

NN2112 Cromer Sports Hub Project

Summary: This report contains the Executive Summary of the Internal Audit review - NN2112 Cromer Sports Hub project.

Conclusion: As a result of the NN2112 Cromer Sports Hub Project Internal Audit, a 'No Assurance' grading has been given highlighting several weaknesses that should be addressed to improve the Council's future approach to project management.

Recommendation: **That the Committee review the Executive Summary at Appendix 1 of this report and note the suggested improvement actions. Note the additional context provided at Appendix 2 and discuss the exempt final internal audit report at Appendix 3.**

Cabinet member(s):

All

Ward(s) affected:

All

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1. Background

1.1 A review of the Cromer Sports Hub project has been carried out by Internal Audit in October 2020 at the request of the newly appointed Chief Executive Officer and the Leader of the North Norfolk District Council (NNDC) who took up office from November 2018. This was intended to be used as a corporate learning exercise following the Council's decision to abandon the Cromer Sports Hub project in August 2019 and payment of a mediated sum to the main contractor which formally represented the "end" of the project in July 2020.

1.2 The instruction and objectives for the Internal Audit review were as follows;

- Project Inception
- The opportunity presented by the LTA capital grant programme which originally appeared very favourable but arguably became an issue in the funding of the project by the Council
- How the project management and governance of the project was overseen
- Relationships and decisions involving Cromer Academy including the proposed 'land swap' and Department for Education approval processes.
- Relationships with the Cromer Lawn Tennis and Squash Club – including proposals for the relinquishment of the lease with the Council.

- Procurement of professional advisors and the construction contract and the phased delivery of the works which has seen the Council fund quite significant works on the Academy site with no benefit to the Council Tax payers.
- The role of officers and members in the project.
- Advice provided to the incoming administration in them agreeing not to proceed with the project having taken control of the Council in May 2019.

2. Issues for discussion

- 2.1 As per our usual practice, the Governance Risk and Audit Committee are provided with the Executive Summary at **Appendix 1** of this report which contains details of issues identified during the review and outlines the recommendations required to improve controls in this area. A 'No Assurance' grading has been given with a total of six urgent priority and four important priority recommendations being raised. All recommendations have been accepted by management and completion of these recommendations will be monitored through the follow up process.
- 2.3 To provide more context into the key findings raised, a high-level executive summary is also provided at **Appendix 2**.
- 2.4 The final NN2112 Cromer Sports Hub Internal Audit report containing the Executive Summary, report findings and the management action plan is provided as an exempt item at **Appendix 3** of this report. Appendix 3 is exempt under category 2 and 3 of the Council's Information Procedure Rules.

3. Conclusion

- 3.1 As a result of the NN2112 Cromer Sports Hub Project Internal Audit review, a 'No Assurance' grading has been given highlighting several weaknesses that should be addressed to improve the Council's project management approach.

4. Recommendation

- 4.1 That the Committee review the Executive Summary at **Appendix 1** of this report and note the suggested improvement actions. Note the additional context provided at **Appendix 2** and discuss the exempt final internal audit report at **Appendix 3**.

Appendices

Appendix 1 – Executive Summary NN2112 Cromer Sports Hub Project

Appendix 2 – Executive Summary of findings

Appendix 3 – NN2112 Cromer Sports Hub Project Final Internal Audit Report