

FINAL ACCOUNTS AND AUDIT COMMITTEE

22 March, 2007

STANDARDS COMMITTEE

18 April, 2007

CABINET MEETING

24 April, 2007

AUDIT COMMISSION: ANNUAL AUDIT AND INSPECTION LETTER 2007

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 Committee and to invite Members to consider their response. The Audit Manager will attend the meeting of Cabinet to present the Annual Audit and Inspection Letter and to respond to any queries.

Background

2. The Audit and Inspection Letter has been prepared jointly 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 judgement and scorecard have been drawn up using the methodology 'CPA – The Harder Test'. CPA includes an assessment of our services (Children & young people, Adult social care, Environment and Culture) and our financial management (Use of Resources).
3. As reported to Cabinet on 27 February and stated in the Letter, Wiltshire is judged by the Audit Commission to be a council that is demonstrating a 4 star level overall performance and is improving adequately. The Audit Commission states that "The council provides good value for money and has solid plans for further improvement." The County Council is the first Council in Wiltshire to achieve the four star 'Excellent' status.
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 on 19 or 20 March.

Main Considerations for the Council

5. The Audit Commission's recommended actions for the County Council are summarised on page 5 of the Audit and Inspection Letter. These are that Members should:

- consider how to support the Chief Executive and Corporate Management Board in ensuring good practice and improvements take place consistently through all Council departments’;
- respond to the poor results contained in the recent public opinion survey by approving a strategy to improve public opinion about Council’s services, which includes a review of the effectiveness of public consultation and communication methods; (details of the questions posed regarding complaints and results of the survey are attached for the Committee’s information) and
- support officers in introducing a new corporate data system to capture in one place all performance information produced by the Council.

I will comment briefly on each of these areas in paras 7 – 9 below.

Consider how to support the Chief Executive and Corporate Management Board in ensuring good practice and improvements take place consistently through all Council departments

6. The Corporate Management Board has been significantly strengthened by the appointment of three new Directors and a process of joint leadership development is currently underway at Management Board level in addition to refocusing the strategic role of the Corporate Management Board. More specifically, the Council has embarked on a major change initiative. The Business Management programme, that will transform the way in which the organisation operates its core back office functions, namely; Finance, Procurement, HR and Payroll. It is acknowledged that current arrangements do not provide the most cost effective arrangements. The most appropriate option has been chosen - to carry out a comprehensive review and re-engineering of these processes whilst procuring a new Business Management Solution that is designed to provide up-to-date facilities appropriate to an organisation with an annual budget that exceeds £300m. The overall objective is to improve and standardise core business processes across the organisation, implementing appropriate technologies to enable a significant step change in the management of budgets, procurement, HR, payroll, performance and risk.

The County Council is also implementing further phases of the Corporate Procurement Strategy, including action that has been taken to address existing weaknesses in relation to ordering and purchasing goods and services. To increase critical capacity and strengthen the consistency of the approach to risk management across all departments, a Risk Manager is to be appointed during 2007.

Respond to the poor results contained in the recent public opinion survey by approving a strategy to improve public opinion about Council's services, which includes a review of the effectiveness of public consultation and communication methods

7. The public satisfaction survey held last September is part of a three yearly survey specified by central government. The satisfaction results with the Council as a whole do not accord with our four star performance status awarded by the Audit Commission. As was probably to be expected, public satisfaction with the Council as a whole has fallen during what has been a very financially difficult period, although satisfaction with services looks average or good. Analysis of the returns also indicates that a significant proportion of the comments provided as part of the survey relate to dissatisfaction with services provided by other organisations (including District Councils). This issue reflects the public's lack of clarity as to which local authority provides which services. The comments also reflect how surveys can be affected by particular issues (for example, many of the comments related to waste collection of recycling, a particular issue at that time). To try to establish a more reliable information, we will carry out more frequent surveys based on the national model to enable local trends in public satisfaction to be more closely mapped and assessed.

Support officers in introducing a new corporate data system to capture in one place all performance information produced by the Council.

8. On 20th March Cabinet considered a report on the Framework Policy to help the Council's to manage its resources, performance and risk in an integrated and dynamic way. The report explained that to help us to do this efficiently we will look to introduce a system developed by St Helens Council (The Excelcis performance management framework). This will enable us to hold information in one place which is currently held in a variety of spreadsheets and documents. The use of Excelcis is also expected to be a low risk interim arrangement which will help us prepare for (and be replaced by) the Business Management System (see paragraph 7 above). Excelcis is intended to hold the Council's key performance information, rather than all performance data as some data is of a very local and limited nature.

Environmental Impact of the Proposal

9. No specific recommendations or implications.

Financial Implications

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

Reasons for the Proposals

11. 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

12. 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 (paragraph 14 refers to complaints);
 - (iii) the Final Accounts and Audit Committee considers those matters relevant to the work programme of the Committee.

KEITH ROBINSON
Chief Executive

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