

WOLVERTON STATION ACTION PLAN PROGRESS

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1 PURPOSE

- 1.1 To provide the Audit Committee with the findings of the follow up audit on the Wolverton Station Action Plan.

2 RECOMMENDATIONS

- 2.1 That the Committee note the progress on the action plan (Annex A)

3 ISSUES AND CHOICES

- 3.1 Internal Audit are able to give a Satisfactory opinion on the processes and controls in place for the areas highlighted for improvement following the Wolverton Station Overspend Investigation.
- 3.2 The Portfolio Office have updated guidance to Project Managers and project governance arrangements have been strengthened.
- 3.3 The Corporate Procurement Team work closely with managers giving advice and guidance on the content of reports and MEAT evaluations. Heightened awareness of corporate spend and closer working with finance (via the HUB) and Democratic Services (Delegated Decisions) ensures that all spend is authorised appropriately.
- 3.4 The Cabinet Procurement Committee (CPC) undertakes initial consideration of large procurement related projects between the value of £100,000 and £20,000,000, and authorises officers to issue invitations to tender and to award contracts openly and transparently, after all the relevant papers have been in the public domain for at least five working days. This has provided an increased focus on the quality of procurements and provides a basis for greater confidence that contract management can be applied appropriately. Had this process been in place It is highly unlikely that the flawed procurement decision that was a major reason for the problems experienced by the Wolverton Station project would have been taken had this process been in place at the time.
- 3.5 The corporate project dashboard monitors projects from inception to closure and now covers both capital and revenue projects.

3.6 Governance/assurance

- 3.6.1 Heightened awareness of problems that can occur through mis-managed projects/programmes has led to greater scrutiny of the Start and Plan phases of contract management. The Corporate Procurement Team and CPC ensure that the Invitation to Tender and Contract Award processes are robust, Cluster Boards and the Corporate Leadership Team review reports, and the Portfolio Office and Internal Audit carry out project healthchecks.
- 3.6.2 Testing has identified that there is still scope for improvement recording risks and monitoring/measuring benefits.
- 3.6.3 The introduction of the Integrated Assurance Group, which will consist of representatives from the Portfolio Office, Risk Management, Internal Audit, Finance, Procurement and Legal should provide an additional level of assurance to the current processes.

3.7 Tendering

- 3.7.1 Officers must seek approval for all Invitations To Tender between £100,000 and £20m from CPC. Attendance at a CPC meeting confirmed that Members expect high quality, succinct reports. At times agreement is given on the condition that additional work is undertaken and the CPT are involved.
- 3.7.2 Audit Committee suggested a minimum of 20 working days (unless the work was simple in nature) be given to contractors to allow them to prepare and submit tenders. CPT allow 21 working days although testing on INTEND showed a range of between 7 and 31 with 2 exceptions of 39 days (HIV Support and Prevention Service) and 76 days (Brooklands Primary School and Community Facility). The timescales allocated appeared appropriate for the tenders and no problems were identified.
- 3.7.3 Contractors are asked to submit reasons why a tender was not submitted. Review of the responses showed the majority to be due to insufficient capacity or not within their remit.
- 3.7.4 No changes in scope were identified from comparison of the contents of ITT and Award reports and there is evidence of increased awareness of the need for independent review of tenders. CPC recently approved a tender award that varied from the tender they had approved and made it clear that any future variations must be brought to the Committee in advance.
- 3.7.5 The Council are expecting a reduction in cost for new contracts when compared to the current contract cost. CPC challenge officers where estimates do not show any reductions.

3.8 Contract Award

- 3.8.1 Testing showed that the MEAT evaluation pro forma is not used by all officers making it difficult to determine if the 60% quality score is being met.
- 3.8.2 Adverts have been placed for suitably qualified persons to be employed on projects, e.g. clerk of works.

3.8.3 The Portfolio Office will continue to deliver training to Project Managers. The recent Tuesday Bulletins informed officers of the next round of project management training to be undertaken by the Portfolio Office and training has been delivered on NEC3 by the CPT.

3.9 Project Teams

3.9.1 The MK Approach details the requirements of a Project Sponsor and the role of the sponsor is reviewed as part of the Healthchecks. Personnel changes within project teams are kept to a minimum but this can be difficult with temporary staff if the project over-runs and the on-going restructuring/re-organisation within the Council.

3.10 Information Sharing/Lessons Learned

3.10.1 Officers attending project training are required to sign in therefore the Portfolio Office is aware of who has attended each session. Training for project managers is provided as and when required with the next sessions organised for May 2014. Confirmation that learning points have been taken on board is done through Healthchecks and at CPRP meetings.

3.10.2 A demonstration of Sharepoint is due mid-March. This software will enable the sharing of information between those involved in projects within the Portfolio Office section on the Intranet.

3.11 Other

3.11.1 The Capital and Infrastructure team within Children and Families deliver all capital build projects in excess of £500,000 except for Highways and Waste.

3.11.2 Review of the A421 Pinch Point contract, and questions asked at the recent CPC meeting gave assurance of the measures taken to avoid a repetition of the problems associated with land not belonging to MKC.

3.11.3 Client Side Management –The Assistant Director, Audit & Risk’s report dated 8 October 2013 to the Corporate Affairs Performance and Select Committee was reviewed. Recent audit work has identified areas of this report where further improvement is required, namely setting appropriate KPIs and ensuring payments and income are as per the contract.

4 IMPLICATIONS

4.1 Policy

None

4.2 Resources and Risk

There is a risk to further projects if the ‘learning’ from the Wolverton Station project does not inform the management of future projects.

x	Capital	y	Revenue	x	Accommodation
x	IT	y	Medium Term Plan	x	Asset Management

4.3 **Legal**

None

4.4 **Other Implications**

x	Equalities Diversity	/	x	Sustainability	x	Human Rights
x	E-Government		y	Stakeholders	x	Crime and Disorder

Background Papers: Wolverton Station Action Plan (**Annex A**)