

Update on Progress of implementing Internal Audit recommendations regarding Project Management

AUDIT COMMITTEE

Date: 25th November 2008

Author: Head of Internal Audit

Wards Affected: None

Purpose

To inform the Audit Committee on the progress made to date in implementing agreed Internal Audit recommendations regarding Project Management.

Recommendation

- It is recommended that the contents of the report be noted.

1 Reasons

- 1.1 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating properly.
- 1.2 An Internal Audit report on the system for Project Management was presented to the March 2008 meeting of the Committee. The report identified fundamental weaknesses in the system resulting in a significant potential risk to the Council.
- 1.3 Members requested, at the March meeting, that the relevant Group Director/Director return in approximately six months to inform the Committee of progress in implementing agreed Internal audit recommendations.

2 Detail

- 2.1 The initial review of Project Management was reported to the March 2008 meeting of the Committee and gave an audit opinion of 'significant' risk.
- 2.2 The main issues raised in the original report were:
 - Strategic planning should be carried out to establish the needs associated with the Council's current and future high level of project and programme activity. It should identify the core corporate structures and

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processes that are required, aligning business and IT processes to support investment.

- Corporate responsibility for project management should be determined, and allocated to a central project/programme management office (PMO). The PMO should capture, monitor and quality assure projects checking that key project controls operate. It should be responsible for updating corporate (intranet) guidance; this should incorporate project management guidance based on PRINCE2 with other Council control processes, i.e. Best Value procurement, Gateway reviews, commitment accounting and accurate forecasting of costs against budget.
- The Council must ensure that project organisation is appropriate and effective. In particular, ensure that the Project Executive (Sponsor) role be customised for the project and the project manager should have the authority to ensure tasks are carried out. Project and Programme Boards should direct the projects, authorise stages, give advice and approve new plans, but do not need to address day to day issues, allocate tasks, chase up on activities not done.
- An appropriate level of training in PRINCE2 should be given to Project Team members with encouragement by the Council to ensure that project disciplines are adequate amongst partner agencies.
- The Programme Management Office should be responsible for ensuring that key project control documents are produced, and reviewed by a project assurance role. Particular attention should be paid to the structure and controls for projects to be delivered jointly with partners (e.g. Capita, PCT and through Local Area Agreements).
- It is essential that resources, skills and capacity be retained to support the growth in project activity and the joint projects that will be initiated within the Council's planned growth period.

2.3 Attached, as Appendix 1, is the Group Director: Business Transformation's update on the progress made in implementing the audit recommendations.

2.4 The Group Director will be at the November meeting of the Committee to update Members and answer any questions.

Alternative Options

Not Applicable

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Risk Management

Financial and Procurement Implications

There are no direct financial implications arising from this report however the detailed audit report address the suitability of internal controls within the systems examined.

Legal/Human Rights Implications

Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2006. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

Links to Corporate Plans and Policies (in particular to Swindon 2010 Promises)

Internal Control, Audit Committee and the Statement on Internal Control all feature significantly in the CPA Use of Resources Assessment. Effective systems of internal control within the Council will help to ensure that the objectives set out in the Corporate Plan and Swindon 2010 are achieved.

Consultees

The Director of Finance (Section 151 Officer) and the Director of Law and Democratic Services (Monitoring Officer) are consulted on all reports.

Group Director: Business Transformation

Project Management Office Manager

Appendices / Background papers

Appendix 1: Project Management – Update on progress with implementing Internal Audit recommendations

Key Decision/Decision in Forward Plan

Not Applicable