



City of Westminster

Audit & Performance Committee Report

Meeting:	Audit & Performance Committee
Date:	23 November 2017
Classification:	General Release
Title:	Work Programme
Wards Affected:	N/A
Financial Summary:	There are no direct financial implications arising from this report
Report of:	Head of Committee & Governance Services
Report Author:	Reuben Segal, Senior Committee and Governance Officer. Tel: 020 7641 3160 or email: rsegal@westminster.gov.uk

1. Executive Summary

- 1.1 The Committee is invited to review the work programme for 2017/18, attached at appendix 1.
- 1.2 The Committee is asked to note the actions which arose from the last meeting and the work undertaken in response, as detailed in appendix 3.
- 1.3 The committee is also asked to note the update on the Managed Services Task Group and the Investments Task Group which have been established by the Housing, Finance and Corporate Services Policy and Scrutiny Committee but which due to their overlap with the committee's work includes Audit and Performance Committee Members.

2. Recommendations

1. That the Committee notes its agenda for the next meeting on the 1 February as set out in **appendix 1** to the report.
2. That the work undertaken in response to the actions which arose from the last meeting, as detailed in at **appendix 3** to the report, be noted.

3. Choosing items for the Work Programme

- 3.1 A Work Programme for 2017/18 is attached at appendix 1 to the report.
- 3.2 Members' attention is drawn to the Terms of Reference for the Audit and Performance Committee (attached as appendix 2) which may assist the Committee in identifying issues to be included in the Work Programme.
- 3.3 The work programme will be reviewed at each meeting of the Committee and items can be removed or added as necessary.

4. Task Groups

- 4.1 A joint Task Group with the Housing, Finance and Corporate Services Policy and Scrutiny Committee to review the City Council's approach to investments took place on 13th September.
- 4.2 A joint Task Group of the committee and the Housing, Finance and Corporate Services Policy and Scrutiny Committee with the Royal Borough of Kensington and Chelsea (RBKC) was planned but did not take place because it was not possible to agree a time and date with members from RBKC in time. The re-procurement will continue to be the subject of member oversight by the Audit & Performance Committee.

5. Monitoring Actions

- 5.1 The actions arising from each meeting are recorded in the Action Tracker attached as appendix 3. Members are invited to review the work undertaken in response to those actions.

6. Resources

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

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

Reuben Segal, Senior Committee and Governance Officer

Tel: 020 7641 3160 or email: rsegal@westminster.gov.uk

APPENDICES:

Appendix 1 – Work Programme 2017/18

Appendix 2 – Terms of Reference

Appendix 3 – Committee Action Tracker

BACKGROUND PAPERS:

None

Work Programme 2017/18

Audit and Performance Committee

17 July 2017

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2017/18	The Committee is invited to review its work programme for the 2017/18 municipal year.	Reuben Segal
Annual Statement of Accounts	To formally receive and approve the final accounts with any update arising from the public inspection period.	Steve Mair (Finance)
Annual Contracts Review 2016/17	To review of the City Council's contracts, including details of contracts awarded, waivers and performance.	Anthony Oliver (Procurement)
2016/17 End of year Performance Business Plan Monitoring and Period 2 (May) Report	<p>The year-end report presents detailed performance results for the year April 2016 to March 2017 against the 2016/17 business plans.</p> <p>To monitor the Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.</p>	<p>Steve Mair (Finance)</p> <p>Damian Highwood/Mo Rahman (Performance)</p>

<p>Capital Programme Delivery Review</p>	<p>To consider key solutions to address concerns regarding delays in the delivery of key capital projects including how the capacity and capability of the organisation to deliver capital programmes can be enhanced. To receive an overview of the implementation of the new approach across 3 or 4 schemes..</p>	<p>Steve Mair (Finance)</p>
<p>Discretionary Housing Payment (DHP) Delegated Decisions</p>	<p>To receive an overview of DHP applications received and determined at officer level in the last 12 months including amounts awarded as well as information on procedures and verification processes.</p>	<p>Gwynn Thomas Senior Benefits Policy Officer</p>

18 September 2017

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2017/18	The Committee is invited to review its work programme for the 2017/18 municipal year.	Reuben Segal
Finance & Performance Business Plan Monitoring Report	<p>To monitor the Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.</p> <p>To monitor Quarter 1 performance results against the 2017/18 business plans</p>	<p>Steven Mair (Finance)</p> <p>Mo Rahman (Performance)</p>
Internal Audit Monitoring Reports	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework.	David Hughes (Internal Audit)
Commercial Revenue Performance	To consider the performance and outcomes as well as future targets of corporate commercial revenue performance. To examine the risks and mitigations associated with achieving these objectives.	Steve Mair (Finance)
General Fund Reserves Policy	To consider how the aim to build up further general fund reserves over the next 5 years can be delivered and the risks for achieving this together with mitigation measures.	Steve Mair (Finance)

23 November 2017

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2017/18	The Committee is invited to review its work programme for the 2017/18 municipal year.	Reuben Segal
Grant Thornton Annual Audit Letter 2016/17	To consider Grant Thornton's assessment of the Council's financial statements and its arrangements to secure value for money in its use of resources.	Elizabeth Jackson Paul Dossett (Grant Thornton)
Corporate Complaints 2016/17	To report on the volume and details of complaints received by the Council and CityWest Homes in 2016/17.	Sue Howell (Complaints)
Finance & Performance Business Plan Monitoring Report	<p>To monitor the Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.</p> <p>To monitor Quarter 2 performance results against the 2017/18 business plans</p>	<p>Steven Mair (Finance)</p> <p>Damian Highwood/Mo Rahman (Performance)</p>
Internal Audit Monitoring Report	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework.	David Hughes (Internal Audit)
Mid-Year Counter Fraud Monitoring Report	To oversee and monitor the success of the Counter Fraud Service	Andy Hyatt (Anti-Fraud)

1 February 2017

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2017/18	The Committee is invited to review its work programme for the 2017/18 municipal year.	Reuben Segal
Grant Thornton Certification of Claims and Returns Annual Report (Audit 2016/17)	To report the findings from the certification of 2016/17 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.	Elizabeth Jackson Paul Dossett (Grant Thornton)
Grant Thornton Annual Audit Plan 2017/18	To set out the audit work that Grant Thornton proposes to undertake for the audit of the financial statements and the value for money (VFM) conclusion 2017/18.	Elizabeth Jackson Paul Dossett (Grant Thornton)
Finance & Performance Business Plan Monitoring Report	To monitor the Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves. To monitor Quarter 3 performance results against the 2017/18 business plans	Steven Mair (Finance) Mo Rahman/Damian Highwood (Performance)
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	Tasnim Shawkat (Monitoring Officer)
Internal Audit Monitoring Report	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework.	David Hughes (Internal Audit)
Internal Audit Plan 2018/19	To review and comment on the draft audit plan for 2018/19	David Hughes (Internal Audit)

23 April 2017

Agenda Item	Reasons & objective for item	Lead Officer
Draft Annual Statement of Accounts and Outturn 2017/18	To review the draft 2017-18 Annual Statement of Accounts and outturn.	Steve Mair (Finance)
Draft Audit Findings Report 2017/18	To review the reports from the Council's external auditors on the key findings arising from their audit of the councils 2017-18 financial statements (Council and Pension Fund)	Paul Dossett Elizabeth Jackson (Grant Thornton)
Update on Arrangements for the Management of the Capital Programme	To consider an update on arrangements that are in place to manage the Council's capital programme for the General Fund and Housing Revenue Account.	Steve Mair (Finance)
Update on Cyber Security	To consider the Council's mitigations to reduce the risk of cyber-crime incidents.	Ben Goward (ICT)

AUDIT AND PERFORMANCE COMMITTEE TERMS OF REFERENCE

CONSTITUTION

4 Members of the Council, 3 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 Independent Auditor Panel (once established) 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 Antifraud 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 Finance 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 2 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.

APPENDIX 3

COMMITTEE ACTION TRACKER

ACTIONS: 18 September 2017

ACTION	OUTCOME	LEAD OFFICER
FINANCE (PERIOD 3) AND QUARTER 1 (APRIL - JUNE 2017) PERFORMANCE BUSINESS PLAN MONITORING REPORT (SEE REPORT OF THE CITY TREASURER AND THE DIRECTOR OF POLICY, PERFORMANCE AND COMMUNICATIONS)		
1. Report on the BT contract to be presented to the next meeting of the Committee	This has been included on the agenda for 23 November meeting.	John Quinn
2. The high profile risks to be highlighted in future reports	This has been incorporated.	Graeme Gordon
3. That a report on cyber security be presented to a future meeting	This will be presented at the 23 April meeting.	Ben Goward
INTERNAL AUDIT MONITORING REPORT (APRIL-JULY 2017) (SEE REPORT OF THE SHARED SERVICES DIRECTOR FOR AUDIT, FRAUD AND FINANCE)		
1. Officers to consider if merger of TMO back office functions have any merit	A briefing note was circulated on the 2 November.	Jake Mathias
2. Provision of information regarding charities	A note was circulated on Friday 10 th of November.	David Hughes