

FALKIRK COUNCIL

Subject: MAJOR CAPITAL INVESTMENT
Meeting: AUDIT COMMITTEE
Date: 22 September 2014
Author: CHIEF FINANCE OFFICER

1. INTRODUCTION

- 1.1 Audit Scotland have recently published a local follow-up report which considers how Falkirk Council is responding to the challenges contained in the performance audit report entitled “Major Capital Investment in Councils”. The report is included on the agenda for today’s meeting.
- 1.2 The purpose of this report is to highlight key points within the report and note the progress on the planned management actions.

2. KEY FINDINGS

- 2.1 The local follow up report highlighted a number of areas of good practice, including:
 - The national report had been reviewed by the Council’s Corporate Management Team (CMT)
 - A robust business case is required for all capital projects over £1m that are included in the capital programme
 - Capital monitoring statements are presented to the Executive bi-annually, with a supplementary report in August providing out-turn information, which allows Members to scrutinise progress in implementing the capital programme; and
 - Capital monitoring statements provide details of spend to date and projected spend for each project to enable Members to identify any potential slippage or overspends at an early stage.
- 2.2 The report does however identify some areas for improvement which are noted below along with the latest update on their status.
 - The Corporate Asset Management Strategy only covers the period 2011-14 and needs to be updated.

Update

The Corporate Asset Management Strategy is in the process of being updated by Development Services. The target date for completion is 31 March 2015.

- Capital monitoring statements to Members do not currently provide an update on risks and how these may affect individual projects. A capital programme risk register should be considered to provide programme level view of aggregate risks to projects.

Update

We agreed to undertake a review of how we present risk to information to Members. The original target date set was 31st August 2014. The presentation of the capital update report has been amended to provide more detail against each project although risk has not been specifically highlighted. We will continue to review the reporting process and improve presentation where appropriate.

3. RECOMMENDATION

- 3.1 Members are invited to note the findings from the report and progress against the Action Plan.

Chief Finance Officer

Date: 9 September 2014

Contact Officer: Amanda Templeman

LIST OF BACKGROUND PAPERS

NIL