Veritau

Assurance Services for
the Public Sector

PDNPA Project Management

Peak District National Park Authority

Internal Audit Report 2014/15

Business Unit: Project Management
Responsible Officer: Assistant Director – Policy and Partnerships
Service Manager: Research and Program Manager
Date Issued: 27 February 2015
Status: Final
Reference: 69150/001

	P1	P2	P3
Actions	0	1	3
Overall Audit Opinion	Substantial Assurance		

PEAK DISTRICT NATIONAL PARK

Summary and Overall Conclusions

Introduction

Projects necessarily contain an element of risk, and the primary business function of project management is organising and planning projects in order to manage this risk. To ensure all work is completed on time and within budget, it is important to have a clear plan of action, detailing who is responsible for what, what work is required, when work needs to be delivered, plus any other useful information the project team may need. It is much easier for people to get on with their work, when they have a clear idea of what is expected of them.

No matter how well a project is managed, how clear the brief was or simple the project, there is always the possibility of change. The project manager's role is, at the beginning of the project, to anticipate any problems or potential areas for change and create plans to deal with them. During the project, their role is to use their skills to manage the change effectively.

Project management identifies, manages and controls risk and quality. It ensures that project knowledge is captured and managed. Projects fail. When they do, it is important to learn from the process. Learning from failure as well as success is key to business innovation and quality improvement.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system will ensure that there is a project management methodology in place, it is available to all relevant staff and ensures that:

- there is a full business case for all projects
- risk assessments have been carried out
- all benefits have been clearly identified
- income projections can be justified
- monitoring is carried out during the project itself and a review is done once implemented
- responsibilities are clearly defined

PEAK DISTRICT NATIONAL PARK

Key Findings

The documents for project management in place in the Authority were found to be very good, with few areas for improvement. The toolkit and accompanying guidance notes cover the majority of expected areas, and are available to all staff on the intranet. However, there is a new hub in place and since this was introduced the documents are no longer on the opening page. This is something that needs to be updated, as the more accessible the documents are, the more likely people are to use them. Also, it would be advisable to include the cost of man hours in the budget costs and monitor them.

Other areas where minor weaknesses were found are:

- currently use of the documents is not mandatory, although it is strongly encouraged
- the toolkit in use is a training document that the Authority has adopted in the form it was received, and has not been rebranded with the Peak District logo or updated to include more personalised guidance
- with the exception of the project sponsor and the project manager, roles and responsibilities are not defined in the project set up document
- project team meeting minutes do not state that the minutes from the previous meeting have been agreed as a true and accurate record

Overall Conclusions

It was found that the arrangements for managing risk were good with few weaknesses identified. An effective control environment is in operation, but there is scope for further improvement in the areas identified. Our overall opinion of the controls within the system at the time of the audit was that they provided **Substantial Assurance.**

1 Use of Standard Documentation

Issue/Control Weakness	Risk
The use of formal project management documents is not mandatory	Projects may fail due to not following guidance correctly

Findings

Currently use of the documents is not mandatory, although it is strongly encouraged. In order to maximise the benefits of project management in delivering the emerging aims of the new corporate plan, use of the documentation should be mandatory, with proposals refused unless they are in the required format. This will need to be monitored and a comprehensive project register maintained which includes all projects, not just those not funded by core budget.

Agreed Action 1.1

Establish project register for use across Authority and publicise by October 2015
- Define the threshold for those projects subject to inclusion in project register and requiring mandatory project management documentation (complexity/ impact/ strategic importance/ value £/resource)
- Project register and project management documentation templates to be accessed via the Hub
- Consider additional training requirements to support project management in the organisation

Priority	2
Responsible Officer	Research and Program Manager / RMT
Timescale	October 2015

PEAK DISTRICT NATIONAL PARK

2 Project Management Toolkit

Issue/Control Weakness	Risk
The toolkit has not been personalised to incorporate the Authority's own internal guidance	Risks are not scored properly, leading to inappropriate level of mitigation Decisions may be made without the necessary authority

Findings

The toolkit in use is a training document that the Authority has adopted in the form it was received, and has not been rebranded as a Peak District document. The toolkit could be amended to contain information on internal controls, including cross references to guidance on areas such as risk management and delegation of authority

Currently the Authority use a 3x3 grid for scoring risk, and there is a standard score for what makes a risk red, amber or green, but there is no guidance within the toolkit on scoring impact and likelihood.

The project set up document does not include delegated authority. Delegated authority is laid out in the authority's standing orders document; however it is not specific to individual projects and the toolkit does not contain guidance.

Agreed Action 2.1

Rebrand toolkit to reflect PDNPA and ensure it links to other corporate procedures
- Incorporate scoring methodology for risk impact and likelihood
- Seek synergies with corporate risk process and implement changes by
- Incorporate guidance on delegation within tool kit and project set up document

Priority	3
Responsible Officer	Research and Program Manager
Timescale	October 2015

PEAK DISTRICT NATIONAL PARK

3 Roles and Responsibilities

Issue/Control Weakness	Risk
Failure to formally define and record roles and responsibilities	Projects fail due to key areas being missed

Findings

The Research and Program Manager has confirmed that since working with the new templates they have not defined project roles and responsibilities within projects beyond what is in the set-up sheet template. They have not allocated roles for the composition of the board, just a project champion and a project manager as previous efforts did not meet with a huge amount of success within the wider organisation.

Instead they tend to bring their line management roles along to the project, rather than have allocated responsibilities within the project.

Defining the role of each of the people on the board will ensure that all aspects of the project requirements are covered and show any potential gaps.

Of particular importance is the role of quality assurance. This should be someone independent of the project, who can give objective assurance on the achievement of targets, although it may only be necessary on projects of a particular value or duration.

Agreed Action 3.1

Ensure structures of major projects reflect all project roles required for successful delivery
- Define which additional roles we lack in current project team structure (probably a variant of Supplier, User and Quality Assurance)
- Review toolkit and templates to address project roles, and provide examples to explain
- Define threshold for independent QA requirement and establish possible mechanisms for meeting QA
- SMT briefed on impact of changes

Priority	3
Responsible Officer	Research and Program Manager
Timescale	October 2015

PEAK DISTRICT NATIONAL PARK

4 Agreement of Minutes

Issue/Control Weakness	Risk
Meeting minutes do not show that minutes from the previous meeting are agreed as accurate	Actions may be missed

Findings

For the LDF indicators project reviewed, the minutes took the form of an action plan. They have an agenda, and state who was present, and the action plan includes when the action was added, the responsible officer, deadline and whether completed or not. However, there is no evidence that minutes from the previous meeting have been agreed.

Agreed Action 4.1

Ensure written notes of project meetings have evidence of agreement
- Establish appropriate level of reporting according to project complexity/ impact/ strategic importance/ value
- Update toolkit/templates to reflect decision

Priority	3
Responsible Officer	Research and Program Manager
Timescale	October 2015

PEAK DISTRICT NATIONAL PARK

Audit Opinions and Priorities for Actions

Audit Opinions
Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on 5 grades of opinion, as set out below.

Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

PEAK DISTRICT NATIONAL PARK