



Project Management

Peak District National Park Authority

Internal Audit Report

Business Unit: Resources
Responsible Officer: Finance Manager and s151 Officer
Date Issued: 22 January 2024
Status: Final
Reference: P3260/001

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

Summary and Overall Conclusions

Introduction

The Peak District National Park Authority (PDNPA) has a number of ongoing projects covering a variety of areas. One of the largest project areas is the Moors for the Future Partnership which aims to improve the condition of the Peak District and South Pennine moorland. It also involves restoration and conservation work, as well as encouraging responsible use of the area.

Effective project management helps an organisation successfully plan and deliver key aims and objectives. Projects should be fully planned and appraised before they start. A business case and risk assessment should be prepared and approved to outline elements such as the project brief, potential risks, financial impact and project benefits.

Projects should be managed and monitored on an ongoing basis to ensure they follow the project plan, remain within budget and are managed within the agreed risk tolerances. Good governance and an appropriate level of scrutiny at key points will also help to support effective project delivery.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- Robust governance processes are in place to manage and monitor new and ongoing projects.
- Appropriate scrutiny procedures are followed prior to project approval, including a consideration of risk and financial impact.

The audit reviewed procedures in the two largest departments, by volume of projects (Moors for the Future and Asset Management).

Key Findings

Due to the small size of the authority, there is no central project management team and instead, projects are managed within the relevant departments. There is no central list of all projects across the authority, which could help to ensure greater oversight and monitoring of ongoing projects. Once in delivery, there is no formal process to report the status of ongoing projects back to members or senior management, however organic updates do take place as part of senior management meetings or if members request an update. Training and guidance is carried out within the departments, although a central business case template is in place to ensure projects submitted for approval include consistent information.

Within Moors for the Future, a suite of documentation is in place to help support management of projects. This suite includes a project toolkit, risk log, cash flow template, project approval document and a change request form to record authorisation for any changes to

projects. Four dedicated Project Manager posts within the team are responsible for overseeing approximately 20 projects. These officers have, or are being trained in, a relevant project management qualification such as PRINCE2¹.

Within the Asset Management Team, projects are assigned to officers who hold a RICS² Chartered Surveyors qualification, which includes some elements of project and contract management training. Where building works are involved, officers with the Chartered Building Surveyors qualification are responsible. Continuing Professional Development (CPD) activities also take place within both teams, with project management elements included.

The Moors for the Future Team present a tracker report (MFFP, *Moors for the Future Partnership*, Programme Tracker) to the RMM on a monthly basis. This provides updates on projects in delivery, projects in development, financial forecasts and staffing updates. The Project Managers within the team also meet regularly to discuss any updates or emerging issues. Within Asset Management, there is no formal tracking across all projects such as this, however evidence was provided during our testing (detailed below) which showed those projects were being monitored appropriately.

Part 3 of the Standing Orders (*Financial Regulations*) outlines the authorisation routes for various levels of expenditure, as follows:

Expenditure level:	Authorisation route:
Over £30,000	Business case agreed with the relevant Head of Service and Chief Finance Officer.
Over £50,000	Business case consulted at the Resources Management Meeting (RMM).
Over £150,000	Authority of the relevant Committee required.

Six projects with varying levels of expenditure were reviewed to assess whether the appropriate authorisation route was followed, including whether the financial impact and risks had been considered. In all cases, the correct authorisation was sought and granted. A business case was appropriately completed in all cases, which included an assessment of risk and financial impact. Due to their size, both projects reviewed from Moors for the Future had associated risk logs completed. Where applicable, evidence was received to demonstrate some form of monitoring once the projects were in delivery, though in one case this was provided through verbal assurance. In Moors for the Future, evidence was provided through the monthly tracker report.

Overall Conclusions

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

¹ Projects in Controlled Environments.

² Royal Institution of Chartered Surveyors.

1. Corporate project management arrangements

Issue/Control Weakness

Larger projects are not monitored at a corporate level once in delivery.

Risk

There is no corporate oversight around ongoing projects.

Findings

There is no central project management team at the authority due to the small size of the organisation. Therefore, the various departments are responsible for managing their own projects. As a result, there is no central list of all ongoing projects across the authority. Compiling a list would help to ensure there is some corporate oversight around the number of projects in delivery and updates can be requested if necessary. The Finance Manager explained the general ledger system can show some projects, which are coded to cost centres, however not every project would be included.

As outlined in the key findings above, projects with expenditure of over £30,000 have specific authorisation routes to ensure there is a robust approval process. Projects over £150,000 in value must be approved at Committee-level. However once projects have been approved and are in delivery, there is no formal process to report the status of these projects back to the relevant governance forum. This would help to ensure that any delivery issues or overspends are monitored corporately and receive an appropriate level of scrutiny if required. The Head of Finance explained that currently, some organic updates do take place, despite there not being a formal process. For example, if Members request an update for a particular project, or if it is felt an update would be beneficial. The Programmes and Resources (P&R) Committee meeting minutes during 2023 were reviewed and two examples were found where project updates had taken place, which demonstrates that some level of scrutiny post-approval is in place. However, ensuring this is carried out regularly would help to strengthen the corporate arrangements around the management of projects.

Agreed Action 1.1

The Authority can incorporate the action around the ongoing monitoring of projects alongside the Governance Working Group who are looking at what goes to committee and the general visibility of items. Creating a central list of projects should also be something that we can consider and maybe include within a new role (Grant Development Officer) as this would be linked to monitoring external funding. This work is ongoing, and we would expect to be able to conclude this by the end of March 2025.

Priority

3

Responsible Officer

Head of Resources

Timescale

31 March 2025

Audit Opinions and Priorities for Actions

Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

Our overall audit opinion is based on 4 grades of opinion, as set out below.

Opinion

Assessment of internal control

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

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.

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