

FINAL INTERNAL AUDIT REPORT

CHIEF EXECUTIVES DEPARTMENT

**FOLLOW UP REVIEW OF CAPITAL PROJECTS
AUDIT FOR 2015- 16**

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INTRODUCTION

1. This report sets out the results of our systems based follow up audit of Capital projects. The audit was carried out in quarter four as part of the programmed work specified in the 2015/16 Internal Audit Plan, agreed by the Director of Resources and Audit Sub-Committee.
2. The controls we expect to see in place are designed to minimise the department's exposure to a range of risks. Weaknesses in controls that have been highlighted will increase the associated risks and should therefore be corrected to assist overall effective operations.

AUDIT SCOPE

4. This follow up review considered the final audit report issued on 4th June 2015 and was restricted to identifying progress made on implementing the previously agreed recommendations.

MANAGEMENT SUMMARY

5. Of the previous 5 agreed recommendations, 3 have been fully implemented and 1 has not been implemented. The recommendations not being implemented relates to post completion reports being submitted. A finding in relation to keeping a signed copy of contracts on file has been removed from this review and will be included within future procurement audits as it is recognized this is not an issue specific to Capital projects.

SIGNIFICANT FINDINGS (PRIORITY 1)

6. There are no priority one findings to report.

DETAILED FINDINGS/MANAGEMENT ACTION PLAN

7. Findings outstanding and are detailed in Appendix B of this report and require management comment. Appendix A provides information on the recommendations that are being followed-up and Appendix C give definitions of the priority categories.

ACKNOWLEDGEMENT

8. We would like to thank all staff contacted during this review for their help and co-operation

No	Recommendation	Management Comment	Target Date	Priority	Responsibility	Follow-up comments	Status
1	Procedures and guidance regarding capital projects should be reviewed regularly and have the date of the review and the date of the next review Recorded. Updated versions should replace previous versions on OneBromley.	Agreed – this has now been actioned and will be kept updated in the future.	Immediate and ongoing	2	Capital Accountant	Capital Program Procedures have been reviewed and uploaded onto OneBromley (10/08/15). Project appraisal guidance documents were updated on the 30/06/15. Capital bid procedures/timetable were updated on the 29/05/15.	Implemented
2	Managers should be reminded of their responsibility to ensure that the Contracts Register is updated with new contracts.	Agreed - managers will be reminded of the need to ensure this is all in place.	End-June 2015	2	Capital Accountant	Where expected, contracts are now on the contracts register. In 8 expected contracts to be on the register all 8 are or were.	Implemented
3	Minutes of progress meetings should include target dates for completing any urgent action/s and should be issued promptly.	Agreed, but not sure which progress meetings this refers to. Managers will be reminded of the need to ensure this is all in place.	End-June 2015	2	Capital Accountant	4 of 5 cases this has been found to be taking place. In the other instance (Network security) the Officer involved no longer works for the authority so it is unknown if meetings were minuted.	Implemented
4	Post completion reports should be submitted for all completed capital projects within 12 months of completion.	Agreed – register maintained by Capital Accountant, who will chase relevant people to ensure completion.	End-June 2015	2	Capital Accountant	Of 8 current projects tested, four have been completed and a report would be expected. However in one instance (The Northblock refurbishment) this has not been completed.	Not implemented

Original recommendation No.	Recommendation	Priority	Management Comment	Responsibility	Agreed Timescale
4	Post completion reports should be submitted for all completed capital projects within 12 months of completion.	2*	At the point of notification of completion of a scheme, the need for a post completion report is raised with the relevant budget holder. The list of pending post completion reports is subsequently reported quarterly to DMT meetings, and is included in the quarterly capital monitoring reports to Executive and PDS committees.	Capital Accountant	Implemented

Definition of priority categories.

Priority 1

Required to address major weaknesses and should be implemented as soon as possible

Priority 2

Required to address issues which do not represent good practice

Priority 3

Identification of suggested areas for improvement