

**FINAL ACCOUNTS AND AUDIT COMMITTEE  
25 MARCH 2009**

**CABINET MEETING  
23 JUNE 2009**

**STANDARDS COMMITTEE  
8 JULY 2009**

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**AUDIT COMMISSION: ANNUAL AUDIT AND INSPECTION LETTER 2007/08**

**Purpose of the Report**

1. To draw the Audit Commission's Annual Audit and Inspection Letter to the attention of the Cabinet, Standards Committee and Final Accounts and Audit Committee and to invite Members to consider their response. Melanie Watson who is the Audit Commission Relationship Manager and Darren Gilbert, the Senior Manager, Audit, KPMG, will attend the meeting of the Final Accounts and Audit Committee to present the Annual Audit and Inspection Letter and to respond to any queries.

**Background**

2. The Audit and Inspection Letter has been prepared by the Council's Audit Commission Relationship Manager and District Auditor. The Letter summarises the conclusions and significant issues arising from recent audit and inspections of the Council. The Audit and Inspection Letter incorporates the full 'Direction of Travel' judgement and the CPA Scorecard that respectively assess and measure how well the Council is improving. The AAIL examines improvement against priorities, and how much progress is being made to implement improvement plans to sustain improvement.
3. As reported to the County Council Cabinet and stated in the Letter, Wiltshire County Council was judged by the Audit Commission to be a council that is demonstrating a 3 star level overall performance and is improving well.
4. The Audit and Inspection Letter will be circulated to all Members of the County Council as soon as it is finalised by the Audit Commission.

**Main Considerations for the Council**

5. The Audit Commission's recommended actions for the new Council are summarised on page 3 of the Audit and Inspection Letter. These are that the Council should:
  - Sustain improvements in social care services for adults to ensure that services for vulnerable people are of a good quality;

- Monitor progress in assessing and improving the Council's performance against the standards in the new use of resources regime;
- Develop plans to deal with its investments in Icelandic banks once the implications of these investments become clearer. Such plans should seek to manage the financial implications that will arise should some or all of these investments prove to be irrecoverable; and
- Continue to monitor closely the progress made in preparing for the transition to the new unitary council and the implementation of BMP in April 2009, and also how the new arrangements and system bed down thereafter.

I will comment on each of these areas in paragraphs 6-10 below.

**Sustain improvements in social care services for adults to ensure that services for vulnerable people are of a good quality;**

6. We have provided CSCI with an Action Plan and Summary of Progress resulting from the Areas for Development in their Annual Performance Assessment 2007/8. CSCI have commented that it is the best Action Plan that they have seen this year.

Achievement to date in Resilient Communities is under represented in the report due to the timing of the evidence. GFS1 2007/8 is evidence for the period of this report but the results were not published by the Information Centre until November 2008, which was too late for it to be reflected in CPA 2008. It showed that Wiltshire provides the highest rate of person-centred services through its grant-funding of Third Sector organisations of any authority in the South West. GFS1 2008/9 reflected further progress.

Paragraph 23 in the Annual Audit and Inspection Letter states that "figures show marked improvements in working with health partners to ensure that people do not have to spend too long in hospital and can be discharged promptly, but performance is still well below others in the South West". This refers to the performance indicator D41, which has been replaced by NI 131. By the end of February this year, our year-to-date result for NI 131 was a fraction below the average for the South West. Figures for just the last week of February showed that Wiltshire has the best performance in the South West.

Paragraph 23 also states that "people's ability to exercise choice and control through direct payments where performance dropped in 2007/08 and was by far the lowest in the South West. Council figures show recent increases in this area". On 12 March, CSCI remarked that our result has improved, almost doubling since the March 2008. It is also worth noting that the definition of NI 130, which measures the rate of Direct Payments, changes fundamentally on 1 Apr and no longer measures the rate of Direct Payments.

7. The FOCUS project is putting the customer at the head of our plans. A key outcome for the project will be the ability to provide increased customer choice and control. FOCUS complements other transformation projects such as personal budgets. Thorough testing, evaluation and review of the new processes will take place through the 'Proof of Concept'. This will be carried out by a seconded team, who will closely liaise with DCS colleagues during this stage. The Proof of Concept includes testing the new processes with initially a small group and then increasing numbers of customers to ensure that any final issues can be identified and addressed. Once the Proof of Concept is concluded, the final planning for the roll out will be refined, and the new processes will roll out across Wiltshire from July 2009, in a safe and measured fashion.

**Monitor progress in assessing and improving the Council's performance against the standards in the new use of resources regime**

8. The Use of Resources Steering Group led by the Director of Resources will have a continued role to drive forward performance against the UoR standards – most Steering Group members are members of the Resources Department Leadership Team so that DLT will monitor progress. Oversight involving the Leader and Deputy Leader will be carried out by the Performance Steering Group. The outcomes of the Use of Resources assessment will be embedded in the medium term Corporate Plan for the new authority.

**Develop plans to deal with its investments in Icelandic banks once the implications of these investments become clearer. Such plans should seek to manage the financial implications that will arise should some or all of these investments prove to be irrecoverable**

9. The authority is continuing to monitor the national perspective in terms of the recovery of its investments in Icelandic banks. Non – recovery has been identified as a financial risk. Financial assessment has been established to quantify the impact of non – recovery on the general revenue reserves of the authority. Any such impact will be managed as part of the authority's financial monitoring procedures.

**Continue to monitor closely the progress made in preparing for the transition to the new unitary council and the implementation of BMP in April 2009, and also how the new arrangements and system bed down thereafter**

10. The Programme Office has effectively monitored the progress to date in preparing for the transition to the new unitary council and the implementation of BMP. Highlight reports have been considered regularly by the Implementation Executive and this strategic oversight by the IE will continue until the role passes to the Cabinet for the new unitary authority in June. The Corporate Leadership Team will also continue to oversee monitoring of the transition programme through the medium term. CLT has defined a programme of Corporate Priorities for 2009-10 and specific programme support and reporting arrangements will be discussed by CLT in April. This programme includes BMP implementation and the maximisation of the benefits arising from BMP implementation.

### **Environmental Impact of the Proposal**

11. No specific recommendations or implications.

### **Financial Implications**

12. The Audit Commission's Annual Audit and Inspection Letter is relevant to the County Council's financial arrangements.

### **Reasons for the Proposals**

13. To draw the Audit Commission's Annual Audit and Inspection Letter to the attention of Members and to invite Members to consider their response.

### **Proposals**

14. I recommend that:

- (i) the Cabinet welcomes the Audit Commission's Annual Audit and Inspection Letter and asks me to draw up a programme for considering the recommendations in the letter;
- (ii) the Standards Committee considers and expresses any observations, relating to those issues highlighted within the Letter in which it has a direct interest – those related to standards, conduct and probity;
- (iii) the Final Accounts and Audit Committee considers those matters relevant to the work programme of the Committee.

KEITH ROBINSON  
Chief Executive

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No unpublished documents have been relied upon in the preparation of this Report