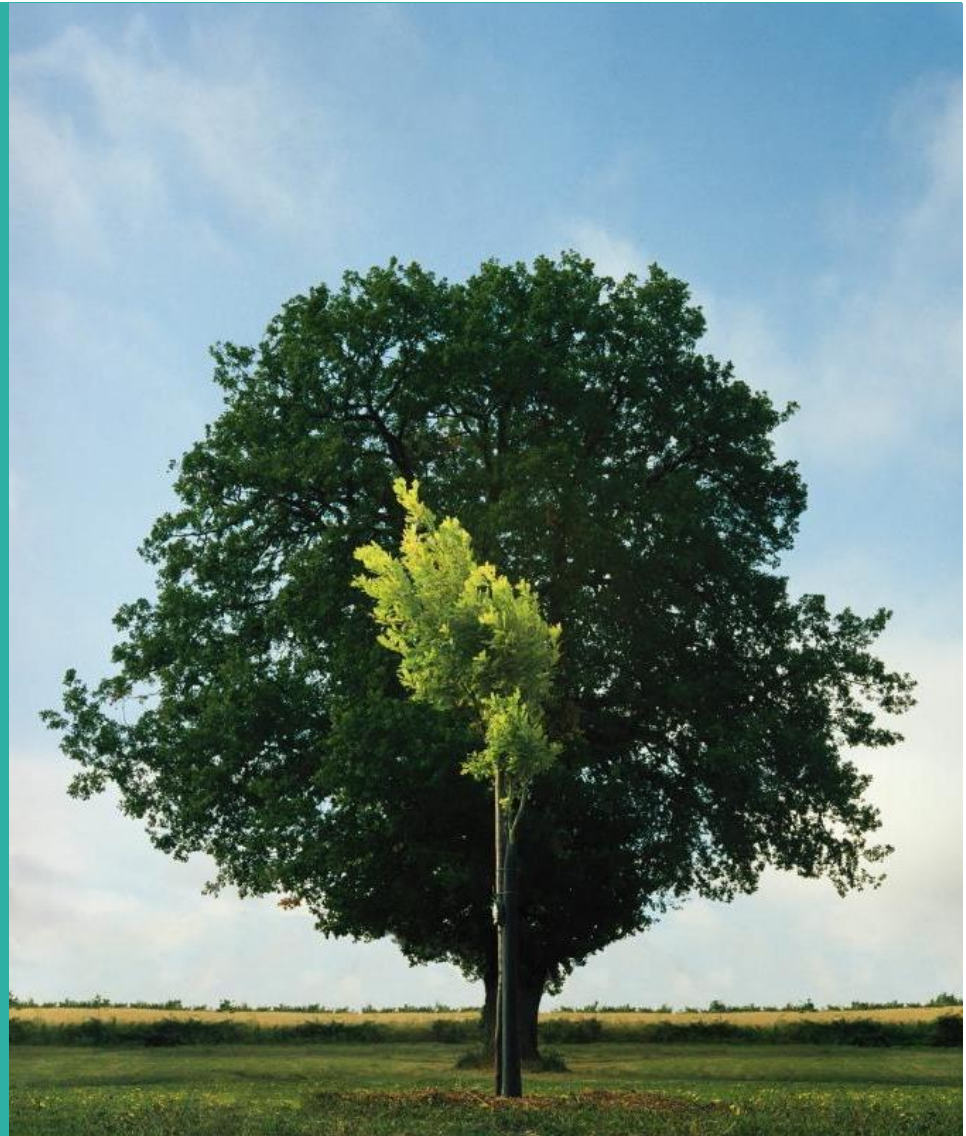


# GREENHAM PARISH COUNCIL

## CONTROL TOWER REVIEW

FINAL REPORT

JANUARY 2016



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REPORT STATUS	
Auditor:	Adam Spires (Senior Manager)
Dates work performed:	October 2015
Draft report issued:	19 November 2015
Final report issued:	19 January 2016

DISTRIBUTION LIST	
Heather Westbrook	Acting Clerk to the Council
Phil Barnett	Chairman

## Restrictions of use

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

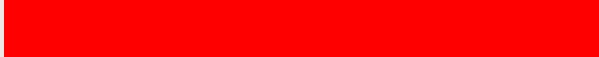


# EXECUTIVE SUMMARY

## CLIENT STRATEGIC RISKS

[Link to the Greenham Parish Council Risk Management Policy](#)

- Greenham Parish Council is committed to ensuring that all risks are properly assessed and that appropriate measures are in place to meet them.

## SUMMARY OF RECOMMENDATIONS

High		8
Medium		4
Low		1

Total number of recommendations: 13

## OVERVIEW

In April 2014, Greenham Parish Council purchased Greenham Control Tower with the intention to convert the site into a fully functioning visitor centre. The purchase and planned restoration works were being funded by the receipt of grant funding including £422k from the Social Investment Business (SIB). The restoration of the Control Tower has faced a number of complications resulting in delays to the planned opening of the site. The current forecast for opening is Spring 2016 although this may also be subject to further delays. There has also been a significant overspend on the project.

We were commissioned to undertake an internal audit to review the governance processes and procedures in place surrounding the purchase and refurbishment of Greenham Control Tower by Greenham Parish Council.

The scope of our review included undertaking the following activities:

- Review of full Council and Part 2 minutes for duration of the project
- Review of Control Tower Committee terms of reference
- Review of minutes of the Control Tower Committee
- Review of internal correspondence regarding the purchase and restoration of the Control Tower.
- Analysis of budget and project plan
- Interviews with key stakeholders

As a result of the work undertaken we recognise that a substantial amount of time and energy has been put into the delivery of the project particularly by a number of key individuals who have, with good intentions, provided significant voluntary input. The Council has already taken a number of proactive steps to enhance the governance surrounding the project including detailed project updates. Additionally, our testing has not indicated that there has been any financial impropriety or fraudulent use of funding for this project.

However, we have identified a number of key themes where there have been substantial deficiencies in the controls for the management of a large capital project. Even taking into account the exceptional circumstances around the project, caused by SIB deadlines and delays in the purchase, the overall standard of governance and control has fallen well short of expected requirements. In the next page we have summarised each of our findings against these themes into three broad categories; project management, governance and financial / value for money.

# EXECUTIVE SUMMARY

## OVERVIEW CONTINUED

### Project Management weaknesses

- The Council took on a large capital project without the appropriate skills or capacity to assess the risks around the project. For instance a structural survey was not undertaken at the time to gain insight into the true extent of restoration work required. A project appraisal and risk assessment was not undertaken and all decisions were made in a rush due to deadlines regarding SIB funding. (High)
- The Council demonstrated a collective failure to identify that there was a need for experienced and additional project management support - for this type of project we would have anticipated working in collaboration with another Council or Project Management expert. Additionally, standard risk assessment and project planning activities have been insufficient or not of the required standard. (High)
- There has been little or no due diligence in the choice of suppliers for undertaking works at the site with organisations often being referred via third parties. This does not guarantee the ongoing viability of these vendors nor does it ensure that value for money has been achieved when commissioning works. (High)

### Governance weaknesses

- We were informed that the Council had followed advice from the now retired Proper Officer and therefore had not identified that it was operating ultra vires for a substantial period of time. Thus allowing full powers to be devolved to the Control Tower Working Group outside statute. This has now largely been rectified but some further improvements could be made (Medium)
- Due to lack of information and reporting this has resulted in a lack of Council oversight of the entire project. There had been limited progress reports made available before July 2015, this has prevented detailed involvement and questioning by the wider Council. However, the progress reports produced since July 2015 have been of a high quality. (High)
- There has been a lack of public transparency regarding the decisions made concerning the Control Tower as they have been reported in Part 2 meetings. (High)
- Terms of Reference for the former Control Tower Working Group were never established. A new committee was established in August 2015 with Terms of Reference. This makes it difficult, until August 2015, to establish both the roles and responsibilities for actions between Committees and also accountability. (Medium)
- The role of the Councillor is to set and provide scrutiny over the achievement of the Council's objectives. We would not expect Councillors to be undertaking detailed project management roles as has been the case on the Control Tower. It is the responsibility of the Clerk to recommend appropriate resources for delivery of the project and for Councillors to oversee its successful delivery. This distinction was not maintained during the project. (Medium)
- The Control Tower Working Group did not maintain a proper record of minutes until December 2014, a record of action was however maintained. It subsequently evolved to become the Control Tower Committee, the first meeting being in September 2015. Additionally, one such Committee meeting was considered 'informal' as an agenda had not been circulated within the required timeframe. Despite the informal meeting - actions were still agreed. (Medium)
- At the outset of the project a Councillor had declared an interest in purchasing the Control Tower privately. This was not recognised as a conflict of interest. (Low)

### Finance weaknesses

- The Council could not provide evidence to demonstrate that additional quotes had been obtained to ensure that the selection of suppliers provided the Council with value for money. (High)
- There have been numerous changes to the scope of the delivered end project including omissions which were in the original plans. At the point of deciding these omissions were no longer viable a full and complete risk assessment should have been undertaken to ensure there would be no impact on funding arrangements and financial comparisons should have been made on a 'like for like' basis. (High)
- The business plan for the future commercial model of the Control Tower was commissioned in January 2015 but a draft was not made available until September 2015 and has not been finalised at the date of issue of this report. Additionally, the model and assumptions used to justify the commercial viability appears unclear. (High)

We have made 13 recommendations to improve control. Most of these are still applicable to the current project and the Council needs to consider urgently engaging some professional expertise to assess the budget and timescales and to deliver the remainder of the project.

# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
1	<p>West Berkshire Council initially offered the sale of the Control Tower in March 2013 with a sale being formally agreed in December 2013 and the final transfer completed in April 2014.</p> <p>Whilst the Council continued to express an interest in the purchase during this period there was no formal consideration of what the project would entail. Typically for these projects we would expect to see a project appraisal document highlighting the key decisions for the Council to make an informed decision. Additionally, a key element of this would be the results of a structural survey, indicating the significant areas of structural weakness and the anticipated costs of remediation. No such document was produced.</p> <p>Whilst it is recognised that the confirmation of the sale was delayed due to ongoing legal disputes and there was limited opportunity to seek the funding from SIB, opportunities still existed for the Council to formally undertake due diligence and complete a project appraisal document. These are essential steps and if the Council was unable to undertake them then the project should not have proceeded.</p>	High	<p>Whilst the Council are unlikely to undertake any capital projects of a similar size there is an important need to recognise that significant decisions requiring large financial outlay should follow a formal process of consideration and evaluation before committing to a project.</p> <p>Going forwards the Council should ensure that there is a clearly defined schedule of works that have been accurately costed, thereby providing complete transparency on the expected completion dates and running costs.</p> <p>The Council should undertake sensitivity analysis to identify the probability and magnitude of any severe unforeseen events to the expected costs of the project.</p>
<b>MANAGEMENT RESPONSE</b>		<b>RESPONSIBILITY AND IMPLEMENTATION DATE</b>	
Greenham Parish Council will formulate an action plan which will be considered for approval at a future meeting of the Council.		<i>Responsible Officer:</i> TBC <i>Implementation Date:</i> TBC	

# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
2	<p>There has been no formal project management of the Control Tower purchase and restoration, subsequently leading to the project facing lengthy delays and running significantly over budget.</p> <p>For large capital projects we would anticipate the following be undertaken (in collaboration with an experienced project manager or larger Council) but were generally absent</p> <ul style="list-style-type: none"> <li>• A project plan be initiated and communicated to all relevant parties - highlighting the order and timing of works to be completed.</li> <li>• A costed schedule of works to be prepared and constantly monitored to identify any variances.</li> <li>• A formal progress report to be presented to the Council on a monthly basis (now produced as of July 2015).</li> <li>• A complete project budget be prepared and scrutinised by the Control Tower Committee and the Council.</li> <li>• A record kept of any variations from the original project plan including authorisation for omission.</li> <li>• Risk assessments for ongoing health and safety and project achievement.</li> </ul> <p>Shown in Appendix III is a basic project management methodology which we would have expected the Council to follow. Many of these elements had not been completed.</p>	High	<p>For the duration of the project the Council should consider the employment of a capable project manager to prevent any further delays or financial slippage.</p> <p>A formalised schedule of works to complete the project (with accurate costings) should be prepared with the Council taking ownership for ongoing scrutiny in the achievement of key milestones.</p>
<b>MANAGEMENT RESPONSE</b>		<b>RESPONSIBILITY AND IMPLEMENTATION DATE</b>	
Greenham Parish Council will formulate an action plan which will be considered for approval at a future meeting of the Council.		<p><i>Responsible Officer:</i> TBC</p> <p><i>Implementation Date:</i> TBC</p>	

# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
3	<p>Formal tendering exercises have not been undertaken regarding the selection of suppliers / contractors to undertake the restoration works on the Control Tower. In the most part suppliers have been chosen based upon recommendations either by third parties or known contacts of the Council. This poses heightened risks of contracts being awarded inappropriately to friends / family with limited opportunities for this being identified.</p> <p>Contracts totalling £20k or more have been awarded to ten separate suppliers (including the original award of construction works which totalled £222k). Whilst it is appreciated there were tight timescales at the outset of the project to secure the SIB grant funding, there continued to be no formal tendering of contracts after this deadline.</p> <p>Additionally, no due diligence appears to have been undertaken on all suppliers to ensure their ongoing viability. For instance one contractor is not registered for VAT which may question the scope and capability to adequately complete the works. It is also noted that self employed contractors have submitted invoices that do not contain UTR numbers.</p>	High	<p>It is recommended that larger contracts are placed on the gov.uk contract finder. This is designed specifically for local authorities and other public sector bodies seeking contractors for over £10k.</p> <p>Due diligence should also be undertaken on all suppliers to ensure their financial and operational legitimacy - thereby reducing the reputational risk to the Council in the event of supplier failure.</p>
<b>MANAGEMENT RESPONSE</b>		<b>RESPONSIBILITY AND IMPLEMENTATION DATE</b>	
Greenham Parish Council will formulate an action plan which will be considered for approval at a future meeting of the Council.		<i>Responsible Officer:</i> TBC <i>Implementation Date:</i> TBC	

# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
4	<p>Until July 2015 there had been no formal progress reports tabled for scrutiny and challenge by the Council. Review of the minutes indicated that updates were often verbal and there appeared to be little or no discussion on key risks emerging and how these were being mitigated.</p> <p>Since July 2015 there have been comprehensive progress reports that give a succinct overview of the project, the current challenges and proposed actions. Our review of these reports found them to be of high quality. However, the reported budget figures included in the October report indicated a shortfall of £868. This is misleading as it does not represent the same scope agreed at the outset of the project. Approximately £142k of omissions have been removed from the budget, an £80k contingency has been absorbed and a further £50k underwriting has also been called upon. This indicates that the financial position is significantly worse than reported.</p> <p>Without internal monitoring and scrutiny there is no accountability within the Council and the risks of ongoing delays and budget overspends will remain.</p>	High	<p>The Control Tower Committee should continue to produce the monthly progress reports highlighting key areas for consideration. These should be reviewed in full by the Council and challenge provided where there are areas of concern.</p> <p>The report should specify any deviations from the original project plan and factor this into the budget calculations to provide a more accurate assessment of overspend.</p> <p>Going forwards the Council should work together to achieve the common goal of delivering the project to its agreed timescale. Failure to do so will further increase the risk of delays and project costs may continue to escalate.</p>
<b>MANAGEMENT RESPONSE</b>		<b>RESPONSIBILITY AND IMPLEMENTATION DATE</b>	
Greenham Parish Council will formulate an action plan which will be considered for approval at a future meeting of the Council.		<i>Responsible Officer:</i> TBC <i>Implementation Date:</i> TBC	



# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
5	Excluding the press and public from either Council or Committee meetings should only be required when there is felt to be information that is commercially sensitive or it is not within the public interest to disclose. However, the Council has continued to discuss and make decisions regarding the Control Tower primarily outside of the public domain from the inception of the project. This restricts the transparency and level of trust the public can have in the decisions being made regarding the project.	High	<p>The Council should consider preparing a formal communication plan to update the public on the issues that have arisen in the development and restoration of the Control Tower.</p> <p>The Control Tower Committee should ensure there is full transparency for meetings and not preclude all key decisions until the Part 2 element.</p>
MANAGEMENT RESPONSE			RESPONSIBILITY AND IMPLEMENTATION DATE
Greenham Parish Council will formulate an action plan which will be considered for approval at a future meeting of the Council.			<p><i>Responsible Officer:</i> TBC</p> <p><i>Implementation Date:</i> TBC</p>

# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council’s governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
6	<p>A sample of 10 invoices were selected (each from a different supplier and over £2k) and for different services. Our testing indicated the following:</p> <ul style="list-style-type: none"> <li>• There was no evidence to support that additional quotes had been obtained prior to awarding the services. This is not in line with the Council’s financial regulations which state: “Where it is intended to enter into a contract exceeding £1,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk shall invite tenders from at least three firms to be taken from the appropriate approved list.”.</li> <li>• One invoice for £2k was paid but was not on a formal invoice and did not include VAT details. This raises concerns about the legitimacy and validity of the organisation in question.</li> <li>• Two invoices were received from the same company (albeit under slightly amended names) one was for planning services and the other for ecology reports. Given the same umbrella company is providing both services there is a potential for a conflict of interest which should have been raised and investigated.</li> </ul>	High	<p>The Council should ensure that it adheres to the financial regulations thereby ensuring that services are being obtained from legitimate and reputable organisations but also to ensure that value for money is being obtained.</p> <p>Any ongoing use of companies for consulting and planning work as well as compliance (either ecological or regulatory) should be very carefully considered to demonstrate there are sufficient safeguards and segregation of duties to prevent the perception of favourable treatment.</p>
<b>MANAGEMENT RESPONSE</b>		<b>RESPONSIBILITY AND IMPLEMENTATION DATE</b>	
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# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
7	<p>In the original plan, proposals were submitted and intended for the following:</p> <ul style="list-style-type: none"> <li>• Displays for interpretation parts of the building</li> <li>• Website domain</li> <li>• Café and office fit out</li> <li>• Replacement of handrails and external metal access staircase</li> <li>• Infill transformer enclosure and increase the square footage</li> <li>• Enhance the requirements for the ATC Centre.</li> </ul> <p>All of these items and others have been excluded from the anticipated end of the project primarily due to cost over runs. The total budgeted cost for these works totalled £142k.</p> <p>There has not been transparency and clarity to the Council when and how these items were agreed to be omitted. Additionally, the Council needs to appropriately risk assess the omission of these works not only for health and safety but the impact it may have on the original objectives for the project that were sent to grant funding bodies.</p>	High	The Council should formally risk assess the works that have been omitted to ensure that they do not pose a health and safety risk nor will their exclusion impact significantly on the original objectives of the project sent to grant funding bodies.
MANAGEMENT RESPONSE		RESPONSIBILITY AND IMPLEMENTATION DATE	
Greenham Parish Council will formulate an action plan which will be considered for approval at a future meeting of the Council.		<i>Responsible Officer:</i> TBC <i>Implementation Date:</i> TBC	

# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
8	<p>The business plan for the future commercial model of the Control Tower was commissioned in January 2015 but a draft was not made available until September 2015 and has not been finalised at the date of issue of this report.</p> <p>Additionally, the model and assumption used to justify the commercial viability appears unclear. For example the commercial methodology was not clear and easy to understand. Specifically, there is no explanation what items are included within the cost of sales for the profit / loss calculations. Furthermore, the project is forecasting a 2% net profit overall, even between the two scenarios that depict a £50k upturn in revenue. Finally, sensitivity analysis hasn't been conducted to identify what actions would be taken in the event of a loss making enterprise.</p> <p>The future corporate structure of the entity overseeing the operation of the commercial enterprises at the Control Tower remains uncertain with different proposals including either a company limited by guarantee or as a charitable incorporated organisation. Some professional guidance has been obtained to ensure this will comply with HMRC rules regarding the reclaiming of VAT, although this appears to be generic.</p>	High	<p>The Council should review the commercial plan in detail to ensure it is satisfied with the methodology used and the principles / assumptions in its rationale. Where there are concerns these should be reflected to ensure an accurate model is produced.</p> <p>The Council should seek professional guidance regarding the future commercial structure of the enterprise overseeing the commercial activities at the Control Tower. The Council should proactively discuss the approach with HMRC to ensure compliance with VAT regulations.</p>
<b>MANAGEMENT RESPONSE</b>			<b>RESPONSIBILITY AND IMPLEMENTATION DATE</b>
Greenham Parish Council will formulate an action plan which will be considered for approval at a future meeting of the Council.			<i>Responsible Officer:</i> TBC <i>Implementation Date:</i> TBC

# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
9	<p>Terms of reference for the former Control Tower Working Group (now Committee) was not established until August 2015. Without formalising the required roles and responsibilities of the Committee there is no remit for actions that are due to be taken or recourse when these are not met.</p> <p>This makes it increasingly difficult to govern the Committee effectively and to ensure they are being held to account when key deliverables (such as progress reports) are not being provided.</p> <p>Additionally, the current terms of reference do not stipulate the required outputs from the Committee to be provided to the Council e.g. budget updates, progress reports etc. Nor do they specify that the composition of the committee must comprise of members from differing viewpoints.</p>	Med	The terms of reference should be updated to clearly specify the composition, roles and responsibilities (including key deliverables) of the Control Tower Committee. This should include the frequency and detail of the updates to be provided to ensure appropriate accountability.
<b>MANAGEMENT RESPONSE</b>		<b>RESPONSIBILITY AND IMPLEMENTATION DATE</b>	
Greenham Parish Council will formulate an action plan which will be considered for approval at a future meeting of the Council.		<i>Responsible Officer:</i> TBC <i>Implementation Date:</i> TBC	

# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
10	<p>Whilst it should be recognised that a number of Councillors have spent a large amount of time and energy in trying to project manage the Control Tower, this was not considered to be in line with the expectations of Members.</p> <p>The role of the Councillor is to co-ordinate and provide scrutiny over the achievement of the Council's objectives. It is the responsibility of the Clerk to recommend appropriate resources for delivery of the project and for Councillors to oversee its successful delivery. .</p>	Med	The Council should remind Members of their respective roles and responsibilities for performing governance and oversight roles and the Clerk should ensure that professional guidance and support is provided when required.
MANAGEMENT RESPONSE			RESPONSIBILITY AND IMPLEMENTATION DATE
Greenham Parish Council will formulate an action plan which will be considered for approval at a future meeting of the Council.			<i>Responsible Officer:</i> TBC <i>Implementation Date:</i> TBC

# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
11	At the August Committee meeting (Part 2) the Acting Clerk advised Members that she had been asked to clarify on the legality of the Control Tower Working Group making decisions. This was subsequently found to be a legitimate concern and the Council and Working Group had been operating ultra vires. At this point the Working Group immediately ceased functioning whilst an investigation was carried out and following this review the Control Tower Committee was appointed and commenced its operation from August 2015. However, some councillors we spoke to were still of the view that governance of the project could be more transparent and inclusive.	Med	Whilst the Council have taken appropriate action to formalise the Committee structures in place there needs to be ongoing scrutiny and consideration of the governance structures in place surrounding the project to ensure all Councillors are satisfied with the revised arrangements.
<b>MANAGEMENT RESPONSE</b>			<b>RESPONSIBILITY AND IMPLEMENTATION DATE</b>
Greenham Parish Council will formulate an action plan which will be considered for approval at a future meeting of the Council.			<i>Responsible Officer:</i> TBC <i>Implementation Date:</i> TBC

# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
12	<p>The Control Tower Working Group did not maintain a record of minutes and actions until December 2014 but such minutes were not circulated to all Council members until August 2015. On the subsequent evolution to become the Control Tower Committee in September 2015 it is noted that formal agendas and minutes are now produced and circulated to all Greenham Parish Council members.</p> <p>Additionally, a Committee meeting in September 2015 was considered 'informal' as an agenda had not been circulated within the requisite timeframe. However, when the minutes were inspected formal decisions were being made suggesting that the meeting was not informal.</p>	Med	Records and minutes should be maintained of all working groups and Committees to support the decisions being made and to ensure that the meeting was quorate.
MANAGEMENT RESPONSE		RESPONSIBILITY AND IMPLEMENTATION DATE	
Greenham Parish Council will formulate an action plan which will be considered for approval at a future meeting of the Council.		<i>Responsible Officer:</i> TBC <i>Implementation Date:</i> TBC	



# DETAILED FINDINGS & RECOMMENDATIONS

Risk: The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.

Ref.	Finding	Sig.	Recommendation
13	<p>At the meeting of Greenham Parish Council on 13th June 2012, the Vice Chairman advised that he had submitted a private proposal for the Control Tower to West Berkshire Council.</p> <p>This was not recognised as a conflict of interest and whilst the bid proved to be unsuccessful, due care and attention should have been taken.</p>	Low	The Council should ensure that all conflicts of interest are appropriately identified and recorded and mitigating action is taken where it is felt to impact upon the achievement of the Council's objectives.
MANAGEMENT RESPONSE			RESPONSIBILITY AND IMPLEMENTATION DATE
Greenham Parish Council will formulate an action plan which will be considered for approval at a future meeting of the Council.			<i>Responsible Officer:</i> TBC <i>Implementation Date:</i> TBC

# APPENDIX I - MEMBERS AND OFFICER INTERVIEWED

NAME	JOB TITLE
Heather Westbrook	Greenham Parish Councillor and Acting Clerk
Phil Barnett	Greenham Parish Council Chair
Shirley Huxtable	Greenham Parish Councillor
Teresa King	Greenham Parish Councillor
Steven Westbrook	Greenham Parish Councillor
Julian Swift-Hook	Greenham Parish Councillor and Chair of Control Tower Committee
Billy Drummond	Greenham Parish Councillor
Pragna Hay	Greenham Parish Councillor
Tony Forward	Former Greenham Parish Council Chair

BDO LLP appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and cooperation.

# APPENDIX II - TERMS OF REFERENCE

## BACKGROUND

Since 1993, when the Greenham Common airbase was decommissioned, the control tower has been disused and as a result is still largely in its original state, which has resulted in Grade II listed status. Greenham Parish Council received £421,555 to buy and refurbish Greenham Common's air control tower, with the project being a partnership along with Greenham Common Community Trust, the local wildlife trust, voluntary organisations and colleges. The funding allowed the Control Tower to be purchased from West Berkshire Council.

## PURPOSE OF REVIEW

We have been commissioned by the Council to review the governance and the financial transactions surrounding the purchase and restoration of the Greenham Common Control Tower.

## KEY RISKS

Based upon the risk assessment during discussions with the Acting Clerk to the Council, and our collective audit knowledge and understanding the key risks associated with the area under review are:

- The Council's governance structure is not robust to ensure compliance with local authority legislation when tasked with uncommon transactions.
- The financial records for the purchase and restoration of the Greenham Common Control Tower do not support the expenditure or suggest that value for money has not been achieved

## SCOPE OF REVIEW

The review will consider the following areas:

- We will review Committee papers and minutes pertaining to the purchase and restoration of the Control Tower to ensure the correct governance procedures have been adhered to (including where weaknesses have been identified).
- We will review the income and expenditure in relation to the purchase and restoration of the Control Tower agreeing to supporting evidence including invoices and records of work.

# APPENDIX II - TERMS OF REFERENCE

## EXCLUSIONS

Our work will be restricted to the areas of consideration within our scope of the review and all testing will be on a sample basis only.

We will not provide an opinion on the design and adequacy of controls but will highlight any control or governance weaknesses where identified. We will not provide an external audit opinion on the financial transactions involved in the purchase and restoration of the control tower.

## APPROACH

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are designed as described and list any weaknesses identified.

We will the review the governance structures, financial transactions and Committee papers provided to us and make recommendations to enhance the controls in place.

## LOCATIONS

Fieldwork will be performed primarily at Greenham Parish Council.

# APPENDIX II - TERMS OF REFERENCE

## DOCUMENTATION REQUEST

Where available, please ensure that electronic copies of the following documents have been forwarded to us in advance of the review:

- Any publically available information concerning the purchase of the control tower and any subsequent expenditure.
- Copies of invoices and financial records to be available at the commencement of the audit.
- Committee papers for the Council to be available at the commencement of the audit.

These documents will assist the timely completion of our fieldwork, however this list does not necessarily constitute a complete list of all documentation and evidence that we may need as part of our review.

## KEY CONTACTS

### BDO LLP

Greg Rubins	Partner	e: greg.rubins@bdo.co.uk t: 07710 703441
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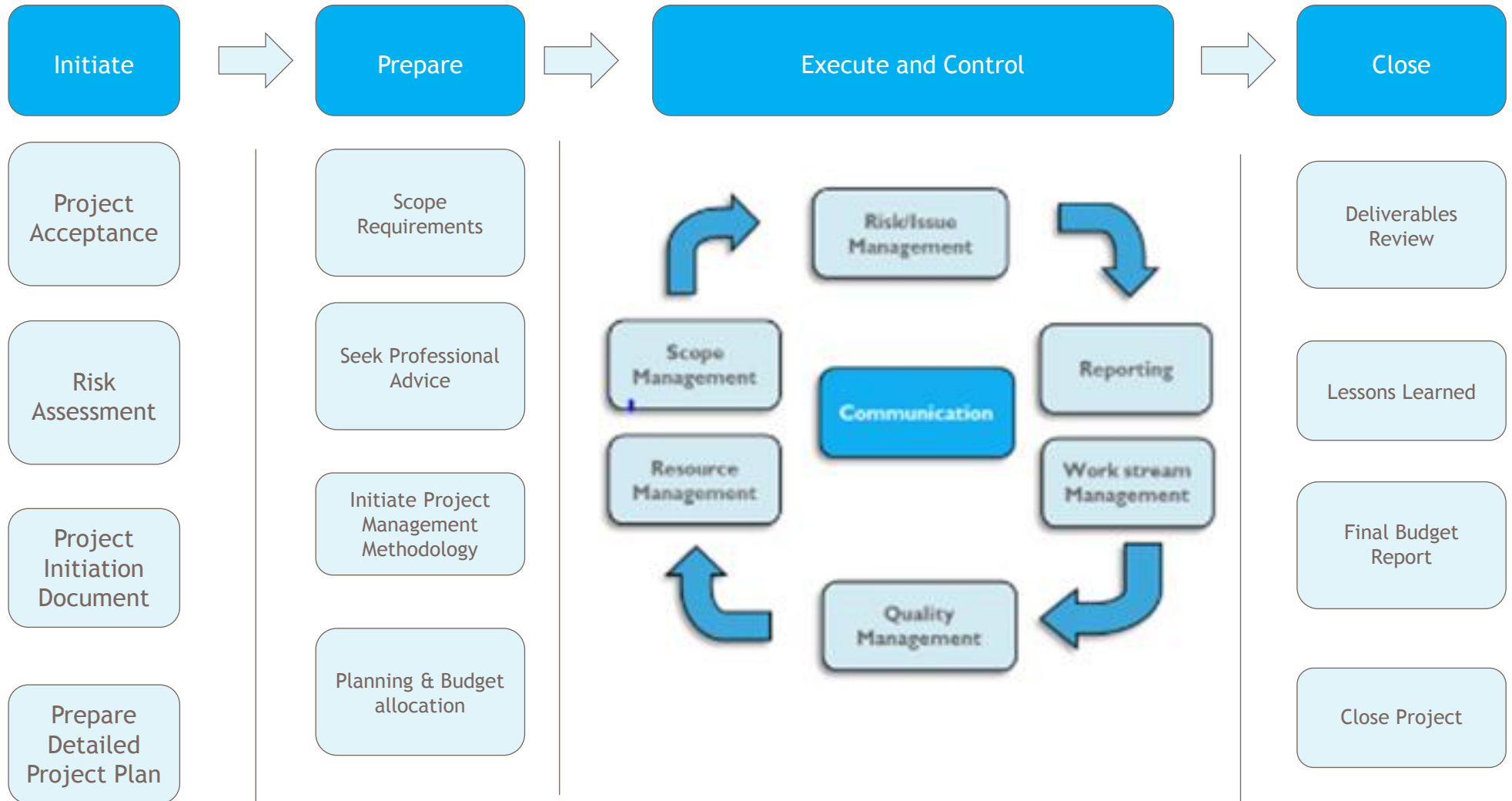
Adam Spires	Senior Manager	e: adam.spires@bdo.co.uk t: 07966 283645
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### Greenham Parish Council

Heather Westbrook	Acting Clerk	e: clerk@greenham.gov.uk t: 01635 45306
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# APPENDIX III - PROJECT METHODOLOGY

Shown below is an example project management methodology. Many of these key stages were absent in the Control Tower project.





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