

# Annual Audit and Inspection Letter

Test Valley 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 non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

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

- 1 The Council is continuing to make improvements to its services. It has made good progress against its plans for priority services and achieved some significant improvements that local people will notice. These include strong performance on waste management, and good progress with its affordable housing schemes, despite the economic downturn. However, there are some areas where improvements are needed:
  - Housing benefits performance deteriorated and is now below average in terms of speed, accuracy and recovery of overpayments, although new arrangements have stabilised the position since the year end.
  - Planning applications took longer to process in 2007/08, and performance on 'minor' and 'other' applications slipped below average.
- 2 The economic downturn is putting severe pressure on the Council's finances through loss of interest on investments; reduced income from rents, fees and charges; and greater demand for welfare services. Significant cuts in spending are being sought in order to ensure the 2009/10 budget is affordable. The details of how these savings will be achieved have yet to be confirmed, but it is likely that redundancies will be required.
- 3 The Council has revised its list of institutions that are approved for investment, based on up-to-date credit ratings. This led to a situation where £26 million of investments, 42 per cent of the total at 31 December 2008, were with five institutions no longer regarded as sufficiently secure to retain on the approved list. Officers are satisfied that the risk of non-repayment of these sums is low.
- 4 The Council is making good progress in improving its approach to equalities, moving to level 2 against the Equality Standard, and has implemented its programme of Equality Impact Assessments (EQIAs) but now needs to ensure these are leading to change.
- 5 The Audit Commission has assessed the Council's arrangements for the overall use of resources and concluded that they are again 'Performing Well'. However, there is scope to increase the focus on value for money across the Council and to strengthen further the performance management arrangements, with more frequent reporting to councillors so that they can influence performance through the year and help to drive improvement.
- 6 As reported in September, for the financial year 2007/08 we issued:
  - an unqualified opinion on the Council's financial statements; and
  - an unqualified conclusion on its arrangements for ensuring value for money in the use of resources.

The standard of the Council's accounts was good, with clear and comprehensive supporting documentation.

- 7 The Council has recently strengthened its governance arrangements through agreeing a local code of corporate governance to support the Annual Governance Statement. It needs to ensure that its arrangements for undertaking the core functions of an audit committee, which are shared between three separate member groups, are efficient and effective in overseeing the audit function and driving improvements in governance.

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### Action needed by the Council

- 8 The Council needs to focus on:
- strengthening performance management by ensuring that councillors are kept informed throughout the year about progress with budgets and performance and are able to take timely and effective action to drive improvement;
  - implementing arrangements to ensure there is effective challenge to the value for money of services and financial and performance information is integrated at corporate and service levels;
  - ensuring that arrangements for delivering the core functions of an audit committee are efficient and effective;
  - ensuring that EQIAs are carried out effectively and lead to change; and
  - improving performance in those areas such as administration of benefits and planning applications, where it has deteriorated.
- 9 We have raised in separate reports, listed in Table 2 at the end of this letter, some other areas for improvement and have agreed appropriate action with officers.

# Purpose, responsibilities and scope

- 10 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.
- 11 We have addressed this letter to councillors 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.
- 12 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](http://www.audit-commission.gov.uk). In addition, the Council is planning to publish it on its website.
- 13 The District 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, he 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 (the 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.
- 14 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.
- 15 We have listed the reports issued to the Council relating to 2007/08 audit and inspection work in Table 2 at the end of this letter.

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# How is the Council performing?

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## The improvement since last year - our Direction of Travel report

### What evidence is there of the Council improving outcomes?

- 16** The Council has shown a positive rate of improvement against its key priorities since our last report in March 2008. The Council has been working to achieve the aims of its 2007-11 Corporate Plan, 'Maximising Impact'. The paragraphs below set out progress against the five customer facing priorities set out in the plan.

### Creating safer and stronger communities

- 17** In a difficult housing market, the Council has continued to make progress with its affordable homes target although the rate of improvement has begun to slow. The Council delivered 109 affordable homes in 2007/08, which was above its three year rolling target of 100 per year averaged over 3 years. However, in the latter part of 2008, the rate has significantly reduced and the Council is unlikely to achieve the target level in 2008/09. Significantly, the major housing developments in the borough are proceeding and are not being postponed as some other areas are experiencing. The development of 2500 homes at East Anton is under construction and a scheme at Picket Twenty for 1200 dwellings is still on course to start on site in spring 2009. An extra care housing scheme for older people has started construction in Andover.
- 18** Work to develop affordable housing in rural areas is starting to be effective. The Council is a key partner in the Hampshire Alliance for Rural Affordable Housing (HARAH) formed in 2005 to address the need for affordable housing across rural Hampshire. The influence and capacity of HARAH is improving and this has been recognised by IDeA and is part of its rural excellence programme. A strategic housing officer now works across HARAH funded by rural support grant to develop a business plan and communications strategy for HARAH along with an improved action plan. Good progress has been made in Test Valley with four village schemes on site, one nearing completion. Four further schemes are proceeding through the planning process.
- 19** With partners, the Council was less effective than others in improving community safety in 2007/08. The overall volume of crime, which is about average for Hampshire, fell by 2.6 per cent but nationally the average reduction was 10.9 per cent. The percentage improvement in Test Valley was below the national average in 5 out of 6 key crime categories. In 3 of these categories, violence, robbery and burglary, crime actually increased, whereas the national trend was downwards. The only crime category that was improving better than average was theft of vehicles. The Council's plans showing how all of its services are contributing to community safety are unclear. The Community Safety Plan is being refreshed with completion expected by April 2009. Overall, there is little information on the Council's website to inform the public about community safety and the Council's plans for improvement.

## How is the Council performing?

- 20 The Council, with its partners in the Community Safety Partnership has built on last year's successful CREW (Community Respect and Environment Week) initiative by extending this activity across several other parts of the Borough. By targeting the actions of all partner agencies in the same area for a whole week there has been a significant impact on the environment and anti-social behaviour, for example litter clearance, identifying untaxed vehicles and providing advice. Anti-social behaviour in North Baddesley is being tackled by the construction of a youth wing as part of a new sports pavilion with a view to developing activities for young people.

### Improving cultural opportunities

- 21 The Council has continued to improve cultural opportunities. Participation levels across various leisure activities increased in 2007/08 and were 10 per cent above the baseline figure measured in 2005/06. Attendances at the Lights theatre and visits to museums both increased. A wide range of events was provided by the Council such as the 'Feast' food fair, the 'Summer Sounds' music festival and the 'Christmas Cracker' seasonal festivities. A second 'Get Active' sports fair took place in Andover and attracted about 8,000 children, young people and adults. The Council hosted the Hampshire Water Festival in Romsey and the Romsey Arts Festival continued to be successful.
- 22 The Council has improved the quality of its facilities. The War Memorial Park in Romsey has received a Green Flag Award in recognition of its high environmental standards. The Andover Leisure Centre fitness gym has been refurbished. The Council is implementing its green space strategy involving the improvement of 60 green spaces. It is also continuing to implement its Play Strategy 2007-12 with the opening of a popular new play area at Phoenix Park, improving three existing play areas and introducing play features into Sir Harold Hillier Gardens. Rooksbury Mill was awarded Local Nature Reserve status in September 2008.

### Promoting health and well-being

- 23 The Council has increased its focus on promoting health and wellbeing. As part of its restructuring, it has created a leisure and wellbeing service to emphasise the strong link between leisure and health. It has established Northern and Southern older people's forums for all people over 50. The aim of these forums is to speak on behalf of older people about issues which affect their quality of life, health and wellbeing. The Council has also undertaken a mapping exercise to identify the contributions it is making to older people services.
- 24 The Council continues to work in partnership to deliver its health priority. It enjoys good relations with the Primary Care Trust and there are some jointly funded appointments such as a Health Policy Manager. The PCT is directly funding a Healthy Walks officer to work with the Council. The Council is continuing to support a range of promotional initiatives reported previously such as healthy eating workshops, promoting energy efficiency and encouraging walking. The Council has commenced implementation of improvements identified within the best value review of vulnerable people, such as providing access to information on community groups and services.

### Protecting and enhancing the environment

- 25** The Council is starting to make progress in developing its sustainability plans. It has demonstrated its commitment by signing the Nottingham Declaration in April 2008 and is working with the Carbon Trust to create targets and actions in a programme of carbon reduction. A Sustainability Board has been set up with a supporting officer group. An action plan and strategy has still to be formally adopted but this is expected by the end of March 2009. A biodiversity action plan has been adopted as a supplementary planning document.
- 26** The Council is taking effective measures to improve waste management. The amount of material recycled or composted has improved from 27 per cent to 35 percent. This is above average and the 2010 government targets are being exceeded. The volume of waste collected has reduced, and performance is now in the best 25 per cent nationally. This improvement has come at a significantly lower cost. The cost of waste collection per household has fallen below average, from £68.97 to £51.26. The Council has re-branded its bring sites and provided 13 new local recycling centres. A separate initiative was successful in collecting 12.5 tonnes of Yellow Pages for recycling and a two year trial for recycling TetraPaks has begun.
- 27** The Council has continued to take effective action to improve cleanliness. It is continuing to adopt a zero tolerance approach and a further 75 fixed penalty notices were issued to offenders for littering in 2008. Enforcement procedures have been strengthened by introducing legal notices covering street litter control and graffiti removal. It is working with schools to develop litter campaigns. The Council's commitment to reducing gum litter has been recognised nationally, as it was one of 15 local authorities across England to receive funding for a local awareness campaign that resulted in 53 per cent less gum being dropped. Overall cleanliness continues to improve. The percentage of land and highways assessed as having litter and detritus below an acceptable level has fallen from 11 per cent to 9 per cent, which remains better than average.

### Enabling a prosperous economy

- 28** The Council is making good progress with its economic development plans. Despite the current market, some important developments are continuing to proceed. The Council has resisted local pressure and has resolved to grant permission for a large retail distribution centre. It has also approved planning permission for a new headquarters for the Ordnance Survey. Landscaping and signage improvements have been completed at Walworth Industrial Estate and a consultant has been appointed to advise the Council on options for a joint venture partnership. Another consultant has been appointed to look at longer term options for improving the shopping centre in Andover.
- 29** The Council is taking effective measures to improve the skill base of residents. As part of the major developments referred to above it has successfully negotiated significant Section 106 contributions of £500,000 and £300,000 respectively from the developers to provide skills development and support. It has also been innovative in encouraging schoolchildren to consider further education by holding the Andover junior graduation ceremony in partnership with the University of Winchester.



## How is the Council performing?

- 30 The Council is helping to improve tourism. It has supported the development of online booking facilities and e-marketing of the 'Hampshire Countryside' website by providing a link from the Council's website.

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### Wider community outcomes

- 31 In a variety of ways the Council has improved access to services or taken significant steps to do so. For example:
- The website has been further developed to allow on-line payments for parking fines and permits. A web strategy group has been set up to continue to develop the website.
  - A pay-by-phone system has been introduced in Council car parks as an alternative method of payment.
  - With the County Council and the PCT, the Council has supported a shuttle bus service between Andover and Winchester hospital. This came into service in June 2008 and a satisfaction survey received an 82 per cent response with the majority very satisfied with the service.
  - A CRM system is being procured and is due for implementation by September 2009. The system has a self service facility that will allow the public to access details of their own enquiries.
  - Plans are well advanced to close the cash office at the Council Offices and replace it with an alternative payment system. This will allow customers to make payments more conveniently to the Council through about 60 pay points located in post offices and other retail outlets.
  - The services provided at the 'Askalot' Community Information Shop have been expanded. New additions include a Quit Smoking group, homework club, and sessions run by Andover Family Learning. A part-time, multi-agency funded shop co-ordinator has now been appointed.
- 32 A high workload and staff capacity limitations have had a detrimental effect on planning performance. All three categories of planning applications took longer to process in 2007/08. Performance on major applications remained in the best 25 per cent nationally but performance on minor and other applications fell below average. Performance in 2008/09 has continued to slip as a consequence of dealing with some major development proposals. The percentage of enforcement cases concluded in 6 weeks also fell in 2007/08. However, the quality of planning decisions improved. The percentage of successful planning appeals was in the best 25 per cent nationally having fallen from 31 per cent to 19 per cent. The number of conservation areas with an up-to-date character appraisal has increased with the adoption of six more appraisals with a further three on target to be adopted by end March 2009.

- 33** During 2007/08 the performance of the Council's housing benefits service deteriorated and is now below average in terms of speed, accuracy and recovery of overpayments. This occurred as a result of a Head of Service vacancy and the decision to implement interim management arrangements, which involved a number of existing staff taking on extra responsibilities while the opportunities for shared services were explored. This approach enabled shared service arrangements to be agreed with Winchester City Council, which is saving £35,000 a year, and performance has now stabilised.
- 34** The Council is making steady progress in improving its approach to equalities. It has produced its first annual report in support of its equality plan and this demonstrates that progress is being made. It has improved its rating against the Equality Standard from level 1 to level 2 and has implemented its programme of equality impact assessments (EQIAs) across all services and these are available on the Council's website.
- 35** The Council has broadened its links with different communities. A Central and Eastern European Community Association has been established. A community development worker has been seconded by Hampshire County to work with the Council. A black and minority ethnic forum has been established in Andover and there are two older people's forums reported above.
- 36** Overall, the Council's improvement against selected 2007/08 Best Value Performance Indicators (BVPIs) is below average when compared to other councils. Of those BVPIs selected for comparison, 49 per cent show improvement from last year compared to a national average of 58 per cent. There are 25 per cent of BVPIs that are in the best 25 per cent of all district councils, which is below the national average of 33 per cent.

### Value for money and Use of Resources

- 37** The Council is performing well in delivering value for money and in its use of resources. This year it has again been assessed at level 3, performing well, for its use of resources and also for value for money. Within this assessment, the rating for two themes improved from level 2 to level 3 – financial reporting and asset management.
- 38** The Council has achieved its local and nationally set efficiency targets. Efficiency gains in 2007/08 were £1,079, 040 (all cashable) bringing the aggregate so far to £2,251,861 of which £1,953,697 is cashable. This is 22.7 per cent ahead of the overall savings target and 212 per cent ahead of the cashable target.
- 39** The Council has been active in pursuing new approaches to improve value for money. For example:
- The access advantage of closing the cash desk (see above) will be achieved with cost savings for accommodation and security.
  - Sharing a Head of Revenues is saving £35,000 a year.
  - A server 'virtualisation' project has been approved and the Council expects this will save £343,000 in the next 5 years.

## How is the Council performing?

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

- 40 The Corporate Plan includes a further priority, 'to maximise capacity and impact'. Some of the progress made against this priority has been covered above and the rest is covered in the remaining paragraphs.
- 41 The Council has further developed its plans and approaches to help it to continue to improve. Examples include:
- The Local Development Framework Core Strategy has been consulted on and the examination in public is due to commence in May 2009.
  - New partnership arrangements have been established with registered social landlords to improve affordable housing delivery.
  - A teenage lodgings scheme has been established to tackle youth homelessness in line with the Government's expectations.
  - A new Housing Strategy and supporting action plan were published in September 2008.
  - A new Asset Management Plan 2008-2013, was approved by the Council in September 2008.
- 42 The Council is committed to the Hampshire Local Area Agreement (LAA) which it endorsed in September 2008. The Council's own strategic priorities, and that of the Test Valley Partnership, are so closely aligned to the targets in the LAA that the Council was entirely confident about confirming its support.
- 43 Performance management is not well developed. Quarterly performance reporting to the management team has only recently been introduced and is not well embedded. Members receive performance reports annually but this is too infrequent to allow timely and effective scrutiny that will make a difference. Without effective performance management officers and councillors are less able to drive improvement.
- 44 The Council is working to improve value for money further. It has begun to implement a programme of value for money reviews. Three areas have been reviewed so far. A review of Land Charges has resulted in ongoing annual savings of £22,000. The Building Control review highlighted resource efficiencies that could yield about £45,000 per annum. The Essential Car User Allowance review has recommended changes that could save approximately £50k per annum.
- 45 The Council has also developed a 'Corporate Challenge' framework to meet the challenge of an increased budget gap. A series of eleven corporate challenge meetings were held during December 2008 and January 2009 to scrutinise and challenge the level of service and identify options for significant savings in 2009/10.

## How is the Council performing?

- 46 The Council is a good place for staff and councillors to work. The Council received The Times Award for the Best Mid-sized Council to work for in 2008, and was placed sixth within the top 25 councils to work for overall. This achievement reflects the significant staff engagement carried out by the Council and is to be highlighted in a forthcoming case study report by the I&DeA. The Council also gained re-accreditation of the Investors in People (IIP) Standard in May 2008. Member development is also improving with more members from Test Valley attending the countywide 'Hi Achievers Programme' than from any other Hampshire council.
- 47 The Council has reviewed its management structure and is implementing changes that will make it more efficient and better aligned with its priorities.
- 48 There are no corporate governance issues that would prevent further improvement.

# The audit of the accounts and value for money

- 49 We have reported separately to the General Purposes Committee on the issues arising from our 2007/08 audit and have issued:
- the audit report from the District Auditor, providing an unqualified opinion on your accounts and a conclusion on your value for money arrangements to say that these arrangements are adequate, on 29 September 2008; and
  - the report on the Best Value Performance Plan confirming that the Plan has been audited.

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## Use of Resources

- 50 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).

51 For the purposes of the CPA we have assessed the Council's arrangements for use of resources in these five areas as follows.

**Table 1 Theme scores for the 2008 Use of Resources assessment**

Element	Assessment
Financial reporting	3 out of 4
Financial management	3 out of 4
Financial standing	3 out of 4
Internal control	3 out of 4
Value for money	3 out of 4
<b>Overall assessment of the Audit Commission</b>	<b>3 out of 4</b>

Note: 1 – lowest, 4 = highest

### The key issues arising from the audit

#### CPA use of resources assessment

##### Financial reporting

- 52 The accounts were well prepared, and we identified no material misstatements and only a small number of minor misstatements. The standard of working papers was very good and responses to audit queries were prompt and helpful.
- 53 The Council has good arrangements for reporting to its residents through Test Valley News, its website and an annual summary of accounts. However, it is not yet reporting information and analysis about its environmental footprint.

##### Financial management

- 54 The Council has continued to perform well on financial management.
- 55 It was not able to meet fully a new requirement that property records contain a range of data on efficiency, effectiveness, asset value and running costs, which can be used to support decision making. However, as much of the required information was available, albeit not from the principal property records, and the Council is working to enhance its arrangements in the current year, we concluded that it had done sufficient to meet this criterion.
- 56 Our suggestions for areas that can be strengthened include:
- Developing financial planning to model the Council's balances, cash flows, resource requirements and revenue and expenditure totals, using different planning assumptions, with links to risk management and performance reports.

## The audit of the accounts and value for money

- Ensuring that arrangements for managing assets are helping to deliver sustainable social, environmental and economic outcomes for local communities and that asset management and corporate and service plans are aligned.

### Financial standing

- 57 The Council has continued to manage its spending within budgets. On debt collection, the relationship with Winchester City Council on Council Tax and NNDR is leading to trialling of new joint approaches, and for industrial estate rents, the other major area of debt, there are effective arrangements in place.

### Internal control

- 58 The Council has continued to maintain sound internal control. There are business continuity plans (BCPs) in place and these have been walk-through tested across all services. The corporate BCP is being produced and a comprehensive exercise is planned for testing the Emergency Plan and BCPs.
- 59 There were delays in producing a local code of corporate governance, but this has recently been completed and adopted. The Council's Annual Governance Statement should now report on the extent to which the local code has been complied with during the year.
- 60 The Council delivers the functions of an audit committee through OSCOM, the Audit Panel and the General Purposes Committee. This means that responsibility for key governance issues is divided and that oversight of audit matters has a relatively low status in the Council's affairs. A single committee with responsibility for all audit and governance issues would improve corporate focus on risk management, internal control and audit, and if this committee had the appropriate status it would be able to challenge poor practices, track action taken and so drive improvements to governance across the Council. It would also obtain the knowledge and understanding to undertake effective scrutiny of the Annual Governance Statement and so ensure that the statement reflects fairly the Council's position.
- 61 We have recommended that the Council ensures:
- there are effective arrangements in place for delivering the core functions of an audit committee, including challenge across the organisation and monitoring of progress to address issues in audit reports and strengthen internal control.

### Value for money

- 62 The Council currently achieves good value for money. It is one of the highest spenders within its family group of similar councils, as well as in comparison with district councils nationally, but is providing a higher level of service in many of the areas in which it is relatively high cost, and these areas are consistent with corporate priorities. Most services are performing relatively well and the Council achieves most of its targets.

- 63 The Council has adequate arrangements in place to manage and improve value for money. It has clear information on costs and many services have made use of comparative information to seek assurance that higher service costs are justified by quality and investment in local priorities. Although staff and councillors are aware of value for money, it is not yet embedded in appraisals or individual targets and cost is still not monitored alongside performance. However, the Council is developing a more detailed approach to cost and performance monitoring across its services.
- 64 The Council is considering the best way that it can provide corporate challenge to its services. It has established a Value for Money team which has a programme of reviews planned. It is also developing its approaches to procurement and asset management, but there were no measurable outcomes from these improvements at the time of our assessment.
- 65 Processes for reviewing value for money are in development; they are not yet robust and embedded and do not ensure a consistent approach across the organisation. The Council is proposing to review its approach shortly. We have suggested that priority be given to:
- implementing arrangements to ensure challenge to the value for money of services; and
  - developing arrangements for integrating financial and performance monitoring information at corporate and service levels.

### Data quality

- 66 The Council's overall management arrangements for ensuring the quality of its data meet minimum requirements.
- 67 Responsibility for data quality is clearly defined but arrangements to monitor and review data quality are not yet effective and there are limited validation procedures in place. Existing policies and procedures are followed by staff, and the policy and performance team provide guidance where necessary, but arrangements for ensuring that staff have the necessary skills are still being developed. There are appropriate systems in place for the collection and reporting of data, including controls designed to ensure the quality of data. However, individual services have responsibility for third party data and little check of consistency is made.
- 68 Our review and spot checks of PIs found that they were fairly stated. An action plan has been agreed with the council to address the issues arising from this review, including:
- developing a consistent and robust approach to monitoring of data by senior management;
  - conducting a review of operational procedures and guidance to bring them in line with the new data quality strategy;
  - completing a programme to raise awareness of data security;



## The audit of the accounts and value for money

- completing appropriate training for corporate leads to manage data quality effectively across the Council; and
- ensuring a proportionate but effective quality assurance regime is applied to all data.

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# Looking ahead

- 69** 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.
- 70** 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.
- 71** 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.

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# Closing remarks

- 72 This letter has been discussed and agreed with the Chief Executive and Head of Finance. A copy will be presented at the Cabinet on 1 April 2009. Copies need to be provided to all Council members.
- 73 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, as set out in Table 2.

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**Table 2      Reports issued**

Report	Date of issue
Audit and inspection plan	March 2007
Annual Governance Report	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Final accounts memorandum	November 2008
Use of Resources	January 2009
Data quality	January 2009
Annual audit and inspection letter	March 2009

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- 74 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.

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## Availability of this letter

- 75 This letter will be published on the Audit Commission's website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk), and also on the Council's website.

Patrick Jarvis  
**District Auditor**

Linda Krywald  
**Comprehensive Area Assessment Lead**

March 2009

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# 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.

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