

Second Update						26 Recommendations	Red	Amber/ Red	Amber/ Green	Green	Closed
Wolverton Station Overspend Review: Action Plan						Current	0	0	0	5	22
						Previous	0	0	0	27	
Theme / Action Point	Audit Ref	Action	Action Category	Previous Update	Current Update	Previous RAG Status	Current RAG Status	Baseline Target Date	Owner	Other Officers	Date Cleared
<b>Governance/Assurance</b>											
G1	1	As part of the quarterly report to corporate leadership team (CLT), projects should provide an updated financial summary (cost vs. budget) for all aspects of the project and an updated risk assessment within GRACE.	Essential	The Corporate Project Dashboard will request financial information to confirm RAG rating. The MK Approach will be updated to highlight the importance of updating risk assessments within GRACE May 2013: MK Approach: Projects has been updated to highlight the importance of updating risks in GRACE. Revised Corporate Project Dashboard being planned for Quarter 1 (June) to show financial information from BPC. Highlight reports will be requested to evidence RAG rating.	Oct 2013: Suggest action is closed. Highlight reports are requested quarterly from project managers that provide supporting financial information	Green	Closed	End December 2013	Head of Portfolio Office	Head of Insurance & Risk	
G2	10	Programme boards – should challenge project sponsors on a regular basis. They should encourage more honesty and realism from project sponsor. Members of the board should have an open invitation to attend project team meetings to enable them to undertake some reality checks. If necessary a technical audit by an internal or external expert may be requested. They should also act decisively if weak project management is apparent. Members of both programme and project boards should also consider undertaking site tours at appropriate frequency and key stages of the project.	Essential	May 2013: MK Approach: Projects has been updated under Roles and Responsibilities for project/programme boards. MK Approach: Programmes will be updated at next review.	Oct 2013: Suggest action is complete. The MK Approach has been updated within the roles & responsibilities section. On-going checks will be made through Health Checks	Green	Closed	End December 2013	Head of Portfolio Office	CLT	
G3	11	The scope of the health checks should be reviewed to ensure that they are still fit for purpose.	Essential	May 2013: Health Check review underway.	Oct 2013: The Project Assurance Framework was signed off by CLT in August. This is currently being implemented with improvements to the Health Check process.	Green	Closed	End September 2013	Head of Portfolio Office	Head of Internal Audit	
G4	18	Consideration should be given to more detailed financial and technical audits of projects in addition to health checks	Important	Consideration is underway	Oct 2013: Suggest action is complete. The forward plan for audits and Health Checks has been agreed by IA and the Project Assurance Group	Green	Closed	End September 2013	Head of Internal Audit	Head of Portfolio Office Project Sponsors	
G5	17	The portfolio office role should be revised to include a monitoring role for a sample of current projects and a "benefits realisation" role for completed projects.	Important	May 2013: Projects are being monitored through the Corporate Dashboard and Health Check process Work underway with Procurement to formalise Benefits Realisation Review Point Each OTP Strand Board has a Benefits Realisation plan that should be reviewed/updated at the monthly meeting.	Oct 2013: Ongoing monitoring of benefits through the corporate project dashboard and Health Check process. Activities taking place to transition OTP to mainstream where continuation of benefits monitoring will be undertaken	Green	Green	End December 2013	Head of Portfolio Office		
G6	23	As part of CLT quarterly reports a sample of perhaps 3 projects with a green RAG rating should be requested to provide evidence to support effective project management, cost and risk management, i.e. provide evidence of the green rating.	Standard	May 2013: Current processes will be assessed before deciding whether another review route is needed. Current processes included the quarterly performance challenge process, Major Programme Board, Capital Programme Board. CLT are keen that there should be no duplication of effort in reporting on projects and that a more streamlined route should be established to report on projects.	Oct 2013: With OTP Transition, reporting processes are under review.	Green	Green	End December 2013	CLT		
G7	NA	Internal Audit to undertake a detailed follow up review on the Action Plan	Standard	May 2013: Follow up is in Audit Plan for later in 2013.	Oct 2013: Follow up scheduled December/January	Green	Green	End December 2013	Head of Internal Audit		
G8	NA	The Annual Governance Statement Action Plan to require routine use of GRACE to report and monitor risks	Standard	May 2013: To be included within the Annual Governance Statement	Oct 2013: Use of GRACE included in AGS. Risk Management audit currently in progress which is reviewing use of GRACE corporately	Green	Green	End December 2013	Acting AD (Law & Governance)	Head of Internal Audit	
<b>Tendering</b>											
T1	2	Adequate tender period – ensure that sufficient time is allowed for contractors to prepare and submit tenders. Unless the work is simple nature a minimum of 20 working days should be allowed (extended if over the Easter or Christmas period).	Essential	May 2013: Included in contract procedure rules going to Council in July.	Oct 2013: Suggest action is closed as ongoing. Advising all Clients to allow a minimum 3 week tender period for over £100k requirements. In the main we advise Clients that 4 weeks will result in a better overall response, reducing requests for extensions.	Green	Closed	End September 2013	Head of Strategic Procurement	CLT & Project Sponsors	
T2	3	Adequate number of tenders returned – a minimum of three tenders should be returned. If more than two contractors decline to tender, checks should be undertaken to ascertain why and the contract risks to the Council assessed.	Essential	Often senior officer /project sponsor pressure to get work started despite poor tender returns; procurement painted as the "blocker" to progress by flagging risk May 2013: No change, project sponsor takes responsibility for final decision- so should be joint action	Oct 2013: Suggest action is closed as ongoing. If less than 3 bids are received the project risk is reviewed by the CPT team/the HoSP & Client and tenders can be re-opened if thought to be necessary. In tandem we are advising Clients to undertake as much market warming as possible and are also sending out a feedback questionnaire to any Suppliers who expressed an interest but didn't bid. Client has to agree to course of action.	Green	Closed	End December 2013	Head of Strategic Procurement	CLT & Project Sponsors	
T3	4	Late tenders – if a late tender is to be accepted there should be a recorded decision by the project sponsor as the reasons for acceptance.	Essential	CPR 10.3 says that no tender or quotation received after the latest time specified shall be accepted, however in reality if there are fewer tenders than expected we may choose (HoSP) to extend the closing date to increase competition. May 2013: No change	No change to May 2013 update.	Closed			Head of Strategic Procurement	CLT & Project Sponsors	May-13

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T4	5	Clear project scope – the scope of the project works should not be varied after invitation to tender has been sent out. If there is a need during the tender submission period, the process should be restarted, if it occurs after tenders are received there should be a clear understanding and action plan to resolve the changes and a report to procurement committee setting this out.	Essential	All changes post tender go to the Corporate Procurement Team for advice and agreement. Increasing focus on client teams pre-advert to ensure documents are fit for purpose before issue. May 2013: This needs to be a joint responsibility with the project sponsor as procurement cannot make decisions on scope but can merely influence	Oct 2013: Suggest action is closed as ongoing. The CPT can recommend but the Client responsible should take ownership of the decisions made in terms of the ITT documents and any potential scope creep.	Green	Closed	End December 2013	Head of Strategic Procurement	CLT & Project Sponsors	
T5	12	Bill of Quantities – there should be evidence of the adequacy of checks. On larger or higher risk projects an independent review should be considered.	Important	Increasing focus on client teams pre-advert to ensure documents are fit for purpose before issue. May 2013: Strategic and operational finance need to be engaged on projects to do a QA on all financial submissions including Bill of Quantities	Oct 2013: Suggest action is closed as ongoing. No change to May 2013 update. Finance are always heavily involved in major projects on the evaluation panel.	Green	Closed	End December 2013	Head of Strategic Procurement	CLT & Project Sponsors	
T6	13	Complete design – the design should be substantially completed at the date that invitations to tenders are sent out. The exception to this would be a design and build scheme. However, the client's requirements must be fully agreed and specified with sign off by the end user	Important	It is essential that project team close down external consultation before tender commences to avoid changes in scope. May 2013: No change	Oct 2013: Suggest action is closed as ongoing. No change to May 2013 update.	Green	Closed	End December 2013	Head of Strategic Procurement	CLT & Project Sponsors	
T7	15	Target tender price for works – the cost estimate should be robust and based on pricing the bill of quantities using a similar recent contract. It should also be increased by an appropriate confidence factor to reflect the unknown/anticipated risks with the project. If the target cost is lower than the lowest tender the matter should be reported to procurement committee with a clear action plan to resolve.	Important	More work to be done on improving accuracy of estimation methodology across the council May 2013: No change	Oct 2013: Cost Consultants & QS appointed on major projects. Suggest action is closed as ongoing.	Green	Closed	End December 2013	Head of Strategic Procurement	CLT & Project Sponsors	
<b>Contract Award</b>											
C1	6	Poor tender quality scores – in accepting a contractor with a quality score lower than 60% on any aspect of the quality assessment, the report to procurement committee should fully set out the impacts of such a low score and the actions that will be taken to ensure that the Council is not at risk as a result. <i>AC addition: a poor tender score should only be accepted in exceptional circumstances and the reason for acceptance should be laid out.</i>	Essential	Minimum quality scores are being introduced as picked up by CPC May 2013: Minimum quality scores enshrined in the contract procedure rules going to Council in July.	Oct 2013: Suggest action is closed as ongoing. Minimum quality scores included within PQQ & MEAT evaluation documents as standard. CPT work with Client to understand what the threshold should be. Legal advice can be sought if necessary. Supplier is not taken forward to the rest of the evaluation if minimum score not met.	Green	Closed	End September 2013	Head of Strategic Procurement	CLT & Project Sponsors	
C2	7	Works supervision – the project sponsor shall be responsible for ensuring that the works are adequately supervised by a competently qualified person e.g. clerk of works to ensure that they are built to a good quality and fit for purpose. This should include ensuring adequate records are taken to enable any claims to be properly assessed. <i>AC addition: consideration to be given as to whether it should be compulsory to have a CoW for works over a certain value or complexity.</i>	Essential	May 2013: Currently challenged through CPRP.	Oct 2013: Suggest action is closed as ongoing.	Green	Closed	End December 2013	CLT	Project Sponsor	
C3	8	Form of contract training – there is a need for project staff and sponsors to not only have an understanding of the MK Approach but also how the forms of contract that they are using work.	Important	Legal services has a role in signing off the terms used (CPR 14.3) and Corporate Procurement Team advise May 2013: Training has been arranged on new forms of contract- NEC3 for those that use them, will review future training needs on terms	Oct 2013: CPT organised for NEC training to be held in June 2013. Well attended and received across the Client function. Future courses may be looked at. Suggest action is closed as ongoing.	Green	Closed	End December 2013	Head of Strategic Procurement	Head of Legal	
C4	16	Form of contract – the use of jct, ice7 or ice minor works should only be continued on existing contracts and frameworks which have been let. All new contracts should use the nec3 suite of contracts to ensure that claims events are known at the earliest point possible in the contract, to enable the Council to have early warning of issues.	Important	Agreed but we should not fetter our discretion on what terms should be used as there may be other factors at play that need to be managed and these may point towards other standard terms; also if we use other framework contracts we are governed by their terms and cannot impose our own. Evidenced discussion needed between clients, Legal services and Procurement. May 2013: No change	Oct 2013: Suggest action closed as ongoing. No change to May 2013 comments.	Green	Closed	End December 2013	Head of Strategic Procurement	CLT & Head of Legal	
<b>Project Teams</b>											
P1	9	Project sponsor – this is the Council's key person on the project. It should be recognised that not all senior officers of the Council are capable of undertaking this duty or have the time to effectively undertake this function. Therefore when determining who the project sponsor should be, there needs to be more careful thought as to why a person is being appointed. That appointment should come with clear delegated authority and powers for the project delivery. The project sponsor should clearly be able to demonstrate they have visited the project on occasion and produce a report on that visit detailing what is going well and what is not and actions to correct the problems.	Essential	MK Approach to be updated to reflect change within the Project Sponsors roles & responsibilities May 2013: MK Approach: Projects has been updated to reflect change within the project sponsor roles and responsibilities	Oct 2013: Suggest action is closed. Updates to the MK Approach have been made. On-going monitoring through Health Checks	Closed	Closed		Head of Portfolio Office	CLT	Apr-13
P2	22	Stable project team – there should be minimal changes in professional advisors during a project to ensure consistency and enable lines of responsibility to be clear.	Standard	May 2013: To be monitored through current reporting processes - OTP Programme Board, CPRP, Performance Challenge, Project & Programme Boards.	Oct 2013: Suggest action is closed. On-going monitoring	Green	Closed	End December 2013	CLT	Project Sponsors	
<b>Information Sharing / Lessons Learned</b>											

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I1	19	The portfolio office networking events should maintain a list of project managers (and their projects) attending.	Important	May 2013: An attendance list of project managers was taken at the last PM Network in March 2013. This will be an ongoing action.	Oct 2013: on-going action. Suggest action is closed	Green	Closed	End December 2013	Head of Portfolio Office		
I2	20	Consideration should be given to improving the portfolio office intranet site to include a user friendly searchable database for reports, lessons learned, key issues to consider etc.	Important	May 2013: Need to review any existing software which can achieve this; also confirm if there is any budget to purchase or tailor software to do this	Oct 2013: Mandate agreed with ICT to develop a SharePoint solution. Work currently prioritised as No. 69	Green	Green	End December 2013	Head of Portfolio Office		
I3	24	The portfolio office should, on a regular basis, specifically advise all project managers and sponsors of key learning.	Standard	May 2013: Wolverton Station Lessons Learned were shared at the March 2013 PM Network. Future PM Networks will continue to be used for sharing key learning.	Oct 2013: PM Network events will continue to have agenda items on lessons learned and share learnings on their intranet site. Suggest action is closed as ongoing.	Green	Closed	End December 2013	Head of Portfolio Office		
I4	25	Project managers and sponsors should be required to confirm (or otherwise) the implementation of the key learning communicated by the Portfolio Office, within their current project(s).	Standard	This will be checked within the health check process and the MK Approach will be updated to request that project managers review the "lessons learned" database within the START stage. May 2013: MK Approach: Projects has been updated to include reviewing lessons learned in START stage.	Oct 2013: on-going action to be checked through Health Checks. Suggest action is closed	Green	Closed	End December 2013	Head of Portfolio Office	CLT	
<b>Other</b>											
O1a	14	Rail related projects – the Council should ensure that all projects in which it is either a partner or lead on delivering or funding on Network Rail land have no financial risks to the Council. 3 <sup>rd</sup> party implications should be a considered in all relevant projects.	Important	May 2013: Guidance to improve financial reporting is being drafted and will be issued imminently. Reference is included to taking on financial roles where projects are undertaken as a consequence of the funding arrangements in those instances where MKC are not best placed to deliver.	Oct 2013: Finance circulated the guidance via Finance Managers to senior management teams. It was also included on the democratic services guidance page. Suggest action is complete	Green	Closed	End December 2013	AD Finance	CLT	
O1 b	14	AC addition: All future proposals to undertake projects on land not belonging to MKC to be robustly risk-assessed.	Important	May 2013: To be challenged through CPRP	Oct 2013: Finance guidance for O1a above also included recommendations regarding projects on land not belonging to MKC. On-going challenge through CPRP. Suggest action is complete	Green	Closed	End December 2013	Head of Portfolio Office	CPRP	
O2	21	Use of Experts - Consideration should be given to widening the corporate role of the capital development team within Children and Families to provide an involvement within all capital build projects (either to undertake the key roles or to advise).	Standard	May 2013: This is currently being progressed within OTP 5.	Oct 2013: Guidance on delivering Major Capital projects was approved by CLT on 14 August and the Capital and Infrastructure Team in Children & Families now deliver all capital builds over £500k. Suggest action is closed	Green	Closed	End December 2013	Chief Executive/AD HR	CLT Project Sponsors AD EEP, Head of Capital & Infrastructure	
O3		Client Side Management - a report to be produced on how the Client Side Management has been changed to increase the capacity and capability of the Authority  NOTE: The improvements have been included within the establishment of the Public Realm Service group and the integration of the Procurement Section within the service group. The audit report on the review of the action plan will include an update.			Oct 2013: Report on Effective Contract Management presented to CAPSC 08/10/2013. Suggest action is closed.	Green	Closed	End December 2013	Corporate Director Finance		