

Use of Resources

West Wiltshire District Council

Audit 2007/08

Date

DRAFT

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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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Introduction

- 1 The Use of Resources (UOR) assessment evaluates how well councils manage and use their resources. This is the fourth assessment carried out at the council and is the last under the CPA framework. Next year there will be a new assessment which will form part of the Comprehensive Area Assessment. The assessment Use of Resources focuses on the importance of having strategic financial management, sound governance and effective financial reporting arrangements. These should support your Council in the achievement of its priorities and improving services, whilst delivering value for money.
- 2 This assessment relates to the financial year 2007/08 and is based on the key lines of enquiry for 2008. Changes to the criteria underpinning the key lines of enquiry were consulted on in April 2007 and the final key lines of enquiry were published in August 2007. These changes were made to:
 - reflect developments in professional guidance, legislative requirements and best practice; and
 - signal some of the changes proposed for the new use of resources under CAA, smoothing the transition to CAA.
- 3 The overall use of resources assessment is made up of five themes. Judgements have been made for each theme using the Audit Commission's scale, see Table 1 below. This scale is used across its inspection and performance assessment frameworks.

Table 1 Standard scale used for assessments and inspections

1	Below minimum requirements – inadequate performance
2	Only at minimum requirements – adequate performance
3	Consistently above minimum requirements – performing well
4	Well above minimum requirements – performing strongly

- 4 In forming our assessment, we have used the methodology set out in the Use of Resources Guidance for Councils 2008, which can be found on the Commission's web site. We have also taken account of our findings and conclusions from previous years' assessments and updated these for any changes and improvements to the Council's arrangements.
- 5 The five theme scores for West Wiltshire District Council are outlined overleaf. These scores were confirmed by our national quality control process, which seeks to ensure consistency across all suppliers and on a national basis. The Commission notified you of your Council's overall score for use of resources and supporting theme scores on 8 December 2008.

Conclusion

- 6 As can be seen from table 2, West Wiltshire District Council has maintained its good performance across all themes, despite the impact of local government reorganisation on staffing levels in some areas.
- 7 Given the imminence of local government reorganisation in Wiltshire we note in the following summary our key findings which the Council should continue to focus on in the run up to the reorganisation.

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Use of resources judgements

Table 2 Summary of scores at theme and KLOE level

Key lines of enquiry (KLOEs)	Score 2008	Score 2007	Score 2006
Financial reporting	3	3	3
1.1 The Council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers.	3	3	3
1.2 The Council promotes external accountability.	3	3	3
Financial management	3	3	3
2.1 The Council's medium-term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities.	3	3	3
2.2 The Council manages performance against budgets.	3	3	3
2.3 The Council manages its asset base.	2	2	2
Financial standing	3	3	2
3.1 The Council manages its spending within the available resources.	3	3	2
Internal control	3	3	3
4.1 The Council manages its significant business risks.	3	3	3
4.2 The Council has arrangements in place to maintain a sound system of internal control.	3	3	3
4.3 The Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	2	2	2
Value for money	3	3	3
5.1 The Council currently achieves good value for money.	3	3	3
5.2 The Council manages and improves value for money.	3	3	3

Theme summaries

- 8 The key findings and conclusions for each of the five themes are summarised in the following tables.

Financial reporting

Theme score 3	
Key findings and conclusions	
<p>The 2007/08 accounts were prepared and approved by the Audit Committee on 26 June 2008, in line with statutory requirements. Working papers were again provided to a good standard and the accounts were compliant with the Statement of Recommended Practice (SORP). Officers were available to provide explanations to queries, there were no material amendments to the accounts and an unqualified audit opinion was issued on 30 September 2008.</p> <p>The Council continues to promote external accountability and key financial and operational documents are available on the website on a timely basis. These are accessible in a range of formats.</p>	
Key considerations in the run up to local government reorganisation.	
KLOE 1.1 The Council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers.	Continue to have regard to changes in the SORP and ensure that the accounts presented for approval, and audit, contain only errors that are clearly trivial.
KLOE 1.2 The Council promotes external accountability.	

Financial management

Theme score 3	
Key findings and conclusions	
<p>The Council's financial management arrangements remain sound. The financial planning and budget setting framework was reviewed at an early stage to take account of the proposals for a new single council for Wiltshire.</p> <p>The Audit Committee and Cabinet continue to receive quarterly monitoring reports to ensure that performance against budgets is managed effectively.</p> <p>The Council continues to have adequate arrangements in place to manage its assets. There is an up to date asset register.</p>	
Key considerations in the run up to local government reorganisation.	
<p>KLOE 2.1 The Council's medium-term financial strategy (MTFS), budgets and capital programme are soundly based and designed to deliver its strategic priorities.</p>	<p>Continue to work with Wiltshire County Council (as continuing authority) to transfer financial records and information to ensure a soundly based budget, and basis for the MTFP, for the new Wiltshire Council.</p>
<p>KLOE 2.2 The Council manages performance against budgets.</p>	<p>Maintain robust budget monitoring arrangements in the run up to reorganisation.</p>
<p>KLOE 2.3 The Council manages its asset base.</p>	<p>Ensure records of assets are complete and up to date prior to transfer to the new Council.</p>



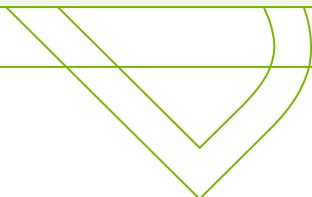
Financial standing

Theme score 3	
Key findings and conclusions	
<p>The Council's financial position at 31 March 2008 remains satisfactory. Overall spending was within budget for 2007/08, the outturn revenue spend was £521k less than the base budget of £14,875k (3.5% below the base budget). The level of balances and reserves has been maintained in line with the approved policy.</p>	
Key considerations in the run up to local government reorganisation.	
<p>KLOE 3.1 The Council manages its spending within the available resources.</p>	<p>Ensure robust arrangements remain in place to monitor expenditure and income levels and that balances transferred are in line with transitional regulation requirements.</p> <p>Treasury management arrangements should be kept under review.</p>



Internal control

Theme score	
Key findings and conclusions	
<p>The Council continues to manage its business risks and has carried out a comprehensive review of risks in the light of local government reorganisation. Risk management arrangements have been in place for a number of years and were considered as part of the review of the Local Code of Governance, following the publication of revised CIPFA/SOLACE guidance.</p> <p>The Council continues to maintain sound systems of internal control and the assurance framework was reviewed to take account of the revised CIPFA/SOLACE requirements of the Code of Corporate Governance. The Audit Committee receives reports on a range of issues in line with its agreed TOR. The Scrutiny Committee prepares an annual report to Council setting out the key issues reviewed during the year and the outcomes, where known.</p>	
Key considerations in the run up to local government reorganisation.	
KLOE 4.1 The Council manages its significant business risks.	Continue work through the Implementation Team to monitor and manage key risks and opportunities arising from LGR.
KLOE 4.2 The Council has arrangements in place to maintain a sound system of internal control.	Maintain existing systems and processes and ensure business continuity plans remain robust up to March 2009.
KLOE 4.3 The Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	Continue to focus Internal Audit work in key LGR risk areas. Ensure compliance with legal and technical requirements of reorganisation e.g. those related to redundancy, transfer of undertakings etc.



Value for money

Theme score 3	
Key findings and conclusions	
<p>The Council has continued to keep costs low whilst maintaining service performance in comparison with others. Total expenditure on services per head remains low and is in the lowest quartile. Housing services remain relatively high cost but this is a key strategic priority for the Council. Spending on services is also low although satisfaction with the Council reduced last year.</p> <p>The Council continues to have robust arrangements for managing costs and performance. There is a clear process of service review where costs or performance is not satisfactory and action is taken to improve both. The Council has a tradition of buying in services and using others to deliver services, either individually or with others. The Council has reviewed its strategies and its levels of service delivery to prepare for the creation of the new unitary authority. The Council is also working to ensure that the departure of key staff does not have a significant impact on service delivery to the public.</p>	
Key considerations in the run up to local government reorganisation and beyond.	
KLOE 5.1 The Council currently achieves good value for money.	<p>Continue to deliver services at low cost to the public.</p> <p>Improve analysis of the external factors that influence performance and cost</p>
KLOE 5.2 The Council manages and improves value for money.	<p>Maintain the involvement of Members in challenging value for money, particularly in terms of community outcomes.</p> <p>Continue with the Vanguard programme of service review as appropriate.</p>

