

Internal Audit of Project Management: Queen's Buildings

Follow Up Review

Purpose & Background Information

Our original review of Project Management: Queen's Buildings was completed in January 2021 giving a low assurance rating.

It should be noted that the updated opinion is based on the assumption that systems and controls as previously identified during the original audit remain in operation and are being complied with in practice. The purpose of our follow up exercise is not to retest the operation of controls which have already been assessed, but to review how management has responded to the action plans following our initial work.

Audit Opinion

Progress has been made in a number of areas since our last review with eight of the twelve actions being fully implemented. A further follow up will be needed to establish the progress made with the following outstanding actions which are mostly delayed due to the project management system undergoing a tendering process:

- Updating Project Management Guidelines.

- Reviewing the Stage Review Group process once the new Project Management system is up and running to ensure roles and responsibilities are clear.
- Verto (Project Management system) access levels to be regularly reviewed.
- The Project Board developing a mechanism so that project benefits can be effectively measured.

Once addressed, these improvements should further strengthen the Council's project management arrangements.

Based on the results of the first follow up review, we are providing a medium assurance.

Assurance Rating

Audit Opinion	Rating
At Final Report	Low ●
At First Follow Up	Medium ●

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Progress with Implementing Agreed Actions

Action Risk Rating	Actions Fully Implemented	Actions Not Implemented	Actions Not Yet Due
Critical ●	0	0	0
Major ●	4	0	0
Moderate ●	4	4	0

Ref	Agreed Action	Original Issue & Risk Rating	Manager Responsible & Target Date	Follow Up Status and Comments
1.1	Terms of Reference to be reviewed and finalised by the Project Board.	Lack of effective governance and scrutiny arrangements at the start of the project Moderate ●	Project Manager 01/02/2021	Complete The first meeting of the new Project Board was held on the 14 April 2021 at which the Board's Terms of Reference was agreed. Meetings have been arranged monthly for the remainder of 2021.
1.2	Update Project Management guidelines to include further clarification on the roles and responsibilities, escalation and internal DCC reporting and approvals.	Lack of effective governance and scrutiny arrangements at the start of the project. Moderate ●	Strategic Planning Team Manager 31/03/2021	In Progress – Revised Date 31/12/2021 The project management guidelines are currently being updated. Amendments have been carried out, but the Section 151 Officer and the Strategic Planning Team Manager will

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				look at the project management processes to identify if they can be aligned with the Strategic Investment Group (SIG) process as part of the specification for a new project management system.
1.3	Reaffirm roles and responsibilities with the Stage Review Group (e.g. ICT, Finance, Communications, Property and Strategic Planning) representatives.	Lack of effective governance and scrutiny arrangements at the start of the project. Moderate ●	Strategic Planning Team Manager 31/03/2021	In Progress – Revised Date 31/12/2021 A tendering process for a new project management system is currently being undertaken. This action is on hold until a decision is made on the future platform.
1.4	Verto access levels have been reviewed to ensure that they are appropriate and up-to-date. These will be regularly reviewed in future.	Lack of effective governance and scrutiny arrangements at the start of the project. Moderate ●	Performance & Programme System Administrator Complete	In Progress The Performance & Programme System Administrator has reviewed Verto system access levels since our original review, but responsibility for the Verto system now lies with ICT. There are users listed who have not accessed the system since 2015, ICT will look at deleting these going forwards. ICT will be reviewing the account status on a six monthly cycle to identify inactive accounts and action them appropriately.

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				Currently out to tender on the Project Management and Performance Software and will be implementing Single Sign On which will link to the Active Directory and will restrict access as soon as a leaver or a mover has been actioned.
2.1	Linked to actions 1.2 and 1.3, Project Management Guidance and roles and responsibilities of the Stage Review Group will be reviewed and reaffirmed.	Actual and forecasted project costs far exceed estimates. Major ●	Strategic Planning Team Manager 31/03/2021	Closed Duplicated with actions 1.2 & 1.3
2.2	A revised business case has been completed for Phase 1 detailing more realistic costings; currently tendering for the demolition work, but are continuing to explore options for external funding to proceed with Phase 1.	Actual and forecasted project costs far exceed estimates. Major ●	Project Manager/ Lead Officer – Strategic Asset Management 31/01/2021	Complete A revised business case was submitted to Cabinet for approval in September 2020. It was further updated and submitted to Welsh Government in January 2021, which was reviewed at their Capital Panel and approved. External funding for Phase 1 has now been secured.
3.1	External legal advice is being sought.	Non-adherence to Contract Procedure Rules. Major ●	Legal Services Manager 31/01/2021	Complete The external legal review has now concluded, and the outcome discussed with the relevant parties.

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3.2	A protocol will be developed to detail how and when Legal should be engaged, and will be agreed by the Senior Leadership Team (SLT).	Non-adherence to Contract Procedure Rules. Major ●	Legal Services Manager 31/01/2021	Complete The Legal protocol was approved by the Senior Leadership Team (SLT) on the 1 April 2021.
4.1	The Project Board to develop a mechanism so that projects benefits can be effectively measured.	Some key project management information is either not recorded or has not been updated. Moderate ●	Project Manager/ Lead Officer – Strategic Asset Management 31/03/2021	In Progress - Revised Date 31/08/2021 The Project Manager and Lead Officer (Strategic Asset Management) are working with the Rhyl Regeneration Programme Manager on developing a mechanism so project benefits can feed into the over-arching Rhyl Regeneration Programme.
4.2	The Project Manager to meet with the recently appointed communications resource for the Rhyl Programme Board so that she can include elements of the project within the programme's communications plan.	Some key project management information is either not recorded or has not been updated. Moderate ●	Project Manager Complete	Complete The Project Manager and the Communications Resource Officer for the Rhyl Programme Board regularly meet to update the Queen's Buildings Communication Plan.
4.3	A log of key changes to be captured within monthly project board meetings.	Some key project management information is either not recorded or has not been updated. Moderate ●	Project Manager/ Lead Officer – Strategic Asset Management Complete	Complete A log of key changes is maintained and is a standing agenda item for the Project Board.

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4.4	The project will be reviewed to ensure lessons learnt are captured.	Some key project management information is either not recorded or has not been updated. Moderate ●	Project Manager 18/12/2020	Complete The Project Manager confirmed that lessons learnt are now being captured on the 'Verto' project management system, and incorporate those from the start of the project.
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Report Recipients

- Head of Finance & Property/S151 Officer
- Lead Officer (Strategic Asset Management)
- Project Manager
- Lead Project Manager
- Strategic Planning Team Manager
- Corporate Director: Economic & Community Ambition
- Corporate Director: Communities
- Strategic Planning & Performance Officer
- Legal Services Manager
- Head of Legal, HR & Democratic Services
- Head of Business Improvement & Modernisation
- Lead Member for Finance, Performance & Strategic Assets
- Governance & Audit Committee

Internal Audit Team

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Key Dates

Review commenced	April 2021
Review completed	June 2021
Reported to Governance & Audit Committee	July 2021
Proposed date for second follow up review	December 2021