material costs appeared to be included within the installer's bid price on e-Bid, and none had exceeded the normalised prices
- for all heating measures, we confirmed that the MSA system would automatically populate the list of materials required based on the type of heating installation prescribed by the surveyor

Ebidding prices data



The chart above shows the level of discount to the normalised price achieved by the e-bid system. While 38% of jobs were completed for a price at least 90% of the normalised rate, 8% of jobs were charged at under half the normalised price and more than half the jobs saw discounts of between 11 and 50%. This data was taken from our sample test of 60 measures.

Rank and capacity ratings

There is a Rank and Capacity module within EBS, which is linked to the e-Bid website. This allows the Installer Network team to set up installer profiles on EBS, which include a “capping” figure for each installer; their capacity limit.

Once an installer has been awarded their maximum number of installations, they are prevented from viewing any other available measures in the following bidding window. Also, depending on the installer, the Installer Management team can set the capacity limit in such a way that an installer exceeding their weekly limit can keep the extra measure but their capacity in subsequent weeks is reduced to reflect their current work load.

This helps Carillion ensure that the installers do not abuse e-Bid by bidding for more jobs than they can competently deliver. It also enables them to place poor performing installers on hold, preventing them from viewing any active measures on e-Bid. When an installer is put on hold they are notified through their installer portal within 24 hours.

This process helps Carillion to keep installers to the scheme's timescales and incentivises installers not to deliver sub-standard installations.

Changes since the 2009 procurement exercise

The approved installer network was refreshed in April 2011 following the extension of the Warm Front scheme. No new installers were included, however, several installers were removed owing to their reluctance to make available the requisite performance bond or because they had ceased trading. We reviewed the installer network lists for 2009 and 2011. In 2009 there were 89 approved installers and in 2011 63 installers. We confirmed that the fall in installer numbers was due to the following:

- 14 installers ceased trading
- 12 resigned due to the increase in performance bond cover.

Contract novations

Where installers have gone into administration and have re-established themselves under a new name, they are required to undergo a stringent tender process. As part of the due diligence the following areas are looked at very closely:

- any amounts outstanding with HMRC
- total amounts outstanding to creditors
- capability of undertaking future work
- previous performance on measures in terms of quality, time taken, and customer satisfaction.

To date we were informed that there had been three novated contracts. Discussions with the Finance Director confirmed that for novated contracts strict due diligence procedures were in place. Contracts were instantly not honoured if there were amounts owed to HMRC. In addition, the original installer contract will be superseded with a new one, which includes an increase in performance bond cover. In addition we were informed that regular installer financial checks were performed by the Finance department.

Installer of last resort

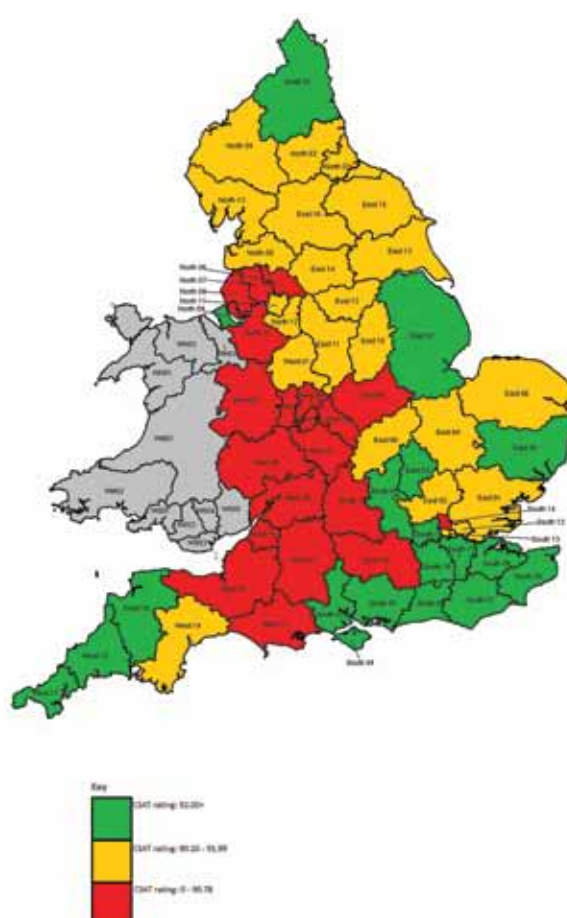
Carillion is currently the installer of last resort. An internal restructuring means that they no longer have the ability to provide this service. Since the internal re-structure, measures receiving no e-Bids despite a secondary posting are allocated by Carillion to installers within the network. The appointment is based on the vendor rating supplied by the Installer Management team. Measures that are manually allocated are done so at the normalised.

From our sample testing of 60, we noted that there was one instance of manual allocation. Audit trails and explanations for the manual allocation were present. There were six instances

where the measures were originally won by Carillon Heating Services. These jobs were subsequently allocated to other installers based on their vendor profiles, and work capacity, following the winding up of Carillon Heating Services.

In discussions with management, Carillion remain confident that their contractual arrangements and long-standing relationships with installers, mean they will always be able to allocate work to an installer so avoiding the need for an installer of last resort. Notwithstanding this, Carillion is exploring the option of engaging with a large national installer from outside the OJEU framework to provide this coverage were it ever to be required.

Network strength



The maps above show the number of installers per region against the average customer satisfaction ratings that each of the contractors have received during the period in review. The map on the left shows the number of different contractors within the installer network that are available to install in each area. From the review of the map there are small regional bunches where there are a large number of contractors, such as the North East, Lancashire and Yorkshire.

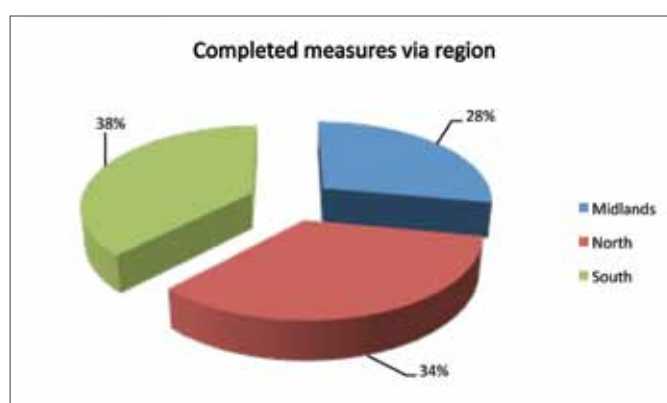
The map on the right shows each area's customer satisfaction rating based on the results for each contractor during the period to March 2012. The disadvantage of the classification is that where a contractor has been used in more than one area the average score has been used throughout. At present there is no means of gauging the customer satisfaction of a specific area only that of a specific contractor.

We discussed this with the Warm Front team. It would be possible to note the area onto each of the questionnaires before they are sent out and this would ultimately allow the C-SAT results to be analysed by individual area as well as by contractor.

The maps show that there is no obvious correlation between the number of contractors competing in an area to win the work and the recorded customer satisfaction levels. For example the South West and South East regions of England have a much lower level of contractors available than the West Midlands, yet the customer satisfaction ratings in these areas is much higher.

Work done by region

As this pie chart shows there is no real regional bias in terms of work performed, with broadly similar numbers of jobs being performed in each region.





6. Management information

Reporting Process

On a monthly basis Carillion prepare a Scorecard Report for DECC to summarise agreed upon Key Performance Indicators. We discussed with management the process and surrounding controls for ensuring data integrity and sample tested data for two separate Scorecard Reports. We have summarised the process and our key findings below.

Overall we have identified a number of control weaknesses that were identified due to system shortcomings which can result in reporting errors. As it is unfeasible to overhaul systems and implement automated controls to prevent these errors occurring, our recommendations have focussed on suggesting detective controls to identify instances where errors have occurred.

Source Data

EBS

The vast majority of data used in the DECC Monthly scorecard report, including measure and financial data, is stored on EBS. EBS is a real time Oracle database which is updated overnight from the 9iLite surveyor database. Information is extracted from EBS using Business Objects query. Standard queries have been set up and saved on the system to enable the same queries to be run each week and month.

There are a number of queries that are run on EBS that show a snapshot in time. For example, number of referrals received. As EBS is a real-time system it is important that these reports are run on a timely basis. During our sample testing we noted that archived EBS reports are only kept for a few months on EBS and then automatically deleted.

There is a risk that the original data is incorrectly extracted or copied from EBS and there would be no method for correcting this retrospectively. Where data relies on live reports to be run from EBS we recommend these are archived and stored until the audit for that period is completed.

CMS

Data regarding time to answer calls is obtained from Customer Contact centre. The data is stored on the Central Management System (CMS) and reports are run to extract the relevant figures.

Optim

Annual Service Visit (ASV) data is obtained from the Optim booking database.

Survey Monkey

Customer satisfaction information is stored on the Survey Monkey database.

DECC Scorecard Workings

EBS to Data Sheet

In the majority of cases data extracted from EBS queries is directly recorded manually onto an excel spreadsheet; the 'Data Sheet'. This spreadsheet is used to store all the data used to drive the KPIs for each month.

For certain KPI's the query report is copied into excel and various filters and sorting mechanisms are used to obtain the desired data. For example, for survey days a manual calculation is performed on excel to remove bank holidays and weekends.

Transferring data into excel increases the risk of transposition and other manual errors. In addition, during our sample testing we noted a number of instances where the header had been included in the count which resulted in a slight discrepancy in the final KPI calculation. We recommend wherever possible, items are counted on the EBS report rather than in excel to minimise errors.

CMS and KPI Weekly Spreadsheet to Data Sheet

The 'KPI Weekly Spreadsheet' is used by Carillion to report internally. Information is sourced from EBS weekly queries run and CMS. For certain KPIs, data for 4 consecutive weeks is collated and input into the Data Sheet. These KPIs include; measures completed within a specified time and time taken to answer calls.

There is a risk that any changes reflected in EBS are not reflected in the monthly reporting. There is also more scope for manual error or cut off issues occurring. For example weekly KPI reports cover 27 Feb 12 - 1 Apr 12. We recommend that monthly figures are extracted from EBS directly rather than taken from weekly reports wherever possible to minimise cut off errors.

Optim & Survey Monkey to Data Sheet

Data extracted from Optim and Survey Monkey is directly recorded manually onto the Data Sheet.

Populating the DECC Scorecard

Once information is captured on the Data Sheet this information is automatically fed through to the DECC Scorecard using standing excel formulae. On review of the Data Sheet used we noted that there was a large amount of data which was not required for the Scorecard.

There is a risk that irrelevant data will be picked up in error. The Data Sheet spreadsheet should be updated and rationalised so that only relevant information is input each month.

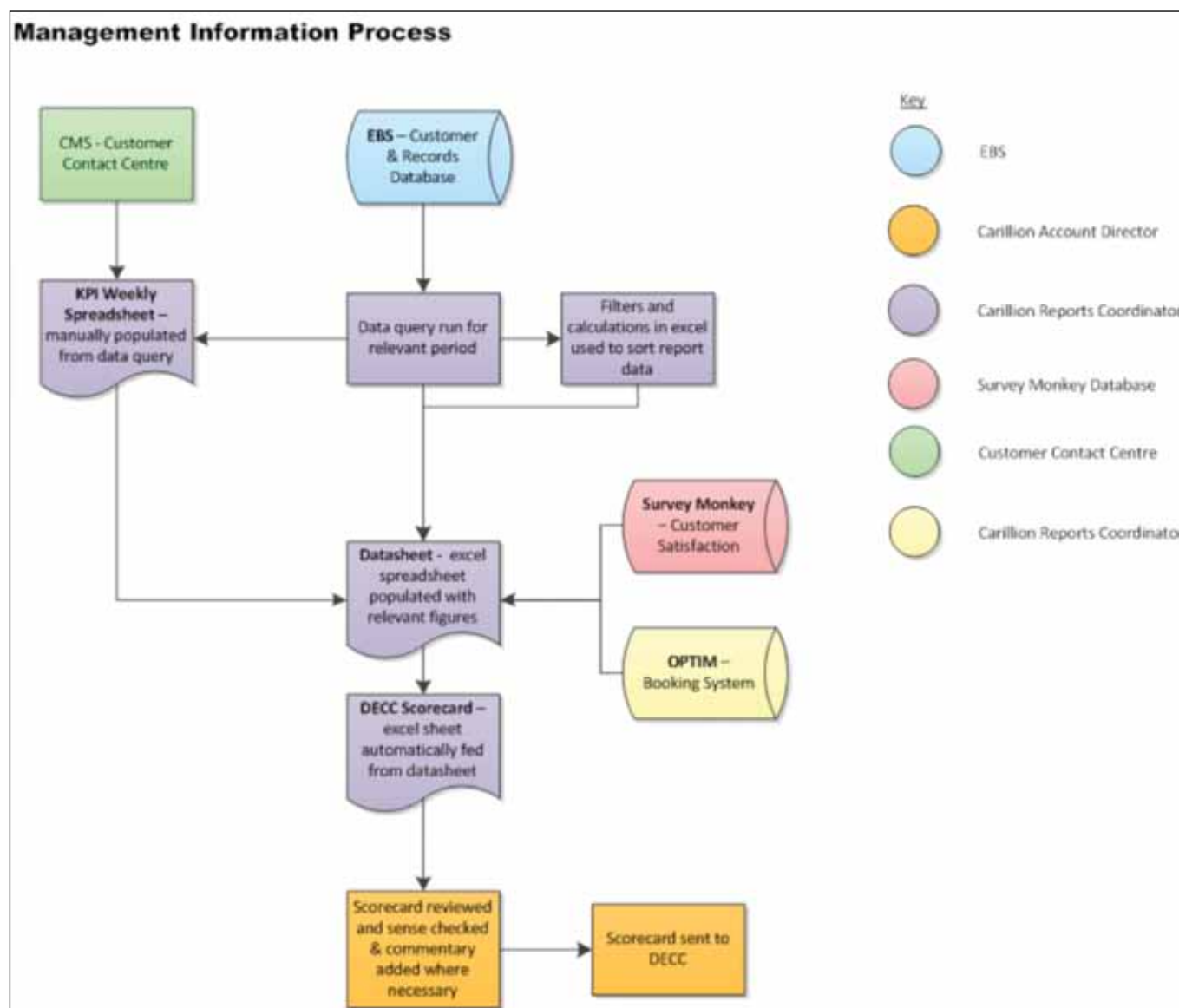
Reviews and checks

Once the DECC Scorecard has been compiled, the Account Director performs a high level sense check. This comprises of investigating any issues highlighted and adding any relevant commentary where necessary. We noted that there are no formal review procedures in place.

As the process of extracting reports is manual, there is increased risk of human error, resulting in inaccurate data being reported to DECC. We recommend that a peer review is performed on a sample basis to ensure that data has been correctly extracted and copied.

We recommend that a formal process of analytical review is performed by management to identify instances where data does not make sense.

We recommend a monthly reconciliation is performed between monthly KPI figures and independently prepared Capital spend reports and internal weekly reports.



7. Exit planning







We interviewed the Account Director for Warm Front on 5 July and discussed preparations for the scheme cessation and wind down with him. In preparation for this we reviewed the following documents:







- Warm Front Exit Plans dated 14 May and 17 June.
- Schedule 21 of the Warm Front Contract with Carillion Energy Services re exit management.

We note that the Exit Plans prepared to date have been prepared by the Warm Front Contract Manager on behalf of DECC. Two scenarios under consideration are to continue operating at current levels or to increase marketing activity to generate an increased volume of applications and ultimately install more measures before the scheme end date of 31 March 2013. At current levels, CES perform circa 2,500 surveys per month which typically generate in the region of £3,000,000 worth of work. At this rate of activity CES estimate that they will only utilise around £40,000,000 of the available Warm

Front budget. We were advised by CES that in order to fully utilise the available budget CES would need to increase activity to approximately 9,000 surveys per month. The scheme end date has been announced as 31 March 2013 and there are no plans to extend this. CES had not at the time of our visit prepared any financial models, modelling likely costs and timings of any of the scenarios currently under discussion. There was not a model for us to test or carry out sensitivity analysis thereon. Instead through discussions with the Scheme Manager we have identified key uncertainties which may impact on the exit plan.

The table below highlights the key uncertainties or challenges in respect of any final agreed exit plan, identified through discussion with the Warm Front Account Director. These uncertainties have been graded according to the potential significance of their impact; with red having the greatest, most immediate impact and green the least impact.

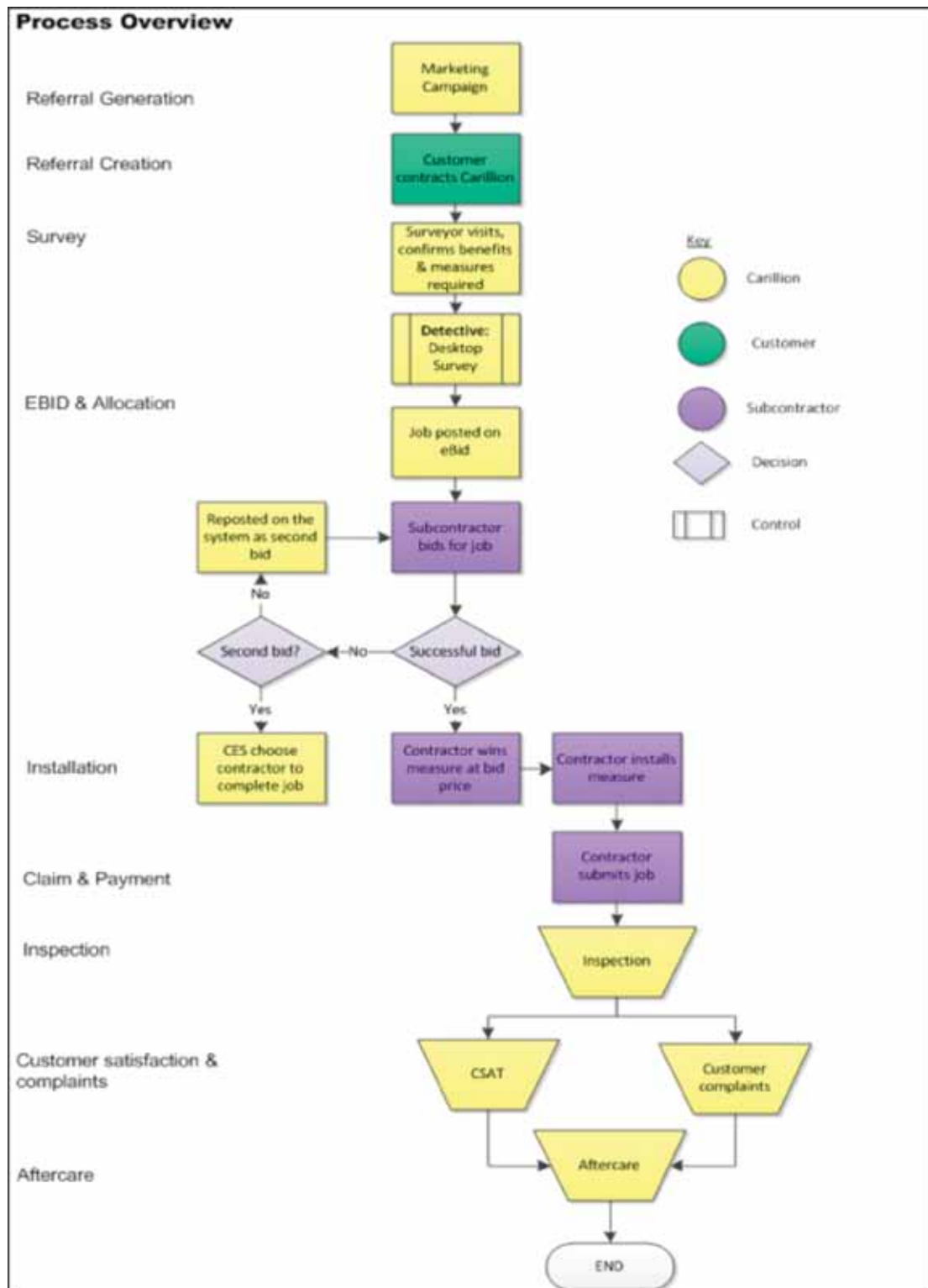
Uncertainty/ Challenge	Comment	Rating
Rate of applications	In order to utilise more of the available budget, CES need to increase the rate of applications. Consideration should be given to identifying the most cost-effective methods of lead generation for the scheme. CES should determine the level of marketing activity necessary to generate the number of surveys it believes it could carry out. This level should then be estimated based on historical data for the percentage of applicants who ultimately qualify in accordance with scheme eligibility criteria for the installation of measures.	
No. of Networkers required	Currently CES employ three Networkers and one Network Manager. CES should consider whether or not it would be necessary to employ more Networkers in order to generate more leads. If this were required, they would need to consider the possibility and cost implications of employing these people on fixed term contracts. We understand that CES have indicated that they would employ more Networkers if their salary costs were borne by DECC. An alternative would be to consider focussing the efforts of all four networkers on one region as opposed to the whole of England as is currently the area covered by this team.	
Surveyor Capacity	If CES were to successfully raise awareness of the scheme and increase the application rate significantly they could face capacity restraints owing to the number of surveyors they employ. At the time of our interview, the current surveyor workforce equated to the capacity to deliver circa 4,500 surveys per month. CES have suggested that they sub-contract the heating assessment element of the surveys to the installers. One impact of doing this would be that it would not be possible to put a job surveyed by an installer onto the e-bid system and therefore this raises the question of what price would be paid for the installation.	
Reasonable customer timeframes and customer led delays	CES will need to agree timeframes with DECC for presenting reasonable deadlines to customers. Some customers can qualify for installations of measures and these are approved but the customer is unable or unwilling to schedule a time for the work to be done. CES will need the ability to present them with an ultimatum to arrange the installation within a reasonable timeframe or have their application cancelled. This could have an impact on customer complaints/ challenges to both CES and to DECC. Discussions should take place to determine how short a period of time is reasonable for this and what would be an acceptable level of increase in complaints/ challenges and any KPIs adjusted to take account of this. We understand from CES that there is still a small rump of work carried over from customer led delays back in the scheme year 2010-11. Analysis of this experience should be carried out and the reasons for the length of time it has taken to clear this backlog should be identified in order to feed into the discussions above.	

Uncertainty/ Challenge	Comment	Rating
Maintaining a healthy installer network	<p>If additional leads were to be generated and significant extra work generated through into the pipeline, then there would be a time lag before the installer network could cope with this extra capacity.</p> <p>As the scheme end date draws nearer, CES would want some scope to be able to allocate work to installers rather than being required to e-bid every job. The change to e-bidding 100% of jobs has caused a number of problems for installers since they no longer have any certainty of or even medium-term visibility over income levels. While CES did always encourage its installers to maintain or develop other income streams so as not to be wholly dependent on Warm Front, not all of them heeded this advice. One installer declined from more than 50 teams to just six teams and subsequently went into administration as the volume of work under the Warm Front scheme dropped away.</p> <p>Another risk identified by CES is the potential for one or two installers to win a disproportionate share of jobs from the e-bid site such that they have more work than they have capacity to deliver within the allotted time frames and so CES would need to reallocate this work to ensure that it was finished within the scheme close down timescales. If they were to have to do this, at what price should the work be reallocated? What would be the impact if this reallocation resulted in a customer contribution being required, where previously no contribution was required?</p>	
Purchasing leads	<p>CES has raised the possibility of purchasing warm leads from the existing agents who are currently generating these leads for parties such as installers and energy companies seeking households eligible for measures under the CERT scheme. The rationale would be that households, in particular Super Priority Group beneficiaries, would meet the Warm Front eligibility criteria and if they have an insulation need, there could be a heating requirement too which could be met under the Warm Front scheme. One risk attached to this approach would be that CES may have to pay for leads that are ultimately rejected at the survey stage for having an ineligible SAP rating. CES suggested a pilot of this approach in order to gauge the potential for lead generation but wanted DECC to pay for the pilot. To date no data is available to enable an estimate to be made of its likely effectiveness.</p> <p>Another possible source of leads identified by CES is to pay stakeholders in the third sector a referral fee. This is currently under consideration. This presents the risk that monies are being paid for leads that in some instances would have been referred to the scheme in any case. To date no data is available on which to base an assessment of the impact of this approach on referral numbers.</p>	
Interaction with ECO and affordable warmth	<p>Uncertainties over the timing of ECO and the likely take up of measures under the affordable warmth element of the scheme are impacting on stakeholders including those organisations that currently refer leads to Warm Front and the installers. This is being addressed through the communication strategy which has been formulated by DECC. CES did raise a concern over the implications for public relations of monies being available to tackle fuel poverty not being spent.</p>	
WIP management	<p>We understand from CES that they are continuing to work through an administrative back log in terms of recorded work-in-progress. Their belief is that the Operations team formerly based in Hull had appropriately cancelled down a number of applications but that this has not yet been properly reflected on the system. They expect to have completed this exercise by the end of August. In order to accurately model the expected close down of the scheme, CES need to have an up-to-date and accurate record of work-in-progress. This could become more critical as the scheme end date gets closer.</p>	
Possible scheme extension	<p>CES stated that they are exploring in conjunction with DECC, the possibility of carrying over a portion of the Warm Front budget into the financial year ending 31 March 2014. This would either be achieved with Treasury assent or by internal reallocations of spending within the DECC budget. Were this to be permitted, they suggested that they would be able to utilise the bulk of the available budget while operating at the current level of activity.</p> <p>We understand from discussions with DECC that they are prepared to countenance allowing the carry-over of an element of the budget to facilitate the run-off of the existing pipeline post the scheme end date. They are not, however, considering leaving the scheme open to new applicants post the scheme end date.</p>	
Gas connection lead time	<p>CES are currently analysing historical data in order to determine the typical length of time taken to connect a property onto mains gas where this is a suitable option. Their current estimate is that it is less than six months. A decision will need to be made as to when is the appropriate date to stop offering this service to avoid the risk of work not being completed before the scheme end date. CES do not perceive there to be significant numbers of suitable properties for this service so consider the risk to be low.</p>	



Appendices

Appendix 1a: Overview of process



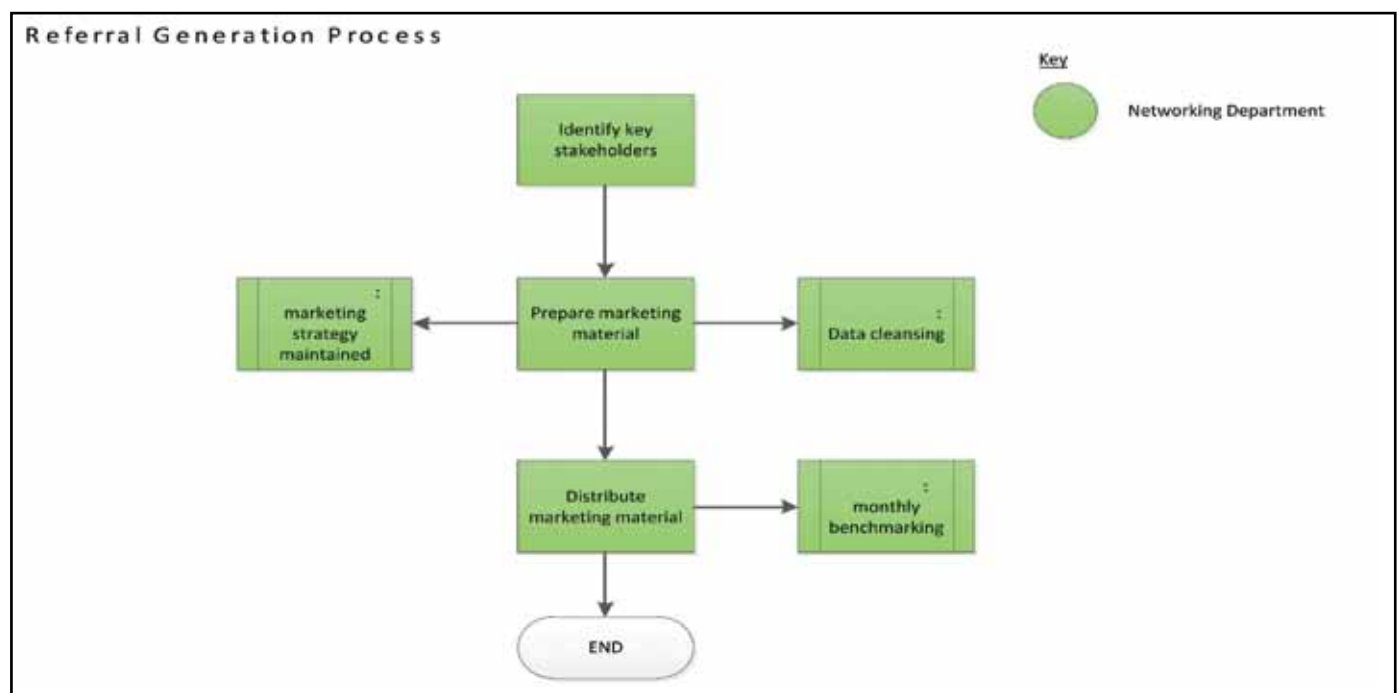
Appendix 1b: Referral generation

The Warm Front scheme specifically targets private individuals residing in properties with a low energy efficiency rating. The task of identifying private individuals and generating demand lies with Carillion's Networking department. It comprises one network manager and three network field agents. The country is split into three regions, each allocated a network field agent.

Per the DECC guidelines, the network field agents are prohibited from cold calling householders. The network field agents drive demand by promoting the scheme with key stakeholders such as, local authorities, energy suppliers, charity groups, housing associations and Department of Work and Pensions. The typical method of promotion is a co-branded mail shot, which informs potential customers of the purpose of the scheme and ways in which an application can be submitted. By liaising with these key stakeholders Carillion aims to raise awareness and encourage applicants who are more likely to meet the scheme's eligibility criteria. In addition to mailshots, Warm Front leaflets have been designed, which include an application form. These leaflets are distributed to libraries, pharmacies and at events organised by stakeholders.

Each key stakeholder has a portal account through which they forward applications to Carillion. Stakeholders can track the progress of each application through the portal. It appears that the community based target marketing approaches developed by Carillion in earlier years may be less effective in reaching these vulnerable customer groups who are less engaged with their local community. Following the changes to the eligibility criteria, these are the people that the scheme is intended to help.

The networking department discuss and review their campaigns with DECC. This is done on an on-going basis. The Network Manager reviews the performance of the networking field agents on a weekly basis and progress against marketing campaigns is reviewed as part of the fortnightly operational meeting.



Appendix 1c: Referral creation

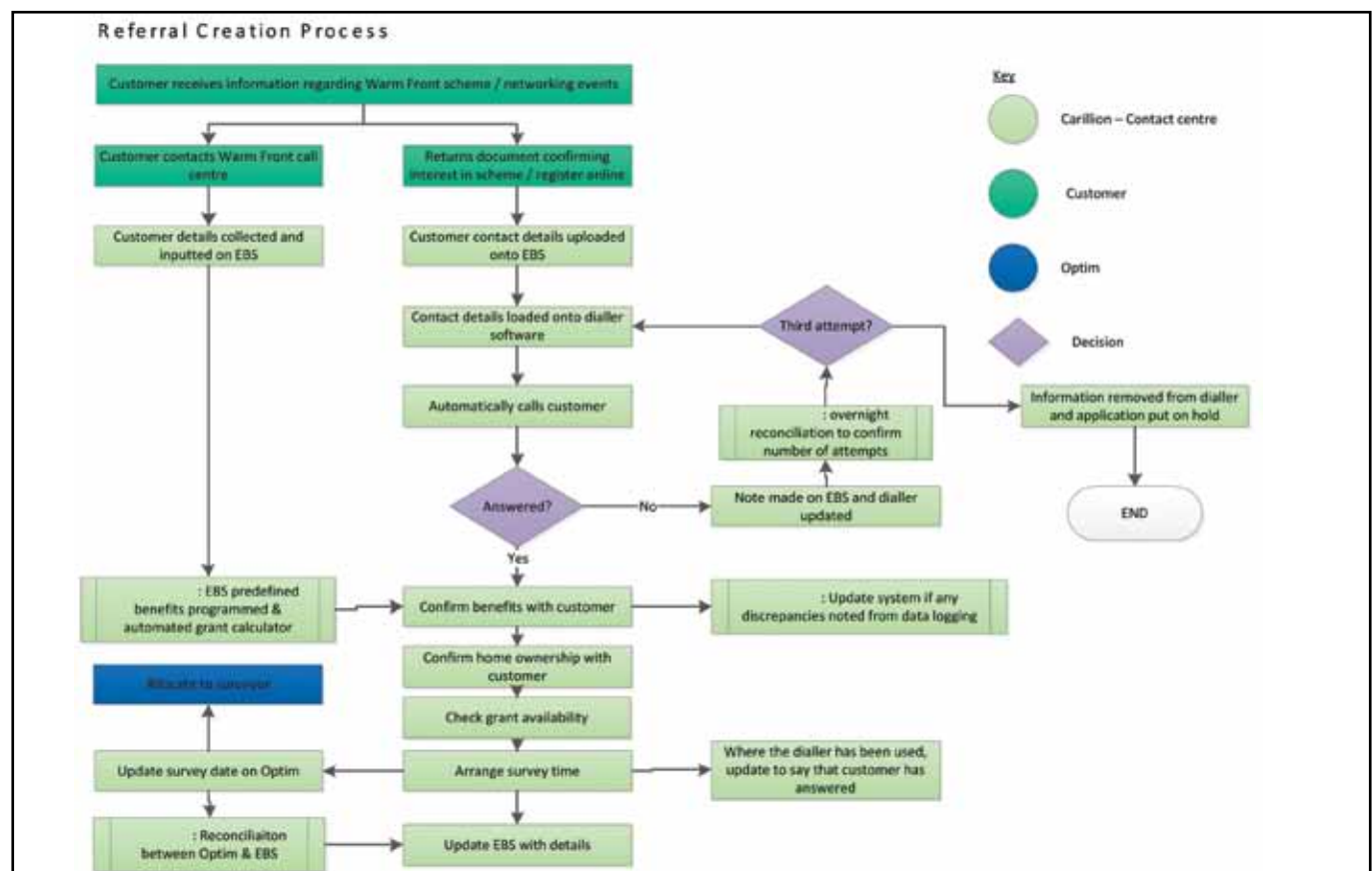
The customer completes an application form by paper, web or telephone. The contact centre at Gateshead handles all applications and subsequent customer contact. All applications are reviewed against the scheme eligibility criteria and entered onto Carillion's database, EBS.

The EBS database has been built to meet the requirements of Warm Front scheme. It contains built in eligibility checks.

Where a referral is received by telephone, the customer contact team will update EBS with the relevant details. Paper applications received at the contact centre are logged onto EBS by the data logging team. Web applications feed directly linked in to EBS. For both paper and web applications, customer details are collated from EBS and loaded onto the dialler software overnight. The software dialler automatically transfers a call to an available member of the contact centre. In this telephone conversation the customer details are confirmed and agreed to the information on EBS. These include customer benefit entitlements, property ownership and current fuel type

(if any). If a customer's telephone voicemail is received the customer contact team will update the dialler software. There are three attempts at contacting the customer. Following the three attempts, the referral is put on hold and a letter generated by the dialler software is sent to customer to inform them of their application status.

Following the application checks, successful referrals are progressed to have their property surveyed by a surveyor selected depending on the current fuel type of the property. The customer contact team arrange the survey time with the customer during the call handling process. All survey bookings are made on a separate database called Optim. The appointments on Optim are allocated to a geographical region. There are six regions and appointments are allocated to a region rather than to an individual surveyor. The customer contact team manually update the Optim and EBS databases with the arranged survey date.



Appendix 1d: Survey

Following a successful application customers are required to have their property surveyed. The purpose of the survey is to determine; if the property is eligible for scheme funding, if the customer receives an eligible benefit, who owns the property and which are the most appropriate measures to install. The property's energy efficiency is rated and any property with a SAP rating in excess of 55 points is ineligible for financial assistance. The surveys are carried out by the Technical Surveying team within the Operational department. There are at present 65 surveyors split across the country.

The Planning team download data from Optim by region, and assign each booking to a technical surveyor, allowing a suitable route to be planned. Plans are made to ensure surveyors undertake a reasonable number of visits in a day. Once a technical surveyor has been appointed to a referral the customer's details are uploaded on their online portal, which they access through their portable device.

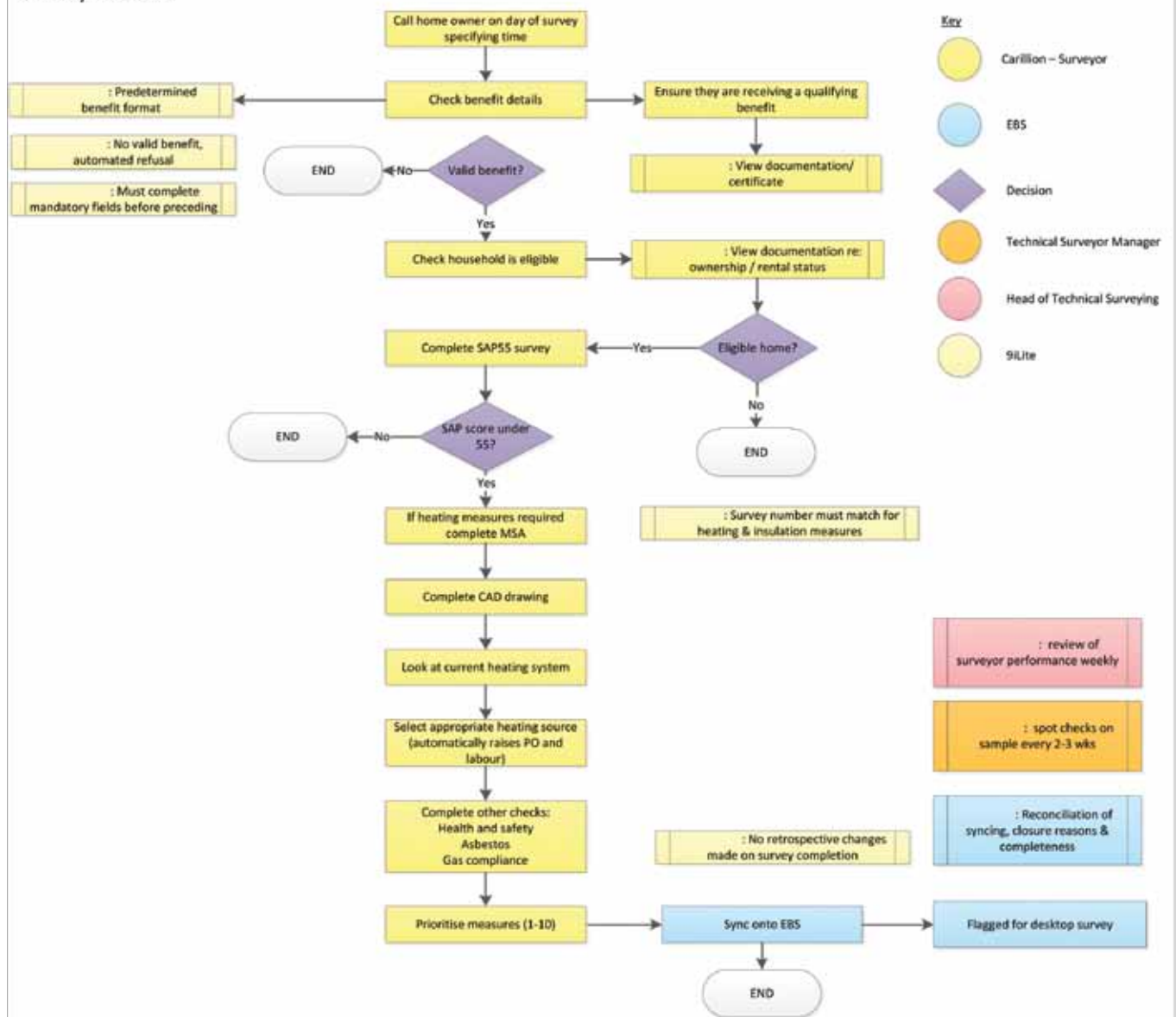
This online portal is known as 9ilite. It captures all aspects of the technical survey and consists of three main tabs; Customer, Property and Measure. The SAP ratings are automatically calculated by 9ilite based on the surveyor's property assessment. If the SAP rating is more than 55 points

the 9ilite survey is closed. Conversely if the SAP score is lower than 55 points the surveyor determines the appropriate measures for the property.

All non-heating measures such as loft or cavity insulation are automatically recommended on 9ilite with the required materials. For all heating measures such as boilers and radiators the surveyor's assessment is captured on another system; MSA. The MSA system allows the surveyor to generate a CAD drawing, upload photographs of the customer's property, review the current heating installation, select the appropriate heating source, which automatically lists the materials required and calculates a labour cost expectation. Where a customer has no central heating system, the surveyor selects a combi-boiler from a preapproved list, however, if a customer already has an existing central heating system, it will likely be replaced with a system of the same fuel type.

Once all the appropriate measures have been prescribed and prioritised, they are discussed with the customer. The customer is required to sign to confirm their assent to the proposal on the 9ilite system. There is then an overnight data transfer from the hand held device to EBS.

Survey Process



Appendix 1e: e-Bid and allocation process

Once a technical surveyor has assessed the customer's property and the results have been updated onto EBS, there is a five day "cooling off" period for the customer. It also gives the Operations department time to undertake quality checks on the survey, to ensure all required information has been correctly uploaded on EBS and to create the purchase order for auction. Referrals are transformed into purchase orders from EBS twice a week or every fortnight and put on e-Bid for installers to participate in the e-auction. Installers within the approved installer network areas can place bids on the auction site, allowing them to bid on measures in their own area and a larger regional area, ensuring a competitive environment.

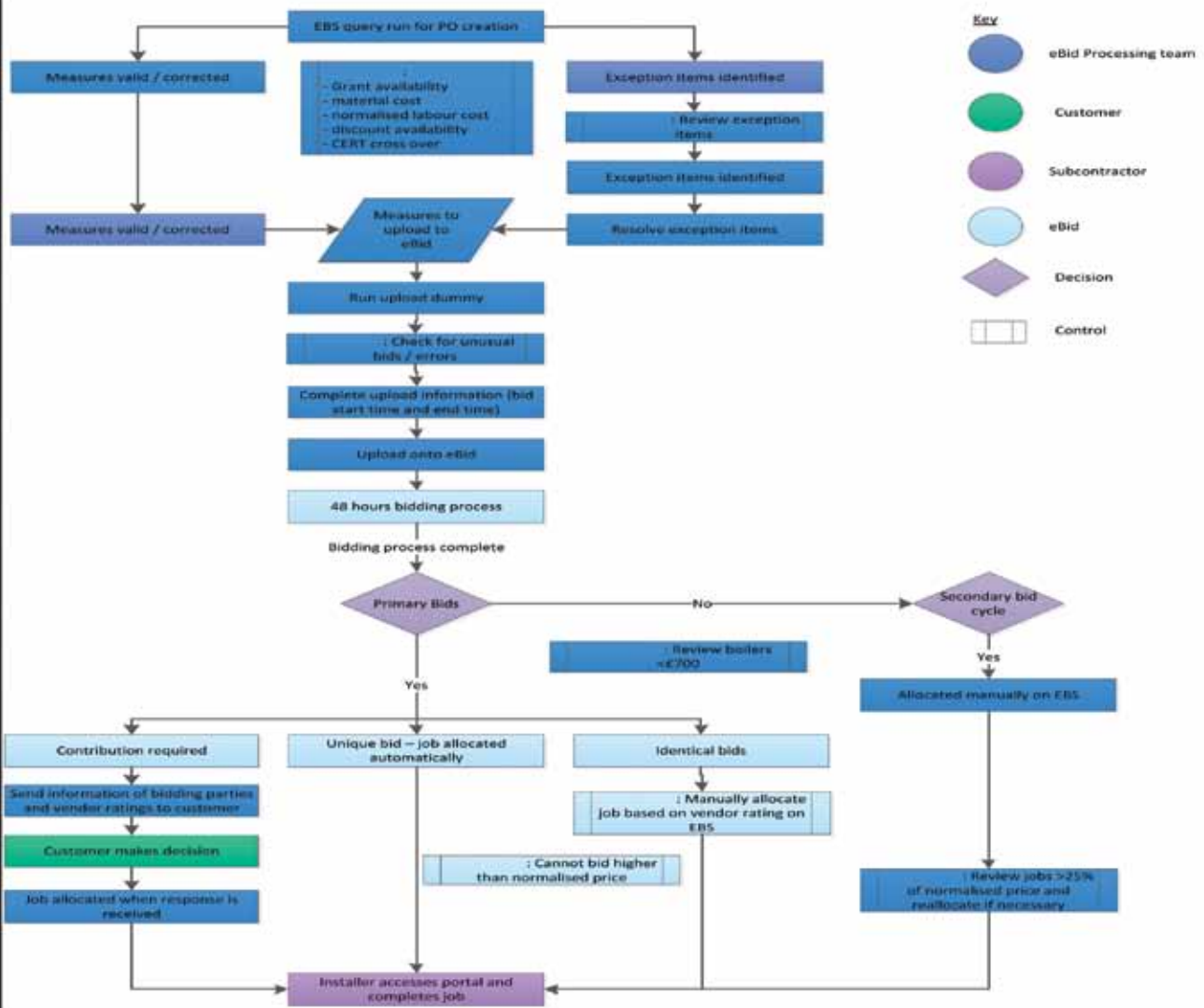
During the primary bidding cycle, installers assess the information presented, which includes review pictures of the property allowing the installer to make a judgement on the work required and place a price for the labour cost. The installers cannot bid higher than their regional normalised price. The bidding cycle lasts for 48 hours and the installer with the lowest unique bid wins the purchase order.

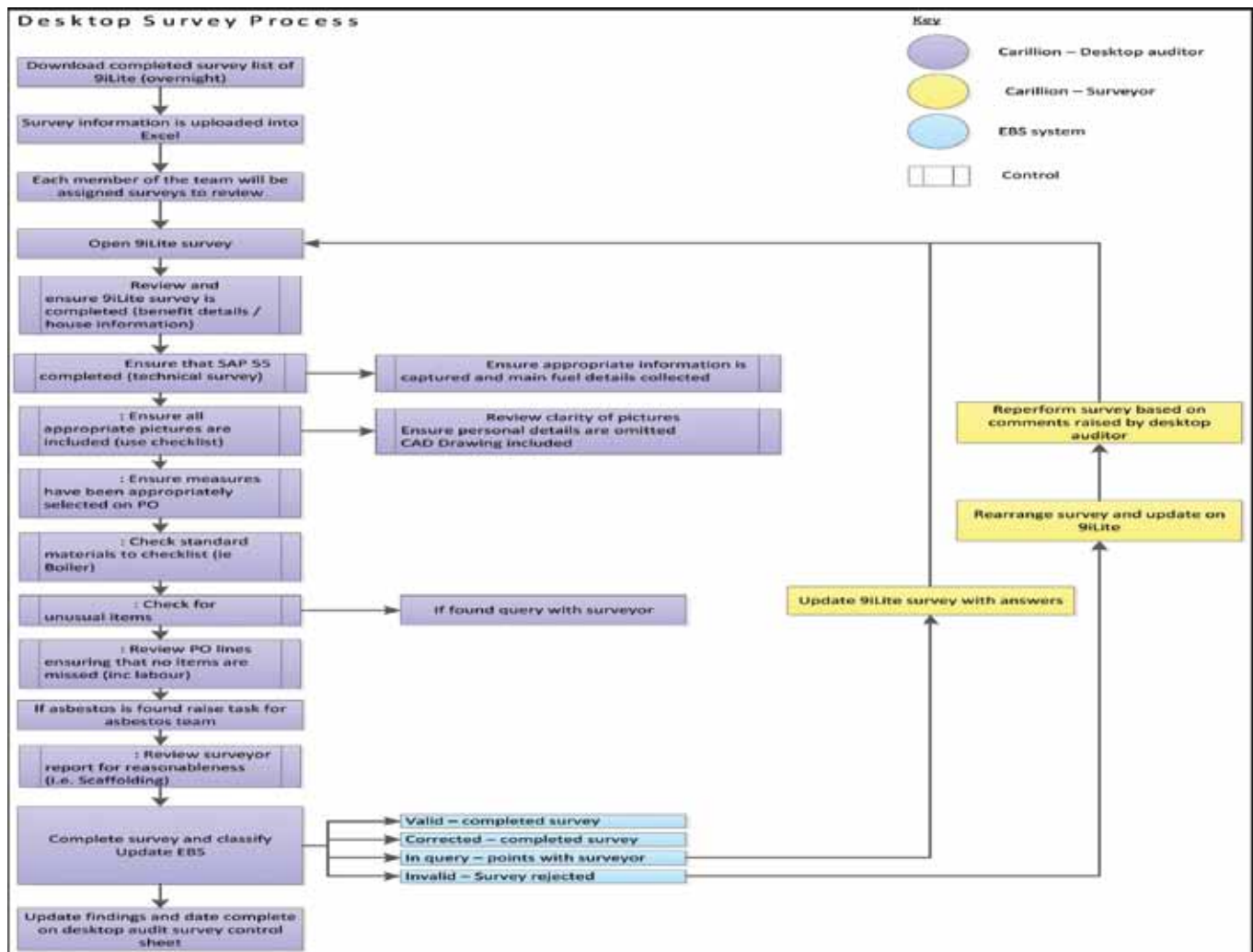
If there are multiple low bids at the same price, the Operations department will manually select the successful bidder by reviewing the installers against their work capacity and vendor rating. The installer vendor ratings is supplied to the Operations department by the Installer Management Network department. Where an additional contribution is

required to fund the measure, a letter is sent to the customer, which summarises the outcome of the bid and allows the customer to choose the installer based on the supplied vendor rating for the particular installers. The chosen installer is informed through their web-based portal with Carillion. In the event of no bids the measure is re-posted on e-bid as part of the secondary bid cycle. At the secondary bid cycle installers are permitted to submit offers over the regional normalised price.

It is possible for a purchase order to have no bids at both primary and secondary bid cycles. In this event, the Operations department will manually allocate the purchase order to an installer at the normalised rate, based on a view of the current capacity of the installers in that area. Manual installer allocations are based on the nature of the measure, for instance specialist contractors maybe required to install warm air or solid fuel measures, and the installer's vendor rating. The rationale behind the manual allocation must be entered on EBS. The same manual allocation process is undertaken if the installer resigns from a job. Where an installer bids on a volume of measures above their rank and capacity rank and capacity rating they will receive all the measures but have their future rank and capacity rating reduced to reflect their overcapacity in the current week.

EBID & Allocation Process





Appendix 1f: Installation

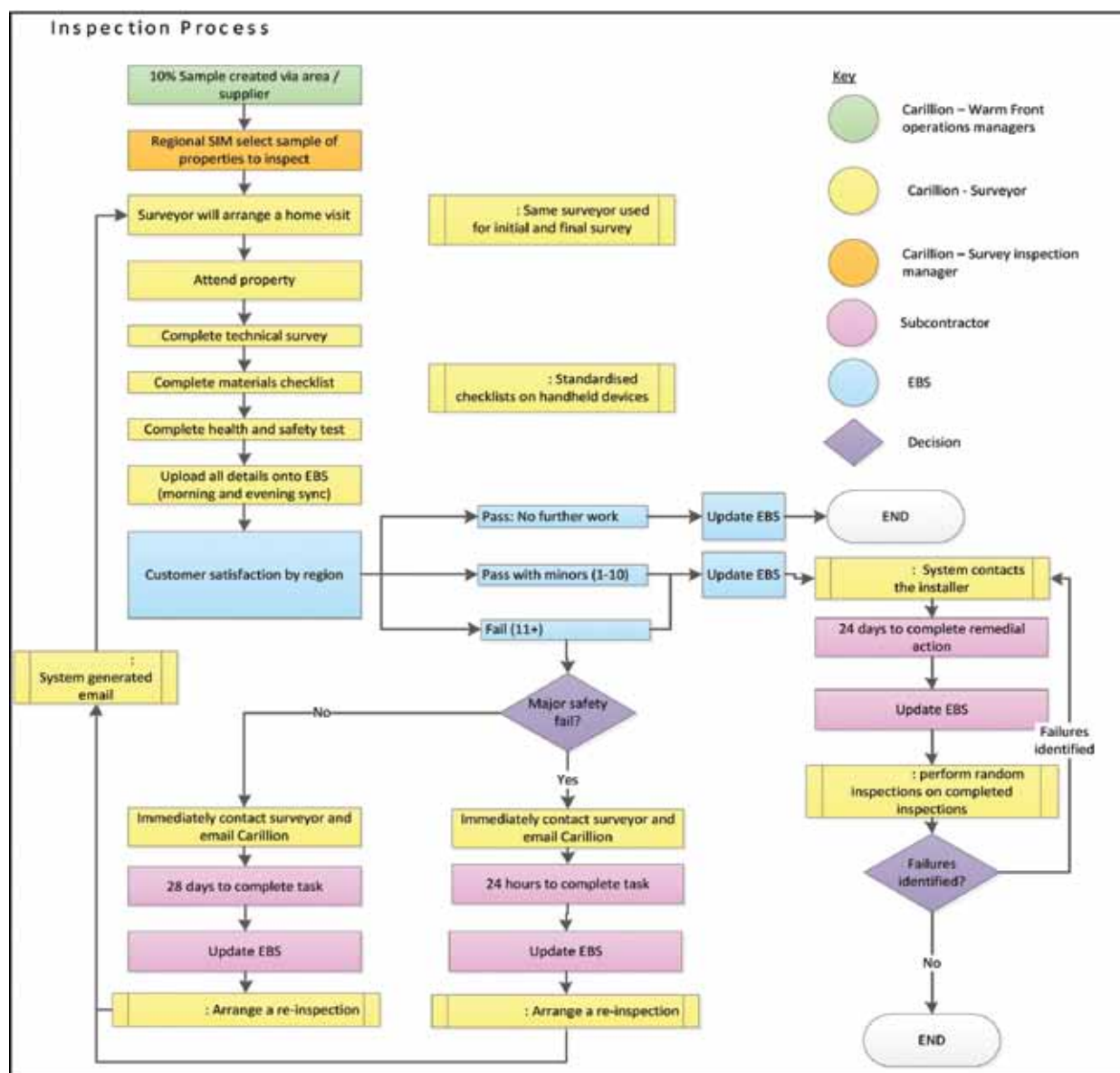
The installers are responsible for contacting the customer to arrange a time for the installation. Per the Warm Front guidelines there are set timescales for measures delivered by installers. All heating works must be completed within 70 days from the date of allocation. Similarly, insulation related measures must be completed within 40 days from the date of allocation. Where e-Bidding works are subject to a customer contribution, installers have 28 days to complete the measure from the date of notification from Carillion that the customer contribution has been received. The installer cannot commence any of the services until notified by Carillion that the customer contribution has been received. To ensure services are delivered on a timely basis, installers are required to provide updates on their work via the installer web portals, which are linked to e-Bid and thus EBS. Once a measure has been delivered, the installers must show the customer how to operate the installation.

Appendix 1g: Inspection

Each month a list of completed measures is extracted from EBS. The Operations Manager and Installation Manager choose several categories such as Gas compliance, Variations, Quality, Installers pass rates, Customer satisfaction, post-remedial works from the EBS data, and randomly select a sample of measures. The aim is to choose a sample giving coverage of 10% of completed measures. All performed inspections are entered on EBS. The purpose of these inspections is to review the quality of work delivered by the

installers and for heating measures to verify the component materials used.

The same Technical Surveyor used for the initial survey is recalled to perform the quality inspection. By doing so the Technical Surveyor can easily compare the completed measure(s) with his expectation. Since, the Technical Surveyors are employees of Carillon, they are independent of the installers.



Appendix 1h: Claim and payment

Payment to installers for completed measures are made from funding received by DECC. Once a measure is completed, the installer is required to complete a claim form. This claim form includes the following:

- installer details
- customer details
- brief description of the work performed and total cost
- installer declaration, which must be signed to confirm that work was performed with the customer's permission, to standards set by Carillion, and safety checks were undertaken.

Both installer and the customer are required to sign the claim form. The installer is required to retain the claim form but submit a similar claim to Carillion via their installer portal. EBS automatically matches the submitted installer claim to the purchase orders, which generates a claim for payment. Invoices are raised on a weekly basis and payment done via BACs run from the Warm Front scheme account. Where customers have contributed to the measure, there is a separate customer contributions account. This customer contribution account is only used for the Warm Front Scheme. On an ad-hoc basis, this account is swept into the current account and the amounts are re-imbursed to DECC.

Appendix 1i: Customer satisfaction

For all completed measures, a customer satisfaction survey is sent. On a monthly basis, the Customer Satisfaction team is given a list of customers who have had measures installed and they are sent a paper questionnaire. As and when customers return their feedback, the responses are logged onto Survey Monkey by the administrators.

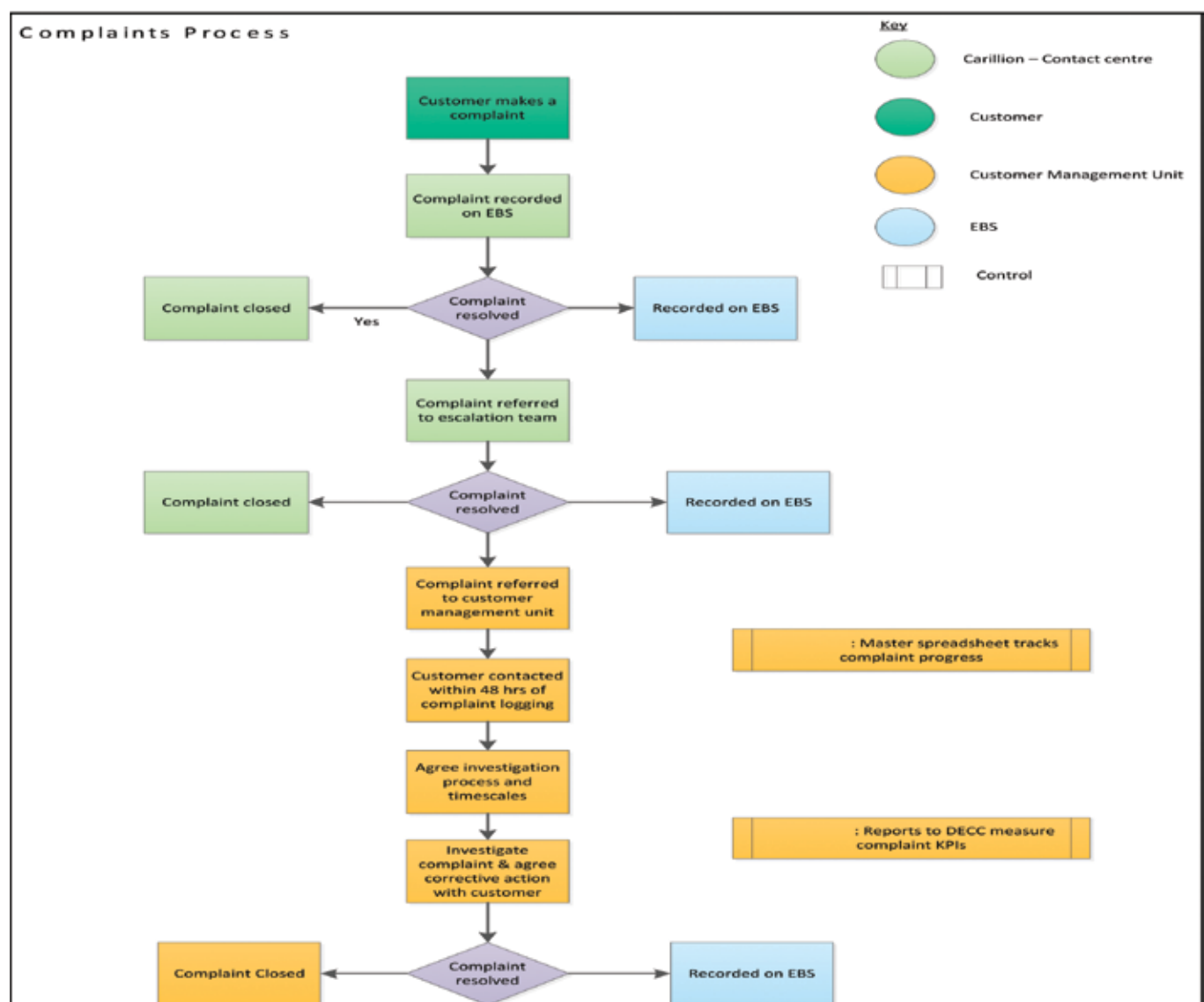
Survey Monkey is a web-based tool, which allows Carillion to tabulate results from paper surveys in one place and provides useful analytical review, such as determining overall percentage satisfaction for scheme as a whole, by installer, by measure and any other trends. Where adverse feedback is received the customer's response is reviewed by the Customer Satisfaction team and the customer is contacted to discuss the matter, and a customer complaint is logged.

Appendix 1j: Complaints

There is a Customer Management Unit (CMU) at Carillion which is responsible for dealing with Warm Front customer complaints. If a customer expresses dissatisfaction with the scheme, it is first handled by the Contact Resolution Team. The Contact Resolution team are based at the contact centre, and deal with basic complaints around the design of the scheme. If the complaint cannot be resolved by the Contact Resolution team it is immediately passed to the Escalation team. If the complaints cannot be dealt with by the Escalation team it is formally logged on EBS within 24 hours of being passed to the CMU.

The CMU must contact the customer within 48 hours of the complaint being logged on EBS.

Each complaint is assigned a Customer Manager, who takes full responsibility for the complaint, liaising with the customer and investigating and resolving the issue. The aim is to resolve all complaints to a reasonable satisfaction within 28 days. At each point the customer is kept informed of progress, outcomes and decisions, and an audit trail of progress is recorded on EBS. Any complaints uncovered via the customer satisfaction process are brought to the attention of the CMU and logged for review.



Appendix 1k: After services care

Customers who have had a heating measure put in place, such as a boiler are provided with a two year warranty, which includes an annual service visit. The cost of this is deducted from the total grant available at the start of a successful application. When a measure has been completed an install date is entered on to EBS, which automatically updates the expected annual service visit date. Prior to the annual visit, the After Care team send a letter to the customer six months in advance of the aftercare visit, reminding them that a survey will need to be booked. The annual service bookings were previously updated by a call centre based in Manchester, however due to an internal restructure this is now managed at Carillion's headquarters in Newcastle. Once a booking has been arranged, an aftercare engineer performs the service on the installed measure. Where no fault is found EBS is updated and no further work is proposed.

If issues are identified, the engineer emails the aftercare department with the details. It is the aftercare team who will inform and instruct the installer to undertake the required remedial work. The installer is given 15 days to perform the remedial action, and this is completed at their own expense. Details of all instances of remedial actions are monitored on a spreadsheet, and this is done manually. It monitors the measure type, date when the installer was informed of the fault and the actual completion date. Once the remedial work has been completed it is updated on EBS and the item is closed on the spreadsheet. If the remedial work is not completed within 15 days timescale, the aftercare team are able to issue the installer a £169 charge and allow an additional five days to complete the work. Should the installer not complete the work in the additional five days, the work is passed to an alternative installer. The cost of work completion by another installer is borne by the original installer ie cost in addition to the £169. The remedial works are checked on sample basis to ensure the work had been performed to the required quality. The customer is also contacted to confirm that someone from installer company had visited their premises.

Where a major fault is identified the same process is followed. The only difference is that the installer has just 24 hours to complete the remedial work before the £169 fine is levied. If the installer is defunct, the aftercare team manually allocate the remedial work to another installer within that region. A quote from the new installer is requested and checked against the normalised regional rate. If it is under £100 automatic authorisation is received by commence the work. Should the quote be greater than £100 management approval is sought. The same remedial timescales apply and progress is updated on EBS.

If customers have a query which is not related to the annual service, a report is received to the aftercare team from the contact centre. The report is reviewed. If it is deemed to be a pure installer fault, the remedial process described above is carried out. There are some situations where Carillion will decide to carry out the work but this depends on the customer's circumstance. If further work is required and grant funding is available, a purchase order is created and the installer who had originally performed the work is contacted to undertake the remedial work. If no grant funding is available, Carillion bears the cost of the work. Quotes are sought from installers, which are checked against the normalised rates and where appropriate management approval is received. All updates are entered on EBS.

Appendix 2: Customer satisfaction survey results

Llewellyn Smith survey results

A summary of the responses to the survey questions performed by Llewellyn Smith are shown below.

Making customer contact

On a scale of 1 to 5, where 1 is totally dissatisfied and 5 is totally satisfied, please rate your satisfaction with the application process in terms of the following:

	Totally dissatisfied				Totally satisfied	
	1	2	3	4	5	Not answered
How clear was the initial contact information	0%	1%	9%	20%	68%	2%
How easy was it to contact someone	3%	3%	8%	15%	70%	1%
How helpful was the advisor who dealt with you	3%	2%	9%	9%	76%	1%
How clearly were the next steps in the process explained to you	4%	1%	11%	8%	75%	1%

If you contacted the Warm Front Customer Service Centre during the process, what was the reason for your call?

Reason for call		
Change details on application	2	4%
Find out when work will be carried out	31	63%
Find out when assessor will visit the property	16	33%
Grand Total	49	

On a scale of 1 to 5, where 1 is not at all and 5 is very, how helpful was the advisor you spoke to at the Customer Service Centre?

	not at all helpful				very helpful	
	1	2	3	4	5	Total
Number	4	7	8	10	12	41
%	10%	17%	20%	24%	29%	

By what means was a response to your query provided?

	Number	%
Phone call	39	70%
Letter	17	30%
Email	0	0%
	56	100%

On a scale of 1 to 5, where 1 is totally dissatisfied and 5 is totally satisfied, please rate your satisfaction with the response you were given.

	totally dissatisfied				totally satisfied	
	1	2	3	4	5	Total
Number	6	7	8	10	10	41
%	15%	17%	20%	24%	24%	100%

During your Warm Front journey you received a number of letters from us. On a scale of 1 to 5, where 1 is very poor and 5 is very good, please rate the correspondence received from Warm Front?

	very poor					very good	Total
	1	2	3	4	5		
Number	0	1	10	22	67		100

Technical survey

This section is about the Surveyor who originally visited your home to assess the work to be carried out.

	Yes	No	Not sure N/a		
did the surveyor complete the following					
explain the survey process	97	3	0	0	100
check the loft	76	16	3	5	100
assess the existing heating system	93	6	1	0	100
explain all the recommendations clearly	93	7	0	0	100
ask you to sign the computer screen after explaining the recommendations	65	22	13	0	100
complete an electronic floor plan drawing of your property	57	13	30	0	100
Print copies of the relevant paperwork and explain what they meant	89	6	5	0	100
Explain what happens next and leave a copy of the What to Expect Guide?	73	8	19	0	100

On a scale of 1 to 5, where 1 is totally dissatisfied and 5 is totally satisfied, how would you rate the Surveyor on the following?

how would you rate the surveyor	totally dissatisfied				totally satisfied	
	1	2	3	4	5	
courtesy	2	1	2	16	79	100
time keeping	1	0	2	14	83	100
explanation of what he is doing and what will happen next	2	1	3	17	77	100

Overall, on a scale of scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied, how satisfied were you with the pre-installation survey?

	totally dissatisfied				totally satisfied	
	1	2	3	4	5	
how satisfied were you overall with your pre-installation survey	2	1	4	16	77	100

The installer

On a scale of 1 to 5, where 1 is totally dissatisfied and 5 is totally satisfied, how would you rate the installer who carried out the installation on the following?

how would you rate the installer	totally dissatisfied				totally satisfied		total
	1	2	3	4	5	n/a	
work carried out	4	4	7	10	75		100
installer's explanation of the work	5	7	4	11	73		100
overall quality of workmanship	5	5	3	10	77		100
explanation on how to get the best of the installation	10	4	2	11	64	9	100

If you chose a password before the installation did the installer use it when he first arrived?

	Yes	No	Not Sure	N/a	total
If you chose a password before installation did the installer use it?	20	12	7	61	100

Did the installer show his ID badge when he or she first arrived?

	Yes	No	Not Sure	N/a	total
did the installer show his ID badge when he/she arrived	90	3	6	1	100

On a scale of 1 to 5, where 1 is totally dissatisfied and 5 is totally satisfied, how would you rate the Installer who carried out the installation on the following?

how would you rate the installer who carried out the installation	totally dissatisfied				totally satisfied		total
	1	2	3	4	5		
courtesy	2	3	3	12	80		100
time keeping	3	2	5	11	79		100
tidiness	2	2	3	14	79		100

Overall, on a scale of scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied, how satisfied are you with the work carried out by the installer?

	totally dissatisfied				totally satisfied		total
	1	2	3	4	5	not answered	
overall how satisfied where you with the work carried out by the installer	3	2	8	12	73	2	100

Have you any comments (good or bad) that you would like to make about the installation or the installer?

no comment	40
good installation	15
installation issue	16
communication	19
not local	1
timeliness	9
	100

Where:

Good: very impressed with the installer

Issue: problems with the measure arose once installer had finished

Communication: no explanation given to the customer on how to use measure

Timeliness: installation was not finished on the agreed complete date

Overall review

On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how much do you agree that it is now easier to keep your home warm during cold weather?

	strongly disagree				strongly agree		total
	1	2	3	4	5	no answer	
how much do you agree that it is now easier to keep your home warm during winter	3	0	8	18	70	1	100

On a scale of scale of 1 to 5, where 1 is never and 5 is definitely; how likely are you, based on your recent experience, to recommend the Warm Front Scheme to a close friend or relative?

	never				definitely	
	1	2	3	4	5	total
would you recommend the Warm Front Scheme to a close friend or relative?	7	0	4	8	81	100

If you could improve one thing about your Warm Front experience, what would it be?

Improvement type	Number of customers
none needed	28
none given	29
communication	15
timeliness	9
installer issue	10
surveyor	3
boiler	3
products offered	2
inspection	1
	100

None needed: customer fully satisfied

Communication: explain use of measure installed

Timeliness: complete job by the agreed installation date

Installer issue: installer needs to accommodate customer requests

Surveyor: must act professionally and carry out all required checks

Boiler: effects on user of new boiler installations should be explained

Products offered: offer more products/supply grants

Inspection: post installation inspections to find improvements

Finally, on a scale of scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied, how satisfied are you with the Warm Front Scheme based on your overall experience of the whole process?

totally dissatisfied				totally satisfied			
1	2	3	4	5	no answer	total	
5	0	8	20	66	1	100	

Appendix 3: Tests of controls

The tables below summarise our findings and any recommendations arising from our tests of key controls:

Controls over referral generation

RISK	CONTROL
Marketing – failure to generate sufficient number of applicants.	<p>Carillion is required under the contract to have in place an appropriate marketing plan to generate sufficient referrals to utilise the budget. Regular reviews are carried out to analyse actual marketing performance against marketing plans. In addition each marketing campaign is reviewed in terms of the number successful referrals received and of these how many were then eligible for the scheme. These are also discussed within the fortnightly operational team meetings.</p> <p>On a quarterly basis the key stake holders are reviewed by the networking team to ascertain where they should be focusing their work based on the number of referrals received from the stakeholder, compared with the time involved and budget spent with them.</p>
FINDING	
<p>The Scheme Account Manager and the Network Manager confirmed that prior to the scheme extension in April 2011, there was a formal marketing strategy. This outlined the target audience and promotional activities planned to generate referrals at the end of 2010. Carillion were instructed to reduce their marketing activities as they had generated sufficient demand to utilise the budget. Following the scheme extension, the marketing budget was significantly reduced, along with staff resource within the networking team. Thus minimal marketing campaigns have been run.</p> <p>We confirmed that there was no formal marketing strategy, which reflected the scheme changes post April 2011. We understand that Carillion plans to have a marketing plan in place by Autumn 2012.</p>	
RECOMMENDATION	
An updated marketing strategy should be put in place to ensure adequate referrals will be generated to utilise the budget.	

Controls over referral creation

RISK	CONTROL
Inaccurate eligibility data recorded during the telephone application process	<p>There is a specific module within EBS, which acts as a script for the contact centre team. The script is a list of multiple choice questions that are asked when a contact centre member undertakes a customer's application via phone call. The multiple choice questions revolve around the scheme's eligibility criteria. This is to ensure that only valid customers are progressed through the scheme. The script is interactive such that the customer's response is immediately selected from the multiple choice, thus allows EBS to be updated on a real time basis.</p> <p>The EBS script functionality is able to check the following:</p> <ul style="list-style-type: none"> • correct benefits have been selected • if the property or customer has been previously recorded to avoid duplication • calculates the amount of grant available • whether the property is based in England.
FINDING	
<p>Through call system walkthrough we confirmed that EBS is updated on real-time basis. We noted all questions on the script were mandatory fields, and had focused on the scheme's eligibility criteria. The multiple choice question format minimised the risk of incorrect information being entered by the customer contact team. The EBS system would automatically check the above controls as the customer contact team enter information given by the customer and issues were automatically flagged by the system.</p>	
RECOMMENDATION	
None	

2

RISK

Inaccurate eligibility data recorded during the paper/web application process

CONTROL

Customers who have made applications via paper and web are contacted by the customer contact team to check if the information entered by the data logging team is correct. In addition to this, if a customer cannot be reached, three attempts are made to re-connect with customer. After three failed contact attempts, the customer is sent a letter informing them that their application is put on hold. On a monthly basis a reconciliation is done by the contact centre team leader to clean the dialler listing. This is done to ensure customers are not rung more than three times.

FINDING

Through call system walk-through we confirmed that for paper or web applications the details were checked to ensure data entered by the data logging team was correct and complete.

In addition we verified that a reconciliation process took place on a timely basis to ensure that unreachable customers were not contacted more than three times. This reconciliation also checked that following the third unsuccessful attempt to contact customers, a letter was sent informing customers their respective applications had been put on hold. As cold calling is prohibited by the scheme, Carillion believe that after three attempts the customer was considered "cold" and thus besides a final letter no further contact was made.

RECOMMENDATION

None

3

RISK

Inconsistent data stored on databases.

CONTROL

Initial survey dates are made on Optim and manually updated on EBS by the customer contact team.

FINDING

From the call walk-throughs at the customer contact centre we confirmed that the process of entering survey dates between Optim and EBS was manual. There were no issues found in this area as part of our sample test, however, during our review of management information reporting we were informed that there were situations where both systems were not manually updated.

Post April 2012 we noted a back office reconciliation department had been set up. One of the roles of this department is check that all surveys planned on Optim have been performed on 9ilite and correctly synchronised to EBS. It is planned that by Autumn 2012, a formal reporting process will be in place which will monitor instances where the two systems have not been updated and to ensure that these are corrected.

RECOMMENDATION

None

Controls over the e-bid and allocation process

1 RISK	CONTROL
Inappropriate purchase orders being raised.	<p>Before a referral is converted to a purchase order for e-Bid various conditional queries have been embedded into EBS. The purpose of this is to check and calculate the correct purchase orders. The queries review the following:</p> <ul style="list-style-type: none"> the available grant for the property the material cost based on the approved schedule the location of the property and it's corresponding normalised labour price identify if any Ofgem discount of £1,500 is available for connecting the property to a gas connection. This can reduce the overall purchase order so avoiding any customer contribution if at all possible the system is able to identify insulation measures, such as virgin loft and cavity wall insulation, which can be delivered through the CERT scheme, resulting in savings under the Warm Front Scheme. <p>If there are no issues, the purchase order is uploaded onto eBid.</p> <p>Should there be any exceptions these are manually reviewed by running several queries on eBid and monitored on a tracker spreadsheet. The types of exceptions reviewed for correction include the following:</p> <ul style="list-style-type: none"> validation errors: produces exceptions if referrals have not been allocated a correct Job ID, if a valid desktop audit has not been completed, if other agencies such as local authorities are involved or asbestos tasks have not been completed creation errors: this identifies why a purchase order has not been created and where in the referral process this has failed calculation errors: this highlights issues with the price of the purchase order ie determines if there is no grant left or a customer contribution remains to be paid segregation error: where those measures that are not required to go on e-Bid have not been filtered out correctly. For instance transferring a virgin insulation measure which can be done under a CERT or CESP scheme. <p>The tracker spreadsheet is reviewed manually by the e-Bidding team of the Operations department. Once all exceptions have been manually resolved and corrected on EBS they are uploaded on to e-Bid for auction.</p>
FINDING	
<p>We confirmed by observation that the controls in place for raising a valid purchase order were operating as designed. All required queries appear to be embedded within EBS to undertake the required verification checks, and thus minimise the chance of raising an incorrect purchase order.</p> <p>The tracker spreadsheet was observed to be being used as described to resolve any exceptions raised in EBS. We noted from observation that each exception was reviewed manually and where appropriate corrections were made on both the spreadsheet and EBS.</p>	
RECOMMENDATION	
None	

2 RISK	CONTROL
Installer monopoly in bidding process	<p>There are bidding controls for installers. This prevents them from bidding excessive measures, which are beyond their working capacity. The Rank and capacity module of EBS controls the amount of work that can be seen by an installer on e-Bid and the level on which they can bid on.</p> <p>As an extra measure, for secondary bids, where installers can post prices above the normalised rates, a report for bids over 25% of the normalised price is reviewed by the Operations Department Manager. This report allows Carillion to see if any installers are trying to manipulate the bidding process to their advantage. Additionally, a similar report is produced for boiler replacements, where bids less than £700 are reviewed. This is to ensure that installers are not deliberately bidding at low amounts to win the measure. From these reports, the Operations Manager will review for any inappropriate installer wins, and should there be any suspicions, the particular measures are withdrawn from installer portals. The installer is notified of this by either the Installer Management team or Operations team and the reasons for withdrawing the measure are discussed.</p>
FINDING	
<p>We confirmed that the additional reports on secondary bids over 25% of the normalised price and boiler replacements for less than £700 were run and reviewed on a weekly basis. We reviewed a sample of reports from March 2012. On review we noted that they were used as intended.</p>	
RECOMMENDATION	
None	

3

RISK

CONTROL

Inadequate manual allocation

The Operations team are provided with a vendor profile by the Installer Management team. The vendor profile is based on the Installer Management team's performance review of installers. An overall percentage is calculated based on the following:

- the installers RAG rating
- customer satisfaction results
- customer complaints
- quality of work.

As outlined earlier, the vendor profile is a useful tool for the Operations team. It is used by Carillion when manually allocating installer work and provided to customers if they are required to choose between installers to deliver their measure.

FINDING

We confirmed from our review of the Installer Management team that the vendor profile rating was based around their performance reviews and controls. The vendor profile was reviewed on a monthly basis with up to date copies distributed to the relevant teams within the Operations department. We confirmed from observation that vendor profiles were included in letters to customers where they had to choose an installer and during the manual allocation process.

RECOMMENDATION

None

Controls over the installation process

1

RISK

CONTROL

Installations not delivered on a timely basis

A delivery clock start and clock stop is used by the Operations department to monitor the number of days taken to install a measure. For instance, the delivery clock starts from the installer allocation date and is stopped once installation is complete. The clock is put on hold for situations where the customer is not contactable or cause for delay. The clock is not put on hold where the installer is causing the delay. This is monitored by using the 'Super Wip' report.

The monthly 'Super Wip' report incorporates the delivery clock approach and is reviewed by the Operations Manager and Managers from various other teams. This is a comprehensive report which provides a snapshot on the current status of all open measures and indicates the following:

- Measure description by type, area, and installer
- Creation date of measure, status of the measure in the process, RAG Colour
- Last status update
- Customer contribution details in terms of amount, payment date, time taken for customer contribution payment
- Details on any third party involvement such as type of third party, payment date
- Details on measures put on hold such as start date for hold, reason for hold, planned date for re-commencement of work, end of hold date

FINDING

Discussion with the Operation Manager and other involved teams confirmed that a delivery clock system was used to measure the installation delays. Review of the Super Wip report for the month of March 2012 confirmed it was being used and provided a snapshot on delivery status. It had incorporated the delivery clock principles and all key dates required to monitor the installation process appeared to be captured.

The Operations Manager confirmed that the focus was on addressing measures with a red and amber colour coding. The Super Wip report was shared with the Installer Management team to help them co-ordinate with their installers and resolve any issues. This was corroborated by the Installer Management team.

RECOMMENDATION

None

2

RISK

High number of installer variations to purchase orders leading to increase in cost and deliver delays

CONTROL

There are instances where variations to purchase orders can occur. Variations are generally raised by the installers if they feel the purchase order does not fully satisfy the customer's requirements or if issues such as asbestos are noted. Installers must contact the Operation department either by telephone, email or through their web portal and provide a summary for the variation. All proposed variations must be reviewed and authorised by the Operations Manager, and Technical Surveyor Manager. For these situations the delivery clock is not put on hold, and thus the variations must be reviewed and authorised as soon as possible to ensure that the measure can be delivered in accordance with the scheme timescales.

FINDING

The process for variations was confirmed by the Operations Manager and the Technical Survey Manager. Details regarding the variations were captured on EBS and sufficient for audit trail purposes. Our sample testing appeared to confirm that the variations were appropriately raised by the installer and subjected to further review by the Operations department. The variations were authorised by either the Operations Manager or Technical Survey Manager. For each variation the measure was not put on hold.

RECOMMENDATION

None

3

RISK

Underperformance by installers

CONTROL

Installer performance is continually monitored by the Installer Management team. The Installer Management team operate a Red Amber and Green (RAG) monitoring mechanism for assessing work in progress. This traffic light approach allows Carillion to foresee measures that may not be delivered on a timely basis. The conditions for the RAG ratings is as follows:

Heating Measures

Green	0 to 30 days
Amber	31 to 69 days
Red	70+days

Insulation Measures

Green	0-12 days
Amber	13- 29 days
Red	30+ days

The above RAG parameters are programmed within the Installer's web portal. The installer web portal is not only used to bid measures on e-Bid, but also allows installers to keep track of their current work load, and it automatically colour codes measures according to their delivery status. Contact by the Installer Management team is usually made when the measure status turns amber. Initial discussions take place either by telephone or email. The frequency of direct contact with the installer depends on the reason causing the delay. For measures marked as red, the installers are contacted on a daily basis. Discussions with under-achieving installers are usually based around performance to date, achievement against contracted budget, outcomes from inspections and remedial work.

FINDING

From review of the installer's web portal we confirmed that measures were colour coded based on the RAG criteria, allowing a transparent monitoring process. Discussions with an Installer Manager confirmed that on a daily basis RAG rated reports on delivery timescales are generated for review and where necessary installers were contacted. We noted that discussions with installers were recorded on EBS for audit trail purposes. From observation it was evident that the Installer Management team were regularly monitoring installers either by email or telephone and conversations revolved around all aspects of performance management required by the scheme. In addition we confirmed that the Installer Management team routinely liaise with other teams within the Operations department to see if any issues had occurred with the installer or provide an update for any genuine causes for delays.

RECOMMENDATION

None

Appendix 4: Completed work programme

Proposed Work	Findings
A Overview <ol style="list-style-type: none"> 1. Walk-through sample 60 applications 2. Document processes 3. Identify controls in place 	Section 2 Appendix 1 Appendix 1
B Eligibility <ol style="list-style-type: none"> 1. Identify metrics in place to monitor and report performance 2. Compare actual performance against benchmark / contractual performance metrics (N.B. these service levels are defined in the contract) 3. Test key controls 	Section 3 and Appendices 1b & c Section 3 Section 3 and Appendix 3.
C Customer Satisfaction <ol style="list-style-type: none"> 1. Document the complaints handling process to include understanding which channels complaints go through at CES before they are escalated to DECC. 2. Identify metrics in place to monitor customer satisfaction 3. Discuss with scheme manager how CES ensures all complaints are satisfactorily resolved and how many come through to DECC. 4. Investigate whether complaints in the reporting period highlight any common themes or issues 5. Where identified, enquire as to what remedial steps have been taken to address them 6. Interview scheme manager re how they monitor customer satisfaction levels 7. Understand and document the scope of their work and how the results are measured and interpreted 	Section 4 and Appendix 1h. Section 4 and Appendix 1g Section 4 and Appendix 1h Section 4 and Appendix 1h Section 4 and Appendix 1h Section 4 and Appendix 1g Section 4 and Appendix 1g
D Management of Installer Network <ol style="list-style-type: none"> 1. Document and understand the process whereby the scheme manager sub-contracts work to installers <ol style="list-style-type: none"> a) confirm that no new installers have been taken onto the approved list since the 2009 procurement exercise b) how work is allocated 2. Identify and test key controls in place over the installer management process 3. How does Carillion manage its network in areas where coverage is below par as defined in the contract? 4. How does Carillion ensure that there is always resource available to complete work given that they no longer have the capacity to offer themselves as the installer of last resort 5. Discuss with the scheme manager any instances where CES has consented to the novation of contracts from an existing company to a "newco". <ol style="list-style-type: none"> a) what were the explanations received for this request? b) what steps/ due diligence did CES undertake before acquiescing with this request 	Section 5 and Appendices 1e & f. Section 5 and Appendix 1f Section 5 and Appendix 1f Section 5 and Appendix 1f Section 5
E Quality of Management Information <ol style="list-style-type: none"> 1. Understand and document the databases used to store source data 2. Document the process for collating information into management reports 3. Identify and obtain explanations for any adjustments made between source data and final reported figures 4. Identify and test the controls in place to review and check the report compilation process 5. For a sample of 2 months reports – trace a sample of reported figures back to underlying data systems. 	Section 6 Section 6 Section 6 Section 6 Section 6
G Scheme exit plan <ol style="list-style-type: none"> 1. Confirm with CES that they are working with the most up-to-date scheme exit plan. 2. Discuss this plan with the scheme manager 3. Identify key assumptions contained within the exit plan 	Section 7 Section 7 Section 7



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