



Internal Audit Consultancy Report
Assignment Number – 14-22
Property Information System (b)
March 2015

Final Report

Background and Scope

This review was carried out as part of the audit plan approved for 2014/15 by the Audit Committee on 2nd April 2014. The indicative scope of the review, agreed by the Committee, is to provide advice and assurance over the arrangements for the procurement and implementation of a new corporate property asset management system for use within the Environment Service (TES).

As noted in our previous report TES underwent a competitive dialogue process to procure a computerised asset management information system (CAMIS). The tender specified a commercial off-the-shelf modular web-based product, with proven capacity in a local authority environment. In order to minimise costs and delays, the system was to be capable of operating with minimal customisation and development. It was also required that core data and works ordering modules were to be implemented by 1st April 2015.

The purpose of this report is to provide an update to the Audit Committee at the end of the financial year 2014/15 of the progress towards the full implementation of the property asset management system. Further review of the progress of the property asset management system has been included in the Annual Audit Plan for 2015/16 and as such further reports will be brought to the Committee in due course.

System Selection

Following the procurement process detailed in the last report, Concerto was selected, by the project team, through a scoring matrix. Concerto met the requirements to provide a web-based property asset management system and is used by 30 local authorities across the UK, including three Scottish local authorities. The system enables the recording of transactions from reactive repairs to planned works for the Council's properties, to provide complete and detailed information in respect of each asset, ensuring legal compliance and proper governance over the property portfolio. Future developments will include the inclusion of estates and the provision of limited access for contractors to communicate progress through specific contracted works.

The contract formally commenced on 14 November 2014, which resulted in a delay of approximately 6 weeks from the earliest timetable proposed through the tendering process. The delay was due to extra time taken to ensure a complete and robust evaluation. During presentation of the three short-listed systems, Concerto was found to best demonstrate an Audit Trail.

Data Migration and User Acceptance Testing

Property data has been taken from legacy systems which are being replaced and imported into the new system by the supplier as part of the implementation of the contract. Data cleansing prior to migration ensured that the information being used to populate the new system would be fit for purpose. The data was tested in ten scenario settings of varying degrees of complexity and which were based on specific genuine local situations. Where errors were identified through this process, these were corrected and the causes investigated and resolved. Although project

Internal Audit Report (Consultancy)

implementation stages have not received formal sign off, in consultation with Internal Audit this process will be implemented as good practice.

Further training is scheduled before the “go live” date for Property of 1st April to ensure that property officers and the helpdesk are proficient with the new system. Furthermore, it is planned that Corporate Asset Management Team will be on hand on the implementation date to provide back-up for any initial queries by officers.

Finance Risk Workshop

In January 2015, officers from TES Corporate Asset Management team held a Finance Risk Workshop to map the process from repair request through to payment. The remit was to identify risks attached to each step of the process to ensure that they were addressed by adequate internal controls. This would enable the project team to ensure that processes carried out by the existing purchasing systems, Integra (Corporate accounting and payments) and PECOS (Corporate Procurement), could interface with Concerto to enable an end-to-end process.

It became apparent through the workshop that the process, as documented, had not captured a number of possible or likely scenarios (e.g. interim payments and variation orders) and that further work was required to enable Concerto to interface with the above two systems. This will not however, impact on the required implementation date for core data.

It was accepted that in order to ensure the continued performance in processing invoices and the accuracy of accounting records, that Concerto should operate for a limited period without interfacing with either of these systems, and a parallel system for recording purchases will be operated in the meantime. The interface with Integra is now planned to go live within six months of the implementation of the core data sets with further work required for the interfacing with PECOS. Existing internal controls in respect of authorising payments will be preserved with the new system.

Opinion

It is the opinion of the Auditor that the implementation of the property asset management system is progressing in accordance with the planned programme. Future developments to include integration with other corporate systems are scheduled to progress over the coming months.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation and assistance of the officers working in the TES Corporate Asset Management and Property teams, Corporate Procurement (HCC) and Chief Executive's Finance Division during this review.

Feedback

Internal Audit welcomes feedback from management, in connection with this review or with the Internal Audit service in general.

Distribution

This report has been distributed to:

B Malone, Chief Executive

J Valentine, Executive Director (Environment)

S Crawford, Head of Property;

S MacKenzie, Head of Performance and Resources;

J Symon, Head of Finance

S Terras, Corporate Asset Management Team Leader;

G Taylor, Head of Democratic Services

P Dickson, Complaints & Governance Officer

External Audit

Authorisation

The Auditor for this assignment was A Gallacher. The supervising Auditor was M Morrison.

Jackie Clark
Chief Internal Auditor
Date: 30 March 2015