

KEY		3.5% of actions incomplete and the implementation date has passed.		3.5% of actions incomplete and implementation date imminent or implementation date extended.		53% of actions reported as completed – evidence being reviewed by Internal Audit.		40% of actions not yet due/in progress.
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Evidence requests/queries shown in bold

CAPITAL IMPLEMENTATION PLAN

Item No	Recommendation	Priority rating	Planned action / response	Implementation date	Lead Officer	Wk stream	Current Status/Evidence/outstanding queries
Specific Project Tasks							
1. 8.1.1 RG	The Chief Executive and Director of Human Resources should determine whether any conduct investigations are warranted.	High	Evidence to be reviewed and conduct investigations instigated as necessary.	Dec 2010	JT	n/a	Conduct investigations are complete,
2. 8.1.2 RG	Recruit an individual to take over the management of the children's services capital programme, setting up proper systems of control and management as well as identifying issues on other schemes.	High	Interim recruited from PWC	17/12/10	CD	n/a	Interim in post
3. 8.1.3 RG	Investigate whether there is any redress for the escalating costs of the temporary school.	Med	Documentation being reviewed, officers being interviewed and legal to be consulted. A report on the outcome will be prepared.	End March 2011 Revised implementation date: End of May 2011	BH/DL	n/a	Initial review has concluded that there is no redress legal advice being taken to check no scope through contract provisions – report still to be drafted.
4. 8.1.4 RG	Revisit the value for money assessments for the reviewed projects.	Low	Review the existing assessments and comment accordingly	September 2011	JA	n/a	Rescheduled implementation deadline to allow all necessary data to be collected. Timing to feed into External Audit VFM report.
5. 8.1.5	Check that the Council has complied with the grant conditions and is not carrying	Low	All grant funding to be reviewed by the Business Partner -	Dec 2010	MB	n/a	Review complete - confirmed grant conditions complied with

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RG	any risk from having waived the contribution from the church schools		Financial Accounting, Treasury and Pension Fund.				and there is no risk to the Council (to be confirmed by Legal). Evidence of review to be supplied by JH/HS
Contract Management Evidence Required:							
6.2. PWC	A clear approval date should be included within the Gateway documentation.	Low	Amendment of the commissioning form incorporated within the Gateway documentation, inclusive of Gateway 0, 1, 2 or any revisions so presented for approval within delegated authority to include the approval date.	June 2011	BH/DL	3	Amendment actioned. To be picked up as well by wider review of process. Evidence of amendment provided by DL.
7.3. PWC 8.2.8 RG	The Instructing Department should be required to authorise all project Gateways. The client service department should authorise the Gateway and any other commitments being made on their behalf	High	Currently AH signing off Gateway documentation on behalf of instructing department (Children's) but no specific place on forms. Revision to Gateway 0,1and 2 sign off page to include Budget Holder's signature that is to be sought in advance of submission to HoS or Director.	June 2011	BH/DL	3	Amendment actioned - a more comprehensive review of signatories is to be picked up by wider review of process. Evidence of amendment provided by DL.
8.4. PWC	Any subsequent revisions to the Gateway documentation should be completed through the use of a dedicated revision form that documents the need for the revision and the cost and schedule implications	Med	A dedicated revision form will be used which documents the reasons for the revision and details all implications relating to that revision. In addition, the workstream 3 team will consider at what point in a project revisions to the gateway documentation should take place (eg once a certain level of instructed changes to the project have taken place, or if there is a material change to the project etc).	March 2011/ June 2011	BH/DL	3	These are currently being completed towards the end of a project rather than during the currency and this will be reconsidered as part of the wider project governance review. Management instruction issued regarding timely completion of Gateway revisions. Evidence of instruction and sample case provided by DL.
9.5. PWC	It should be ensured that appropriate contractual arrangements have been established prior to any project work actually commencing.	High	Process reiteration of instruction to all staff reminding the Client Representative that Pre Possession Agreements or similar contract documents	June 2011	BH/DL	3	Currently being actively managed by interim service heads. Roles & responsibilities to be picked up as part of the wider project governance

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			<p>cannot be issued to the constructor unless the approved Gateway 0, 1 or 2 is in place. Process known by staff and in place. Core Groups to align approval lead in time to project timetable. Framework core group to monitor and ensure that this is in place.</p>				<p>review. Management instruction issued regarding completion of all contractual agreement prior to the commencement of work. Evidence of management instruction and sample case provided by DL.</p>
10.7. PWC	<p>The Gateway 2 documentation should include a provisional sum for works to be completed directly by the Council and appropriate contingency for any risks transferred to the Council.</p>	High	<p>All non-provisional sums (ie firmly costed works) to be included in gateway whether in AMP, or direct works by the client. Provisional sums should also be included in the same way based on the best estimate. The uncertain element of the provisional sum to be transferred to the risk register with the appropriate contingency being allowed based on quantity and probability of occurrence.</p>	June 2011	BH/DL	3	<p>Management instruction issued and currently being actively managed by interim heads of service. To be picked up as part of the wider review of project governance (workstream 3 – project governance). Evidence of management instruction and sample case provided by DL.</p>
11.9. PWC	<p>The change order authorisation procedure should be appropriately used on all projects, including formal acceptance by the instructing party.</p>	High	<p>Remains subject to further process reviews to fully meet this recommendation. The change procedure will be revised to ensure that appropriate authorisation by the budget holder is in place. The exact detail of this will be considered in workstream 3 of the capital programme review.</p>	June 2011	BH/DL	3	<p>Management instruction issued and currently being actively managed by interim heads of service. To be picked up as part of the wider review of project governance. Evidence of management instruction and sample case provided by DL.</p>
12.13. PWC	<p>It should be ensured that all change orders instructed by Schools are collated and recharged where appropriate. (6.3 In reviewing the final accounts for Park & Cannons (ii) we did not identify any evidence that the Council had actively sought to recharge the School for changes directly requested by the school)</p>	Med	<p>Any changes required by the school will be processed in the same way as all other project changes. Where appropriate and agreed by the school and budget holder, the payment for the change will be transferred prior to work talking place such that it is</p>	June 2011	BH/DL	3	<p>Management instruction issued and currently being actively managed by interim heads of service. To be picked up as part of the wider review of project governance. Evidence of management instruction and sample case provided by DL.</p>

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			held within the central budget. Authorisation by the budget holder as details in the above recommendation will ensure that the controls are in place. This will be established within the new process resulting from the project governance workstream 3 review.				provided by DL.
13. 14. PWC	An internal project completion procedure should be established which requires the authorization of the instructing department prior to Property Services formally signing off projects.	Med	Formal project close out procedures to be considered as part of workstream 3 (project governance) and will include the relevant authorisation from the budget holder as well as consultation with the relevant stakeholders.	June 2011	BH/DL	3	Management instruction issued and currently being actively managed by interim heads of service. To be picked up as part of the wider review of project governance. Evidence of management instruction and sample case provided by DL.
14. 20. PWC	An up to date risk register should be maintained throughout all projects & schemes.	High	Review of risk register to be carried out as part of the Core Group agenda. The contents of the risk register will be reviewed as part of the workstream 3 project governance to ensure that all possible risks are considered with appropriate contingency and mitigation measures in place.	June 2010	BH/DL	3	Management instruction issued and currently being actively managed by interim heads of service. To be picked up as part of the wider review of project governance. Evidence of management instruction and sample case provided by DL.
15. 16. PWC	Adopt a consistent project filing system for papers & electronic records in C&E	High	Consistent approach to document handling and filing to be adopted as part of the wider review of the Property Service function within C & E. The exact procedures are to be considered by workstream 3, and will compliment the wider council project management procedures wherever practicable.	June 2011	BH/DL	n/a	Wider service review commenced. On target for end of June – DL to send copy of management instruction as evidence.
Financial Management							
16. 8.3.3 RG	Review the process for issuing codes.	High	Process to be reviewed.	Jan 2011	MB	n/a	Review complete – codes to be provided only once scheme has received appropriate approvals.

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							To be added to Capital Project Approval 2011/12 document. Final Capital Project Approval 2011/12 to be provided as evidence by JH
17. 8.3.5 RG	Review, clarify and communicate how contracts and capital schemes should be committed within SAP.	Med	All capital scheme managers provided with refresher training in May/June 2010 and reminded of the need to raise purchase orders in SAP in advance of any work commencing. Also covered in 1:1s with Finance Officers.	July 2011	JA (NH/KH to lead)	n/a	Further training is required for both finance staff and capital managers, this includes budget managers and project managers - this will take place on a compulsory basis once wider issues have been clarified.
18. 8.3.6 RG	The monitoring system should provide for the facility: to allocate the budget across key headings, which will provide more information for budget monitoring and control purposes; to show the schemes' budget across financial years from inception, in order to have a complete overview of a scheme both approved budget and costs incurred	Low	SAP has been amended to allow the use of sub-codes for capital schemes to aid monitoring. It is possible to show scheme budgets across financial years in SAP. The cabinet report on the 2011-12 to 2015-16 capital programme will show scheme budgets across years where information is available. Monitoring reports are being altered to include pre year, current and future year spend.	April 2011 Operative from April for 11/12 programme Monitoring report changes will be in report to Cabinet Sept 2011 (quarter 1)	MB JH to lead SAP review	n/a	Complete. . To review budget control to consider whether it is working/adding value.. . (<i>This is in place – but has not been required yet for new schemes</i>) IA to be shown sub-codes on SAP by JH Cabinet Report obtained as evidence Copy of amended monitoring reports to be provided as evidence by JH
19. 8.3.7 RG	Consider the cost benefit of being able to profile the budget across quarters – this will enable the financial information to be integrated with the cash flow within the AMP and provide information for treasury management purposes.	Low	Further work is required to investigate how this process can be implemented on SAP To be undertaken in conjunction with Interim Head of Property.	September 2011	JA	n/a	More work is required to assess the benefits of profiling and how this could be achieved in SAP.
20. 8.3.10 RG	Consider putting in place some checks and balances based on such things as: Exception reports, where purchase orders are declined for insufficient budgets, so that Finance can use these at monthly monitoring meetings and alert senior managers;	Low	Reminders have already been issued to all SAP users on the importance of raising purchase orders in advance. Evidence of these to be provided.	Compliance systems to be developed during 2011-12	JA Finance BPs to liaise with Shared	n/a	Exception reports are now being issued to managers on a regular basis on purchase orders – need to ensure Shared Services and Finance are joined up. Example of reports to

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	<p>Exception reports where the purchase order date is the same as or after the invoice date;</p> <p>Reports on blocked invoices;</p> <p>Reviews of transfers; and</p> <p>A requirement to complete a post completion report once the budget has been fully committed.</p>		<p>Controls on expenditure to be reviewed for efficacy in controlling budgets as per 18 above.</p> <p>Exception reports being produced by CAP/CAR.</p> <p>As part of the procurement project, additional checks and controls will be put in place in relation to purchase orders.</p>		<p>Services</p> <p>LD CAP/CAR</p> <p>VD Procurement</p>		<p>managers provided by LD (as per 52).</p> <p>Journal controls have been enhanced.</p> <p>Evidence to be provided.</p> <p>Finance Business Partners to bring together in one response monthly to Corporate Directors. Evidence of report to be provided (as per 52)</p> <p>NB, Post Completion Reports are responsibility of C&E and not Finance.</p>
21.8.3.14 RG	Where projections are not provided by budget holders, this should be escalated and be presented as "budget holder has not provided a projection".	Low	Agreed	Jan 2011	MB	n/a	<p>Complete – FBPs are ensuring that forecasts are completed. Where they are not this will be escalated by FBPs to JH + Corporate Director on a monthly basis (not yet happened)</p> <p>Evidence of this be provided by JH.</p>
22.1. PWC	A single Master code should be established for each project with appropriate sub-codes that allow an analysis of sub-categories of costs as required.	High	To affect this the Capital Scheme must be constructed to show all relevant funding streams and there must be a transparent process to show how this has been authorised and agreed. Commissioning form to record Master and sub-codes for the	April 2011 ie in relation to 11/12 capital programme.	MB	n/a	<p>Complete.</p> <p>(Relates to funding streams.)</p> <p>To be applied to 11/12 schemes</p> <p>As for 18 IA to be shown sub-codes on SAP by JH</p>

			<p>project. Commissioning pro-forma to be signed by Budget Holder to verify code and budget amount(s). Budget amounts to be <u>clear</u> on inclusive or exclusive of fees (both internal and external).</p>				<p>Copy of commissioning form recording Master and sub-codes for the project to be provided as evidence by JH</p>
<p>23. 19. PWC</p>	<p>Comprehensive and contemporaneous project finance reports should be produced for all projects which specifically detail budgeted cost, actual cost to date, committed costs and a forecast outturn. It should be ensured that such reports are actively discussed and considered at core project meetings as a matter of course.</p>	<p>High</p>	<p>Ensure the use of project cash flow – to be produced by the constructor that aligns with the project programme and is reviewed as part of;</p> <ol style="list-style-type: none"> 1. The project Core Group agenda 2. Presented to the Budget Holder 3. Use of SAP to monitor commitment and spend from SAP by the Budget Holder. 4. Capital Forum <p>To introduce meetings with finance, budget holders and project managers as appropriate.</p> <p>Systems for reporting being rolled out by Project Management Office. (date for implementation to be agreed)</p> <p>There is a need to introduce more effective project reporting to sit alongside finance reporting (as for transformation programme).</p> <p>Finance to make more use of spend to date information and compare this with project management reports.</p>	<p>April 2011</p> <p>On target for end of April implementation.</p>	<p>JA</p> <p>JH to lead</p>	<p>n/a</p>	<p>Chairmanship of the Capital Forum now passed to the Interim Director of Finance.</p> <p>Monthly meetings of the Capital Forum will now receive and monitor reports on capital projects which include Financial information and project progress. This monitoring will begin at the end of April. Testing of a new system to facilitate this (VERTO) has been undertaken and until this is up and running the financials and project timetable will be recorded on the attached spreadsheet.</p> <p>IA to review adequacy of this spreadsheet and VERTO in due course.</p> <p>An Interim Capital Manager has also been appointed to oversee capital reporting.</p> <p>Reports will now be made on Capital projects to CSB and Portfolio Holders monthly and Cabinet quarterly.</p>
<p>24.</p>	<p>Project costs should be coded to the</p>	<p>High</p>	<p>Accountability for cost codes will</p>	<p>June 2011</p>	<p>BH/DL</p>	<p>3</p>	<p>This is currently being actively</p>

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11. PWC	appropriate project code. (6.3 i) we noted that there was a different finance code utilised for the final account settlements for both schools. In both instances the code utilised was Whitmore High.)		be clearly allocated to budget holders, and they will be responsible for Purchase Orders and invoice processing. Appropriate training will be given to ensure that they understand their responsibilities and the implications of miscoding. Close working relationships between budget holders and the finance team will assist in ensuring no deviance takes place. Workstream 2 will consider the processes currently in place to ensure that any obstacles to required flexibilities to make this workable are addressed.				managed by budget holders and test checked by Finance Business Partners. Rationalisation of the input of purchase orders and better budgeting will assist to ensure the need for miscoding is removed. These will be considered as part of workstream 2 and 3 relating to the financial control of the projects. Internal Audit to check and verify.
25. 8.3.9 RG	The overall programme, coding and monitoring should be focused on schemes/projects rather than funding streams.	Med	The cabinet report on the 2011-12 to 2015-16 capital programme will show total scheme budgets, and monitoring reports will report at scheme level (already implemented).	Monitoring report changes 2010 -11 (quarter 3) shows scheme level.	MB	n/a	Complete Evidence: Cabinet report Monitoring report to be provided as evidence by JH
26. 8.3.18 + 8.3.19 RG	The capital budget monitoring to members should present the whole programme across the financial years of the approved programme, and include sufficient information to facilitate proper challenge and scrutiny.	Med I	The cabinet report on the 2011-12 to 2015-16 capital programme will show total scheme budgets, and monitoring reports will be enhanced during 2011-12.	Monitoring report changes September 2011 (quarter 1) CSB from April	MB HS to lead	n/a	On target Evidence: Cabinet report Copy of CSB Monitoring report to be provided as evidence.
27. 8.3.20 RG	Review all grants schemes being developed or in the pipeline having regard to funding risks, ongoing revenue implications and grant conditions/penalties.	Medium	This will be addressed in the decision making process for business cases with the template designed to identify/quantify these issues/risks.	July 2011	CSB	2/3	Covered by Business Case template – all Business Cases reviewed by Capital Forum. Evidence: Business Case template (to be reviewed by IA) + list of BCs reviewed so far by Capital Forum.
Governance							
28. 8. PWC	The Council must ensure that a comprehensive understanding of the contractual arrangements with Kier/new	Low	This was clearly set out in Cabinet reports for procurement of both Kier and Apollo and the	June 2011	BH/DL	n/a	A better understanding the contractual arrangements now exists. This has re-enforced the

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8.2.1 RG	<p>contractor is established through a review of the existing contract. This will ensure that the Council is maximising the opportunities to achieve value for money within the framework of the current contract.</p> <p>Assure itself that the current Partnership arrangement delivers value for money, having regard to all the costs incurred in this arrangement and the way that the Partnership is operated.</p>		<p>Terms and Conditions of the contract made available to staff at the time.</p> <p>This will be picked up through the review and restructuring of the Property Service function to meet the ongoing needs of the Council. Includes a fundamental review of the existing procurement arrangements so that the service can be redesigned to drive value for money in the delivery of construction requirements to meet the Council's need for accommodation.</p> <p>A desktop review of the Gardiner & Theobald sign off of the Whitmore School has been undertaken and the results are positive.</p>				<p>requirement to change the internal structure/review capabilities. The wider service review has commenced and will continue beyond June.</p>
29. 8.2.3 RG	<p>Review the expectations from the Strategic Partnership Board and Contract Management Group, ensuring these are fit for purpose and their role clearly understood within the organisation. A more formal monitor of all projects using key indicators should be used.</p>	Medium	<p>This will be addressed as part of the review of corporate and project governance arrangements</p>	June 2011	BH	2/3	<p>Workstreams 2 & 3 established.</p> <p>DL to provide flowchart of how SPB, CMG & Capital Forum work together + outline of role of each.</p>
30. 8.2.4 RG	<p>Review the operation and performance management of the Special Projects Team, including: the application of clear and consistent procedures; formal reporting to the client on a regular basis; and ensuring that there is an overall high level schedule being reported on key aspects of each project and that this is used for exception reporting and discussion.</p>	Medium	<p>This will be picked up through a combination of a review and restructuring of the Property Service function to meet the ongoing needs of the Council and updated corporate and project governance through workstreams 2 and 3.</p>	June 2011	BH/DL	2/3	<p>The Special Projects Team has been disbanded.</p>
31.	<p>A clear governance structure and chart of</p>	High	<p>The project governance</p>	May2011	BH/DL	3	<p>Workstream 3 established –</p>

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17. PWC	responsibilities should be agreed for each project managed by C&E.		processes and procedures will be reconsidered as part of the workstream 3 review. Clear roles and responsibilities will be generated as part of all processes and procedures relating to this and the other workstreams as applicable carefully considering the interfaces between project management and financial control or projects.				being actively managed by interim service heads. Template of roles & responsibilities to be provided by DL as evidence by end of June.
32. 15. PWC	A review of the existing documented procedures within C&E should be undertaken.	Med	This will be picked up through a combination of a review and restructuring of the Property Service function to meet the ongoing needs of the Council and updated corporate and project governance through workstreams 2 and 3. It should be noted that the Gateway process was subject to an Internal Audit review dated 21/07/2010 with recommendations discharged.	June 2011 Ongoing throughout 2011	BH/DL	3	Wider service review commenced and workstream 3 established. Implementation date extended.
33. HP	Review what is reported to members & CSB, and its completeness, relevance and accessibility.	High	This is being picked up by the review of corporate governance which will establish updated and appropriate arrangements for the monitoring and reporting of information in respect of capital projects across the Council.	June 2011	CSB	2	Workstreams 2 established All capital projects now go through the Capital Forum. Business cases require Portfolio Holder approval. The Leader & CSB are briefed on those projects, and decide which need consideration by Cabinet Monthly reporting to CSB from the end of April.
34. HP	Consider the future roles of Internal Audit & the Overview & Scrutiny Committee in monitoring what is reported to CSB and	Medium	Internal audit to review 33 above, involving O&S as appropriate	After June 2011	TW	n/a	IA review will take place once recommendation 33 implemented

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	Members.						
35. HP	Review the Council's governance structure to ensure that member time is focussed on priority areas.	Low	Undertake comprehensive Governance/assurance review, for consideration by CSB.	To be determined by CSB	HP	n/a	CSB initial consideration 16/03/11 CSB report & agreed action to be provided as evidence by HP All capital projects now go through the Capital Forum. Business cases require Portfolio Holder approval. The Leader & CSB are briefed on those projects, and decide which need consideration by Cabinet Monthly reporting to CSB from the end of April.
36. 8.2.2 RG	Review project governance structures with its Construction Partner to ensure these are concise and clear, making any necessary changes to agreed documentation as a result. This should complement the expectations within the Council's governance framework.	Medium	This is being picked up through the review of the Property Service function and the project governance workstream. Any additional requirements from the Constructor will be agreed and incorporated into the Contract where necessary.	June 2011 Ongoing throughout 2011	BH/DL	3	Wider service review commenced and workstream 3 established. Implementation date extended.
37. 8.2.5 RG	Create an exemption process with senior management sign off for when agreed processes are not being followed due to practicalities in delivery e.g. starting on site.	Medium	To be picked up through workstreams 2 & 3 and covered in revised Financial Regulations.	June 2011	BH/DL	2/3	Workstreams 2 & 3 established. Form to be designed by end June.
38. 8.2.6 RG	Clearly set out & reconcile with the financial regulations the authority to sign prepossession agreements, agree and sign AMP documents, and issue briefs and budget codes.	Med	To be picked up through workstreams 2 & 3 and covered in revised Financial Regulations. Scheme of delegation to be revised and reissued to capture these activities. Ensure Financial Procedures to support the end to end process	June 2011 April 2011 Revised implementation date November	BH/DL JA - JH to lead	2/3	Workstreams 2 & 3 established. Financial Regulations re-drafted and went to Constitutional Review Working Group and circulated to senior officers. However it has been agreed (by whom?) to delay the finalisation of Financial Regulations and

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			are issued which support the Financial Regulations				Cabinet/Council approval as more work required to get them right. Scheme of delegation is outstanding because the pre possession activity is not due until June.
39. 8.2.7 RG	Incorporate into the Financial Regulations contract authorisation arrangements in relation to the Construction Partnership.	Med	Full review of financial regulations to be carried out – to be reported to Cabinet in May. Full Council approval required in July.	July 2011	JA JH to lead	n/a	In progress
40. 8.3.1 RG	Clearly set out within the Council's Governance documents, the arrangements for agreeing the details of the Capital Programme at scheme and project level e.g. Cabinet, Portfolio or Director decision.	Medium	Once all work completed this will be reflected in the constitution. The 3 project streams will set out the detail of this - once agreed will be considered by the Constitutional Review Working Group for inclusion in Constitution	September 2011	HP	n/a	
41. 8.3.2 RG	Combine the scheme identification and business case processes which form part of the capital budget development with the Gateway 1 and 2 processes in order to have an integrated process that: improves cost estimates, provides for feasibility studies where appropriate, avoids duplication, and ensures that there is a single view of the overall budget and funding available and that expenditure is kept in line with this.	Medium	This is a wide ranging requirement which is affected by project processes from conception to completion. All aspects will be picked up through workstreams 1, 2 & 3 with the detailed processes and procedures and resulting roles and responsibilities ensuring correct strategies and selections of projects, and efficient and comprehensive project management to completion.	June 2011 Ongoing throughout 2011	BH/DL	2/3	Workstream 2 & 3 established and being actively managed by interim service heads. Picked up by Capital Forum and will be on-going as governance arrangements are developed. Implementation date extended.
42. 8.3.4 RG	Business cases should be required to include information about the complete scheme, irrespective of funding, as well as ongoing revenue implications.	High	As above this is a wide ranging requirement which is affected by project processes from conception to completion. All	June 2011	BH/DL	2/3	Workstream 2 & 3 established and being actively managed by interim service heads. Business Cases include required

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	Consideration should be given to completing these prior to the Cabinet agreeing the Capital Programme in order to inform decision making.		aspects will be picked up through workstreams 1, 2 & 3 with the detailed processes and procedures and resulting roles and responsibilities ensuring correct strategies and selections of projects, and efficient and comprehensive project management to completion.				information. IA to review Business Case template to verify.
43. 8.3.8 RG	The Capital Programme procedure notes to support the Financial Regulations need to be reviewed in the light of what has happened, to include roles and responsibilities and the approval of virements. These procedures notes should make as much use of flowcharts as possible to ensure clarity and ease of reading.	Medium	The Capital Programme procedure notes will be revised and reissued.	May 2011	JA NH to lead	n/a	Training presentation to be updated and appended to procedure notes – however this is dependent on wider changes being clarified. These have been drafted and provided to Internal Audit as evidence.
44. 8.3.11 RG	Agree terms of reference for the Capital Forum if it continues to exist along with a clearly defined corporate responsibility and clarity as to the role of attendees and the Chairman.	Medium	Again this is a wide ranging requirement which is affected by project processes from conception to completion. All aspects will be picked up through workstreams 1, 2 & 3 with the detailed processes and procedures and resulting roles and responsibilities ensuring correct strategies and selections of projects, and efficient and comprehensive project management to completion. A Project Mandate has been agreed by CSB and a P1D in development to come to CSB in Feb 2011.	June 2011	BH/DL	2	Capital forum continues now chaired by the Interim Director of Finance – terms of reference attendees agreed but subject to ongoing review. Updated terms of reference to be provided as evidence.
45. 8.3.12 RG	Review membership of the Forum to ensure it is appropriate having regard to the terms of reference.	Medium	As above.	June 2011	BH/DL	2	As above. Minutes of forum show evidence membership.
46.	The Capital Forum should consider	Medium	As above.	June 2011	BH/DL	2	Workstream 2 & 3 established

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8.3.13 RG	undertaking detailed project reviews on a cyclical risk based approach having particular regard to rephased projects. This should consider project milestones.						and being actively managed by interim service heads. This will be considered at the next Capital Forum meeting (DL).
47. 8.3.15 RG	The monitoring schedules should incorporate intelligence from the cash flow and milestones within the projects.	Low	Monitoring schedules should include comments on actual spend to date and achievement of key project milestones. More work is required to understand the resources required to support this and establish a suitable procedure. Need to decide how project management information will be collected and reported alongside financial information	April 2011 – on risk assessed projects	JA JH to lead	n/a	As per Rec 23: Monthly meetings of the Capital Forum will now receive and monitor reports on capital projects which include Financial information and project progress. This monitoring will begin at the end of April. Testing of a new system to facilitate this (VERTO) has been undertaken and until this is up and running the financials and project timetable will be recorded on the attached spreadsheet. IA to review adequacy of this spreadsheet and VERTO in due course.
48. 8.3.16 RG	There needs to be more involvement of senior management in capital monitoring, which at present appears focused on the client service representative, the Capital Forum and Cabinet. There should be reviews at both departmental and corporate management levels.	High	As above this is a wide ranging requirement which is affected by project processes from conception to completion. All aspects will be picked up through workstreams 1, 2 & 3 with the detailed processes and procedures and resulting roles and responsibilities ensuring correct strategies and selections of projects, and efficient and comprehensive project management to completion.	June 2011	BH/DL	2	Greater involvement of senior management in capital monitoring undertaken at CSB, Capital Forum and Directorate Management Teams Copies of minutes as evidence of greater involvement senior management involvement in capital monitoring.
49. 8.3.17 RG	Finance should review the current support provided to the capital programme to ensure there is clarity of roles, expectations are clear and there is adequate strategic oversight.	Med	Roles have been clarified within Finance. This needs to align with the wider review of governance for the capital programme to ensure that all involved have a	April 2011	MB	n/a	New process being developed for 2011/12 with IA input – in draft. Evidence of role clarification

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			clear understanding of the requirements				<p>with Finance to be provided + copy of finalised process by JH</p> <p>An Interim Capital Manager has also been appointed to oversee capital reporting. Instructions have been issued to Directorates on Capital Monitoring to be undertaken by them. IA to be provided with a copy.</p> <p>Monthly reporting to Capital Forum & CSB, quarterly reporting to Cabinet.</p>
50. 8.4.1 RG	Review the adequacy of the corporate reporting and monitoring of strategic, high profile projects.	High	As above this is a wide ranging requirement which is affected by project processes from conception to completion. All aspects will be picked up through workstreams 1, 2 & 3 with the detailed processes and procedures and resulting roles and responsibilities ensuring correct strategies and selections of projects, and efficient and comprehensive project management to completion.	June 2011	BH/DL	2	<p>Monthly monitoring of projects through the Capital Forum from P2.</p> <p>Evidence copies of the Capital Forum minutes.</p>
51. 8.4.2 RG	Reinforce its expectations of project management methodology being used on capital projects.	High	As above	June 2011	CSB	2	<p>Agreed at CSB 18/05/11 being rolled out by Project Management Office (PMO)</p> <p>Evidenced by CSB paper.</p>
52. 8.5.1 RG	Address purchase orders not being raised or being raised after invoices have been received. In addressing this, the Council should consider the approach to adopt, because the inclusion of commitments is only of value in monitoring and checking,	Medium	<p>Reminders have already been issued to all SAP users on the importance of raising purchase orders in advance.</p> <p>As part of the procurement</p>	Compliance systems to be developed during 2011-12	<p>JA</p> <p>Finance BPs to liaise with</p>	n/a	<p>Reports are now being issued to managers on a regular basis on purchase orders – need to ensure Shared Services and Finance are joined up.</p> <p>Ensure one compliance report</p>

Appendix 2

	if there is clarity about timescales and deliverables. By way of illustration, a project which has a commitment showing 80% of spend, could still be overspent, if spend is expected to be evenly incurred and the commitment is only up to period 6.		project, additional checks and controls will be put in place in relation to purchase orders.		Shared Services		that covers everything goes to DMTs for discussion/action. Example of reports to managers provided by LD (as per 20).
Organisational Development							
53. 8.5.2 RG	Implement in the CS and C&E teams performance management of individuals using regular 1:1s and IPADs.	High	All mid-year reviews in P&I completed Jan 2011. 1:1 in place.	June 2011 and Ongoing	CD & BH	n/a	Action being taken in both CS and C&E to ensure that staff in the teams concerned all have up to date IPAD's and regular 1:2:1 meetings. Evidence to be provided of monitoring reports on IPAD's within CS & C&E
54. HP	Develop a shared understanding of appropriate senior officer oversight and reporting of work undertaken by junior staff.	Medium	Commission an OD project for all managers. To be picked up as part of workstream 2.	June 2011	BH/DL	2	Workstream 2 established. Developed via the Capital Forum. Expectations of 1:1s to be covered in DMT meetings. On target for completion by end of June.
55. HP	Consider how to support & develop management accountability	Medium	To be considered at CSB awayday, but start by agreeing action points & action owners at CSB.	Jan 2011 and ongoing	CSB	n/a	A new emphasis on compliance was agreed at the CSB awayday to be piloted as part of the procurement initiative. Evidence of this to be supplied (by HP?) e.g. CSB minutes + how this will be implemented as part of the procurement initiative.
56. 8.5.3 RG	Consider what action is needed specifically and more generally to ensure that individuals comply with controls and the responsibilities as set out eg in the Financial Regulations. This includes	Low	To be consider at the next CGG meeting early April.	July 2011	CGG	n/a	To be picked up at next CGG meeting

Appendix 2

	taking proactive action when there is evidence of issues of concern or failure to comply with the relevant systems and procedures. The overriding objective should be to promote the best interests of the Council.						
57. 6. PWC	An assessment of the quality of advice provided by G&T (cost consultants) for the school capital programme should be undertaken.	Medium	The action arises from a potential discrepancy between planned and built floor areas. Action being taken to identify the correct figures, a decision can then be taken on appropriate follow up action in terms of an assessment of the quality of the advice given.	June 2011	BH/DL	n/a	In progress
58. 18 PWC	It should be ensured that job descriptions for all individuals across the Council are appropriate and up to date.	Medium	The roles and responsibilities resulting from the review will need to be incorporated into job descriptions as appropriate.	September 2011	BH/DL CSB	n/a	Management responsibility - HR to advice accordingly. Wider implications across the council to be considered.
59. 22 PWC	A comprehensive communication plan should be developed.	Medium	A specific action through workstreams 2 and 3 will be to devise a strategy and action plan for both communication and training across the Council on the updated arrangements for managing projects.	June 2011	BH/DL	2/3	Workstreams 2 & 3 established.
60. 23. PWC	The Council should consider introducing a programme of independent project assurance that would provide assurance that projects are being managed in accordance with the Council's established procedures and also highlight opportunities to share best practice amongst projects and departments.	Medium	Systematic annual process to be set up for peer group review of a randomly chosen sample of projects across the Council.	June 2011	BH/DL	2/3	Workstreams 2 & 3 established.

KEY

MB Corporate Director Finance (now left)
JA New Director of Finance
BH Corporate Director Community & Environment

CD	Corporate Director Children's
HP	Director of Legal & Governance Service
TW	Assistant Chief Executive
JH	Divisional Director of Finance & Procurement
DL	Interim Head of Property (Community & Environment)
AH	Interim School Capital Programme Team Manager (Children's Services)
HS	Business Partner - Financial Accounting, Treasury and Pension Fund
KH	Finance Business Partner Community & Environment
LD	Service Manager - Pensions & Corporate Accounts Payable Receivable
VD	Service Manager - Procurement
NH	Interim Capital Project Manager (Finance)
CSB	Corporate Strategy Board
CGG	Corporate Governance Group
CAP/CAR	Corporate Accounts Payable/Receivable