

Subject: Annual Audit and Inspection Letter

Status: For Publication

Report to: Audit Committee

Date: 5 June 2008

Report of: Executive Director of Resources

Portfolio

Holder: Finance and Resources

Key Decision: No

Forward Plan General Exception Special Urgency "X" In Relevant Box

1. PURPOSE OF REPORT

1.1 To present for members' consideration the Annual Audit and Inspection Letter by the Audit Commission.

2. CORPORATE PRIORITIES

2.1 The matters discussed in this report are linked to and support the following corporate priority:

- o *A Well Managed Council: strong financial management and the delivery of value for money services (Customers, Improvement)*

3. RISK ASSESSMENT IMPLICATIONS

3.1 The issues raised in this report involve risk considerations as set out below:

- Specific reference is made to the risk within the Local Area Agreement (LAA) and the "delivery mechanisms and processes becoming overly complex and bureaucratic so that the capacity of partners to participate in the range of processes, meetings and groups is strained." In addition the lack of governance arrangements presents a risk to delivery.

4. BACKGROUND AND OPTIONS

4.1 Attached to this report is a copy of the Audit Commission's Annual Audit and Inspection Letter which summarises the work of the Council's external auditors during 2007/08. A representative of the Audit Commission will be present at the meeting of the Council to present this report.

4.2 The report is in the main positive, setting out the progress the Council has made in improving across a wide range of issues. Of particular note is the Council's performance and its direction of travel. Rossendale Borough Council is now categorized as a "GOOD" council under Comprehensive Performance Assessment.

4.3 The key messages from the report are:

- Council Performance- Direction of Travel:
 - "Good" CPA,
 - Good progress made in priority services
 - Much improved approach to community engagement and customer service – though user satisfaction still relatively low overall
 - Partnership working starting to show community benefits
 - Council effectively engaged in sub-regional partnerships
- Health Inequalities (HI) : Local government bodies across the county are addressing the complex challenges, though a consistent model is needed
- Local Area Agreements: Council and partners making good progress in supporting the Lancashire LAA
- Data Quality: Council management arrangements for ensuring data quality is operating well
- Accounts and value for money (VFM):
 - Unqualified opinion on the accounts
 - The council has adequate arrangements in place to secure VFM

4.4 Clearly there is still action needed by the Council, amongst other things highlighted:

- Maintain focus on service improvement
- Progress plans for Pennine Lancashire regeneration
- Work with partners on the HI agenda
- Work with partners to support the Lancashire LAA
- Continue to work with partners to agree standards for sharing data
- Develop linkages between the Medium Term Financial Strategy and other internal strategies
- Expand arrangements for monitoring the financial performance of partners

- Develop a benchmarking strategy
- Ensure arrangements in place for the new Comprehensive Area Assessments

4.5 This meeting of the Council presents an opportunity within the statutory timescales for publication of the Annual Audit and Inspection Letter for members to question the Audit Commission. However, it is appropriate that such an important report receive detailed consideration by members and it is therefore recommended that it be submitted to the Audit Scrutiny Committee at its first meeting in the new municipal year.

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

5.1 There are no immediate financial implications arising from this report. However, a range of specific points made in relation to improvements in terms of operational practices and procedures will be reflected in appropriate business plans.

6. MONITORING OFFICER

6.1 There are no specific legal implications arising from this report.

7. HEAD OF PEOPLE AND ORGANISATIONAL DEVELOPMENT (ON BEHALF OF THE HEAD OF PAID SERVICE)

7.1 There are no immediate people or organisational development implications arising from this report.

8. CONCLUSION

8.1 The Annual Audit and Inspection Letter indicates positive progress on a broad range of issues and makes a range of recommendations which will be taken into account in the further development of the Council's improvement plans..

9. RECOMMENDATIONS

9.1 Council Members are recommended to note the Audit Commission's Annual Audit and Inspection Letter and thank the Audit Commission for their comments

9.2 Refer the letter to the Audit Scrutiny Committee for detailed consideration

10. CONSULTATION CARRIED OUT

10.1 None specifically

11. EQUALITY IMPACT ASSESSMENT

Is an Equality Impact Assessment required No
Is an Equality Impact Assessment attached No

12. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required No
Is a Biodiversity Impact Assessment attached No

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Background Papers	
Document	Place of Inspection
Use of Resources Report 2007	Democratic Services
Data Quality Audit 200/08	Democratic Services