

Audit and Inspection Letter

Kent County 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 has continued to sustain its strong improvement record from an already high base. It is one of only 26 councils in the country to achieve both the highest, four star rating for overall performance under the comprehensive performance assessment framework (CPA), as well as highest direction of travel judgement, 'improving strongly'.
- 2 'Good' performance has been sustained across the four component service blocks of CPA applicable to a County Council. Services for children and young people; adults social care; environment and cultural services all performed well, maintaining their respective level 3 (out of a possible 4) ratings.
- 3 The Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. It has sound, effective arrangements in place across all areas of the use of resources assessment and overall is assessed as 'performing strongly'. Thirty three councils in the country performed at this level in 2008. An unqualified opinion was given on the Council's accounts for the year ended 31 March 2008.
- 4 Direction of travel continues to be strong overall with improvements in all priority areas. In particular this year we have acknowledged achievements in educational attainment, outcomes from the vocational skills and learning programmes and in general the Council's contribution to wider community outcomes, which have been strong and broad in their remit. However, whilst recognising improvements in highways maintenance, a clear public priority area for improvement and recycling rates, the cost of waste disposal remains high in comparison with other similar authorities.
- 5 Annual performance assessments by other inspectorates published this year have continued to be positive. Children's service maintained its grade 3 (out of a possible 4) rating and adult social care sustained its three stars.
- 6 Outcomes from published inspection reports this year have been good. The Audit Commission's tri-annual inspection of corporate effectiveness found the Council to be 'performing strongly', the highest rating. The joint inspectorate assessment of children's services (JAR) was good and the enhanced youth service inspection found that the Council effectively secured the provision of youth work.

Action needed by the Council

- 7 We have not identified any areas where specific action is required, over and above those mentioned elsewhere in this report or in other reports already issued to the Council.

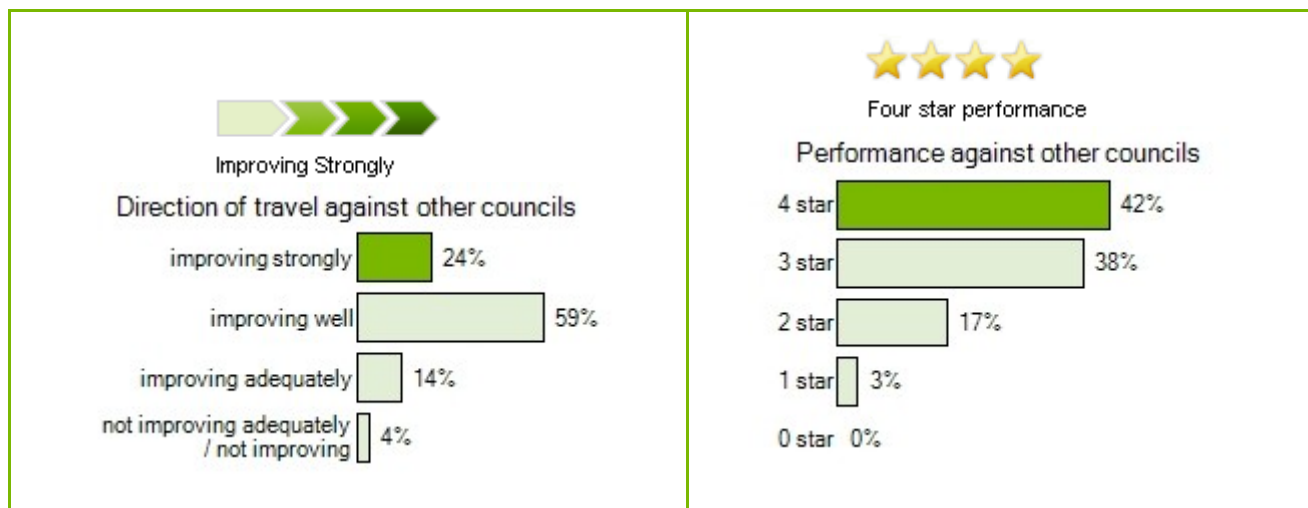
Purpose, responsibilities and scope

- 8 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. (It also includes the results of the most recent corporate assessment.)
- 9 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.
- 10 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].
- 11 As your appointed auditor I am 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, I review and report 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.
- 12 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.
- 13 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 Kent County Council performing?

14 The Audit Commission's overall judgement is that Kent County Council is 'improving strongly' and we have classified Kent County Council as 'four star' in its current level of performance under the Comprehensive Performance Assessment. These assessments have been completed in all single tier and county councils with the following results.

Figure 1 Overall performance of councils in CPA



Source: Audit Commission - Percentage figures may not add up to 100 per cent due to roundings.

Our overall assessment - the CPA scorecard

Table 1 CPA scorecard

Element	Assessment
Direction of Travel judgement	Improving strongly
Overall	4 star
Corporate assessment/capacity to improve	4 out of 4
Current performance	
Children and young people*	3 out of 4
Social care (adults)*	3 out of 4
Use of resources*	4 out of 4
Environment	3 out of 4
Culture	3 out of 4

(Note: * these aspects have a greater influence on the overall CPA score)
(1 = lowest, 4 = highest)

The improvement since last year - our Direction of Travel statement

15 Kent County Council is 'improving strongly'. Educational attainment of children has improved in all Key Stages with significant improvements in some areas, including attainment of care leavers at Key Stage 4. Participation in, and outcomes from an ambitious vocational skills and learning programme have increased, with numbers in apprenticeships exceeding national levels. There has been a sustained improvement in adults' social care from an already high base. Recycling and highways maintenance have increased but the cost of waste disposal remains high. Contributions to wider community outcomes are strong. Road accidents have reduced significantly. Crime continues to fall with less young people entering the youth justice system, exceeding the reduction target. With partners, the number of empty homes brought back into use has exceeded stretched targets. Easier local access to a range of public services continues to transform, including through the expanding Gateway programme. The Council continues to provide excellent value for money. Strong leadership and capacity, coupled with a consistent and effective approach to performance management and improvement planning, ensures the Council is well placed to sustain its strong track record and deliver future improvements.

How is Kent County Council performing?

Summary report

- 16 The Council's improvement rate compares well to others. Around 67 per cent of Kent's best value performance indicators¹ improved between 2006/07 and 2007/08, which is at the top of the average range for similar authorities. Notable improvements include top quartile performance in 15 year olds achieving five or more GCSE grades A* to C; less crime; fewer accidents and more road maintenance leading to higher satisfaction amongst residents. However the Council still performs in the worst 25 per cent of similar authorities in the cost per tonne for municipal waste disposal in 2007/08.
- 17 The Council continues to make effective contributions to wider community outcomes by itself and in partnership. Road accidents have reduced significantly; crime continues to fall; and less young people are entering the youth justice system, exceeding the five per cent reduction target set by the Youth Justice Board. The number of safety checks carried out in the homes of vulnerable people by the 'Handy Van' service almost doubled in 2008 to 4,769. The Council has achieved level three of the Equality Standard for local government this year, as well as an improved rating in the Stonewall Workplace Equality Index from 37th to 29th. It has also retained its accreditation as two ticks positive for the sixth year, demonstrating a sustained positive commitment to employing disabled people.
- 18 Access to a range of public services continues to be made easier. The Gateway programme has continued to expand with new innovative retail type shop fronts opening in Thanet, Tunbridge Wells and Tenterden, providing more integrated access for local people to public sector as well as voluntary sector services. New technologies are also being piloted through health and social services, enabling more people to live independently. In addition, website information is easier to access through the promotion of interpreting services and the implementation of web accessibility standards, particularly across the 60 social care sites. ICT investments continue to support a wide range of community benefits such as Kent Connects (a single public service network which enables partners to share information securely), Explore Kent, Cluster Web and Kent Card.
- 19 A brief summary of improvements across the Council's 'Towards 2010' priority areas is set out in the following paragraphs.
- 20 There has been good progress against the 'learning for everyone' priority. Educational attainment of children has improved in all Key Stages with significant improvements in some areas, including contextual value added outcomes for Key Stage 2 to 4 (now significantly above the national average) and attainment of care leavers at Key Stage 4. The proportion of looked after children that leave care with at least one GCSE is better than the national picture, but remains lower than average for other children in Kent. This gap however, continues to close and importantly, the proportion of looked after children who do not sit any examinations has significantly reduced. The broader 14-19 year old strategy was rated as a major strength by Ofsted. Broader performance was also recognised including, that the large majority (82.7 per cent) of Kent's schools were 'good' or 'outstanding' in ensuring pupils were protected from bullying, racism or other forms of harassment.

¹ As used within the Audit Commission's Performance Information Profile

- 21** Participation in, and outcomes from the ambitious vocational skills and learning programme has increased, with numbers in apprenticeships exceeding national levels. Placements as part of the Kent Success programme have included apprenticeships in childcare, health and social care, business and administration, customer service and catering. Linked to accredited qualifications, these provide opportunities for gaining an extensive range of skills in supported work placements. Significant reductions have been achieved in those not in education, employment or training (NEETs) - the lowest number for 4 years. Creating pathways into employment for young people is delivering positive outcomes. Out of a total of 526 unemployed young people aged 16 to 17 who joined a 17 week, Entry to Employment training programme, 242 found employment or progressed to further training, and a further 154 were still making positive progress. Around 130 projects funded through the successful £24 million Interreg IIIA, and the URBAN programme is supporting more than 90 jobs and skills programmes in Kent improving opportunities for all. The 'Trading up Initiative' has seen more than 300 people from deprived communities complete skills training courses. There are also major infrastructure projects in deprived areas like Kent Thameside and Thanet to support the growth of homes, jobs and communities.
- 22** Public satisfaction with the condition of Kent's roads, pavements and streetlights has improved. The successful Project Pothole, April 2008, resulted in the repair of more than 11,300 potholes. The roll out of the Kent Freedom pass continues to improve accessibility and independence for students' aged 11 to 16, providing free travel on bus services in Kent for an annual fee of £50. Progress against the 'enjoying life' priority continues with the 2008 'Kent School Games', including the Disability Schools Games, which involved some 400 young people this year. In addition the latest satisfaction survey, showed improved satisfaction with libraries, increasing numbers of web-based renewals and opening hours.
- 23** Progress continues in achieving 'environmental excellence and high quality homes'. The number of long term empty properties brought back into use almost doubled in the last year, from 172 the previous year, to 339 as a result of joint work with District Councils in Thanet, Dover and Swale. Two country parks, Brockhill and Trosley, were awarded the Green Flag award for recreational green spaces, and the percentage of new KCC buildings designed to at least BREEAM 'very good' standard rose from 60 per cent to 80 per cent over the last year. However despite improvements in recycling and composting rates, and reducing amounts of household waste collected, these remained within the worst performing quartiles when compared with other similar Councils. Similarly the cost of waste disposal remained in the worst performing quartile as measured by the 2007/08 best value performance indicator.

How is Kent County Council performing?

- 24 A broad range of outcomes are being delivered against the 'improving health, care and well being' priority. Adult Social Care services sustained its top three star rating in this year's annual performance assessment undertaken by the Commission for Social Care Inspection (CSCI). In line with its priority, the number of people supported by community based services to live independently, increased by a thousand to 32,983 over the last year and access to and numbers utilising direct payments continues to increase. Funding from the Brighter Futures Group project is also encouraging active older people to provide support to older people who need it. More children are accessing speech, and language therapy services and more pregnant women are attending and completing birth and parent craft workshops as a result of better integration of services, for example in Children's centres. Just over 60 per cent of Kent schools have achieved Healthy school status, with 99 per cent of schools participating in the programme.
- 25 The Council achieves excellent value for money. Capacity to deliver priorities is good and improvement planning and performance management remains a strength. Around three quarters of the Kent Agreement targets has been achieved, meaning the partnership is currently on track to secure in excess of £20 million in performance reward grant. Delivery partnerships and procurement are used well to increase capacity. There are no failures in corporate governance or continuous improvement that would affect the Council's strong track for delivering future improvements.

Corporate assessment

- 26 Informing the direction of travel this year was the corporate assessment of the Council, published in June 2008. The corporate assessment assesses how well the Council engages with and leads its communities, delivers community priorities in partnership with others and ensures continuous improvement across the range of its activities. A brief summary of the report is set out in the proceeding paragraphs.
- 27 The corporate assessment found the Council to be 'performing strongly' overall. The report highlighted that the Council, with its partners had been early and active in developing clear and appropriate ambitions and priorities to meet the strategic challenges facing the county. There was clear recognition that the Council often led beyond the norm for local government and was an outstandingly effective advocate for Kent at all levels, including internationally. It was found to be open to new ideas and active in trying them out, for example in developing Kent TV as a community resource. Well-established partnership work was bringing real improvements to quality of life for local people. Ground-breaking recent pilot projects embraced new technology and aimed to personalise services. The Council had for ten years been seeking excellence and its organisation was impressive, high-quality, responsive and gives good value-for-money.
- 28 Areas for improvement were highlighted around the need for a more inclusive and listening approach; ensuring consistent high standards in equality practice across all directorates; and delivering improvements in lower performance areas, such as recycling, refuse volumes and air quality and in areas such as complaints handling.
- 29 The full report can be accessed via the Commission's website at www.audit-commission.gov.uk.

Service inspections

- 30 No Audit Commission service inspections were undertaken this year.
- 31 An important aspect of the role of the Relationship Manager is to work with other inspectorates and regulators who also review and report on the Council's performance. Relationship Managers share information and seek to provide 'joined up' regulation to the Council. During the last year the Council has received the following assessments from other inspectorates.
- An annual performance assessment of children's services.
 - An annual performance assessment of adult social care services.
 - A joint area review of children's services.
 - An enhanced youth inspection.
- 32 A summary of the overall judgements for each assessment is included in the preceding paragraphs.
- 33 The annual performance assessment of Kent County Council's services for children and young people judged their overall effectiveness at a grade 3 (out of a possible 4). The assessment found that the Council delivers services consistently above minimum requirements for its children and young people, with innovative practice in a number of areas. The council's contribution to improving outcomes in the areas of being healthy; making a positive contribution; staying safe; enjoying and achieving and achieving economic well being were all 'good'. The Council had 'excellent' capacity to improve its services for children and young people, including the management of these services. The full assessment can be accessed via the inspectorate's website at www.ofsted.gov.uk.
- 34 The Commission for Social Care Inspection's annual performance assessment of adult social care services judged there to be 'good' delivery of outcomes with 'excellent' capacity to improve services, sustaining the three stars (out of a possible three stars) rating overall. The full assessment can be accessed via the inspectorate's website, www.csci.gov.uk.
- 35 Undertaken at the same time as the corporate assessment was the joint inspectorate review of services for children and young people in Kent, the Joint Area Review (JAR). The inspection's focus was on the contribution of local services in ensuring that children and young people:
- at risk or requiring safeguarding were effectively cared for;
 - who were looked after achieved the best possible outcomes;
 - with learning difficulties and/or disabilities achieved the best possible outcomes.
- 36 In addition the inspection assessed the impact of the partners' strategy on reducing variability across the county in participation and attainment by the age of 19; and in reducing the teenage pregnancy rates in targeted areas.

How is Kent County Council performing?

- 37** The JAR found 'good' contributions of local services to improving outcomes for children who were looked after; for children and young people with learning difficulties and/or disabilities; as well as for those at risk or requiring safeguarding. The impact of the partners' strategy on reducing variability across the county in participation and attainment by the age of 19 was 'good', but 'adequate' overall in reducing the teenage pregnancy rate. Both the management of services for children and young people and the capacity to improve further were assessed as 'outstanding'. A copy of the full inspection report can be accessed through the inspectorate's website at www.ofsted.gov.uk.
- 38** As part of the JAR, an enhanced youth service inspection was also undertaken. This found that overall, the Council effectively secured the provision of youth work. The quality of youth work was 'good' with some 'outstanding' features - in particular the quality of the curriculum and resources. Leadership and management was 'good'. A copy of the full report can be accessed via the inspectorate's website at www.inspectorates.homeoffice.gov.uk/hmiprobation/.
- 39** A youth offending service inspection was also carried out this year which informed the JAR and enhanced youth services inspection. Whilst no overall categorisation of performance is given, judgements are made against each of the five core areas of work of the youth offending team. The assessment found that management and leadership were 'good', along with the services work in courts. Work with children and young people subject to custodial sentences, with victims and in restorative justice was found to be 'adequate'. In the last remaining core area of work covering children and young people in the community outcomes of work were found to be 'good', including work with those who had offended. Work with parents/carers, and with those children and young people at risk of offending was found to be 'adequate'. A copy of the full report can be accessed via the inspectorate's website at www.inspectorates.homeoffice.gov.uk/hmiprobation/.

The audit of the accounts and value for money

- 40 As your appointed auditor, I reported separately to the Governance and Audit Committee in June 2008 on the issues arising from the 2007/08 audit. I issued my audit report on 28 July 2008, providing an unqualified opinion on your accounts including those of the superannuation fund. In addition, I gave an unqualified conclusion confirming that the Council has put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources.

Accounts

- 41 The accounts presented for audit were of a good standard and had been prepared in accordance with proper professional practice. The financial statements were produced within 10 weeks of the year end and were presented for audit on the 6 June 2008. A small number of mis-statements were identified during our work, mainly related to disclosure notes, the majority of which were corrected in the published accounts. To enhance the Council's existing arrangements of accounts production we reported areas where disclosures in the accounts in accordance with recommended practice could be improved. The prompt production of the accounts coupled with officers' focused assistance during the audit resulted in the early issue of the audit opinion.
- 42 Every business organisation seeks to implement a system of controls within their key financial systems to ensure the completeness and accuracy of financial reporting in the most cost effective way. A sound effective control environment operated during the financial year. We assessed the Council's general information technology control environment and judged it as 'low risk'. We tested and concluded that we could rely on all of the key financial systems except for the system processing domiciliary care payments, where we identified that the current control arrangements need strengthening. Work is in hand to address this. I carried out additional testing in this area to satisfactorily support the entries in the financial statements.
- 43 A number of local government electors contacted me as part of my audit of the 2007/08 accounts. I have dealt with all matters raised and there are no matters that I need bring to members' attention. An objection to the accounts was made requesting that the auditor issue a report in the public interest in respect of the expenditure on the Turner Centre. I am currently reviewing this and as such have not yet certified the completion of the audit.

Value for money

- 44 I am required to conclude whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion. My conclusion is based on:
- the use of resources assessment;
 - data quality; and
 - findings of specific areas of audit risk.
- 45 I concluded that the Council has effective corporate arrangements in place for securing economy, efficiency and effectiveness in its use of resources and is delivering value for money at a consistently high level.

Use of resources assessment 2007/08

- 46 The use of resources assessment is an important component of the CPA framework. The use of resources score was derived from the assessments made by the auditor in the following areas:
- financial reporting (including the preparation of the accounts of the Council - paragraph 16- 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); and
 - value for money (including an assessment of how well the Council balances the costs and quality of its services).
- 47 For the purposes of the CPA we have assessed the Council's arrangements for use of resources in these five areas as follows.

Table 2 Use of resources assessment 2007/08

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

Note: 1 = below minimum requirements - inadequate performance, 2= only at minimum requirements – adequate performance, 3 = consistently above minimum requirements – performing well and 4 = well above minimum requirements – performing strongly.

- 48 The Council has sound effective arrangements in place across all areas of the use of resources assessment and has maintained an overall assessment score of 'performing strongly'. The following paragraphs give a summary of the Council's arrangements.
- 49 The Council's external accountability is strong. Its annual plan is produced in a variety of formats to ensure it is accessible for Kent residents and summary accounts are included in a publication sent to all households. An environmental strategy has been in place since 2005 and the Council has analysed and reported on its environmental footprint. An action plan is in place to further reduce its carbon footprint in the future.
- 50 Arrangements for delivering the Council's strategic priorities are soundly based. The medium-term financial strategy, budgets and capital programme are well developed and monitoring is undertaken by management and members. The medium-term financial strategy is considered best practice and has been used by other bodies to improve their own strategies. The Council has robust budget monitoring arrangements which involve directorates, central finance, IMG and Cabinet on a regular basis. Financial and non-financial information is interlinked and presented in a comprehensive and transparent report for officers and members. There are good arrangements in place for managing the Council's asset base via the asset management plan and maintenance strategy. Senior officers and members make investment and disposal decisions based on thorough option appraisals. However, improvements need to be made in the wider use of asset management to support the Council's strategic priorities and partnership working in the tightening financial economy.

The audit of the accounts and value for money

- 51 The Council set a balanced budget and has a detailed medium-term financial strategy setting out the financial pressures and challenges it faces. Robust budget monitoring arrangements, including a set of locally developed financial health indicators, are used to maintain spending within budgets. For the current financial year, as at the end of January 2009, the Director of Finance forecasts gross revenue expenditure (excluding schools, but including asylum costs) of £2 million above budget, although proposed management action is expected to reduce this to £0.6 million underspend. Capital expenditure is forecast as £3.7 million under spend against a programme of £394 million.
- 52 In common with a number of other councils, Kent had a material sum of money invested in Icelandic Banks at the time of their collapse. The Council commissioned an independent review to examine if its treasury management policy had been followed. This concluded that on the whole it had, but some areas of non compliance were noted, although these would not have prevented the investment. The Council is taking appropriate action to recover its investment.
- 53 The arrangements for maintaining a sound system of internal control are well developed. The Governance and Audit Committee provides a robust challenge to officers and the Council's internal audit function is effective. Each directorate has a business continuity plans in place and the Council is developing a testing strategy for them. There is a robust risk management policy in place which is supported by detailed directorate and strategic risk registers. Risk management training has been provided to Governance and Audit Committee members and to officers with a further programme of training planned in 2008/09. The Council takes a proactive approach to the achievement of probity and propriety in the conduct of its business.
- 54 The Council's delivery of and arrangements to secure future value for money is strong. General performance is very good for the monetary input. Nursery school placements are high providing a good educational start for children. Fostering costs are low with substantial use of placements near a child's home. Recycling is improving and ambitious targets have been set in LAA2 (local area agreement) to improve value for money (VFM) in environment, bolstered by a waste incinerator that will make significant savings compared to landfill. Any areas of overspend that are identified are managed and plans put in place to address them, for example, on asylum seekers, an issue that particularly affects the county.
- 55 Efficiency gains targets have been exceeded and cumulative savings of £91 million were achieved by March 2008. The Council is adept at obtaining external funding and targeting spend to corporate priorities. The Council makes good use of CIPFA's online statistical service to monitor its position against other councils. The VFM Board takes collective responsibility as the Council's 'efficiency champion', and has enabled a range of VFM reviews looking at specific services where it was felt that VFM could be improved. Its commercial services are used to deliver procurement savings for the whole county and other public sector bodies. Over the last few years the service has been effective in reducing costs of service delivery and procurement savings.

Data quality

56 The Council's overall management arrangements for ensuring data quality are consistently above minimum requirements. There is a good balance between corporate oversight and delegation to directorates, where the responsibility rests for the accuracy of data quality, including sensitive areas such as child protection. There is now a data quality strategy in place that seeks to embed good practice in the organisation, as well as an effective network of data quality champions responsible for each directorate's delivery of the corporate policy. We have identified and reported a small number of areas to improve further the Council's arrangements.

Other use of resources work

57 Our audit and inspection plans for 2007/08 highlighted a number of areas where we needed to develop our understanding of the Council's arrangements. We have completed this work and there are no specific matters that we need to bring to members' attention. We have also reacted to developing events and provided an audit view as appropriate, for example, on severance payments. A brief summary is provided below.

- The Children's Trust is a major partnership for the Council. Our high level review concluded that appropriate governance arrangements were being developed. The Council and its partners have a partnership protocol which sets out the risks for different levels of partnership working and provides a framework for categorising and assessing risk and governance requirements. The arrangements set out that the Trust Board has shared accountability for the Trust including financial, legal and public accountability. The Ofsted and the Audit Commission joint review of children's and young people's services in June 2008 concluded that the Council and its partners had very good and wide-ranging safeguarding arrangements for children in place.
- We considered the Council's arrangements to ensure that effective governance arrangements operate for its partnership working. A Good Partnerships Guide has been prepared to guide officers in their work with partnerships. We reviewed this and confirmed it is in line with the CIPFA/SOLACE good practice guide. Internal Audit has carried out a sample review of partnerships and made a small number of recommendations for improvements to the directorates' approach to partnership categorisation and monitoring.
- The Council uses the Private Finance Initiative as a means of building its financial capacity and delivering improved services to its residents. We have considered the Council's planned accountancy treatment for two schemes and based on the information provided would not seek to challenge the treatment. Accounting for the schemes will need to be updated in light of the international financial reporting standards that will apply to local councils in the near future.

The audit of the accounts and value for money

- We reviewed a number of cases of officer departures from the Council to consider the robustness of arrangements and concluded that agreements entered into were not unreasonable. We have recommended the establishment of a clear process for future cases to ensure the timely involvement of statutory officers and to ensure that key matters are sufficiently documented.

Looking ahead

- 58 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.
- 59 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.
- 60 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

- 61 This letter has been discussed and agreed with the chief executive. A copy of the letter will be presented at the cabinet on 20 April 2009. Copies need to be provided to all Council members.
- 62 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 3 Reports issued

Report	Date of issue
Audit and inspection plan	March 2007
Corporate assessment report	June 2008
Annual Governance Report	June 2008
Opinion on financial statements	July 2008
Value for money conclusion	July 2008
Final accounts memorandum	September 2008 (draft)
Annual audit and inspection letter	March 2009

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

Availability of this letter

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

Claire Bryce-Smith
Comprehensive Area Assessment Lead

Darren Wells
District Auditor

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.

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