



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

# Audit Report

## Programme Management Consultancy

### December 2022

## What we do best...

**Innovative assurance services**

Specialists at internal audit

**Comprehensive risk management**

Experts in countering fraud

## ...and what sets us apart

**Unrivalled best value to our customers**

Existing strong regional public sector partnership

**Auditors with the knowledge and expertise to get the job done**

Already working extensively with the not-for-profit and third sector

## Disclaimer

The matters raised in this report are only those which came to our attention during our internal audit work. Our quality assurance processes ensure that our work is conducted in conformance with the UK Public Sector Internal Audit Standards and that the information contained in this report is as accurate as possible – we do not provide absolute assurance that material errors, fraud or loss do not exist.

The Head of Audit is only responsible for the due professional care in developing the advice offered to managers on risk, control and governance issues. Where managers accept our advice, they accept the accountability for the consequences of implementing the advice. Internal Auditors working in partnership with managers during the consultancy assignment will not take part in any sign off decision.

This report has been prepared solely for the use of Members and Management of South Kesteven District Council. Details may be made available to specified external organisations, including external auditors, but otherwise the report should not be used or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared and is not intended for any other purpose.

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	Page
<b>Background</b>	1
<b>Scope &amp; Coverage</b>	2
<b>Executive Summary</b>	3
<b>Suggested Areas for Improvement</b>	5

## Distribution

- Chief Executive
- Deputy Chief Executive & Chief Finance Officer (Section 151 Officer)
- Head of Corporate Projects, Policy and Performance
- Governance and Audit Committee

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The Programmes Team is led by the Head of Corporate Projects, Policy and Performance who has a breadth of knowledge in programme and project management, working in this profession for 14 years. Within the team are four Project Officers working on corporate projects which provides adequate resources to deliver them. A Policy Officer has recently been recruited at the beginning of October 2022 and there is an unfilled post for a Performance Lead due to an internal secondment.

A new Project Framework and Toolkit was introduced in August 2022 and should now be followed for all corporate projects. Due to the recent implementation, it was noted that no projects have yet been through the framework from inception to completion. Adherence to the framework is monitored by the Programmes Team. Whilst non-corporate projects can use and adopt the Project Framework and Toolkit, adherence to this is not monitored.

There are a variety of corporate projects on the Corporate Projects Register, including projects in partnership with third parties, service transformational projects, compliance projects and capital projects. These range in complexity, value, and duration.

This was a consultancy review to assess the governance of programme management within the Council, to ensure that they deliver the required outcomes. We achieved the objective of this audit by assessing the effectiveness of the following controls:

- The Council has an approved Programme Management Framework which is used for all projects.
- There is a Project Initiation Document (PID) template utilised which has been signed off at an appropriate level within the Council.
- A Project Plan or timeline template has been created with SMART targets and milestones set.
- An initial Risk Assessment is undertaken, and a Risk Register/Issues Log is created and monitored for all projects.
- Regular monitoring and reporting of a project's progress is undertaken by relevant parties against the milestones/targets and budget set out in the project plan. This feeds into the Programme Management monitoring to determine any capacity restraints.
- Project outcomes and learning are captured and utilised to improve project methodology.
- The Programmes Team are adequately resourced and trained to meet the needs of the Council.

We met with the Head of Corporate Projects, Policy and Performance to undertake this review. Supporting project documentation was reviewed and procedures examined to determine the effectiveness of the arrangements.

The new project management framework and toolkit was implemented to help enhance project controls and ensure a clear project methodology is consistently followed. The Head of Service is now proactively working to embed this across the Council's projects. Whilst no projects have been through the framework in their entirety, all corporate projects are now being reviewed to align with the framework.

The new project management framework and toolkit has been developed using best practice and recognised project management standards to best support the Council to deliver its ambitious plans and wide-ranging portfolio of projects. The framework helps to aid governance over projects and consistency in approach.

Our review identified areas which require improvement and we have made recommendations to support the Council in strengthening the controls and processes to ensure projects deliver the desired outcomes within the appropriate risk tolerance, budget, and deadlines.

**Risk 1: Poor programme management may lead to the failure to deliver project objectives within the required timescales resulting in potential financial loss and reputational damage.**

We reviewed a sample of five projects to determine how well projects are being managed and monitored, and what project documentation was in place, using the new framework and toolkit as a compliance standard. We noted that gaps against the new framework but acknowledge these projects commenced before it went live in August 2022.

The Council should now actively promote and monitor compliance with the new framework to ensure it is embedded into new projects going forward. The Council should also consider whether all existing corporate projects should be aligned to the new framework.

There is a risk that projects are not well governed or delivered effectively if a defined and agreed methodology is not followed. For example:

- Without clear project briefs, projects may not meet expected objectives.
- Issues may not be resolved if they aren't recorded throughout the project in a risks, assumptions, issues, and dependencies (RAID) log.
- Absence of a robust project plan may mean project tasks take longer than expected if deliverables, timings, and resource are not clearly mapped out.
- Project spend may go over budget if finances aren't robustly monitored.

	Risk Description	Current Rating	Target Rating
1	Poor programme management may lead to the failure to deliver project objectives within the required timescales resulting in potential financial loss and reputational damage	AMBER	GREEN
<b>Findings</b>			
<p>We selected a sample of five projects to review, split across a range of project types listed on the Corporate Projects Register, noting that one of these was externally funded for fixed term of two years (with two posts joining the Corporate Projects Team in April 2022). One was a project not commencing until next year and another that had been ongoing for over two years regarding the Housing Revenue Account. Using the Council's new Project Management Framework and Toolkit we ascertained what project documentation had been produced and noted the following issues:</p> <ul style="list-style-type: none"> <li>• For 2 out of 5 projects, there was no ongoing RAID log.</li> <li>• For 1 out of 5 projects, it could not be evidenced that the business case was approved.</li> <li>• For 2 out of 5 projects, there were plans in place for individual schemes but there was not an overall plan to pull the whole project together.</li> <li>• For 2 out of 5 projects, the update reports could be strengthened so it is clear where the project was tracking against the original deadlines, and details of the project spend against budget could be added.</li> <li>• For 1 out of 5 projects, it could not be evidenced that the lessons learned had been signed off. The other 4 projects were still live at the time of audit testing and therefore not at the stage for needing a lessons learned review.</li> </ul>			
<b>Implications</b>			
<p>There is a risk that projects are not well governed or delivered effectively if a defined and agreed methodology is not followed. This applies to existing and new projects.</p>			

Recommendations		Priority level
1.1 The Council should review existing live projects and ensure they align to the new framework. 1.2 The Council should ensure there is adequate governance in place to embed the new framework. 1.3 The Council should actively promote and monitor compliance with the new framework.		<b>Medium</b>
Agreed Actions	Responsibility	Implementation dates
1. To review live projects against toolkit (which includes the governance guidelines) and align documentation accordingly.  2. To actively promote compliance across the Council.	Head of Corporate Projects, Policy and Performance	31 <sup>st</sup> March 2023



## Suggested Areas for Improvement

	Risk Description	Current Rating	Target Rating
<b>2</b>	<b>Poor programme management may lead to the failure to deliver project objectives within the required timescales resulting in potential financial loss and reputational damage</b>	<b>AMBER</b>	<b>GREEN</b>
<b>Findings</b>			
<p>We also noted that the new Project Management Framework did not state that projects should be subject to an initial risk assessment based on the Council’s Risk Management Framework prior to the commencement of the project. None of the five projects reviewed underwent an initial risk assessment.</p> <p>The initial risk assessment is a key part of good governance on decision making and should be included in the framework and applied to new projects.</p>			
<b>Implications</b>			
<p>Risk assessment and risk monitoring of key corporate projects is a fundamental part of project management. There is a risk that decisions and projects are entered into without sufficient consideration of risk and outside of corporate policy and approach.</p>			
<b>Recommendations</b>			<b>Priority level</b>
<p>2.1 The new framework should be enhanced so projects are risk assessed against the Council’s Risk Management Framework prior to commencement.</p>			<b>Medium</b>
<b>Agreed Actions</b>		<b>Responsibility</b>	<b>Implementation dates</b>
<p>The Head of Corporate Projects, Policy and Performance will determine how projects can be assessed and included in the Risk Management Framework.</p>		<p>Head of Corporate Projects, Policy and Performance</p>	<p>31st March 2023</p>

## Suggested Areas for Improvement

3	Risk Description	Current Rating	Target Rating
	Poor programme management may lead to the failure to deliver project objectives within the required timescales resulting in potential financial loss and reputational damage	AMBER	GREEN
<b>Findings</b>			
Non-corporate projects are not currently included in the roll out of the framework which support best practice and effective project management and delivery.			
<b>Implications</b>			
There is the risk of a two-tier system for project management and that non-corporate projects fail to deliver and do not comply with best practice and the Councils new Project Management Framework.			
<b>Recommendations</b>			<b>Priority level</b>
3.1 The Council ensures all relevant projects are managed and delivered under an effective framework, which supports and enhances timely, managed delivery.			Medium
<b>Agreed Actions</b>		<b>Responsibility</b>	<b>Implementation dates</b>
We will identify all relevant posts and service areas undertaking project work and determine the best approach to provide training/guidance/ongoing support.		Head of Corporate Projects, Policy and Performance	31st March 2023