Summaries of Finalised Internal Audits

Assurance level	Significance	Directorate	Audit title
Reasonable	Extensive	Resources	IT Project Management and Governance
Limited	Extensive	Place	Asset Management

Reasonable Assurance

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
IT Project Management and Governance	Nov. 2021	This audit reviewed the control over management and governance of IT Projects. Major large scale IT projects are subject to full programme management requiring approval and funding from Digital Portfolio Board and funded from capital and revenue reserves. Most IT-Only projects, are medium to small scale projects, requiring full project board approval and on-going scrutiny from IT Projects Board and likely to be funded by the relevant Service Area or through IT Revenue budget. The Council's Capital Programme includes an annual rolling programme covering IT assets totalling £10.5m. The 2020/21 - 2023/24 Capital Programme was approved by Cabinet on 27th January 2021. **Good practice** The audit review found that there were detailed procedures for IT project management. A Project Brief and/or Business Case was developed for each of the 8 IT project we tested. Project Highlight reports were produced which included project risks and status dashboard which was RAG rated. Significant changes to projects were subject to Exception Reports to Project Sponsors. **Key findings** - The Digital Portfolio Board's Terms of Reference have not been updated since 2019, although the requirement is for these to be reviewed annually by the Transformation Board. - At corporate level, our testing highlighted gaps between Corporate Portfolio Management Office (CPMO) and IT PMO in the way business transformation projects involving IT elements	Extensive	Reasonable

		were being governed, resourced and managed. As the Director of IT is not a member of the Transformation Board, this can present risks of decisions being made at that Board which affect IT project prioritisation, use of resources and the strategic direction of the Council. We, therefore, recommended that the Director of IT is made a permanent member of the Transformation Board. There was risk that different governance arrangements and priorities for CPMO and IT PMO may not drive successful business transformation to achieve the priorities of the Council and opportunities to achieve synergies are lost. • There was no performance management system with KPIs and performance targets in place for IT PMO to assess the efficiency and effectiveness of the IT project management activities. • The detailed documented procedures for IT project management have not been formally approved by the Digital Board and not published on the Staff Intranet, which can affect uniform compliance with the procedures. • Testing identified that two projects at delivery phases, did not have their Project Briefs approved. From a review of the DPB Decision Log, we could not confirm that each Major IT project had been categorised and prioritised in accordance with criteria specified and agreed by the DPB. • Project Highlight reports were not signed-off by the Project Manager and Head of Projects to demonstrate that the project's progress in relation to its milestones, outputs, completion, issues and key project risks were subject to project assurance. • Audit testing showed that of the seven projects, where project highlight reporting was completed, the project budget section of the report was completed for two projects only.		

		• Project closure and post completion review procedures needed to be adhered to. A central database of lessons learned needed to be developed**.** All issues and findings were agreed with the Head of ICT Portfolio and with the Director of IT. Final report was issued to all Corporate Directors.		

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Asset Management	November 2021	**Good Practice** During the audit we identified areas of good practice which includes the following: • The Council has a record of insurance held with regards to its property portfolio for the year 2021/22. The insurance cover was renewed before the existing cover had expired. • The Council maintains a list of all properties, leases and condition survey record via tfCloud. The database is comprehensive and contains detailed data that the Asset Management Team should make use of on a daily basis to perform various duties. **Key Findings** Our key findings from this audit include the following: • The Council's Asset Management Strategy covers a period of five years from 2015 to 2020, this Strategy has not been reviewed in the last 12 months and does not cover the current period. Progress against the risks and challenges recorded in the Asset Management	Extensive	Limited

		Strategy is not tracked on a regular basis and an assessment of whether these remain relevant or current has not been undertaken. We also identified that the risks relating to asset management were not recorded on the corporate and departmental risk registers.		
		• Our review of the management accounts for December 2020, January and February 2021 identified that the income targets were not met, reported as follows: For Period 9 (December 2020), an adverse income variance of £373,341 against a budget of £781,174. For Period 10 (January 2021), an adverse income variance of £457,518 against a budget of £867,971. For Period 11 (February 2021), an adverse income variance of £500,295 against a budget of £954,76. For 2019/20, an adverse cumulative income variance of £716,385 was reported in the management accounts.		
		• We requested a list of all rent reviews undertaken in the last three years and a full schedule of properties where a rent review is either due or has not been undertaken. We were advised that this could not be provided due to a technical issue. The Interim Head of Asset Management advised that the Council's rent review and lease renewal process is behind schedule, this was due to some of the surveyors within the Asset Management Team not instructing the Legal Team about these due reviews. However, we could not confirm the extent of this. It was further advised that the rent reviews are now being undertaken by the officer recruited for this purpose. The risk of not renewing the leases resides with the Council specifically for the leases that are outside the terms of the Landlord and Tenant Act 1954 where a business tenancy does not have a right to renew on expiry of the lease and subsequently the tenant must vacate.		
		• We reviewed a sample of 15 accounts in arrears (value: £160,431) to assess whether the Council has processes in place to chase income which is due and whether sufficient recovery action has been undertaken. We identified in ten out of 15 accounts (value: £65,000), adequate recovery action was not undertaken on a timely basis		

		ranging from 55 to 521 days as at the day of the audit testing.

- We held discussions with the Principal Property and Regeneration Solicitor and Head of Asset Management to assess whether adequate communication is held between the Legal Team and the Asset Management Team and to confirm if the Legal Team retains their own records/documentation related to what has been discussed with the Asset Management Team. We identified that there is a lack of clarity of the roles and responsibilities between the two teams.

- We discussed with the Interim Head of Asset Management whether the Council has undertaken an exercise to identify local businesses severely affected due to the Covid-19 pandemic, in addition to having a clear indication as to whether they are trading or not and has plans in place to ensure resumption of trading in the future. We were advised that such an exercise was not conducted due to other priorities and the extended national lockdown at the start of 2021. However, it was advised that there are plans to complete this exercise by early 2022. | | |