



Audit & Performance Committee

Date: 23 April 2013

Subject: Work Programme

1. Summary:

- 1.1 The Committee is invited to review its work programme for the 2013/14 municipal year, attached as **Appendix 1**.
- 1.2 The Committee is invited to consider and discuss progress to date of the five 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:

23 April 2013

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:

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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**

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BACKGROUND PAPERS

- Audit and Performance Committee Work Programme – 6 February 2013

Work Programme 2013/14 Audit and Performance Committee

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.	Sally-Anne Eldridge 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)
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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.	Sally-Anne Eldridge 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

21 November 2013

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2013-14	The Committee is invited to review its work programme for the 2013/14 municipal year and monitor the progress of the Working Groups.	Naomi Stauber
KPMG Annual Audit Letter 2012/13	To provide KPMG's assessment of the Council's financial statements and its arrangements to secure value for money in its use of resources.	Sally-Anne Eldridge KPMG
Maintaining High Ethical Standards at the City Council	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.	Peter Large Barbara Moorhouse
Corporate Complaints 2012/13	To report on the volume and details of complaints received by the Council and CityWest Homes in 2012/13.	Sue Howell
Quarter 2 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

4 February 2014

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 2012/13)	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

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

February – April 2013

Working Group	Outline of Work Undertaken	Lead Members/ Officers
<p>Process & Audit</p>	<p>The Group met on 18 March 2013 to discuss the coverage of the audit plan for 2013/14.</p> <p>The audit plan has been prepared following discussions with Lead Business Partners and Senior Management Teams. Those audits which are in the tri-borough service areas have been identified and agreed for inclusion in the plan. The tri-borough audit plan has been submitted to and agreed by the tri-borough Finance Integration Board.</p> <p>A copy of the audit plan has been circulated to members of the Audit & Performance Committee for information.</p>	<p>Councillors Tim Mitchell (Chairman) & David Boothroyd</p> <p>Chris Harris Associate Director, RSM Tenon</p>
<p>Benefit Fraud</p>	<p>At the Committee's last meeting in February 2013 Councillor Lindsey Hall, Lead Member of the Benefit Fraud Working Group, noted that the Group would be reconvening later in the year and discussion was taking place regarding the work and aims of the Group going forward. Councillor Hall further informed Members that she had recently received a report produced by SOCA (Serious Organised Crime Agency) and would be incorporating the recommendations into the remit of the Group.</p>	<p>Councillors: Lindsey Hall (Chairman) Tim Mitchell Cyril Nemeth Christabel Flight David Boothroyd</p> <p>Tommy Hyun Audit Manager</p>

<p>Procurement & Resources</p>	<p>The Group is not undertaking work at the current time.</p>	<p>Councillor Ian Rowley</p> <p>Anthony Oliver Chief Procurement Officer</p>
<p>Property</p>	<p>Councillor Rowley will be providing the Committee with key updates in the area of property going forward, as a member of the Commercial Property Review Board.</p>	<p>Councillor Ian Rowley</p> <p>Richard Platt Head of Corporate Property</p>
<p>People</p>	<p>The Group is not undertaking work at the current time.</p>	<p>No Member allocation</p> <p>Carolyn Beech Director of Human Resources</p>

Committee Action Tracker

Actions: 6 February 2013 Meeting

Action	Outcome	Lead Officer
That a briefing note on the Local Audit Bill be circulated for Members' information.	The Committee received the requested briefing from Naomi Stauber, Senior Committee and Governance Officer, on 12 February 2013.	Naomi Stauber
<p>Certification of Claims and Returns Annual Audit 2011/12:</p> <p>That the Committee receive an explanation as to why estimates instead of actual costs were used in respect of the pooling of housing capital receipts claim, as detailed in the KPMG report.</p>	The Committee received the requested explanation from Martin Hinckley, Head of Shared Service Centre, on 26 February 2013.	Martin Hinckley
<p>Period 9 Finance Monitoring Report:</p> <p>That the Cabinet Member for Finance and Customer Services be asked to confirm that a prudent level of General Fund Reserves for the City Council is considered to be £30M – £40M; and whether there is scope for fixing any such figure so that Reserves under the specified amount cannot be earmarked for future projects.</p>	The Committee received a written response from Councillor Melvyn Caplan, Cabinet Member for Finance and Customer Services, on 25 February 2013.	Naomi Stauber

<p>Business Plan Performance Report:</p> <p>That the Cabinet Member for Housing and Property be requested to provide the Committee with an explanation of the targets allocated to the disposal of the City Council's property assets.</p>	<p>The Committee received a written response from Councillor Jonathan Glanz, Cabinet Member for Housing and Property, on 26 February 2013.</p>	<p>Naomi Stauber</p>
<p>Business Plan Performance Report:</p> <p>That the Committee receive a briefing on the issues surrounding the waste and cleansing failures detailed in the report.</p>	<p>The Committee received the requested briefing on 11 February 2013, courtesy of Nick Byrom, Strategic Business Analyst.</p>	<p>Nick Byrom</p>