



CITY OF WESTMINSTER

# MINUTES

## Audit and Performance Committee

### MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Audit and Performance Committee** Committee held at 7.00pm on **Wednesday 24th September, 2014**, Rooms 3 & 4 - 17th Floor, City Hall, 64 Victoria Street, London, SW1E 6QP.

**Members Present:** Councillors Jean Paul Floru (Chairman), David Boothroyd, Peter Cuthbertson and Judith Warner

**Officers Present:** Steven Mair (City Treasurer), Anthony Oliver (Chief Procurement Officer), Andrew Curtois (Acting Head of Category Management), Chris Harris (Head of Internal Audit, Baker Tilly), Moira Mackie (Senior Manager, Baker Tilly), David Whitehouse-Hayes (Manager – Housing Benefit Fraud Investigations, Baker Tilly), Mo Rahman (Strategic Business Analyst) and Mick Steward (Head of Committee and Governance Services)

#### 1 MEMBERSHIP

- 1.1 The Committee were advised that Councillor Peter Cuthbertson was substituting for Councillor Lindsey Hall.

#### 2 DECLARATIONS OF INTEREST

- 2.1 There were none.

#### 3 MINUTES

**RESOLVED:** That the minutes of the meeting held on 30 June 2014 be agreed and signed by the Chairman as a true and correct record of the proceedings.

#### 4 WORK PROGRAMME 2014-2015

- 4.1 The Committee endorsed its work programme for the remainder of the 2014-15 municipal year. The Chairman highlighted the need for reports to be concise and free from jargon. He also requested that reports contain a glossary of abbreviations, if necessary, and that officer contact details were clear so that should Members or anyone else have any questions in advance of the meeting they could be directed to the most relevant officer.

4.2 There were no issues arising from the action tracker.

## **5 ANNUAL CONTRACTS REVIEW 2013-2014**

5.1 Before the Chief Procurement Officer introduced the report the Chairman sought the Committee's agreement to the holding of a workshop on procurement for the Committee, to which all members of the Council would also be invited. The Committee agreed to this.

5.2 Anthony Oliver, Chief Procurement Officer, introduced the report advising that the report was submitted in order to comply with the Committee's Terms of Reference. He highlighted that 61 contracts had been awarded over the value of £150,000 and 31 contracts with a value of less than £150,000 were let in 2013/14. There had been 66 extensions and 11 variations of existing contracts and these were highlighted in Appendix B of the report. Mr Oliver highlighted the significant amount of training in the field of procurement and fraud awareness.

5.3 Councillor Boothroyd asked about the number of waivers which had been granted as set out in Appendix A of the report. Mr Oliver explained that waivers could be granted for a number of reasons, including insufficient suppliers for a particular service. He undertook to investigate the individual number of cases for waivers and provide details by category before the next meeting of the Committee to all members of the Committee.

5.4 Members also asked about the managed services contract. Mr Oliver explained that delays had occurred with making the contract go live and these were currently being addressed.

5.5 Mr Oliver explained in response to questions from the Committee regarding draw down contracts which did not incur costs except when services were commissioned. Councillor Warner questioned if such arrangements led to inflated prices as the contractor was only aware of the likely rather than a guaranteed amount of orders. Mr Oliver undertook to outline in more detail the call off arrangements within contracts at the forthcoming procurement workshop and also the various reasons why waivers to the code may be obtained.

5.6 Councillor Boothroyd referred to the letter which had been sent to all Members raising questions about the Passenger Transport contract. Mr Oliver confirmed that a thorough procurement exercise had been carried out, which fully complied with the Public Procurement Regulations, as set out in the report.

5.7 Councillor Judith Warner asked for brief written details of the female re-offending contract.

5.8 Councillor Warner also requested further clarification of why the contract relating to the ward budget expenditure for Abbey Road ward appeared in the schedule. Mr Oliver undertook to provide further information in writing.

## 5.9 **Resolved:**

- (i) That a seminar for all Members of the Committee be arranged on procurement to which all Members of the Council to also be invited.

**(Action:** Anthony Oliver and Mick Steward)

- (ii) That the report be noted.
- (iii) That the requests for further information set out above be actioned (action by Anthony Oliver).

## 6 **INTERNAL AUDIT AND COUNTER FRAUD MONITORING REPORT**

6.1 Mr Harris introduced the report. He advised that the key outcomes found that in the areas audited, internal control systems were generally effective with 80% of the audits undertaken receiving a positive allowance opinion. There were a few areas where control improvements were required as set out in the report. In each case, action plans are in place to remedy the weaknesses identified.

6.2 In addition to audit work associated with the City Council eight audits were completed in respect of services provided on a tri-borough basis. A positive assurance opinion was given in 75% of these audits.

6.3 The Committee commented on the findings of the Public Health Service Audit and the Troubled Families Programme. Members also discussed issues associated with Members' IT and in particular those associated with accessing the Council's network.

6.4 The position with the transfer of Housing Benefit Investigations to the Department for Work and Pensions. The Committee expressed concern at the implications of information on fraud being lost following the transfer. Officers undertook to reflect in future reports details of the formal reporting mechanisms in place with the Civil Service.

6.5 **Resolved:** That the findings as set out in the report be noted.

## 7 **FINANCE AND PERFORMANCE BUSINESS PLAN MONITORING REPORT**

7.1 The City Treasurer introduced the report relating to financial performance. He outlined the current financial position as detailed in the report. He explained that the period 3 overall projected deficit of £1.7m was mostly due to continued pressures relating to temporary accommodation costs.

7.2 Mo Rahim, Strategic Performance Team, introduced the remainder of the report which outlined the progress made against the Performance Management Framework between April and June 2014. It was noted that the evaluation of performance was based on progress against the Business Plans

of each Executive Director Portfolio. Mo Rahim confirmed there was an HR action plan in place to reduce the number of temporary agency staff.

- 7.3 Following a previous request, John Walker, Operational Director, Development Control attended the meeting. He explained the pressures on his service and the difficulties he faced with recruiting suitable candidates for the senior positions. This in turn led to delays in processing applications. The Chairman undertook to write to the Director of HR to outline the Committee's concerns and to see if anything could be done to relax the HR processes to enable easier recruitment in areas where recruiting and retaining quality staff was proving difficult.
- 7.4 Councillor Warner referred to the briefing note on Westco which she had received. She questioned why Westco existed and why it was not transparent. Councillor Boothroyd, also in the same vein referred to Westminster Community Homes Ltd and Citywest Homes. Steven Mair explained that it allowed the Council to sell its skills and an item on this and other arms length bodies like Westminster Community Homes Ltd could be included on a future agenda. Councillor Warner suggested that a briefing note be circulated following which a report if required could be submitted.
- 7.5 Councillor Boothroyd asked for a note on the delays associated with the Luxborough Library to be sent to him.
- 7.6 Councillor Boothroyd asked that details of the number of waste collections broken down by ward be forwarded to him.

**Resolved:**

- (i) That the report be noted.
- (ii) That the actions set out above be endorsed.

**8 ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT: NONE**

The Meeting ended at 8.44pm.

**CHAIRMAN:** \_\_\_\_\_

**DATE** \_\_\_\_\_