APPENDIX 1

CORPORATE AFFAIRS AND AUDIT COMMITTEE – INTERNAL AUDIT SCORECARD

Table 1 - Internal Audit Reports Issued in Final (since last update to Corporate Affairs and Audit Committee in June 2015)

Audited System /Service	Directorate	Assurance Opinion	Priority			Draft Date	Final Date
			P1	P2	P3		
Safeguarding Young People	WCL	Good	0	0	2	24/04/2015	22/06/2015
Project Management (please see Table 2)	CCS	Cause for Concern	2	5	0	20/05/2015	27/07/2015
Leisure Centres, Parks and Cafes	EDC	Good	0	1	9	22/06/2015	13/07/2015
Information Governance	CCS	Moderate	0	3	2	25/06/2015	09/09/2015
Contract Management	CCS	Moderate	0	5	4	26/06/2015	30/07/2015
Health Outcome Delivery	WCL	Moderate	0	5	0	29/06/2015	09/09/2015
Safeguarding Children	WCL	Good	0	2	3	02/07/2015	10/07/2015
Development Control	EDC	Good	0	2	5	03/07/2015	23/07/2015
Housing and Council Tax Benefits	CCS	Good	0	0	3	16/07/2015	21/08/2015
Acklam Hall – Value for Money	EDC	Moderate	0	0	0	14/08/2015	16/09/2015
Total		**53**	**2**	**23**	**28**		

Table 2 – Summary of findings for those audit reports where the overall opinion is 'Cause for Concern' or 'Cause for Significant Concern')

Audits with an overall opinion of Cause for Concern or Cause for Significant Concern	
Project Management	Tees Valley Audit and Assurance Services (TVAAS) considers there to be a **Cause for Concern**. Overall, in relation to the areas examined weak management of risk exists within a key area that is crucial to the achievement of objectives. Major improvements need to be made to the area in order to ensure the control environment is effective. In summary, the main issues identified during the audit of the Council's management of capital projects were as follows: • The existing governance arrangements do not support the Council's vision and objectives. • There is currently no effective overall programme management of the Council's portfolio of capital projects. The Council has not yet developed and established a bespoke project management framework, together with associated procedures, to be communicated to and then used by all officers involved in subsequent project management assignments. As a consequence, the Council currently has no effective and consistent process in place to ensure that the organisation's objectives and priorities are met in this area. The lack of a corporate framework also reduces the likelihood that effective financial control will be applied to ensure that each capital project is delivered in time, on time and in budget. Senior management accepted all of the recommendations in the report and action is ongoing to address them as detailed in Table 3.

Table 3 – Summary of all P1 recommendations made in the final reports issued to date plus any P1 actions for previous years that have still not been implemented.

Two P1 recommendations have been made in the period and are both still outstanding	

Project Management	**Audit Recommendation** - Management should ensure that a bespoke project management framework together with associated procedures are developed and established in order;
	- to deliver projects aligned with and supporting corporate objectives.
	- to conform to the corporately agreed PM methodology.
	- to integrate with the organisation's business change management framework.
	- to be subject to governance and review, and be approved by a senior manager.
	- to clearly define specific roles and responsibilities, for example: those managing project governance, project board members, project sponsors, project managers and project team members.
	
	Responsible Officers are the Director of Organisation and Governance and the Head of ICT and Capital programmes.
	
	Current status – in response to the internal audit report, the Assistant Director Organisation and Governance submitted a report to the Leadership Management Team on 27 August 2015 outlining the proposals for the:
	
	    a) Development and implementation of a corporate project management framework
	    b) Proposals for capital programme monitoring (interim arrangements and final arrangements)
	
	The report recommended that LMT agreed to the development and implementation of a Corporate Project Management Framework to be used by all officers responsible for managing capital projects.

Project Management	**Audit Recommendation** - Management should raise the profile of capital programme monitoring and introduce effective programme management of all capital projects in order to have an overarching process which offers accountability and robust challenge to all project managers / service areas across all directorates. In relation to actual performance and delivery this process will seek to ensure that the organisation's objectives and priorities are met and will also maintain overall financial control.

Two P1 recommendations have been made in the period and are both still outstanding

Responsible Officers are the Director of Organisation and Governance and the Head of ICT and Capital programmes.
 	
Current status – in response to the internal audit report, the Assistant Director Organisation and Governance submitted a report to the Leadership Management Team on 27 August 2015 outlining the proposals for the:
 	
    c) Development and implementation of a corporate project management framework
    d) Proposals for capital programme monitoring (interim arrangements and final arrangements)
 	
The report recommended that LMT agree the establishment of an interim capital programme monitoring system to enable reporting of spend and milestones across all capital projects.

Table 4 - Total Outstanding Audit Recommendations (that have passed target implementation date) – as at 08 September 2015

Directorate	Total outstanding Actions that have passed action due date	P1	P2	P3
Corporate and Commercial Services	111	2	53	56
Economic Development and Communities	34	0	20	14
Wellbeing, Care and Learning	51	0	18	33
Total	**196**	**2**	**91**	**103**