



Audit & Performance Committee

Date: 21 November 2012

Subject: Work Programme

1. Summary:

- 1.1 The Committee is invited to review its work programme for the 2012/13 municipal year, attached as **Appendix 1**.
- 1.2 The Committee is invited to consider and discuss progress to date of the four Working Groups, attached as **Appendix 3**. The Working Groups were established to focus on specific areas of the draft Work Programme and take the work of the Committee forward. The Groups also seek to identify critical issues and measure potential obstacles and what could be achieved. The five Groups are:
 - Process and Audit
 - Procurement and Resources
 - Property
 - People
 - Benefit Fraud
- 1.3 The Committee is invited to review the actions which arose from the last meeting and the work undertaken in response, as detailed in **Appendix 4**.

2. Recommendations:

1. That the Committee considers its Work Programme attached as **Appendix 1**.
2. That progress made by the Working Groups, as detailed in **Appendix 3**, be noted.
3. That the work undertaken in response to the actions which arose from the last meeting, as detailed in **Appendix 4**, be noted.



City of Westminster

Audit and Performance Committee

Item No:

2

Date:

21 November 2012

Classification:

General Release

Title of Report:

Work Programme

Report of:

Head of Legal and Democratic Services

Wards Involved:

N/A

Policy Context:

Management of the Council

Financial Summary:

There are no direct financial implications arising from this report

Report Author:

Naomi Stauber
Legal and Democratic Services

Extension:

2341

3. Choosing items for the Work Programme

- 3.1 The Committee is required to consider the Committee's Work Programme (attached as **Appendix 1**).
- 3.2 Members' attention is drawn to the Terms of Reference for the Audit and Performance Committee, which were approved at Council on 16th May 2012 (attached as **Appendix 2**); which may assist the Committee in identifying issues to be included in the Work Programme.

4. Monitoring Actions

- 4.1 The actions arising from each meeting are recorded in the Action Tracker attached as **Appendix 4**. Members are invited to review the work undertaken in response to those actions.

5. Resources

- 5.1 There is no specific budget allocation for the Audit and Performance Committee.

6. Approval and modification

- 6.1 The work programme will be reviewed at each meeting of the Committee and items can be removed or added.

If you have any queries about this report or wish to inspect the background paper, please contact:

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Legal and Democratic Services

Tel: 020 7641 2341 or email: nstauber@westminster.gov.uk

BACKGROUND PAPERS

- Audit and Performance Committee Work Programme – 25 September 2012

Work Programme 2012/13

Audit and Performance Committee

6 February 2013

| Agenda Item | Reasons & objective for item | Lead Officer |
|---|--|---|
| Work Programme 2012-13 | The Committee is invited to review its work programme for the 2012/13 municipal year and monitor the progress of the Working Groups. | Naomi Stauber |
| KPMG Certification of Claims and Returns Annual Report (Audit 2011/12) | To report the findings from the certification of 2011/12 claims and the messages arising from the assessment of the Council's arrangements for preparing claims and returns and information on claims that were amended or qualified. | KPMG |
| Quarter 3 Finance & Performance Business Plan Monitoring Report | To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position. | Anna D'Alessandro (Finance) Nick Byrom (Performance) |
| Internal Audit and Counter Fraud Monitoring Report | To oversee and monitor the success of the annual Audit and Anti-Fraud Service in planning and delivering outcomes and establishing an effective and robust internal control framework. | Chris Harris |

23 April 2013

| Agenda Item | Reasons & objective for item | Lead Officer |
|--|--|---|
| Work Programme 2012-13 | The Committee is invited to review its work programme for the 2012/13 municipal year and monitor the progress of the Working Groups. | Naomi Stauber |
| KPMG Annual Audit Plan and Fee Letter 2012/13 | To set out the audit work that KPMG proposes to undertake for the audit of the financial statements and the value for money (VFM) conclusion 2012/13. | KPMG |
| Quarter 4 (Interim) Finance & Performance Business Plan Monitoring Report | To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position. | Anna D'Alessandro (Finance) Nick Byrom (Performance) |
| Internal Audit and Counter Fraud Monitoring Report | To oversee and monitor the success of the annual Audit and Anti-Fraud Service in planning and delivering outcomes and establishing an effective and robust internal control framework. | Chris Harris |

25 June 2013

| Agenda Item | Reasons & objective for item | Lead Officer |
|---|--|---|
| Work Programme 2013-14 | The Committee is invited at its first meeting of the 2013/14 municipal year to agree a work programme. | Naomi Stauber |
| KPMG External Audit Progress Report | To provide the Committee with an update on progress in delivering the 2012/13 audit plan and in planning the 2013/14 audit. | KPMG |
| Annual Statement of Accounts | To review and comment on the draft and final Annual Statement of Accounts prior to submission to the Cabinet Member for Finance and Customer Services. | Barbara Moorhouse Anna D'Alessandro |
| Governance Review 2012/13 | CIPFA / SOLACE governance framework from 2007/ 8 requires an Annual Governance Statement, whilst Accounts & Audit Regulations require an annual review of internal audit and presentation of the findings to a Committee of the Council. | Anna D'Alessandro |
| Annual Contracts Review 2012/13 | To review of the City Council's contracts, including details of contracts awarded, waivers and performance. | Anthony Oliver |
| Internal Audit and Counter Fraud Monitoring Report | To oversee and monitor the success of the annual Audit and Anti-Fraud Service in planning and delivering outcomes and establishing an effective and robust internal control framework. | Chris Harris |
| Year End Finance & Performance Business Plan Monitoring Report | To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position. | Anna D'Alessandro (Finance) Nick Byrom (Performance) |

24 September 2013

| Agenda Item | Reasons & objective for item | Lead Officer |
|--|--|---|
| Work Programme 2013-14 | The Committee is invited to review its work programme for the 2012/13 municipal year and monitor the progress of the Working Groups. | Naomi Stauber |
| KPMG Annual Governance Report | To review and comment on the findings of the letter and on actions being taken in response to recommendations. In line with CIPFA guidance on audit committees and ISA 260 which requires the letter to be communicated to 'those charged with governance' along with the auditor's opinion on the financial statements. | KPMG |
| Final Annual Accounts 2012/13 | To present the final 2012/13 annual accounts. | Barbara Moorhouse Anna D'Alessandro |
| Quarter 1 Finance & Performance Business Plan Monitoring Report | To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position. | Anna D'Alessandro (Finance) Nick Byrom (Performance) |
| Internal Audit and Counter Fraud Monitoring Report | To oversee and monitor the success of the annual Audit and Anti-Fraud Service in planning and delivering outcomes and establishing an effective and robust internal control framework. | Chris Harris |

Audit and Performance Committee

Terms of Reference

CONSTITUTION

6 Members of the Council, 5 Majority Party Members and 1 Minority Party Member, but shall not include a Cabinet Member.

TERMS OF REFERENCE

Audit Activity

1. To consider the head of internal audit's annual report including the auditor's opinion on the Council's control environment and a summary of internal audit and anti-fraud activity and key findings.
2. To consider reports, at regular intervals, which summarise:
 - the performance of the Council's internal audit and anti fraud service provider(s)
 - audits and investigations undertaken and key findings
 - progress with implementation of agreed recommendations
3. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
4. To consider specific reports as agreed with the external auditor.
5. To comment on the scope and depth of external audit work and to ensure it gives value for money.
6. To liaise with the Audit Commission over the appointment of the Council's external auditor.
7. To comment on the proposed work plans of internal and external audit.

Regulatory Framework

8. To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.
9. To review any issue referred to it by the Chief Executive or a Director, or any Council body.
10. To monitor the effective development and operation of risk management and corporate governance in the Council.
11. To monitor Council policies on 'Raising Concerns at Work', the Council's complaints process and the Anti-fraud and Corruption Strategy; specifically the effectiveness of arrangements in place to ensure the Council is compliant with the Bribery Act 2010.
12. To oversee the production of the authority's Statement on Internal Control and to recommend its adoption.
13. To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
14. To consider the Council's compliance with its own and other published standards and controls.
15. To maintain an overview of the arrangements in place for maintaining High Ethical Standards throughout the Authority and in this context to receive a report annually from the Head of Legal and Democratic Services and the Chief Operating Officer.

Accounts

16. To review the annual statement of accounts and approve these for publication. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
17. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Performance Monitoring

18. To review and scrutinise the financial implications of external inspection reports relating to the City Council.

19. To receive the quarterly performance monitoring report and refer any issues which in the Committee's view require more detailed scrutiny to the relevant Policy and Scrutiny Committee.
20. To review and scrutinise personnel issues where they impact on the financial or operational performance of the Council including but not limited to agency costs, long-term sickness, ill health early retirements and vacancies; and
21. To review and scrutinise Stage 3 complaints made against the City Council and monitor progress.
22. To consider and advise upon, prior to tender, the most appropriate contractual arrangements where a proposed contract has been referred to the Committee by the Chief Executive.
23. To maintain an overview of overall contract performance on behalf of the Council.
24. To review and scrutinise contracts let by the Council for value for money and adherence to the Council's Procurement Code.
25. To review and scrutinise the Council's value for money to Council tax payers.
26. To scrutinise any item of expenditure that the Committee deems necessary in order to ensure probity and value for money.

Staffing

27. To advise the Cabinet Member for with responsibility for Finance on issues relating to the remuneration of all staff as necessary.
28. In the course of carrying out its duties in respect of 27 above, to have regard to the suitability and application of any grading or performance related pay schemes operated, or proposed, by the Council.

Working Groups Update

September – November 2012

| Working Group | Outline of Work Undertaken | Lead Members/ Officers |
|-----------------------------------|---|---|
| <p>Process & Audit</p> | <p>The Group met on 5 November and discussed the following:</p> <ul style="list-style-type: none"> • The NFA Tri-Borough Fraud Awareness Month and launch event; • An approach to tackling fraud risks across local government; • Fraud investigations which had not previously been reported to A&P due to outstanding Police and/or HR enquiries. <p>A summary of the meeting has been circulated to Members.</p> | <p>Councillors Tim Mitchell (Chairman) & David Boothroyd</p> <p>Chris Harris Associate Director, RSM Tenon</p> |
| <p>Benefit Fraud</p> | <p>As a result of its work over the last 6 months the Working Group has produced an action plan to take its findings and recommendations forward. This action plan includes a letter to central Government with proposals for working together to tackle Housing Benefit fraud in Westminster. WCC requested resources to help support safeguarding DWP's Housing Benefit money.</p> <p>Furthermore, specific aspects of the legal framework that could be improved to better support the work of investigators were identified for the Government's consideration. The action plan also included specific ways to improving intelligence with other local authorities through engaging in data sharing initiative.</p> | <p>Councillors: Lindsey Hall (Chairman) Tim Mitchell Cyril Nemeth Christabel Flight David Boothroyd</p> <p>Tommy Hyun Audit Manager</p> |

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|------------------------------------|--|--|
| | The action plan is being pursued and reported to the Working Group Chairman, Councillor Hall, and Councillors Mitchell and Boothroyd in their role as Process and Audit Working Group Leads. Although the work of the Group has now concluded, the Committee will be informed of any significant updates resulting from the action plan going forward. | |
| Procurement & Resources | The Group has not met recently. | Councillor Ian Rowley Anthony Oliver Chief Procurement Officer |
| Property | The Group has not met recently. | No Member allocation Richard Platt Head of Corporate Property |
| People | The Group has not met recently. | No Member allocation Carolyn Beech Director of Human Resources |

Committee Action Tracker

Action Outstanding from 27 June 2012 Meeting

| Action | Outcome | Lead Officer |
|---|---|-------------------|
| <p>The Committee's revised Terms of Reference: That a briefing note detailing the main points of the Bribery Act 2010 and the Committee's corresponding responsibilities be circulated to all Members of the Committee for information</p> | <p>The Committee received the Briefing Note courtesy of Tommy Hyun, Audit Manager, on 6th November 2012.</p> | <p>Tommy Hyun</p> |

Actions: 25 September 2012 Meeting

| Action | Outcome | Lead Officer |
|--|---|---|
| <p>Audit Commission Annual Governance Reports: That the Committee be provided with information detailing the cost of the objections to the accounts to the Council.</p> | <p>The action is yet to be completed.</p> | <p>Barbara Moorhouse Anna D'Alessandro</p> |
| <p>Debt Review: That the Committee be provided with information detailing how the City Council compares to other councils in the area of debt levels/recovery.</p> | <p>The Committee received a response from John Ogden, the Head of Financial Management and Control, on 9th November 2012.</p> | <p>John Ogden</p> |
| <p>Performance: That the possibility of Councillor access to TriBNet be investigated.</p> | <p>The Committee received a response from the Communications Dept, courtesy of the Performance Team, on 1st November 2012.</p> | <p>Mo Rahman</p> |

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|---|---|------------------|
| <p>Performance: That the City Council's policies and practices in the area of looked after children, compared to that of the tri-borough authorities, be investigated and reported to the Committee for information.</p> | <p>The Committee received a response from Anita Gibbons, Tri-Borough Children's Policy Manager, courtesy of the Performance Team, on 1st November 2012.</p> | <p>Mo Rahman</p> |
| <p>Performance: Members raised concerns regarding the delivery of priority measures in the area of Built Environment particularly around the timeliness of handling planning applications.</p> | <p>The Committee received a response from Stuart Reilly, Commissioner (Development and City Planning), courtesy of the Performance Team, on 1st November 2012.</p> | <p>Mo Rahman</p> |