

Government and Public Sector
Internal Audit Services

September 2010

Aberdeen City Council Internal Audit Outsourced Activity Progress Report

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Section 1 – Introduction

Background

- 1.01 The assurance you receive through the internal audit programme is a key component of the Council's overall governance framework, ultimately reflected in the Statement on Internal Control. The purpose of this report is to highlight the key findings arising from the Internal Audit work completed by PwC since the last Audit and Risk Committee.

Outsourced Internal Audit Activity

- 1.02 We conducted a number of internal audit reviews as part of our outsourced internal audit activity and have identified a number of areas where improvements can be made to existing arrangements within the Council. Our overall approach to internal audit is to deliver challenge and support across the continuum from value protection (where we primarily provide assurance by protecting the current position) and value enhancement (where we add value for the future with forward looking reviews). The reports presented for consideration by the Audit Committee are noted below.

Reports Presented for Audit and Risk Committee Consideration

- Waste Management (Housing and Environment Directorate).
- Information Security.
- Project Management (Council wide).

- 1.03 The key findings of each report have been summarised in Sections 2 - 4. Full copies of all reports can be provided to members on request.

Finalised Reporting to September 2010 Audit and Risk Committee

Section	Review Title
2	Waste Management (Housing and Environment Directorate)
3	Information Security (Council wide)
4	Project Management (Council wide)

Section 2 – Waste Management (Housing and Environment Directorate)

Number of Recommendations				
Critical	High	Medium	Low	Total
-	6	2	-	8

Introduction

- 2.01 Our review of the Waste Management Strategy has been carried out at the request of management as part of the Outsourced Internal Audit Activity conducted by PwC during the period April to June 2010.

Background

- 2.02 The Aberdeen City Waste Strategy, issued for consultation in December 2009 and formally adopted by Aberdeen City Council (ACC) on 29th April 2010, covers the arrangements for the sustainable management of the Municipal Solid Waste¹ (MSW) controlled by ACC. In the year 2007/08 ACC dealt with 138,459 tonnes of MSW, 78% of which was disposed in landfill.

¹ Waste that falls under the control of a local authority and includes: all waste collected from households, all household waste taken to recycling banks or household recycling centres, waste from street cleaning, litter, bulky waste collections, fly-tipped waste and waste produced by commercial premises that is collected by, or on behalf of, a local authority.

- 2.03 The strategy develops a framework for addressing the prevention, reuse, recycling and recovery of waste in order to enable the Council meet its evolving legislative, political and social waste management requirements. The Waste Strategy is underpinned by the internal policy document “A Strategy for transforming waste management services 2008-2011” and the public draft Strategic Environmental Assessment Environmental Report.

- 2.04 Within the Waste Strategy there is acknowledgement that significant action will need to be taken by the Council to meet set targets², not least because the financial implications of continued use of landfill (due to increasing landfill tax and the potential application of Landfill Allowance Penalties) are projected to be substantial over the coming years. According to ACC’s Strategy for Transforming Waste Management the cost of landfill is projected to rise by £7.4m if there is no change to service (when comparing 2010/11 figures against 2006/07) and this will be set to increase further with landfill tax rates increasing by £8/tonne a year until 2014/15.

² The Scottish Government has imposed limits on landfill and treatment of waste through Energy from Waste (EfW) plants which are as follows: **From 2008-** no more than 25% of waste treated by EfW and **By 2025** no more than 5% landfilled

2.05 The Waste Strategy is underpinned by 6 themes, 5 goals, 20 objectives and 5 targets. The five targets are as follows:

- Waste growth will be eliminated by 2015
- Source segregated Municipal Waste Recycling and Organic Waste Treatment will be 40% by 2011, 45% by 2013, 50% by 2020 and 56% by 2025
- Introduction of organic waste collection for all households and develop treatment facilities within the Aberdeen area by 2013
- Municipal Residual Waste Treatment capacity (including Energy from Waste) should not exceed 45% by 2020 and 40% by 2025
- No more than 5% of municipal waste should be landfilled by 2025.

Approach and Scope

2.06 We reviewed the Waste Strategy to ascertain whether ACC have adequate plans in place to deliver these commitments. For this review we utilised the expertise of a waste and environment subject matter expert in the planning, consultation and completion stages of this review in order to bring fresh insight and to leverage best practices from across the sector. Specifically we considered the;

- Effectiveness of the current contractual arrangements in place for waste treatment;
- Process for amending the contract (with SITA) through variation orders and how effective this is with a focus on Value for Money (VfM); and
- Waste Strategy, with a focus on:
 - How this has been costed;
 - The implementation plan;
 - Involvement of contractors/key service providers in the development of the proposed strategy;
 - Senior management buy-in and the organisational structure in place to deliver against the plan.

Overall conclusion

2.07 Our review has highlighted that there are a number of areas where further action is required to ensure the Waste Strategy is taken forward in the interest of providing Best Value and to enable the Council to meet evolving legislative, political and social waste management requirements.

2.08 In particular, we identified a number of key weaknesses in the Waste Strategy proposals and current Contractual Arrangements for Waste disposal provision that if addressed should further assist the Council work towards achieving Waste solutions that are Value for Money (VfM) and affordable. In particular:

- The scope of the current SITA contract does not cover the full range of facilities that Aberdeen City Council may need to meet its revised waste strategy;
- There are a number of terms in the current SITA contract that do not offer ACC best value for money or the appropriate level of control over the contract;
- The overall impact on VfM is not adequately considered when contract variations are made;
- An implementation plan for the Waste Strategy is still to be developed;
- Insufficient financial information is available to determine VfM and affordability of current waste management services and the options identified in the Waste Strategy, and
- Resources such as staffing and budget to deliver the strategy have yet to be agreed.

High Priority Recommendations

2.09 To address the above matters we have made 6 high priority recommendations, all of which have been agreed by management. These recommendations are summarised below

Extending scope of current SITA contract

2.10 A waste management services contract with SITA was executed in 2000 for a 25 year term. The contract was drafted for the following waste management services:

- Operation of two Waste Transfer Stations in Aberdeen City;
- Operation of four recycling centres,
- Construction of East Tullos Recycling Centre;
- Operation and closure of Hill of Tramaud Landfill site
- Development of Altens Environment Park comprising of a Materials Recycling Facility and an EfW plant.

2.11 It is recognised that the scope of the current contract does not cover the provision of all the facilities that ACC may need to meet its revised waste strategy.

2.12 The current waste management provider, SITA, has been invited to make proposals to ACC for the provision of waste services to meet the objectives of the new waste strategy; however, it is not clear whether this route would be possible without the need to go through a new procurement process.

Recommendation (High)

ACC should seek legal advice on whether potential amendments can be made to the existing SITA contract (to allow for provision of an EfW plant or additional services/facilities required to meet new Waste Strategy targets) without triggering the need for a new procurement exercise.

Effectiveness of current contractual arrangements

2.13 Our review of the current waste treatment contract terms identified a number of terms that may not offer ACC best value for money or the appropriate level of control over the contract.

Recommendation (High)

ACC should seek appropriate legal advice on whether it is possible to renegotiate terms. If this is possible then ACC should consider, and potentially seek commercial advice, on terms that could provide ACC better VfM and control under the contract.

Contract Variations

2.14 Our review has also highlighted that some contract variations have been made retrospectively to reflect actual operations, whilst in other cases the management information has not been readily available to determine the impact of such changes on waste treatment services as a whole. In addition, there is no formalised protocol in place for contract variations.

Recommendation (High)

Prior to making any variation to contract, ACC should ensure that an appropriate level of analysis has been performed to determine the impact of such a variation on current waste treatment services and to ascertain whether the amendment will deliver VfM to ACC. A formal protocol for authorisations of contract variations should be implemented.

Costing of the Waste Management Strategy

- 2.15 The overall financial impact of the adoption of the Waste Strategy is not outlined in the document and the financial implications of the individual elements have not yet been fully explored. For example, the outline strategy for recycling states that by increasing participation in recycling activity, the cost of collection are further reduced as the operation becomes more efficient. There is no evidence that a financial assessment has been undertaken to support this or the investment that maybe required in collection plans. The strategy further outlines the Council's aspiration to build several waste management plants (recycling, organic, residual waste).
- 2.16 An exercise to cost the various options for the implementation of the Waste Strategy has not yet been undertaken and the budget to deliver this strategy has not been agreed. Furthermore, the Strategy for Transforming Waste Management suggests that there is not adequate management information for the waste collection and disposal activities and related financial costs in order to monitor current waste services and determine the costs of future plans. The Waste Strategy does however recognises that significant investment in waste treatment infrastructure and operations is required.

Recommendation (High)

A robust affordability analysis should be considered in the context of the challenges that the Council will face in terms of its own budgeting and future spending settlements. The affordability and costing exercise should satisfy the Council's own internal approval processes and take account of HM Treasury Green Book Guidance. This application of Treasury guidance is particularly important should the Council be looking for external funding.

When considering any investment options appraisals, comparing several options against a "do nothing alternative" will provide the framework for the development of an Outline Business Case to support the Waste Management Strategy.

Recommendation (High) - continued

The Scottish Futures Trust Value for Money guidance on the procurement of capital projects, covers the issues which public sector authorities need to consider before they make key decisions. The aim of this guidance is to help public bodies make informed investment decisions as to which procurement route offers best value for money for its project, and to ensure that the selected procurement route continues to offer value for money at all stages of the project's development. This Value for Money Guidance is mandatory guidance.

Infrastructure procurement

- 2.17 Underlying plans to support any potential infrastructure procurement to deliver the waste management strategy are currently at a formative level.

Recommendation (High)

The implementation of best practice project management should be considered, for example:

- Installation of appropriate governance structures (ensuring senior management buy-in and Council Finance input).
- Consideration of the inclusion of Scottish Futures Trust (SFT) in any capital investment project
- Undertake market testing
- Consideration of the appointment of financial, legal and technical advisors
- Ensure consistent consideration and updates of project risk factors and plans for mitigation (eg. planning risk).
- Consistent consideration and update of VfM and affordability analysis
- Consider procurement options and methodology (open, restricted, negotiated, Competitive Dialogue)
- Develop PIN and undertake further market sounding exercises.

- 2.18 *Securing Value for Money*
ACC has asked the current waste management services provider to make a proposal for the delivery of additional services that will meet the Waste Strategy targets. If ACC do not consider what other solutions the market could provide, then there is a risk that it will not obtain the best VfM solution.

Recommendation (High)

ACC should undertake further market sounding exercises to determine the best VfM solutions available to meet its waste management requirements. ACC may also consider joint procurements with other local authorities if this would offer better VfM.

Section 3 – Information Security

Number of Recommendations				
Critical	High	Medium	Low	Total
-	4	6	5	15

Introduction

3.01 Our review of Information Security has been carried out at the request of management during the period April to June 2010.

Approach and Scope

3.02 In undertaking our independent review of the appropriateness of the current information security arrangements in place within the Council, we reviewed the adequacy of existing policies and procedures, comparing these with:

- other Local Authorities;
- other Public Sector organisations; and
- best practice (e.g. Guardian and ISO 27001); and

3.03 Through discussion with ICT management we also identified 3 critical IT systems for more detailed review, these were:

- CareFirst (Social Care – Adults and Children)
- PSe (HR and Payroll system)
- e-Financials (Finance system)

3.04 For these systems we sought to establish:

- if the current ICT policies are being effectively applied in practice; and
- whether these arrangements support the Information Security ethos of enabling appropriate balance between confidentiality, integrity and availability of data.

Overall Conclusion

3.05 Overall, our review has highlighted a number of areas of good practice; however, there are also a number of areas where controls around Information Security at the Council can be improved in order to introduce proportionate controls. The high and medium priority areas identified for improvement are summarised below:

Encryption for laptop computers

3.06 We identified that hard drives within laptop computers across the Council IT estate are not currently encrypted. As a result there is a risk to the Council that a laptop containing sensitive data could be lost or misplaced, putting the data at risk through unauthorised access which could expose the Council to reputational risk. This applies to all laptop users including those used for home working and those in use by higher risk users, i.e. Social Work. We recognise that the Council are in the process of implementing an encryption solution which will secure data from unauthorised access in the event that a device was lost or stolen.

Recommendation (High)

The Council should ensure sufficient resource is available to the ICT department to complete the roll out of the Symantec Endpoint Encryption solution for all laptop computers. In addition, formal plans to train and raise awareness of the Endpoint solution should be developed.

Unencrypted data transfer and storage

- 3.07 Best practice guidance suggests the use of encrypted USB devices should be used for data transfer. There is currently no control in place to prevent the use of unencrypted USB storage devices across the Council estate. Additionally, there is currently no solution available to encrypt CD/DVD media that may be used for mass data transfers.

Recommendation (High)

The Council should restrict the use of USB storage devices on the infrastructure to those that are encrypted only. This can be achieved through the installation of an appropriate software solution or through Group Policy settings across user groups. Also, the Council should implement an encryption solution for CD/DVD data transfers. The Virtual Desktop Environment noted below will provide the opportunity to mitigate these risks.

Users have full local administrator access on desktop computers

- 3.08 When users log onto the Council laptop or desktop computers they have full local administrator access to the computer. This access gives the user opportunity to mitigate key security controls and configurations that are in place. As a result Council systems and data could be at risk through user interference with key security controls, or installation of unauthorised 3rd party software, on the desktop and laptop computers.

Recommendation (High)

The Council is in the process of procuring a Virtual Desktop Environment (VDE) solution. This will enable the Council to control user access centrally and will remove the risk of local administrator access for users. The Council should ensure appropriate resource is available to the ICT department to implement the VDE solution across the ICT infrastructure.

Training

- 3.09 There is an on-line training module called 'For your eyes only' that provides guidance around information handling and management. All new staff complete the training but there is no requirement for existing staff that have not previously completed the training to do so, nor is there a requirement for annual refresher training. In addition, training for Records Management, Freedom of Information (FOI) and Data Protection is completed separately from this training which does not ensure a consistent message or holistic approach is achieved in relation to the protection of information assets.

Comparison with Best Practice

- 3.10 During the benchmarking exercise that was undertaken against other public sector organisations policies and best practices, we also identified a number of medium priority actions in relation to improving in the Council's arrangements:
- no 'clear desk and clear screen' policy in place at the Council. Without an appropriate clear desk policy in place the Council could be placing sensitive data at risk of unauthorised access through insecure working practices. A clear screen policy will prevent unauthorised access to an unattended workstation through the use of password protected a screen-saver.

- there is no formal Information classification policy in place at the Council. Without a formal information classification policy the Council is at risk of not identifying, handling and managing its information in a secure manner.
- no records retention policy in place to offer guidance and advice to staff around how long they are required to maintain records or data within the Council. The Council could be at risk of breaching Data Protection or FOI regulations if data is not retained for the correct period of time.

Key System Review

3.11 In addition to our review of the overall information security arrangements in place within the Council, we also reviewed the access controls in place for 3 key ICT applications (CareFirst, PSe and e-Financials) in order to establish whether:

- the current ICT policies are being effectively applied in practice; and
- whether arrangements in place at an application-level support the Information Security ethos, enabling the appropriate balance between confidentiality, integrity and availability of data.

CareFirst (Social Care system)

3.12 CareFirst is a case management system for Children's and Adult's Social Services and, by its nature, high risk in terms of the information contained within the system. In reviewing the access controls in place for CareFirst,

3.13 We noted a number of users in departments, outside of the CareFirst team, who have full administrator access or have retained administrator access to the CareFirst system. As a result the CareFirst system and the underlying case records may be at risk from unauthorised access.

Recommendation (Medium)

The Council should review the administrator accounts in use on the CareFirst system and limit them to essential users only. A continuous monitoring control should also be implemented to ensure the ongoing appropriateness of access to this critical ICT system.

3.14 Access to the CareFirst system is authorised through a central process by the CareFirst administrator manager. This process can be circumvented if CareFirst is selected for the user when requesting new user accounts. There is a risk to the Council that access to CareFirst could be given to a user without approval, placing the safety of the data at risk of unauthorised access.

Recommendation (Medium)

The Council should remove the option for access to CareFirst to be requested as part of the new user account creation process. This would ensure that access to CareFirst must be appropriately authorised by the application administrator prior to users being given access. Also, responsibility for providing details around changes to access and staff leavers should rest with the heads of service to ensure any such changes are made in a timely manner.

PSe (HR and Payroll system)

3.15 PS Enterprise (PSe) is the corporate HR System and provides integrated HR & Payroll functionality. The system is subject to the same environmental controls as the rest out the Council ICT estate. However, in reviewing the access controls to PSe we identified a weakness in the use of a generic 'sys admin' administrator account. This account is widely used by staff across the Council to access the PSe system.

- 3.16 This account does not provide an auditable trail to identify users that have access and can make amendments within the system. We also noted that since its implementation within the Council the password for the account has never been changed. The HR and Payroll system and data may be at risk through access and amendments by staff without the requisite authority.

Recommendation (High)

The Council should review its use of the sys admin account across the Council. The Council may wish to consider granulating the access through the introduction of enhanced user administrator accounts and disable logging to the generic sys admin account. If the sys admin account is to remain for operational purposes then the password should be changed cyclically and use of the account should be managed stringently.

eFinancials (finance system)

- 3.17 Whilst we identified a number of areas where improvements could be made, our recommendations were all given a low priority rating.

Section 4 – Project Management (Council Wide)

Number of Recommendations				
Critical	High	Medium	Low	Total
-	-	10	-	10

Introduction

4.01 Our review of Programme and Project Management has been carried out at the request of management as part of the Outsourced Internal Audit Activity carried out by PwC.

4.02 Programmes of work require the coming together of various outputs, via individual projects, to deliver effective and beneficial outcomes. Robust Project Management can support the implementation of key strategic and change programmes and ensure that there is a clear focus on the delivery of key outcomes within time, cost and quality constraints. Effective project management also minimises the potential for delay or occurrence of unnecessary cost overruns.

Approach and scope

4.03 The objective of this review was to assess the extent to which a robust programme and project methodology has been developed and is being consistently applied within the Council. We sampled a total of 5 key strategic projects in order to obtain a balanced view of the project management arrangements within in ACC. Our review compared existing arrangements within each of these projects against best practice and the PwC 'six pillars of project excellence' model.

4.04 The five projects included within our sample were:

- Transfer of Sport Facilities to the Sport Aberdeen
- Transfer of Hazelhead Golf Course to Sport Aberdeen
- Identity Management (IDM)
- 3Rs Project – Information and Communication Technology (ICT) delivery
- Woodside Fountain Centre & Customer Access Point

4.05 ACC has a comprehensive set of project management guidelines that are available to Council staff from a web page on the Council's intranet (the Zone). The purpose of these guidelines is to provide a corporate approach to project management. The guidelines are designed to be used where industry standards particular to the project are not available. The project lifecycle included within ACC's project management guidelines includes the following key stages:

1. Getting started – defining project requirements and obtaining approval for the project to proceed
2. Plan and do – initiation of the project and its governance structure
3. Co-ordination and monitoring of project tasks – review of documentation and managing risks and resources
4. Conclusion – project closure and post implementation review.

4.06 Projects may be initiated within ACC to resolve a particular problem or as part of an overall programme of continuous improvement. Currently, there are a number - and a variety of - programmes and projects which are underway across the Council. Management of these projects falls to each of the 6 individual council service directorates. Day to day responsibility for projects may be delivered by a designated project manager (either contracted externally to perform this role or by a member of existing personnel with appropriate skills) or by an existing member of team, in addition to their daily duties. In delivering projects, all services should adopt an approved project management methodology and acknowledge that a number of Council officers are PRINCE2 trained.

4.07 Although projects are usually delivered by service teams, there also exists a "major projects team". This team provides co-ordination, prioritisation and project management advice for the delivery to "major projects". This group sits within Enterprise, Planning and Infrastructure. Projects may be referred to this team if they are of significant risk, expenditure or public exposure..

Establishing a Programme Management Office

4.08 Our review highlighted that there is currently a breath of change happening across ACC which is being delivered in project 'silos'. It was particularly difficult to establish a population of projects to sample for our review, as there are many projects operating within each service. We would however acknowledge the steps being taken to ensure that at a Corporate and Directorate level there is clear transparency and monitoring of the:

- Number of projects being undertaken;
- Progress in achieving objectives for each project;
- Total costs and investment inherent in each projects; and
- The effective management of interdependencies and prioritisation of projects in order to minimise any delays or potential conflicts.

4.09 Whilst the Council have access to many skilled, able and willing project managers in each of the services, the overall co-ordination, management and allocation of resources to individual and strategically important projects needs to be enhanced. Given the challenging business environment in which the Council is operating new projects are constantly being developed as services seek new ways to reduce costs, improve processes, increase productivity, and meet service standards. Managing these diverse projects along with their people, resources, technology, and communication is a difficult endeavour.

4.10 Given these challenges we are supportive of the Council's proposal to establish a Programme Management Office (PMO) as a solution for creating a more effective structure for managing, co-ordinating and prioritising resources across a large portfolio of projects.

4.11 Launching a Programme Management Office (PMO) is however a challenging process which requires the absolute commitment and support of senior management within the Council. Just like any other organisational change project it needs to be implemented in an appropriate manner with key stakeholder involvement at all stages and a clear clarity of purpose. If a PMO is used proactively to assist Project Managers and their teams it will become a valuable and essential resource which will provide:

- a common planning and reporting processes to project teams and senior management,
- bring structure and support to evaluating, justifying, defining, planning, tracking and executing projects and
- a mechanism for resolving conflicts caused by limited resources and other constraints.

4.12 Key elements of the role of the PMO have been already defined by the Council include:

- Reporting and forecasting
- Programme plan tracking and monitoring
- Financial management
- Risk and issue management
- Dependency management
- Communications;
- Stakeholder management

4.13 To support the establishment of the PMO the following elements should also be considered for inclusion within remit:

- The PMO should have the authority and remit to assess the number and scale of projects currently undertaken and the resource requirements of these. This assessment should include a detailed reviewed of whether projects currently underway address service improvement agendas and contribute to Council objectives. Projects that do not add value to the Council's vision should not be continued.
- The PMO should also ensure that appropriate management and governance structures are in place for each project, ensuring that all projects give a clear articulation of business requirement and quantifiable benefits prior to approval.
- The PMO, with the support of Directors and Heads of Service should have responsibility for providing clear communication across the Council, outlining the change in approach to programme management, as well as roles & responsibilities.

4.14 A significant shift in culture and direction and support for this approach from the most senior levels will continue to be key to the success of this approach in order to mandate and embed the move from projects to programmes, supported by the Programme Management Office.

Agreed areas for improvement

4.15 As part of our review we identified a number of areas where existing arrangements in terms of project management could be improved. These areas of improvement are highlighted below. We will continue to monitor progress with their implementation and the effectiveness of the PMO through our ongoing follow-up work.

Project Board

- Guidance should be issued to project managers and management on the use of Project Boards. This guidance should cover clear examples of when a Project Board is required and outline key membership.

Project Sponsor

- To ensure that there is clear and defined project leadership, there should be a clear decision at the start as to who the project sponsor is and what the respective roles of the sponsor and the project manager are. The project sponsor should be a key beneficiary of the project outputs, and not necessarily be from the team responsible for delivering it.

Project Scope

- Project Managers should take responsibility for establishing the scope of each project and considering the key factors that are likely to influence the overall success of the project. The project scope should be reviewed and approved by the project sponsor and project board.

Project Risk Management

- The importance of risk management for each project should be set via “tone at the top” through project board and project sponsor emphasis. Risk registers should be generated with consultation with the project team and other stakeholders. These risk registers should be action based and subject to regular review and evaluation to ensure that attention can be focussed on areas which could pose the greatest risk for failure to project delivery.

Project Cost Budgeting and Management

- Before projects are approved, project cost budgets should be prepared. These budgets should include all costs – both capital investment and recurring / non recurring revenue costs. Project Sponsors should take responsibility for reviewing the completeness of the project costs and which should be subject to scrutiny by the Project Board prior to approval.

Project Planning

- Project plans should be established from the initiation stage and be reviewed and updated as a matter of course by the Project Manager (with approval of the Project Sponsor). Project Boards should review and challenge the quality of the key tasks undertaken as well as the timely completion of projects. The PMO should also take an oversight role throughout the project lifecycle.

Stakeholder Involvement

- Stakeholders should be involved in the project from the outset. Project Managers should take a lead in identifying who they key stakeholders are and ensuring that they are appropriately engaged throughout the project. This should be incorporated into a formal communications plan.

Resource Allocation

- Project Managers should be appointed prior to the initiation stage. Careful consideration should be given by project sponsors as to the requirement to appoint a project manager on a full time basis and the workload implications for project managers who perform this role in addition to their day to day duties.

Benefits Realisation

- Project Management guidance should be updated to include clearer guidance and direction on how to define and measure project benefits. This should include the requirements for a benefits realisation delivery plan for each project. This should stipulate that each project must outline the specific business benefits, how they will be achieved, accountability for achievement and timing. A formal benefits tracking process would ensure that major project deliverables are completed, anticipated cost savings are achieved and the associated business benefits are ultimately realised in a timely manner.

Lessons Learned

- Reflection on the “lessons learned” from projects should be undertaken post completion and used to further develop and refine the Council’s project management methodology and approach.

Appendix One: Summary of projects

Noted below is a brief summary of the projects selected for sample testing during our review of the Council's project management arrangements

Project	Brief description
Transfer of Sport Facilities to the Sport Aberdeen	ACC's Sport and Physical Activity Strategy "Fit for the Future" is underpinned by the key objective of increased sporting participation across Aberdeen. After undertaking an options appraisal the Council elected to transfer facilities to an arms-length trust – "Sport Aberdeen". The benefits set out at the start of the project through the creation of this charitable, incorporated organisation were financial savings: arising from VAT, Non-Domestic Rates and improved efficiency.
Transfer of Hazelhead Golf Course to Sport Aberdeen	The former Education and Leisure Committee approved in May 2006 an option appraisal exercise to assess the future of the management of the Hazelhead Golf Course due to the large scale capital costs attributable to improving the facility and upgrading in the future. The options appraisal exercise was stand alone and separate from the transfer of sports assets noted above. Offers were received for the lease of this land during November 2007 to August 2008, although ultimately the procurement process was not successful in appointing a contractor due to economic and market changes
Identity Management (IDM)	Identity Management Project (IDM) is an IT led project which aims to streamline internal processes by linking the various databases that exist across the Council containing employee data. The project aims to implement a single input source that will automatically update each Council employee database. The IDM tool will be used to control employee IT rights by restricting system access depending on their job role and automatically amending and disabling accounts when an employee moves roles or leaves the Council respectively
3Rs Project – Information and Communication Technology (ICT) delivery	The 3Rs Project (Reorganise, Renovate, Rebuild) is Aberdeen City Council's project to see Aberdeen's schools made fit for the 21st century. This is part of the Council's Community Plan (<i>aberdeen futures</i>) which sets out the vision for promoting social inclusion by widening access to learning and encouraging lifelong learning. It also involves the realignment of council services on a neighbourhood basis. The 3Rs project involves the delivery of 10 new schools, 2 secondary and 8 primary, under a PFI contract. Information and Communication Technology (ICT) is a key element of the Council's provision in these schools

Project	Brief description
Woodside Fountain Centre & Customer Access Point	The Woodside Fountain Centre is a capital build project, initiated as part of the Council's Neighbourhood Community Action Plan for the Woodside area (as a direct output of the community planning agenda). The Council aimed to increase community facilities and access to services through the provision of a Customer Access Point – a one stop shop model for access to council services. The Council identified after initial funding was agreed that the provision of services at Woodside could be extended and, in-line with the Council's regeneration strategy, the scope of the project was expanded. This included an extension to the existing Woodside Community Centre to provide accommodation for the Customer Access Point and also additionally for a range of services to the local community which aimed to improve service provision and integration. The Centre opened in September 2009 and now houses Council services as well as community groups such as the Citizen's Advice Bureau, Drug Action Team and the Credit Union

Appendix Two: Risk Ratings

Risk rating	Assessment rationale
<p>●● Critical</p>	<p>Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to:</p> <ul style="list-style-type: none"> ● the efficient and effective use of resources ● the safeguarding of assets ● the preparation of reliable financial and operational information ● compliance with laws and regulations.
<p>● High</p>	<p>Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives.</p> <p>This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.</p>
<p>● Medium</p>	<p>Control weakness that:</p> <ul style="list-style-type: none"> ● has a low impact on the achievement of the key system, function or process objectives; ● has exposed the system, function or process to a key risk. However, the likelihood of this risk occurring is low.
<p>● Low</p>	<p>Control weakness that does not impact upon the achievement of key system, function or process objectives. However implementation of the recommendation would improve overall control.</p>

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