

Public Accounts Select Committee		
Report Title	Action plan in response to External Finance Review	
Key Decision	No	Item No. 4
Ward	All	
Contributors	Head of Corporate Resources	
Class	Part 1	20 December 2018

1. Purpose of the Report

- 1.1. This report presents the action plan to address the findings and recommendations in the report from the recent external financial review and asks the Public Accounts Select Committee to note the action plan.

2. Recommendations

- 2.1. It is recommended that the PASC:
- review the appended external finance review report and the identified findings and recommendations; and
 - note the action plan, including management responses and timeframes.

3. Background

- 3.1. In September 2018 the Chief Executive commissioned Bill Roots, Chair of the Council's Internal Control Board and Local Education Partnership, to conduct an external financial review with the following scope:

“Members and officers of the council are committed to strengthening our financial stewardship to ensure there is no repeat of last year’s overspend, effective financial controls are in place, particularly in high cost areas, and that in future, savings targets are SMART.

Given this I would like to commission you to please review the following:

- approach to budget setting;
- effectiveness of the council’s budget monitoring processes;
- impact of existing financial controls and systems in place; and
- the efficacy of the internal audit function.

A report with clear recommendations will enable us to respond to the issues above, giving confidence to all stakeholders that we are taking the requisite action to strengthen all aspects of our financial governance.”

- 3.2. The work was undertaken in October and involved reviewing a wide range of reports and discussions with Councillors, Officers, and the external auditor. The report (see Appendix B) was delivered as final at the end of October. It confirms the limited scope of this review in the time available, and highlights that any detail in the underlying financial systems has not been reviewed.
- 3.3. The report is drafted by exception, focusing on areas for improvement, but does identify that the documents examined were well written, easy to follow, and comprehensive. In terms of context the report also acknowledges the financial challenges facing all local authorities are extremely testing.

4. Findings and Recommendations

- 4.1. The conclusion of the report identifies five areas as the most important issues which need to be actioned to ensure effective financial control continues to be a characteristic of the Council.
- 4.2. They are:
- i. Establishing a realistic budget for children services;
 - ii. Seeing through the overhaul of departmental and corporate information systems;
 - iii. Ensuring that savings included in the budget plans are realistic, both in terms of quantity and timescales;
 - iv. Assessing whether there are cultural issues regarding staff accountability which affects performance; and
 - v. Adopting a three year rolling plan with growth, savings, and use of reserves assessed.
- 4.3. Officers have reviewed the detail of the report and prepared the following action plan which responds to all of the findings and recommendations in the report, including those relating to the point prioritised in the conclusion. For each recommendation the management response and timeframe for action is noted. This is presented at Appendix A.

5. Legal Implications

- 5.1. There are no legal implications arising directly from this report.

6. Financial Implications

- 6.1. There are no financial implications arising directly from this report.

7. Equalities Implications

7.1. There are no Equalities implications arising directly from this report.

8. Crime and Disorder Implications

8.1. There are no crime and disorder implications arising directly from this report.

9. Environmental Implications

9.1. There are no legal implications arising directly from this report.

10. Background Papers

10.1. Appended to this report, are:

- Appendix A: Action Plan; and
- Appendix B: External Finance Review report.

10.2. If there are any queries on this report, please contact David Austin, Head of Corporate Resources on 020 8314 9114 or at david.austin@lewisham.gov.uk

APPENDIX A: ACTION PLAN in response to Financial Control Review – November 2018

Report Ref	Finding / Recommendation	Management Comment and Action	By when	By Whom
	Medium Term Financial Plan			
10 a)	The budget book for 2018/19 was not produced until June, three months after the start of the financial year.	Agreed Publish the budget book within two weeks of the start of the financial year (mid-April) following the budget being set by Council in late February and the Cash Limits being loaded for budget holders in March.	15/04/2019	Head of Corporate Resources
10 b)	The Medium Term Financial Strategy (MTFS) report included a lot of Treasury and Capital detail which was a distraction.	Agreed This was a once off as a consequence of the new prudential code requirements for 2019/20 and it is accepted would have been better as a separate report. This will not be repeated.	30/06/2019	Head of Corporate Resources
10 c)	The Medium Term Financial Strategy (MTFS) summary of the overall financial position was not presented early in the report.	Agreed The financial summary will be presented in the Executive Summary for the next MTFS report.	30/06/2019	Head of Corporate Resources
10 d)	The Medium Term Financial Strategy (MTFS) had no approved savings for future years and was only looking two years ahead, rather than a rolling three year view.	Agreed The 2018 MTFS fell between a new administration in May and the Comprehensive Spending Review (CSR) for June 2019 which impacted the flow of savings proposals. Going forward a rolling three year approach will be presented, as in previous years, recognising that the plans for the first year will be firmer and more detailed than those for later years.	30/06/2019	Head of Corporate Resources
10 e)	The Medium Term Financial Strategy (MTFS) does not show how the Council intends to apply balances and reserves to balance the budget and the impact for the amounts remaining are not clearly identified.	Agreed This reflects a similar comment for the first time from the external auditors in 2018/19. More information on the use of reserves is being incorporated into financial reporting, including the MTFS and Cuts reports going forward, rather than just the Budget.	30/06/2019	Head of Corporate Resources

APPENDIX A: ACTION PLAN in response to Financial Control Review – November 2018

Report Ref	Finding / Recommendation	Management Comment and Action	By when	By Whom
10 f)	The Medium Term Financial Strategy (MTFS) should be produced by early June to give more time to assess and approve savings options which should be completed by Christmas each year.	Agreed The 2018 MTFS followed the elections in May so the annual business was a little later than usual. However, the savings proposals are on track and going to M&C in November, meeting the Christmas deadline suggested. Going forward the MTFS will be prepared for June.	30/06/2019	Head of Corporate Resources
	Budget Process and Content			
11	Greater use of Officer and joint Officer / Member Star Chamber meetings is vital to ensure thorough review of proposals to assess the likelihood of achievement.	Agreed The Star Chamber process was re-introduced in 2018 and will continue, starting earlier, for the 2019 round.	30/07/2019	Head of Corporate Resources
12	Savings proposals need to be specific rather than general (e.g. not allowing for inflation) to avoid budgets becoming misaligned.	Agreed This is a sound principle and one that the savings approach of the Council follows. Any generalised savings will be a minority of the total being sought and carefully monitored. No such savings are proposed for 2019/20.	21/11/2018	Head of Corporate Resources
13 (i)	A realistic budget needs to be set initially for Children's services which will enable an approved budget to be managed, with savings if necessary, in the medium term. The short term impact on reserves will need to be recognised.	Agreed Action has been taken in October 2018 to inject a further £6m into the Children's services budget for placements and a review of the staffing structures and costs is underway. This will facilitate an amended and realistic budget to be set for 2019/20, along with the full impact on the Council's reserves set out.	01/03/2019	Head of Corporate Resources
13 (ii)	Service information (financial and non-financial, so budget, staffing and activity) available both within the Directorates and Corporately is weak and inconsistent, in particular in CYP. Review meetings need to be in place to assess progress with a group of officers and members providing oversight.	Agreed 1) This is the subject of the Executive Management team's focus on the need for change – culture, systems and processes – and deep dive budget reviews going forward. 2) An improvement plan and Board to conduct regular reviews. The Board is chaired by the lead Cabinet Member for CYP.	Quarterly Two weekly	Chief Executive Exec. Dir. for CYP / Cabinet Member

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		3) In addition, monthly Children finance meetings are held by the Chief Executive.	Monthly	Chief Executive
14 a)	The Council is seeking to maximise income but does not always reflect the full cost of services as central overheads are not recharged to service areas.	Agreed Once the Oracle Cloud system is settled in, Finance with the support of the Commercial and Procurement team will review the corporate approach to overheads and memorandum trading accounts.	31/03/2018	Head of Financial Services
14 b)	A more transparent and regular update on reserves is needed, at least until the Council's budget is balanced.	Agreed See response to 10 e) above		
14 c)	Staff number budgets (Establishment) are not currently in place, putting the financial forecasting at risk.	Agreed The Oracle Cloud HR and Payroll implementation, due in 2018/19, will address this recommendation.	31/05/2019	Head of Financial Services
14 e)	There do not appear to be pressures on the Housing Revenue Account (HRA) to find economies, with additional investment potentially benefitting the General Fund.	Not Agreed The HRA is being managed to support the development of more social housing, a priority for this administration. The reserves are identified and committed for development (see the GLA bid recently agreed). The Council has also made loans to Lewisham Homes to secure more temporary accommodation and reduce General Fund risk.		
14 f)	The Capital Programme should be amended to invest more in projects that generate income for the Council.	Agreed As noted at 14 e) this is being done in conjunction with the treasury strategy. The cuts for 2019/20 include a number of such proposals (e.g. investment property, more temporary accommodation, trade waste, bereavement services), and Private Rented Sector (PRS) developments and the regeneration of Catford are in progress.	Done	See 2019/20 cuts proposals.
14 g)	The Council's IT capability is well below what is needed, inhibiting performance, financial accuracy and the ability to manage effectively.	Agreed A full review of the Council's IT infrastructure, governance, and operational arrangements has been conducted over the summer. Investments in security, resilience and	Monthly	Chief Executive and Exec. Dir. CUS.

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		functionality of the corporate systems (e.g. network, website, casework, Share Point) are underway. An Acting Asst. Dir. has been appointed and recruitment for a permanent lead is being advertised. Work on the children and adult instances of Liquid Logic, to include the financial interface (Controcc) has been commissioned and started with the early help module in Children's (see 13 ii above). The corporate digital transformation board is in place to monitor progress, chaired by the acting Chief Executive.		
	Monitoring			
15	A clearer explanation of 1) what action is being taken to recover overspends, and 2) why savings options are not being achieved and by when they will be achieved is needed.	Agreed The financial monitoring reports is being improved and strengthened to answer these challenges. It will include more detail on progress with savings and a fuller account of the forecasts with reference to the underlying financial commitments (on staff and spend) compared to budget, compared to activity/caseload trends, to help underpin the detailed management assumptions and actions required.	31/03/2019	Head of Financial Services
16 (i)	Separate review meetings, particularly on the larger more volatile budgets should be considered	Agreed This has been recognised – see action for 13 (ii) 1) above.		
16 (ii)	The £100 DEP/CEP process should be lifted as no longer particularly effective	Agreed This is agreed with the focus to be on a Corporate Permission to Recruitment process to replace it, pending the establishment controls in Oracle Cloud.	31/11/2018	Head of Corporate Resources
17	The reduced quality and quantity of financial advice and assistance available to the organisation may have gone too far.	Agreed Finance review, as part of operating model and business process update to align with Oracle Cloud capabilities, to be conducted to support service reorganisation in 2019/20.	31/03/2018	Head of Corporate Resources
	Internal Audit			

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18	Evidence of lack of compliance and accountability from the failure of managers to implement agreed recommendations to agreed timescales.	Agreed This is the cultural element that aligns with the IT transformation work noted at 14 g) above. The change agenda is being reset by the acting Chief Exec., noting that cultural change will take two to three years to embed.	Agenda by 31/03/2019 for a three year plan	Chief Executive / Head of HR & OD
Financial Control and Systems				
19	Lack of quality and reliability of information systems	Agreed See action for 14 g) above		
20	A systematic methodology is needed to support improved frequency and depth of monitoring, aligned to risk and to ensure improvement actions are not lost.	Agreed See action for 15) above		
21	The cultural issue of personal accountability from concerns with staff failing to carry out their roles effectively and on a timely basis should be reflected upon.	Agreed See action for 18) above		

Conclusion

The report concludes with five high level points prioritising the detail covered in the actions above. They are:

- 1) Establishing a realistic budget for children services;
- 2) Seeing through the overhaul of departmental and corporate information systems;
- 3) Ensuring that savings included in the budget plans are realistic, both in terms of quantity and timescales;
- 4) Assessing whether there are cultural issues regarding staff accountability which affects performance; and
- 5) Adopting a three year rolling plan with growth, savings, and use of reserves assessed.

London Borough of Lewisham--Financial Control Review

Report October 2018 by W. Roots

A. Introduction

1. I was commissioned in September 2018, by Ian Thomas the Council's Chief Executive, to undertake an external review of certain elements of the Council's financial processes and practice. For a number of reasons the review could not be undertaken until October 2018.
2. I attach, at Appendix 1, an extract from a note to me from Ian Thomas setting out my remit. The note in essence sets out my Terms of Reference (TOR) for this review. I must stress that this exercise was undertaken in relatively few (four) days. This includes obtaining and reading documents, undertaking interviews and report writing. It has not included examining every financial activity undertaken by the Resources Directorate, or elsewhere within the Council. It has, however, had specific regard to the TOR and those issues which I assess as most relevant. Having said this I regard the TOR as a broad guide rather than a rigid remit. I do have the benefit of having read extensively covering a range of the Council's financial activity and from chairing the Council's Internal Control Board (ICB) for some ten years. I stress that in undertaking this particular review that I have not looked in any detail at the underlying financial systems as I would when undertaking a full financial diagnostic health check.
3. I have also set out at Appendix 2, for the sake of completeness, a brief outline CV. I have undertaken a number of these reviews and adopt an approach which concentrates on what needs to change. This does mean that my report can be seen as negative or unnecessarily critical. This is not the intention since I believe that it is better to focus on where improvements can be made which would enhance the Council's performance.
4. I have listed in Appendix 3 those documents that I have sought to read, examine or which have been supplied to me. I have however commented in the body of the report on the quality and /or content of some of the documents examined. Those people that I have

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interviewed are listed in Appendix 4. I would like to thank them for responding to my questions and comments in an open and candid manner. I would also like to thank Paul Aladenika and Kim Chevous for obtaining the documents I sought, for making all of the appointments and the other necessary administrative arrangements.

5. I have adopted a style of reporting based upon simply setting out my findings and recommendations rather than elaborating on the pros and cons of each issue addressed. Writing a detailed account of how practices operate would be time consuming given the time at my disposal. Further the intended audience of this report have a close knowledge of operational practice in any event. I am of course more than willing to explain my thinking and the rationale behind my views, if so required. On some issues I have merely suggested that the Council undertakes a review itself to determine the action/change needed. This is because there are a number of options as regards an appropriate outcome and there is no single “right” answer. It is also because a detailed knowledge of Council priorities, projects and transactions is needed to establish a definitive position on some elements of financial and other activity.

B. Context of the review

6. Lewisham is a diverse Inner London Borough with demographic characteristics which are more testing than applies to national averages. This, of course, causes distortions in comparisons as I am sure that the Council appreciates. It is also the case that senior figures within the Council were until recently of relatively of long standing. This can have the effect of inhibiting the dynamic change needed to resolve emerging problems. The financial challenges facing all local authorities are, to put it mildly, extremely testing and with Lewisham having made savings of some £165 million in recent years the ability to make further significant savings is a major challenge.

C. My Findings

7. The documents that I have examined are well written; easy to follow and comprehensive but I comment below where I think changing the focus would improve the understanding for the intended audience for some of the reports.

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8. While the significant reduction in staff numbers is undoubtedly affecting the speed with which issues are dealt with I question whether the accountability culture is as strong as it should be; I comment further on this point below.
9. I have set out my findings and comments in a summarised fashion over following headings.
 1. Medium Term Financial Plan (MTFP)
 2. Budget Process and Content
 3. Monitoring
 4. Internal Audit
 5. Financial control and Systems

1)-Medium Term Financial Plan

10. The Council has a very comprehensive annual timetable for the MTFP and Budget preparation but the following points do in my view need attention and I accept that a number are “style” issues.
 - a) The Budget book for 2018-19 was not produced until June 2018-three months after the start of the year which is not good financial practice, particularly for budget holders.
 - b) The MTFP report to Members (July 2018) contained a major sub report on Treasury Management and Capital Strategy. This made the report overly long (additional 28 pages); was incidental to the overall Plan and could divert attention from the Plan itself.
 - c) The overall summary of the financial position (Table 5) does not appear until page 22 of the report. An early financial summary of the forecast Plan in the document would aid comprehension and focus, with the justification for the figures following later in the report. National and other statistics would be better set out in appendices.
 - d) The Plan shows the forecast gap on the basis of three scenarios which is good practice given uncertainty but it states that there are no approved savings for future years. This is the key

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omission to me. I believe that financial planning should take place on a rolling three year basis with options being identified for the duration of the Plan. The Plan covers the period 2019-20 to 2022-23 i.e. 4 years and I understand that currently the Council is only seeking savings options for the first two years and at present is some £10m short of what is needed of approximately £30m.

- e) The extent to which the Council intends to apply balances and reserves to balance the budget needs to be shown and the impact on amounts left clearly identified.
- f) If possible, and I accept that there are resource issues, this report should be produced by early June given more time in the budget process to assess and approve savings options which should be completed by Christmas each year.

2) The Council's Budget Process and Content

11. The Council has a well documented timetable but final decisions are taken late in the process. More time is needed to ensure that options to save costs or cut services are assessed thoroughly before being included in the budget. I say this because the number of agreed savings not being achieved is greater than I would expect as is evidenced by monitoring reports. I understand that greater use is being made of officer and joint Officer/Member Star Chamber meetings which are vital to ensuring the realism of savings put forward. These need to be thorough in terms of the assessing the likelihood of suggested savings being achieved.
12. I have commented above about my strong belief that a three year rolling programme of options to achieve a balanced budget is needed especially as the more difficult options take more than one year to implement. Options need to be specific and generalised ones e.g. a general increase in vacancy levels or not allowing full inflation leads to unexpected and sometimes embarrassing service impacts which were not foreseen. This can understandably lead to Member pressure to moderate them.

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13. **The most important financial issue for the Council is in my view the need to establish a real budget for Children’s services.** The information available both within the Directorate and corporately is weak and inconsistent. Information system weaknesses add to the confusion. I am aware that the Council has received a number of reports on action being taken and set up forums for detailed review and assessment. To be extremely blunt there is no sense at all in the Directorate on day one of a new financial year being assessed as many millions of pounds overspent (2018-19 reported as £13.5m in May 2018 and £15.5m in July 2018). While Council reserves are being used to moderate the position, the gap (I am loathe to call it an overspend) will remain large and attempts to manage it are having a negative impact on effective service management and indeed corporate activity and will occupy an increasing amount of Council scarce resources. A realistic budget needs to be set initially which will enable an approved budget to be available in the medium term. Alongside this firm plans with clear actions, timescales, named individuals and very close corporate monitoring is needed to develop considered options on possible future reductions. Review meetings to assess progress should take place in a group of members and officers established for this purpose and I understand that an appropriate group has been established. The short term impact on reserves will need to be recognised and allowed for in future projections. The outcome of the imminent Ofsted assessment could add to the pressure for action.
14. In undertaking this review a number of other issues have become apparent which I summarise below as matters for the Council to consider further.
 - a. The Council is seeking where possible to maximise income but does not always fully reflect the total cost of services as central costs are not allocated to service areas. There are areas e.g. joint funding with the NHS where I understand that significant additional income could arise.
 - b. I think that a more transparent and regular update on reserves is needed especially as the Council seeks to balance its budget by using its reserves at an enhanced rate.

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- c. Staff number budgets do not currently exist as such but are being developed. The Council's financial forecast capability is at risk and seeing this work through quickly is important.
- d. There is a general view that further savings could be made in the Adults' budget given the Better Care Fund and other income sources.
- e. The Council has a healthy (in financial terms) Housing Revenue Account (HRA) where there appears (and I may be wrong) to be no pressure to find economies. If additional sums could be added to housing reserves this may enable additional investment to be made which could benefit the General Fund.
- f. It is also worth considering whether the focus of the Capital Programme could be amended to invest more in projects that generate income to the Council?
- g. The Council is well aware that its IT capability is well below what is needed; a position that has existed for a number of years. This is no doubt inhibiting performance, financial accuracy and the ability to manage effectively with less staff resources.

3) Monitoring

- 15. The reports that I have seen to the Public Accounts Committee (PAC) are again, full in terms of explaining variances and are clearly written. I have commented above regarding the variances in planned savings and it is a positive move that these are being reported. Two points arise from my perspective. Firstly a clearer explanation of what action is being taken to recover overspends and secondly why savings options promised a few months earlier after a fairly intensive process are not now being achieved and when they will be achieved.
- 16. There can be little doubt that the quality of IT and support systems affects the timeliness and accuracy of monitoring information. While formal reporting is necessary more positive outcomes are generally achieved by having separate review meetings particularly on the larger and more volatile budgets. The Council had adopted a

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process for authorising payments of £100 and above and I thought that this had ceased as it is not a particularly effective means of control and is very time consuming especially given reduced resources. It appears however that it still operates in some areas at least.

17. A number of those that I interviewed questioned whether the reduction in financial management support from the Resources Directorate had gone too far. There was a clear message that this had reduced the quality and quantity of advice and assistance available to budget holders. Further the lack of reliable staff budgets was said to be having an impact on the ability to monitor budgets. Clearly a detailed assessment is needed on these points.

4) Internal Audit

18. The provision of the Council's Internal Audit function has gone through a number structural and supplier iterations in recent years. Any suggested further reduction in audit coverage requires a very precise assessment given the reductions in recent years. Timeliness of reporting and the ability to cover a year's work in a timely manner need protection. The most concerning issue with regard to Internal Audit is the failure of auditees to implement agreed recommendations in an agreed timescale. At the conclusion of each Audit a timescale is agreed by when the recommendations will be implemented. The delays in actioning these is reported to the Internal Control Board and the Audit Committee. However there are now many examples where the deadline had been extended 4 or more times and implementation is some 18 months late. This is to some extent a reduction in resources issue but also reflects relative priority given by audited staff and one where the compliance and accountability issues manifest themselves (see paragraph 21). There are separate arrangements whereby any disputed items are considered by the ICB.

5) Financial Control and Systems

19. A number of those that I have interviewed have bemoaned the quality and reliability of information systems. The starkest being in Children's Services but others are reportedly poor too. I know that this issue has been aired a number of times but proposed

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improvements often seem to stall or hit the buffers. I believe that action is now underway to assess and improve the position which I can only fully endorse as necessary.

20. I have mentioned above the crude £100 control which hopefully has been scrapped. What is important is to have action based review meetings on the more volatile and significant budgets to ensure that they are kept under control. The frequency and depth of monitoring needs to reflect the risks involved. The timeliness of action and reporting is important too. A systematic methodology is needed to ensure that latest issues do not dissipate the attention being given to the larger and more volatile budget areas.
21. I mentioned above the benefits of the information obtained from chairing the Council's Internal Control Board. While the support and reaction received from staff during this review has been first class I have increasing concerns regarding the accountability of staff where they fail to carry out their roles effectively and in a reasonable timescale. This a cultural issue which is not easy to quantify but nevertheless does cause me to question personal accountability. This is a matter for the council to reflect upon especially at a time of reduced staff numbers.

D. Conclusions

22. This review has been undertaken in a very short timescale (planned as 4 days) and can thus only point to matters for attention in general terms. While I have raised a number of issues above most are for the Council to consider and are not fundamental but if addressed would in my view improve overall performance. The following are the most important issues which need to be actioned as priorities to ensure effective financial control continues to be a characteristic of the Council.
 1. Establishing a realistic Budget for Children's Services. The current position means that effective management of this important service with an acceptable degree of certainty is nigh on impossible. The impact on the Council as a whole is apparent and detrimental.
 2. Seeing through the overhaul of departmental (especially the

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Children's and Adults' information systems), and Corporate IT.

3. Ensuring that savings included in the budget are realistic both in terms of quantity and the timescales for achievement.
4. Assessing whether there are cultural issues regarding staff accountability which affect performance.
5. Adopting a three year rolling plan with growth; savings and use of reserves being assessed for the period.

E. Recommendations

24. That the Council:

- a) determines as a matter of priority the action it wishes to take on the key issues set out in Paragraph 22 above.
- b) considers the other issues raised in this report as set out in paragraphs 10 to 21 and determines where action will be taken and the timescale.
- c) Prepares clear action plans in respect of all items to be progressed as a result of paragraphs 24 a) and 24 b).

W Roots— 20th October 2018

London Borough of Lewisham -Outline remit

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It was good to meet you at our ICB and to speak to you subsequently regards follow up action. I have now had opportunity to reflect on the discussions we had at the ICB and minutes of previous meetings. As you are aware we have a well documented situation regards reliance on reserves in recent years and an unprecedented overspend last year, with an unusually sharp increase in reported overspend in CYPS. Understandably Members and officers of the council are committed to strengthening our financial stewardship to ensure there is no repeat of last year's events, effective financial controls are in place, particularly in high cost areas, and that in future, savings targets are SMART.

Given this I would like to commission you to please review the following:

- * approach to budget setting
- * effectiveness of the council's budget monitoring processes
- * impact of existing financial controls and systems in place
- * the efficacy of the internal audit function

-----.
A report with clear recommendations will enable us to respond to the issues above, giving confidence to all stakeholders that we are taking the requisite action to strengthen all aspects of our financial governance.

Both Janet and David will be able to furnish you with any documentation you require to inform your work. You have indicated that the assignment will take approximately 4 days (due to your prior knowledge of the council) -----.

I look forward to receiving your report in due course”

Appendix 2

Outline CV

Bill Roots was Chief Executive and Director of Finance of Westminster City Council 1994-2000. He was previously Director of Finance and Deputy Managing Director from November 1990 to February 1994. Prior to that he was Director of Finance of the London Borough of Bexley for 8 years and prior to that he worked for Southwark and the GLC. Bill is a CIPFA member, a former examiner and has sat on numerous national working parties representing the local authority associations. He was Chairman of the London Financial Advisory Committee for 10 years until 2000 and a former President of the Society of London Treasurers. He was President of the Association of Local Authority Treasurers Societies in 1999/2000. He is now an independent consultant operating in central government, local government and the wider public sector where he mainly undertakes trouble shooting roles. He has sat on company boards and chaired a local charity. He also chairs the Internal Control Board (ICB) for the LB of Lewisham.

Appendix 3

Documents, files and papers required and requested

1. Written explanation of the Council's Budget setting process
2. The Annual Timetable
3. Any process changes for 2018-19 and 2019-20
4. Latest version of the Council's Medium Term Financial Plan (MTFP)
5. Latest version of the Capital Programme
6. Scene setting reports re financial prospects 2018 onwards prepared for EMT and the Mayor and Cabinet. The size of budget gaps to be identified.
7. The formal 2018-19 budget report to the Council.
8. Savings lists for each year 2018-19 to 2021-22 and how they were determined
9. Planned Capital and Revenue Reserves 2017-18 to 2021-22.
10. Last two (Revenue and Capital) quarterly monitoring reports to the Executive Management Team (EMT).
11. Last two (Revenue and Capital) quarterly monitoring reports to the Mayor and Cabinet.
 - a. Financial forecast to the Public Accounts Committee (PAC)--September 2018
 - b. Financial Forecast report to Mayor and Cabinet --July 2018.
 - c. Financial results 2017-18 to Mayor and Cabinet-- July 2018 plus addendum.
 - d. Children's Social Care Budget update to PAC-- September 2018 including an appendix on progress with the Children's Improvement Programme
12. Latest External Audit reports and the Council's response
13. Report September 2017 to PAC re Financial position of the Children's budget

Appendix 4

Persons Interviewed

Councillors

Cllr Amanda De Ryk—Lead Member for Finance

Cllr Alan Hall—Chair of the Audit Panel

Officers

Janet Senior---Executive Director of Resources and Regeneration

Sara Williams---Executive Director of Children and Young Persons

Kevin Sheehan---Executive Director of Environment

David Austin---Head of Corporate Resources

Selwyn Thompson---Head of Financial Services

Lucie Heyes---Assistant Director of Children's Care

Kate Pottinger---Service Manager-Services and Support Planning -
Adults

Robert Mellors and John Johnson-- Group Finance Managers--
(Resources Directorate)

External Audit*

Paul Grady and Andy Ayre---External Auditors (Grant Thornton)

*Telephone conference