

CONTRACT MANAGEMENT – AUDIT REPORTS.

1. SUMMARY

The Organisational PPG considered a report dated 30 January 2009 by the Head of Roads & Amenity Services outlining the history of the Port Askaig redevelopment project and reporting on the contractual issues associated with the completed Phase 2 Marine Works contract, customer expectations and project management issues.

It was agreed to recommend to the Executive that, in view of the degree of overspend, this project be subjected to financial audit.

The Executive at their meeting on 19 March 2009 considered the recommendation from the PPG and agreed that this project be the subject of a financial audit and to refer to the Audit Committee for attention with a request that they report back to the Executive with their findings.

Internal Audit carried out a review of this project.

2. RECOMMENDATIONS

2.1 The contents of the report are noted by the Audit Committee and they report their findings to the Executive.

3. DETAILS

3.1 The main findings generated by the internal audit report found that:

Major projects were being included in the Council's Capital Plan without appropriate review and assessment of risk, benefit, need or priority.

The progress of major infrastructure projects is hampered by a lack of co-ordination, knowledge and co-operation at all levels of government involved in the process.

The construction tender process is regularly commenced even if the Council is not in a position to accept the preferred tender within the acceptance period defined in that tender.

Further detail is provided within the report itself along with an agreed management Action Plan. (See Appendix 1).

4. CONCLUSIONS

The report is submitted to the Audit Committee for consideration.

5.	IMPLICATIONS	
5.1	Policy:	None
5.2	Financial:	None
5.3	Personnel:	None
5.4	Legal:	None
5.5	Equal Opportunities:	None

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