

Audit, Pensions and Standards Committee

Supplementary Agenda

Tuesday 15 September 2015

7.00 pm

COMMITTEE ROOM 1 - HAMMERSMITH TOWN HALL

MEMBERSHIP

Administration:	Opposition
Councillor Iain Cassidy (Chair) Councillor Ben Coleman Councillor Adam Connell Councillor PJ Murphy Councillor Guy Vincent	Councillor Michael Adam Councillor Nicholas Botterill Councillor Mark Loveday Councillor Donald Johnson

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Date Issued: 09 October 2015

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Item

Pages

- 4.2 STATEMENT OF ACCOUNTS - ADDENDUM AND ERRATA**
This report details a number of presentational adjustments to the 2014/15 Statement of Accounts as previously published.

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 <p>h&f hammersmith & fulham</p>	<p>London Borough of Hammersmith & Fulham</p> <p>AUDIT, PENSIONS AND STANDARDS COMMITTEE</p> <p>15th September 2015</p>
<p>LONDON BOROUGH OF HAMMERSMITH AND FULHAM STATEMENT OF ACCOUNTS, INCLUDING PENSION FUND FOR 2014/15</p>	
<p>Report of the Strategic Director for Financial Corporate Services</p>	
<p>Statement of Accounts - Addendum and Errata</p>	

1. ADDENDUM AND ERRATA

1.1. The following presentational adjustments have been made to the 2014/15 Statement of Accounts as previously despatched:

1.2. Statement of Responsibilities for the Statement of Accounts (p.12)

1.2.1 Amend date from “29 June 2015” to “15 September 2015”.

1.3. Note 5 - Events after the Reporting Period (p.31)

1.3.1 Amend authorisation date from “29 June 2015” to “15 September 2015” and amend from “...unaudited Statement of Accounts...” to “...audited Statement of Accounts...”.

1.4. Note 8 - Explanation of Reserves (p.41)

1.4.1 Replace Line 20 description:

“Funds set aside for next local election in 2019”

With:

“Funds set aside for next local election in 2018”

1.5. Pension Fund Accounts (p.85)

1.5.1 Note 8 has had an additional line added at the request of the Pensions Sub-Committee. *“Management expenses on a like for like basis in 2013/14 would have been £7,139k”*

1.6. Annual Governance Statement (p.97- 104)

1.6.1 p.98 – Replace the following sentence:

“The composition of the Council for the majority of 2014/15 (from 23 May 2014) was”

With:

“The composition of the Council in 2014/15 was”

1.6.2 p.98 – Replace following paragraph:

“Measures taken as a result:

- The Managed Services Programme Board commissioned a review of alternative options to go live during 2014/15 to enable further testing of the system and the managed service. The conclusion of this work was a recommendation that the go live date was reset to 1st April 2015.”*

With:

“Action has been taken:

- The Managed Services Programme Board commissioned a review of alternative options to go live that would enable issues to be resolved with sufficient time for robust testing of the system and the managed service, with contingency built into the plan to enable unplanned issues to be resolved. The conclusion of this work was a recommendation that the go live date was reset as 1st April 2015.”*

1.6.3 p.102 – Update the date under “External Audit” from “30 September 2014” to “19 September 2014”.

1.6.4 p.103 – Add the following paragraphs at end of document:

“Significant Governance Issues 2014-15.

While generally satisfied with the effectiveness of corporate governance arrangements and the internal control environment, as part of continuing efforts to improve governance arrangements the following issues, as highlighted in the statement, have been identified for improvement.

Managed Services.

The BT Managed Services Programme (MSP) is intended to standardise operations and reduce costs across Hammersmith and Fulham (LBHF), the Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC). The Senior Responsible Officer (SRO) for the project is the chief executive of WCC. It is proposed that the MSP provides a standard system irrespective of the council or the service.

The system that was chosen provides a common transactional Human Resources, Payroll and Finance service. It was originally planned that it would provide a saving of over £6 million by 2015/16 across the three councils but there has been significant and costly problems with this project and that saving is no longer likely.

There were four audits of the programme undertaken during the year of which a limited assurance was determined of the control environment associated with systems readiness, change management and testing.

The 'Go Live' date was postponed from 1 April 2014 and then September 2014 with the majority of the system eventually going live on 1 April 2015. Since 'Go Live' there are problems that had not been foreseen and which are currently being worked through.

There are substantial concerns about this project. A review of the assurances given by the supplier, the effectiveness of the governance, commissioning, project management and auditing of this programme has been commissioned by LBHF for and on behalf of LBHF.

Signed:

Leader of the Council, Councillor Stephen Cowan

Signed:

Chief Executive, Nigel Pallace

*On behalf of the London Borough of Hammersmith and Fulham.
14th September 2015*