

Annual Audit and Inspection Letter

Brentwood Borough Council

Audit 2007/08

March 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any member or officer in their individual capacity; or
 - any third party.
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Key messages

- 1** The Council is embarking on a significant change programme but much remains to be done before all services are of a good standard. Challenges include driving through cultural change, addressing poor financial management systems and performance management, and establishing effective support mechanisms.
- 2** The overall level of performance in key front line services is improving, but there are fewer high performing services than other district councils.
- 3** The Council delivers good environment services. Improved street cleaning is reducing litter and graffiti. Composting and recycling has improved from 31.21 per cent in 2006/07 up to 40.53 per cent in 2007/08; this is above average compared to similar Councils. Progress is also being made in delivering housing. It has invested in social housing and increased the numbers of affordable houses built. However, services to benefits customers are not effective and planning performance is below average.
- 4** Some services delivered in partnership are delivering outcomes. The Council works well with partners to improve the health of local people. For example, it has actively worked with the PCT to improve health care facilities. Good partnership working with the Police and the CDRP is helping to reduce crime and the fear of crime. Partnership working is delivering positive outcomes for young people. Through partnership working with South West Essex PCT, two 'Sure Start' Children's Centres opened in Brentwood in 2008. Partnership working with Essex County Council is delivering tangible benefits for local people. However leadership of the LSP is not strong.
- 5** The Council has not yet implemented Single Status. Pay systems are out of date, lack consistency and do not meet current requirements or affordability. The strategic risk register was last updated in 2007/08. Therefore, many of the risks faced in 2008/09 are not identified and controls to mitigate these risks are not in place.
- 6** The Council's appointed auditor gave an unqualified audit opinion on the Council's 2007/08 Statement of Accounts however the accounts contained a significant number of errors which, in total, required a material adjustment and correction of a reported deficit for the year of £180,000 to a surplus of £453,000.
- 7** The Council's appointed auditor gave a qualified conclusion on the Council's value for money arrangements. This was because the Council's three-year medium term financial strategy had not been reviewed or updated in 2007/08 and therefore did not take into account recent changes in strategic priorities and cost pressures.

Action needed by the Council

- 8** The Council needs to bring together the finance and performance reports to show the level of services being delivered compared to the resources input and compare this to what is being achieved by other high performing councils.
- 9** The medium term financial strategy needs to be reviewed and updated annually.
- 10** The Council needs to increase capacity in the Finance department and appoint a permanent Director of Finance (Section 151 Officer) and Financial Services Manager.
- 11** With regards to asset management the Council needs to develop an action plan to address the issue of the backlog of maintenance whilst improving local performance measures to enable evaluation of the asset use in relation to corporate objectives.
- 12** The Council needs to implement Single Status following the Organisational Development Review.

Purpose, responsibilities and scope

- 13** This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the most recent Comprehensive Performance Assessment (CPA), the findings and conclusions from the audit of the Council for 2007/08 and from any inspections undertaken since the last Annual Audit and Inspection Letter.
- 14** We have addressed this letter to members as it is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money. We have made recommendations to assist the Council in meeting its responsibilities.
- 15** This letter also communicates the significant issues to key external stakeholders, including members of the public. We will publish this letter on the Audit Commission website at www.audit-commission.gov.uk. (In addition the Council is planning to publish it on its website).
- 16** Your appointed auditor is responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, the auditor reviews and reports on:
- the Council's accounts;
 - whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion); and
 - whether the Council's best value performance plan has been prepared and published in line with legislation and statutory guidance.
- 17** This letter includes the latest assessment on the Council's performance under the CPA framework, including our Direction of Travel report, and the results of any inspections carried out by the Audit Commission under section 10 of the Local Government Act 1999. It summarises the key issues arising from the CPA and any such inspections. Inspection reports are issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.
- 18** We have listed the reports issued to the Council relating to 2007/08 audit and inspection work at the end of this letter.

How is Brentwood Borough Council performing?

19 Brentwood Borough Council was assessed as Good in the Comprehensive Performance Assessment carried out in 2004. These assessments have been completed in all district councils and we are now updating these assessments, through an updated corporate assessment, in councils where there is evidence of change. The following chart is the latest position across all district councils.

Figure 1 Overall performance of district councils in CPA



Source: Audit Commission

The improvement since last year - our Direction of Travel report

Summary

- 20** The overall level of performance in key front line services is improving, but there are fewer high performing services than other district councils. There is mixed performance in key priority areas. Services to benefits customers are not effective and planning performance remains below average. However, some services are effective such as environment services with improved street cleaning and recycling. Some services delivered in partnership are delivering positive outcomes such as the reduction in crime; however leadership of the LSP is not strong.
- 21** The Council is embarking on a significant change programme but much remains to be done before all services are of a good standard. Challenges include driving through cultural change, addressing poor financial management systems and performance management, and establishing effective support mechanisms. The approach to equalities and diversity is weak and value for money remains adequate and has not improved.

How is Brentwood Borough Council performing?

What evidence is there of the Council improving outcomes?

- 22** The Council's key strategic themes as articulated in the Corporate Strategic Plan are:
- Housing and Decent Homes;
 - Healthy Living;
 - Clean, Green and Sustainable Environment;
 - Community Safety; and
 - Enterprise.
- 23** There is mixed performance against these priorities.
- 24** The overall level of performance in key front line services is improving, but there are fewer high performing services than other district councils. Only 27 per cent of indicators are in the best performing quartile, compared to an average of 33 per cent for all district Councils. Forty-nine per cent of indicators are below average. Although the rate of improvement during the last three years is just below average, performance in the last year has improved significantly with 72 per cent of performance indicators improving. This is well above the average compared to similar authorities.
- 25** The performance of the benefits service is not supporting customers. Although accuracy of processing claims has improved from 95.6 per cent in 2006/07 to 97.2 per cent in 2007/08, the Council is among the worst performers nationally. The average time to process change of circumstances has improved but remains slow compared to other Councils. The average time to process new claims improved from 24 days to 21 days. Brentwood is putting in place new processes and initial signs are that performance is starting to improve.
- 26** Planning services are below average. The Council was designated as a Planning Standards Authority in 2007/08 for poor performance in determining major applications. The number of planning appeals allowed is also comparatively poor. The Council is reviewing the service and has taken action to address capacity. Whilst recent data shows that performance for major and minor planning applications has improved during 2008, performance of the service is not fully effective.
- 27** The Council delivers good environment services. Improved street cleaning is reducing litter and graffiti. Composting and recycling has improved from 31.21 per cent in 2006/07 up to 40.53 per cent in 2007/08; this is above average compared to similar Councils. Recent data shows that this has risen to above 43 per cent. There is less household waste collected per head. The Council is therefore delivering against its priority to provide a clean and green environment.
- 28** The Council is making progress in delivering housing. It has invested in social housing (24 homes to date in 2008/09), and increased the numbers of affordable houses built. In 2007/08, 57 new homes were built. The Council now undertakes repairs to local authority homes more quickly. More houses are meeting the Decent Homes Standard. This places the Council in a good position to ensure it meets the Decent Homes target by 2010.

How is Brentwood Borough Council performing?

- 29** Good partnership working with the Police and the CDRP is helping to reduce crime and the fear of crime. Motor crimes, robberies, violence against the person and sexual offences are all decreasing. However, domestic burglaries have increased over the past year. Working at a practical level is also helping to make a difference. For example, joint working with the Police and other partners at Pilgrims Hatch helped to reduce anti-social behaviour through an environment action day. This made a positive impact, acknowledged by both the Police and local residents.
- 30** The Council works well with partners to improve the health of local people. For example, the Council has actively worked with the PCT to improve health care facilities in the town. In September 2008, Brentwood Community Hospital re-opened providing integrated health care for the residents of the Borough. The Council, together with LSP partners, was successful in receiving LAA reward grants. This year the LSP received funding of £260,000. Projects that are to be funded as a result include an Essex Workforce Physical Activity Scheme, 'Healthy Food' preparation courses, a local smoking cessation scheme and a Year 6 'Healthy Living' campaign.
- 31** Partnership working is delivering positive outcomes for young people. Through partnership working with South West Essex PCT, two 'Sure Start' Children's Centres opened in Brentwood in 2008. These centres provide integrated education, care, family support and health services for children and their parents. The Council is contributing to diversionary activities for young people such as the Chill Out holiday schemes. This helps the Council to meet the needs of young people.
- 32** The Council actively promotes sports activities as a way of improving health. In addition to major events such as the Brentwood Cycle Race, the Council also supports a range of events that promote physical activity for all. The Council is working with partners to develop sports facilities within the borough. Two local sports projects were awarded more than £500,000 to provide a lasting legacy from the 2012 Olympics. The Council and partners are working together to provide additional resources and deliver these schemes. This will help to provide long-term benefits for the community.
- 33** Partnership working with Essex County Council is delivering tangible benefits for local people. For example through the Highways Partnership, residents are able to suggest areas for improvement, such as road junctions and verge maintenance. In January 2009, a Joint Committee to manage and operate the country parks and natural open spaces owned by Essex County Council and Brentwood Borough Council in Brentwood was established, but no outcomes are apparent yet. Through joint working with Essex County Council decisions are made more quickly and residents can see and benefit from the outcomes.
- 34** Some partnerships are making good progress towards delivering outcomes for local people. The Council has recently formed a High Street Renaissance Group comprising representatives from Brentwood Town Centre, local businesses, the Youth Council, Federation of Small Businesses, Chamber of Commerce and Essex County Council. Stakeholders have held a series of meetings and a design has been agreed. Following some initial difficulties, construction work has now commenced.

How is Brentwood Borough Council performing?

- 35** The Council's overall approach to diversity has improved little in the past year. Brentwood remains at Local Government Equality Standard Level 2. It is developing an equalities framework and has revised the Race Equality, Gender Equality and Disability Equality schemes. However, further work is required to reach level 3.
- 36** It is unclear whether the Council accurately knows its diverse communities. It is aware that the ethnic community is small and affluent but is not targeting any particular initiatives there. The Council recognises that this is an area for improvement. It is developing a detailed customer profile database and a market research agency recently completed this work on behalf of the Council. The Council is taking an active approach to raising diversity awareness amongst staff. It has undertaken training for staff and issued pocket cards to all staff to support the diversity handbook. However members have not received training in diversity and equalities. Therefore, the Council is unable to identify accurately which diverse communities are accessing its services and action plans to support delivery of schemes are weak.
- 37** The Council does engage with some groups well. It is effectively engaging people with disabilities. For example, the Disability Focus Group has advised the Council on a number of issues including changes to the layout of the town hall, a review of publications and electronic communications. Feedback from the Disability Focus Group has been very positive about the changes implemented thus far in the design of Council's corporate publications and literature. This helps to ensure that services meet the needs of users.
- 38** The Council has made some improvements to accessing services. It has improved shop mobility and disabled access in the town centre multi-storey car park. A new Parking Shop in the town's multi-storey car park provides a single destination for all motorists' parking needs, for example to pay Parking Charge Notices or to arrange parking permits or special dispensation to park. Residents have welcomed this change.
- 39** The Council provides average value for money and this has not improved since last year. There is alignment between costs and service quality, with the costs of services being relatively low, but the level of performance also being lower than other district Councils. This is particularly the case for waste collection and planning services. For example, the planning department is low cost, but with a low number of applications processed on time. Benefits administration has a high spend per head compared to other authorities, with a relatively lower workload and lower satisfaction.
- 40** Links between service planning and efficiencies are not clearly established. The Council has ambitious efficiency targets reflecting the corporate drive to reduce costs due to the financial constraints and desired limitations on Council tax increases. Service planning does not sufficiently drive the efficiency challenge and there are no explicit linkages into the Gershon agenda. As a result, the Council is not getting the best value for money from its resources.

How much progress is being made to implement improvement plans to sustain improvement?

- 41** Plans to support ambitions and priorities are not robust. The Corporate Strategic Plan sets out priorities and actions up to 2010 supported by the Corporate Performance Plan. However, the plans lack target dates by which actions will be completed and outcome measures. It is therefore difficult for the Council to demonstrate what it has achieved.
- 42** Financial strategies to support the delivery of Council priorities are inadequate. The 2008/09 budget was not set in a robust way and the income projections were unrealistic. This is having repercussions for setting the 2009/10 budget. The Council did not review the three-year medium term financial strategy in 2007/08. Therefore, the strategy is out of date and does not take into account recent changes and cost pressures. The medium term financial strategy also does not look forward for three years from 2008/09. As a result, the lack of robust planning is a contributory cause to the financial challenges facing the Council.
- 43** The Council is revising its approach to service and financial planning. For example, the Council is now revising its medium term financial strategy in line with the strategic plans and key priorities. This will help to ensure that the Council's resources reflect its priorities more closely. Arrangements for budget setting have been improved. Managers are now better able to see the cost of services and know how much they cost to deliver.
- 44** Plans to deliver wider community outcomes are not in place. Following the publication of the Essex Local Area Agreement, Brentwood LSP has adopted the 34 priorities. However, the current community strategy only covers the period up to 2009 and at present, a replacement strategy to cover these new targets is not yet in place. There is no LDF core strategy in place yet, although work to produce a replacement is ongoing, and the Council is working to the replacement local plan that dates from 2005. Unless clear and up to date plans are in place, it will be difficult to see the future vision for Brentwood.
- 45** The LSP is not fully effective. During 2008, it was restructured in line with the community priorities with five working groups mirroring the priorities. Council leadership of the LSP is not strong and lacks senior representation. The Council is currently advertising for a co-ordinator to provide support and additional capacity for the LSP. As a result, there is currently a lack of support and leadership for the partnership thereby limiting its impact.
- 46** The Council is going through a period of cultural change and addressing a number of areas for improvement. Whilst there is some uncertainty and resistance amongst some staff, there is a positive desire to improve the culture. For example, the introduction of the One Team publication for managers and supervisors, staff lunches to raise the profile and accessibility of Directors and more frequent electronic updates for staff are all supporting internal communication. There is a new corporate training plan linked to corporate objectives and supported by resources. The Council is revising the appraisal system. As a result, it is becoming more effective, consistent and aligned with corporate priorities. The Council is at the start of the journey and much remains to be done before all services are of a good standard.

How is Brentwood Borough Council performing?

- 47** The Council is developing key supporting plans and strategies to ensure that it meets the challenges of the future. For example, it is reviewing the HR Strategy and Workforce Development Plan. An annual Corporate Training and Development Plan is now in place to ensure appropriate and relevant training on a fair and consistent basis across the Council. The Council is developing an organisation development plan to support improved performance. A customer excellence strategy is currently under production. These plans and strategies aim to support cultural change.
- 48** The Council is improving capacity in key areas. Senior appointments made in the last year include an Interim Director of Finance, Executive Director (Resources), Interim Financial Services Manager, Interim OD Manager and a Value for Money Consultant to enable improve capacity in key services and help deliver efficiencies. However, the Council has still to recruit a permanent Head of Finance and it is unclear whether the finance function has the capacity to deliver all of its responsibilities.
- 49** Some key challenges remain. The Council has not yet implemented Single Status. Pay systems are out of date, lack consistency and do not meet current requirements or affordability. The strategic risk register was last updated in 2007/08. Therefore, many of the risks faced in 2008/09 are not identified and controls to mitigate these risks are not in place.
- 50** Performance management systems are not fully effective. The Council is implementing a new Performance Management Framework system. There is now monthly reporting to the management board and quarterly reporting to Overview and Scrutiny. Better reporting to members is now apparent. However, these changes have yet to make a full impact in terms of improved service performance.
- 51** Financial reporting is poor. Brentwood has inadequate arrangements in place for production of the Annual Statement of Accounts. However, a number of errors were found which amounted to a material difference in the reported financial performance of the Council. Financial and performance information are not fully integrated. The Council continues to monitor and report service performance and Council finances separately. As a result, there is a risk that officers and members are not receiving accurate financial information.
- 52** The strategic partnership with Essex County Council is strengthening capacity at Brentwood. For example, it is providing value for money through economies of scale on ordering of equipment, joint publication and distribution of information such as the Council Tax Guide and A to Z of Services and some services. There is better joint working between frontline services such as Environmental Health and Trading Standards and plans to deliver council services through Brentwood Library are progressing. The Corporate Performance Plan sets out actions for developing capacity and joint working by extending the partnership. Plans are well advanced to co-locate adult social care staff at Brentwood during 2009. These should further help to promote better integration between the two Councils and improve service delivery.
- 53** The recent national economic downturn has identified a number of financial problems to be resolved. The Council is facing a number of hard decisions on future service delivery. These include a new organisational structure to ensure capacity for delivery but with fewer posts and ensuring priorities are still achievable.

How is Brentwood Borough Council performing?

- 54** Overview and Scrutiny is not fully effective. There is an agreed work programme identified by members, but this is not linked to priorities. The role and purpose of the committee remains unclear. Outcomes from the committee are limited.

Service inspections

- 55** No inspections were undertaken in this period.

The audit of the accounts and value for money

- 56** Your appointed auditor, PKF (UK) LLP, has reported separately to Audit, Overview and Scrutiny Committee on the issues arising from the 2007/08 audit and has issued:
- an audit report providing an unqualified opinion on your accounts dated 3 December 2008;
 - a conclusion on your vfm arrangements to say that these arrangements are adequate except for putting in place a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities on date 3 December 2008; and
 - a report on the Best Value Performance Plan confirming that the Plan has been audited.

Accounts and value for money conclusion

- 57** The Statement of Accounts prepared for audit contained a number of significant errors and omission of disclosures required by the Statement of Recommended Practice (SORP) 2007. As a result, the accounts were adjusted to correct these errors which resulted in an increase in the surplus for the year and the general fund balance by £633,000. The amended Accounts required re-approval at the Council's Policy Board and the audited Statement of Accounts was published in December 2008.
- 58** Our conclusion on the Council's arrangements to secure value for money reported that these arrangements were adequate except for putting in place a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities. We found that the Council's three-year medium term financial strategy had not been reviewed or updated in 2007/08 and therefore did not take into account recent changes in strategic priorities and cost pressures.

Use of Resources

- 59** The findings of the auditor are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the auditor in the following areas.
- Financial reporting (including the preparation of the accounts of the Council and the way these are presented to the public).
 - Financial management (including how the financial management is integrated with strategy to support council priorities).
 - Financial standing (including the strength of the Council's financial position).
 - Internal control (including how effectively the Council maintains proper stewardship and control of its finances).
 - Value for money (including an assessment of how well the Council balances the costs and quality of its services).
- 60** For the purposes of the CPA your auditor has assessed the Council's arrangements for use of resources in these five areas as follows.

Table 1

Element	Assessment
Financial reporting	1 out of 4
Financial management	2 out of 4
Financial standing	2 out of 4
Internal control	2 out of 4
Value for money	2 out of 4
Overall assessment of the Audit Commission	2 out of 4

Note: 1 = lowest and 4 = highest

Financial reporting

- 61** Financial reporting has been assessed as inadequate. As noted above, the accounts contained a significant number of errors which, in total, required a material adjustment and correction of a reported deficit for the year of £180,000 to a surplus of £453,000.
- 62** The Statement of Accounts presented for audit also failed to include a number of new disclosures required by the SORP, had failed to resolve a number of matters raised in the previous year, and included an unexplained difference in the Statement of Total Recognised Gains and Losses.

The audit of the accounts and value for money

- 63** We have reported to the Council our concerns regarding the capacity and financial reporting technical expertise available within the Finance function and the Council has made progress in this area by creating the additional post of Director of Finance to deal with strategic matters, allowing the Head of Finance to focus on other matters such as financial reporting.

Financial management

- 64** Financial management has been assessed as generally adequate. However, the financial strategy to support the delivery of strategic priorities was considered to be inadequate as the Council's three-year medium term financial strategy had not been reviewed or updated in 2007/08 and therefore did not take into account recent changes in strategic priorities and cost pressures.
- 65** The arrangements for managing budgets are adequate and there is some use of combined financial and non-financial performance information reported each quarter to the Audit, Overview and Scrutiny Committee.
- 66** The capital strategy and asset management plan have been updated during the year and there is a rolling programme of surveys for the planned maintenance programme. However, the Council continues to have an issue with the backlog of maintenance and has not yet developed an action plan to address these difficulties. There is limited information available, and a lack of local performance measures, to evaluate the asset use in relation to corporate objectives.

Financial standing

- 67** Financial standing has been assessed as adequate and the Council manages its spending within its available financial resources and budgets.

Internal control

- 68** Internal control has been assessed as generally adequate. Risk management arrangements are in place to manage significant business risks and the risk management strategy is updated annually. Strategic and operational risks are linked to strategic objectives with ownership assigned for each risk.
- 69** The Council has an effective Internal Audit function that has a wide role in assessing and providing assurance on the effectiveness of internal controls, and the Council undertakes an annual effectiveness review of its system of internal control. However, internal control was assessed as inadequate as there were no documented plans in place at the time of the review to address the significant weaknesses identified in the Governance Statement regarding the capacity of the Head of Financial Services and the Finance function to deliver all of its responsibilities. The Council has subsequently created the post of Director of Finance to provide additional capacity for dealing with strategic financial matters.
- 70** The Council has adequate governance policies and arrangements in place to maintain probity and propriety including member and officer codes, registers of interests, gifts and hospitality, Standards Committee arrangements, anti-fraud and whistle-blowing policies.

Value for money

- 71** Value for money has been assessed as adequate. The Council generally provides adequate services, delivering slightly below average levels of performance at lower than average levels of cost when compared to the Audit Commission Nearest Neighbour Group.
- 72** The Council now needs to specifically consider across the range of services provided whether the level of service being delivered is proportionate to the resources being utilised, and, where other councils are providing a better level of service, investigate how this can be achieved locally. Because of the financial constraints, the Council has, in the past, focused on the management of costs ('economy'), but demonstrating the achievement of value for money requires the consideration of the level of performance ('efficiency') and outcomes delivered ('effectiveness').
- 73** Subsequent, a consultant has been employed to work on the 'efficiency' and 'effectiveness' elements of considering value for money. The results of this work should help the Council to improve its approach to value for money moving forward.
- 74** The Council continues to monitor and report service performance and finances separately, although to the same Committee. In order to improve the arrangements to drive value for money, the Council needs to bring together the finance and performance reports to provide a measure of the level of service being delivered for the level of resource input and compare this to what is being achieved by other high performing councils.

Data quality

- 75** The Council's Data Quality Policy was approved in June 2007 that, once fully implemented and embedded throughout the organisation, should address many of the weaknesses regarding the Council's corporate and strategic role in securing data quality. This includes documenting the detailed roles and responsibilities for specific officers and actions the Council will undertake in order to improve data quality.
- 76** During 2007/08, the Council did not have a detailed action plan detailing how the objectives of the Policy would be implemented although a Data Quality Action Plan to deal with data quality issues has since been developed.
- 77** Our testing of housing benefit indicators for the number of days to process new claims and change in circumstances was unable to conclude that these were fairly stated since a number of cases had used incorrect start dates and some cases included as a change in circumstance or new claims did not meet the relevant criteria. However, we found that the correct amount of benefit had been paid to the correct people.
- 78** Our testing of the proportion of non decent homes indicator was also unable to conclude that this was fairly stated as it could not be concluded from the evidence provided by the Council that it had used the correct number of non-decent homes at 1 April 2007 and there was a lack of supporting documentation retained for the state of each property for the period between 1 April 2006 and 1 April 2007.

The audit of the accounts and value for money

Advice and Assistance work

79 There was no advice and assistance work undertaken during 2007/08.

Looking ahead

- 80** The public service inspectorates have developed a new performance assessment framework, the Comprehensive Area Assessment (CAA). CAA will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. It will put the experience of citizens, people who use services and local tax payers at the centre of the new local assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable. It will recognise the importance of effective local partnership working, the enhanced role of Sustainable Communities Strategies and Local Area Agreements and the importance of councils in leading and shaping the communities they serve.
- 81** CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate area assessment and reporting performance on the new national indicator set, together with an organisational assessment which will combine the external auditor's assessment of value for money in the use of resources with a joint inspectorate assessment of service performance.
- 82** The first results of our work on CAA will be published in the autumn of 2009. This will include the performance data from 2008/09, the first year of the new National Indicator Set and key aspects of each area's Local Area Agreement.

Closing remarks

- 83** This letter has been discussed and agreed with the Chief Executive. A copy of the letter will be presented at the next available audit committee. Copies need to be provided to all Council members.
- 84** Further detailed findings, conclusions and recommendations on the areas covered by audit and inspection work are included in the reports issued to the Council during the year.

Table 2 Reports issued

Report	Date of issue
Audit and inspection plan	May 2007
Annual Governance Report	September 2008
Opinion on financial statements	December 2008
Value for money conclusion	December 2008
Use of resources	January 2009
Annual audit and inspection letter	March 2009

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- 85** The Council has taken a positive and constructive approach to audit and inspection work, and I wish to thank the Council's staff for their support and cooperation during the audit.

Availability of this letter

- 86** This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk, and also on the Council's website.

Ian Davidson
Comprehensive Area Assessment Lead

31 March 2009

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

Copies of this report

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