



TO: Audit Committee

FROM: Head of Audit & Assurance

DATE: 22nd April 2009

PORTFOLIOS AFFECTED:

All

WARDS AFFECTED:

All

TITLE OF REPORT

**Annual Audit & Inspection Letter for 2007/08 -
The Council's response**

1. PURPOSE

To set out briefly the Council's response to the recommended actions included in the Annual Audit and Inspection Letter for 2007/08

2. RECOMMENDATIONS

1. To acknowledge the Letter itself and to publish it in accordance with the Accounts & Audit Regulations
2. To note the recommended actions in the letter and the CPA scorecard assessment of the Council: Overall - 4 stars and Direction of Travel – improving well.
3. To note that progress in implementing the recommendations will be considered in future reports to this Committee.

3. KEY ISSUES

The CPA scorecard score (page 7 of the Letter) for Use of Resources (score 3) and the covering report were considered in detail by this Committee in January.

In addition, the Letter covers the current performance in six other areas:

| | |
|-------------------------|----------|
| Children & Young People | score 3 |
| Social Care (Adults) | score 3 |
| Housing | score 4 |
| Environment | score 3 |
| Culture | score 4 |
| Benefits | score 4. |

The ratings for Housing, Culture and Benefits have all increased from 3 to 4; the others are unchanged.

Other key messages and actions for the Council to follow are set out on pages 3 and 4 of the report. The actions are being addressed. Each has a Lead Director and, at the Committee's June meeting, progress will be reported as part of the regular review of Agreed Management Actions.

The key messages, included on pages 3 and 4 of this report for the Council, are as follows:

- The Council was assessed as an 'excellent' council following the corporate inspection carried out under the comprehensive performance assessment and which was reported in January 2009.
- Services for children and young people, culture and social care are good and produce positive outcomes. Health outcomes for local communities overall are improving slowly, but significant health inequalities remain a major challenge for the council.
- The Council has helped to create jobs and raise skills to get people into work. Levels of crime continue to fall and most people feel safer. The Council is successfully delivering initiatives that support cohesive communities.
- Street cleanliness has improved significantly and high performance continues in relation to parks, libraries and benefits.
- The Council's continues to show continued improvement in a number of areas in its Use of Resources assessment, particularly around financial management and risk management. In most areas the Council performs consistently above the minimum requirements although Internal Audit still needs to be brought fully up to strength to enable it to meet professional standards.
- The Council has robust arrangements in place to manage its data quality.
- The Management Accountabilities Framework (MAF) has already made a good impact on the council's governance arrangements and is continuing to develop.

The following are issues the Council needs to address.

- The level of health inequalities across the borough remains a concern despite recent improvements to various organisational structures and partnership arrangements. The Council with key partners should now focus on delivering outcomes from this work and ensure that health initiatives are co-ordinated at strategic level in order to deliver greatest impact.
- The Council needs to improve its performance in its priority areas for safeguarding adults and fostering following the inspection of these two services which rated them as adequate and inadequate respectively. However, these were in the context of an overall 'Good' JAR and Children's services score.
- 2009 is proving to be a difficult year for all councils due to the national economic downturn. Pressures will increase further

as the recession starts to bite. The Council should continue to proactively manage its finances and other resources to deal with these pressures, particularly where costs and demands for services are increasing.

- Continue to build on MAFs progress so far by implementing the recommendations in our audit report.
- The Council needs to ensure Internal Audit is properly resourced and meets professional standards to further strengthen governance arrangements.
- The Council should prepare for the introduction of the Comprehensive Area Assessment by ensuring services and partnerships focus on the quality of life outcomes experienced by local people and service users.

These issues are of a corporate nature and, as such, will be addressed at a corporate level; this Committee will be informed of actions being taken to ensure compliance with the recommendations outlined by External Audit.

4. RATIONALE

The Audit Commission issues the Annual Audit & Inspection Letter to the Council. It summarises the audit and inspection work undertaken in the last financial year but one.

5. POLICY IMPLICATIONS

The Letter defines, in particular, the Council's direction of travel as improving well.

6. FINANCIAL IMPLICATIONS

There are no major financial implications

7. LEGAL IMPLICATIONS

The Council is required, under the Accounts and Audit Regulations 2003, to publish this Letter.

8. RESOURCE IMPLICATIONS

There are no resource implications.

9. CONSULTATIONS

Chief Executive; Strategic Director Resources

CONTACT OFFICER: Jim Barwise (Ext 5773)

DATE: 8th April 2009

BACKGROUND PAPERS: Annual Audit & Inspection Letter (produced March 2009)