

**REPORT FOR: GOVERNANCE, AUDIT &  
RISK MANAGEMENT  
COMMITTEE**

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**Date of Meeting:** 1 December 2011

**Subject:** **INFORMATION REPORT –  
Capital Implementation Plan**

**Responsible Officer:** Julie Alderson, Interim Director Finance  
Hugh Peart, Director of Legal and  
Governance Services

**Exempt:** No

**Enclosures:** Appendix 1 – Capital Implementation  
Plan

**Section 1 – Summary**

This report provides an update on progress against the Capital Implementation Plan.

**FOR INFORMATION**

## **Section 2 – Report**

- 2.1 Following the investigation into the overspend in the Children's Services capital programme Cabinet received a report in December 2010 setting out issues and the outcomes of two investigations, one focussing on project management, one on financial management.
- 2.2 Cabinet requested that the GARM Committee monitor and report on implementation of the recommendations made in the investigation reports, supported by Internal Audit, who have been instructed to independently verify the process.
- 2.3 An initial report was made to GARM Committee in January 2011 outlining the recommendations and suggested action against each recommendation, an update on progress was reported to the GARM meeting on 29<sup>th</sup> March 2011 with a further update provided on 28<sup>th</sup> June 2011.
- 2.4 Progress against the detailed implementation plan is shown in Appendix 2. 83% (50) of actions are reported as implemented by management and Internal Audit is undertaking a review of the evidence provided to support this assertion; 12% (7) are in progress; and 5% (3) of actions have yet to be implemented. All agreed implementation dates have now passed.
- 2.5 Of the 3 actions yet to be implemented, 1 is low risk and the other 2 are medium risk. These actions relate to profiling of budgets, development of an exemption process for when agreed processes are not to be followed due to practicalities in delivery and developing a formal communication plan for projects.

## **Section 3 – Further Information**

- 3.1 Internal Audit are due to undertake a review of the Capital Programme in Quarter 4 of 2011/12 at which point the remaining outstanding recommendations will be picked up and reported on and detailed testing against many of the implemented recommendations will be undertaken as part of the review of the system. This review will consider the end to end process and cover roles/responsibilities/accountabilities; adequacy of guidance; compliance with Contract Procedure Rules, Financial Regulations and other guidance; adequacy of monitoring and reporting; and use of project management with the aim of providing assurance on the robustness of the internal controls in place. The results of this review will be reported to the GARM Committee March 2012.

## **Section 4 – Financial Implications**

4.1 As this is an information report there are no financial implications.

## **Section 5 - Equalities implications**

5.1 Was an Equality Impact Assessment carried out? ~~Yes~~/No

5.2 An EqIA is not required as this is an information only report on the progress of works being undertaken. Managers implementing these actions are responsible for establishing if there are any equalities implications and taking the appropriate action.

## **Section 6 – Corporate Priorities**

6.1 The work of Internal Audit contributes to the implementation of all the corporate priorities:

- Keeping neighbourhoods clean, green and safe.
- United and involved communities: A Council that listens and leads.
- Supporting and protecting people who are most in need.
- Supporting our town centre, our local shopping centres and businesses.

Name: Julie Alderson



on behalf of the  
Chief Financial Officer

Date: 18 November 2011

## **Section 7 - Contact Details and Background Papers**

**Contact:** Susan Dixon, Service Manager Internal Audit, 0208 424 1420

**Background Papers:** None