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| KEY | 50 (83%) complete | 7 (12%) in progress | 3 (5%) yet to be actioned |
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CAPITAL IMPLEMENTATION PLAN

| Item No | Recommendation | Priority rating | Planned action / response | Implementation date | Lead Officer | Wk stream | Current Status/Evidence |
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| 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 | Investigation undertaken by the Interim Head of Property Services and report produced in August 2011 which concluded given the advice from cost consultants that it was a reasonable figure for the work undertaken by Kier at the instruction of the Council then the question of redress for the cost does not arise. The costs escalated due to poor governance and a lack of robustness on the part of the Council in understanding the scale of the work involved and driving out the true costs of the temporary accommodation before the commencement of work. |
| 4. | Revisit the value for money assessments | Low | Review the existing assessments | September 2011 | JA | n/a | Complete - fed into External |

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| 8.1.4 RG | for the reviewed projects. | | and comment accordingly. | | | | Audit process – VFM assessments revisited and confirmed as accurate for these projects. Evidence to support this required. |
| 5. 8.1.5 RG | Check that the Council has complied with the grant conditions and is not carrying any risk from having waived the contribution from the church schools | Low | All grant funding to be reviewed by the Business Partner - Financial Accounting, Treasury and Pension Fund. | Dec 2010 | MB | n/a | Review complete - confirmed grant conditions complied with and there is no risk to the Council. Evidence to support this required. |
| 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 for Gateway 2 provided in hard copy – evidence required for Gateway 0 + 1. |
| 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, 1 and 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 for Gateway 2 provided in hard copy – evidence of Gateway 0 + 1 required. |
| 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 | 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 |

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| | | | 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). | | | | Gateway revisions. Evidence of instruction and sample case provided in hard copy. |
| 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 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. | 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 review. Management instruction issued regarding completion of all contractual agreement prior to the commencement of work. Evidence of management instruction and sample case provided. |
| 10.7. PWC | 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. | High | 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. | 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 (workstream 3 – project governance). Evidence of management instruction and sample case provided. |
| 11.9. PWC | The change order authorisation procedure should be appropriately used on all projects, including formal acceptance by the instructing party. | High | 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 | 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 |

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| | | | workstream 3 of the capital programme review. | | | | instruction and sample case provided. |
| 12. 13. PWC | 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) | Med | 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 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. | 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. |
| 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. |
| 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. |
| 15. 16. | Adopt a consistent project filing system for papers & electronic records in C&E | High | Consistent approach to document handling and filing to be adopted | June 2011 | BH/DL | n/a | Wider service review commenced. |

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| PWC | | | 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. | | | | A new file structure is being trialled in Major Works on all current education projects and will be refined if necessary. Buzzsaw used for electronic records to enable sharing of records with the partnership contractor. |
| 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. To be added to Capital Project Approval 2011/12 document. Final Capital Project Approval 2011/12 provided as evidence but does cover the issue of codes however this was covered in training slides 14/06/11. |
| 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 provided 14/06/11 – training slides evidence that demonstrate how capital schemes committed and monitored on SAP |
| 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 | 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 | The use of sub-codes to assist with monitoring capital schemes has been trialled however having different types of expenditure within a project proved to be too cumbersome on SAP. Therefore Budget Managers are now expected to use other tools e.g. Excel to achieve this. ¹ Monitoring by the Capital Forum |

¹ Improvements to SAP are being picked up by the Corporate Resources Business Project

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| | | | altered to include pre year, current and future year spend. | | | | is on the bottom line only. Cabinet report showed scheme budgets across years. Monitoring reports include prior year and current year expenditure. |
| 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. This is being picked up by the Corporate Resources Business Project. |
| 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; Exception reports where the purchase order date is the same as or after the invoice date; Reports on blocked invoices; Reviews of transfers; and A requirement to complete a post completion report once the budget has been fully committed. | 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. Controls on expenditure to be reviewed for efficacy in controlling budgets as per 18 above. Exception reports being produced by CAP/CAR. As part of the procurement project, additional checks and controls will be put in place in relation to purchase orders. | Compliance systems to be developed during 2011-12 | JA Finance BPs to liaise with Shared Services LD CAP/CAR VD Procurement | n/a | Exception reports are now being issued to managers on a regular basis on purchase orders. Example of reports to managers provided. (as per 52). Internal Audit review, based on the exception reports, undertaken on Compliance with Contract Procedure Rules (currently in draft.) Journal controls have been enhanced and Finance teams are undertaking more checking. NB, Post Completion Reports are responsibility of C&E and not Finance. |
| 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 | 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 |

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| | | | | | | | basis. So far this has only occurred once in P2. Evidence: P2 monitoring report. |
| 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 project. Commissioning pro-forma to be signed by Budget Holder to verify code and budget amount(s). Budget amounts to be <u>clear on</u> inclusive or exclusive of fees (both internal and external). | April 2011 ie in relation to 11/12 capital programme. | MB | n/a | Single master code established for each project regardless of funding streams. See 18 above re sub-codes. |
| 23. 19. PWC | 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. | High | 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; <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> | April 2011 On target for end of April implementation. | JA JH to lead | n/a | Chairmanship of the Capital Forum now passed to the Interim Director of Finance. 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. |

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| | | | <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>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>Evidence of reports provided.</p> |
| 24.11. PWC | <p>Project costs should be coded to the 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.)</p> | High | <p>Accountability for cost codes will 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.</p> | June 2011 | BH/DL | 3 | <p>This is currently being actively 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.</p> <p>Internal Audit check undertaken and reported to External Audit.</p> |
| 25.8.3.9 RG | <p>The overall programme, coding and monitoring should be focused on schemes/projects rather than funding streams.</p> | Med | <p>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).</p> | Monitoring report changes 2010 -11 (quarter 3) shows scheme level. | MB | n/a | <p>Complete</p> <p>Evidence: Cabinet report + Capital Forum monitoring Reports</p> |
| 26.8.3.18 + 8.3.19 RG | <p>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.</p> | Med I | <p>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.</p> | Monitoring report changes September 2011 (quarter 1) CSB from April | JA HS to lead | n/a | <p>Complete: Cabinet report showed schemes across years.</p> <p>Evidence: Cabinet report</p> |
| 27.8.3.20 | <p>Review all grants schemes being developed or in the pipeline having regard</p> | Medium | <p>This will be addressed in the decision making process for</p> | July 2011 | CSB | 2/3 | <p>Covered by Business Case template – all Business Cases</p> |

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| RG | to funding risks, ongoing revenue implications and grant conditions/penalties. | | business cases with the template designed to identify/quantify these issues/risks. | | | | reviewed by Capital Forum. Evidence: Business Case template + list of BCs reviewed so far by Capital Forum. |
| Governance | | | | | | | |
| 28.8. PWC 8.2.1 RG | The Council must ensure that a comprehensive understanding of the contractual arrangements with Kier/new 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. 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. | Low | This was clearly set out in Cabinet reports for procurement of both Kier and Apollo and the Terms and Conditions of the contract made available to staff at the time. 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. A desktop review of the Gardiner & Theobald sign off of the Whitmore School has been undertaken and the results are positive. | June 2011 | BH/DL | n/a | A better understanding of the contractual arrangements now exists. This reinforces the need to change the internal structure/review capabilities. Consultation on a restructure of Property Services has commenced the proposal is to merge the existing major works function with property management and delete the existing posts and replace them with commissioning officers. The role profiles for the new posts and the service manager for the combined function will be designed to drive value for money through the partnership arrangements at both strategic and operational levels. New structure expected to be in place during 4 th quarter 2011/12. |
| 29.8.2.3 RG | 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. | Medium | This will be addressed as part of the review of corporate and project governance arrangements | June 2011 | BH | 2/3 | 'expectations' of SPB and CMG have not been reviewed i.e a review of their Terms of Reference. Project monitoring taking place using key indicators. |
| 30.8.2.4 RG | Review the operation and performance management of the Special Projects Team, including: the application of clear | Medium | This will be picked up through a combination of a review and restructuring of the Property | June 2011 | BH/DL | 2/3 | The Special Projects Team has been disbanded. |

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| | 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. | | Service function to meet the ongoing needs of the Council and updated corporate and project governance through workstreams 2 and 3. | | | | |
| 31. 17. PWC | A clear governance structure and chart of responsibilities should be agreed for each project managed by C&E. | High | The project governance 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. | May2011 | BH/DL | 3 | Workstream 3 established – being actively managed by interim service heads. There is a clear interface between project management and financial control – training on managing and reporting capital projects has been carried out. |
| 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 | See 28 above and various workshops held to improve project governance arrangements. Further review of documented procedures will be undertaken when restructure implemented. |
| 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 |

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| | | | | | | | 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 Members. | Medium | Internal audit to review 33 above, involving O&S as appropriate | After June 2011 | TW | n/a | IA review planned for Quarter 4 2011/12 |
| 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 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 plus quarterly reporting to cabinet. In relation to Capital member time now focused on priority areas more widely the senior management restructure will ensure that the corporate board and Portfolio Holders consider only the most important/strategic information. |
| 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 | The Contract Management Group have met to agree processes and procedures and carried out a process mapping exercise. Evidence to be provided. |
| 37. | Create an exemption process with senior | Medium | To be picked up through | June 2011 | BH/DL | 2/3 | Workstreams 2 & 3 established. |

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| 8.2.5 RG | management sign off for when agreed processes are not being followed due to practicalities in delivery e.g. starting on site. | | workstreams 2 & 3 and covered in revised Financial Regulations. | | | | Form to be designed. |
| 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 are issued which support the Financial Regulations | June 2011 April 2011 Revised implementation date November | BH/DL JA - JH to lead | 2/3 | Financial Regulations re-drafted and approved by Council 03/11/11 including scheme of delegation + Procedure Note issued. Evidence: Fin Regs; Council agenda; Procedure Note |
| 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 | Financial Regulations/delegations re-drafted and approved by Council 03/11/11 covering authorisation arrangements. Evidence: Council agenda |
| 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 | Re-drafted Financial Regulations adopted into the Constitution by Council 03/11/11. Evidence: Council agenda |
| 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 | June 2011 Ongoing throughout 2011 | BH/DL | 2/3 | Robust arrangements introduced for devising the capital programme, agreement of business cases and monitoring of projects through the Capital Forum chaired by the Interim Director of Finance. Evidence: Copies of Capital Forum minutes. |

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| | | | comprehensive project management to completion. | | | | |
| 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. Consideration should be given to completing these prior to the Cabinet agreeing the Capital Programme in order to inform decision making. | 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 | 2/3 | Workstream 2 & 3 established and being actively managed by interim service heads. Business Cases include required information. Evidence: Business Case template. |
| 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. Evidence: Procedure Note. |
| 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. |

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| 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 of membership. |
| 46. 8.3.13 RG | The Capital Forum should consider undertaking detailed project reviews on a cyclical risk based approach having particular regard to rephased projects. This should consider project milestones. | Medium | As above. | June 2011 | BH/DL | 2 | Capital Forum agreed to undertake detailed project reviews at July 2012 – consultation being undertaken on criteria for selection of projects and internal arrangements for conducting reviews. Evidence: Forum minutes |
| 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 | 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 |

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| | | | of projects, and efficient and comprehensive project management to completion. | | | | 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 clear understanding of the requirements | April 2011 | MB | n/a | New process being developed for 2011/12 with IA input . An Interim Capital Manager has also been appointed to oversee capital reporting. Training undertaken in June 2011 for Finance staff and Budget Managers and Procedure Notes issued. Monthly reporting to Capital Forum & CSB, quarterly reporting to Cabinet. |
| 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 | Robust monitoring undertaken on a monthly basis through the Capital Forum chaired by the Interim Director of Finance. Evidence monitoring reports + Forum minutes |
| 51. 8.4.2 RG | Reinforce its expectations of project management methodology being used on capital projects. | High | As above | June 2011 | CSB | 2 | Agreed at CSB 18/05/11 being rolled out by Project Management Office (PMO) Evidenced by CSB paper. |
| 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, if there is clarity about timescales and | Medium | Reminders have already been issued to all SAP users on the importance of raising purchase orders in advance. As part of the procurement project, additional checks and | 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. Internal Audit review, based on the exception reports, undertaken on Compliance with |

APPENDIX 1

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| | 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. | | controls will be put in place in relation to purchase orders. | | Services | | Contract Procedure Rules (currently in draft.) |
| 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 (completion of IPADs fallen in 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 | Regular cycle of team meetings and 1:2:1 meetings with staff to improve internal communications, set expectations and monitor progress. Timely completion of IPAD's. C&E currently seeking IIP accreditation. |
| 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 taking proactive action when there is evidence of issues of concern or failure to | Low | To be consider at the next CGG meeting early April. | July 2011 | CGG | n/a | CGG have considered the issue of accountability and how this can be strengthened. The Chief Executive has stated that 2011/12 is the 'year of compliance'. |

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| | comply with the relevant systems and procedures. The overriding objective should be to promote the best interests of the Council. | | | | | | The Interim Director of Finance has been given a specific task to improve financial management . |
| 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 | Interim managers in Children's Services Capital Team and Property Services reviewed quality of advice given in January 2011 and concluded that it was satisfactory given the basis of appointment |
| 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. Consultation on a restructure of Property Services has commenced the existing major works roles are being replaced by commissioning officers with new role profiles. The new structure is expected to start in 4 th quarter 2011/12. Wider implications across the council to be considered - the Senior management team restructure will clarify roles and responsibilities as this is rolled out within the proposed new directorates. |
| 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 | Various workshops held and arrangements for capital projects embedded through monthly meeting of the capital Forum attended by representatives of every directorate. Formal communication plan to be developed. |
| 60. 23. PWC | The Council should consider introducing a programme of independent project assurance that would provide assurance | Medium | Systematic annual process to be set up for peer group review of a randomly chosen sample of | June 2011 | BH/DL | 2/3 | Covered by the action for 46 above. |

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| | 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. | | projects across the Council. | | | | |
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KEY

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| MB | Corporate Director Finance (now left) |
| JA | Interim 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 |