

**WOLVERTON STATION OVERSPEND**

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**1. Purpose**

- 1.1 To provide the Committee with an update on the Implementation of the Action Plan arising from the investigation into the Wolverton Station overspend.
- 1.2 To provide the Committee with the responses to its invitation to the former Assistant Director and former Project Manager to provide comment specifically as to whether there was any pressure which affected the timescales/management of the project (Annexes A and B).
- 1.3 To provide the Committee with an opinion as to whether there would have been a significant impact on the audit findings had these comments been received earlier prior to completion of the investigation.

**2. Recommendations**

- 2.1 That the progress on the action plan be noted.
- 2.2 That the Committee consider whether the responses received from the former Project Manager and former Assistant Director (Highways and Transport) fundamentally change the outcome of the investigation and if so, whether there would be significant value in commissioning any additional work on this area.

**3. Issues and Choices**

Progress on Implementation of the Action Plan

- 3.1 The Action Plan has been updated in line with the comments received by the Audit Committee. Progress against the actions is monitored on a regular basis, the last update was in June and the next one is scheduled to be undertaken in early October. Progress against the Plan is reported to, and monitored by the Corporate Leadership Team.
- 3.2 As at June, 2 of the 28 actions had been closed with the remaining actions in progress and on course to be completed by the target date. A significant amount of work has been undertaken by the Portfolio Office in updating the MK Approach, project assurance methodology and communicating updates and lessons learned to Project Managers and Sponsors.

- 3.3 As agreed with the Audit Committee, and included in the Action Plan, Internal Audit will undertake a detailed follow up on the implementation of the Action Plan. This work is scheduled to be done after December 2013 by which time the majority of the actions should have been fully implemented. The outcome of this review will be reported back to the Audit Committee.

Responses received to request for comments and potential impact on the investigation

- 3.4 At the request of the Audit Committee the former Corporate Director (Organisational Transformation Programme) who was responsible for Highways, the former Assistant Director (Highways and Transportation) and the former Project Manager were invited to respond to the email attached at Annex A.
- 3.5 No response was received from the former Director however both the former Project Manager and former Assistant Director provided responses. These are attached at Annexes A and B.
- 3.6 The response from the Assistant Director was brief and focussed on the specific area highlighted in the request as to whether any pressure was exerted. The response indicated that there was pressure to complete projects within reduced financial envelopes. The response also highlighted stakeholder demands on the service in relation to other projects at the time impacting on resource availability. The response made no mention of pressure to complete within unreasonable timescales.
- 3.7 The reduced financial envelope for the project, referred to above, was one of the key areas highlighted in the investigation report.
- 3.8 The response received from the former Project Manager was very detailed and gives some further depth and background. There is nothing in his report that significantly conflicts with the investigation report. Had all this information been available and evidenced during the investigation the report may have been written slightly differently, but the underlying findings would not have changed. The project manager's main concerns over the investigation appear to be that the report made untested assumptions that alternative courses of action would have produced better outcomes and that some of the statements were 'wise after the fact'.
- 3.9 The former Project Manager also makes reference to pressure. However, he does not give any details or names and this relates to pressure apparently being put on a colleague and not himself as project manager.
- 3.10 The possibility of pressure being exerted on officers by internal or external stakeholders was an area that was considered in depth during the investigation. Interviews were undertaken and documents reviewed with this consideration in mind. However, there was insufficient evidence to conclude that pressure had been exerted by

other parties, internal or external, to complete any parts of the project within unreasonable timescales.

- 3.11 Although the project manager was not formally interviewed during the investigation the Interim Assistant Director (Highways and Transport), who co-authored the investigation report had a detailed discussion with him shortly before he left, both on a 1 to 1 basis and as part of the Project Board, to understand the full detail and issues that had occurred throughout the life of the project.
- 3.12 In the opinion of officers, had the comments been received during, as opposed to after, the investigation, this would not have fundamentally affected the findings or the outcome of the investigation.
- 3.13 However, it is recognised that in this case all former officers should have been invited to participate in the investigation. In future all relevant officers and stakeholders will be offered the opportunity to input to an investigation regardless of whether they are still Council employees.
- 3.14 The Committee may consider that the investigation which has already been undertaken by Internal Audit and the resulting Action Plan is sufficient and no further action is required, other than the ongoing monitoring and that any further action is unlikely to identify any new issues.

#### 4 Implications

##### 4.1 Policy

None

##### 4.2 Resources and Risk

Dependent on whether an independent review is undertaken and the scope of the review the resource implications would range from nil to the region of £40k for a detailed investigation.

There is a risk that a further review would be costly, not provide any additional benefit or assurance and divert scarce resources in Highways and Transportation away from current projects e.g. preparation for the new contract, a concern identified by the former Assistant Director is his response.

<table border="1"><tr><td>x</td></tr><tr><td>x</td></tr></table>	x	x	Capital	<table border="1"><tr><td>y</td></tr><tr><td>y</td></tr></table>	y	y	Revenue	<table border="1"><tr><td>x</td></tr><tr><td>x</td></tr></table>	x	x	Accommodation
x											
x											
y											
y											
x											
x											
	IT		Medium Term Plan		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:

Information request and response from the former Assistant Director (**Annex A**)

Response from the former Project Manager (**Annex B**)