

Annual Audit and Inspection Letter

March 2008



# Annual Audit and Inspection Letter

**Middlesbrough Council**

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles.

- Auditors are appointed independently from the bodies being audited.
- The scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business.
- Auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998, the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

### **Status of our reports**

This report provides an overall summary of the Audit Commission's assessment of the Council, drawing on audit, inspection and performance assessment work and is prepared by your Relationship Manager.

In this report, the Commission summarises findings and conclusions from the statutory audit, which have previously been reported to you by your appointed auditor. Appointed auditors act separately from the Commission and, in meeting their statutory responsibilities, are required to exercise their professional judgement independently of the Commission (and the audited body). The findings and conclusions therefore remain those of the appointed auditor and should be considered within the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission.

Reports prepared by appointed auditors are:

- prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission; and
- addressed to members or officers and prepared for the sole use of the audited body; no responsibility is taken by auditors to any member or officer in their individual capacity, or to any third party.

### **Copies of this report**

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2008

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

# Contents

<b>Key messages</b>	<b>4</b>
Action needed by the Council	4
<b>Purpose, responsibilities and scope</b>	<b>5</b>
<b>How is Middlesbrough Council performing?</b>	<b>6</b>
The improvement since last year - our Direction of Travel report	7
Other regulators	11
Other Performance Work	13
<b>The audit of the accounts and value for money</b>	<b>16</b>
Additional services	18
<b>Looking ahead</b>	<b>19</b>
<b>Closing remarks</b>	<b>20</b>
Availability of this letter	20

## Key messages

- 1 Key messages arising from our work are as follows.
  - Middlesbrough Council is improving strongly and classified as 'four-star in its current level of performance.
  - We issued unqualified opinions on the 2006/07 accounts; value for money conclusion and Best Value Performance Plans.
  - The Council's current financial position is sound and the Council has strengthened internal control through the development of business continuity plans and the introduction of an Audit Committee.

## Action needed by the Council

- 2 The Council is rated four star and performing strongly. Consequently there are no significant actions required of the Council. Nevertheless opportunities remain for the Council to further improve its use of resources. The Council is well placed to implement innovative practices to secure further improvements in the use of resources score.

## Purpose, responsibilities and scope

- 3 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 2006/07 and from any inspections undertaken since the last Annual Audit and Inspection Letter.
- 4 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.
- 5 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](http://www.audit-commission.gov.uk). In addition the Council is planning to publish it on its website.
- 6 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.
- 7 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.
- 8 We have listed the reports issued to the Council relating to 2006/07 audit and inspection work at the end of this letter.

## How is Middlesbrough Council performing?

- 9 The Audit Commission’s overall judgement is that Middlesbrough Council is improving strongly and is classified 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 results shown below.
- 10 Middlesbrough Council is improving strongly. Services are improving in most areas identified as important to local communities. Progress is being made on improving educational attainment, where the gap between Middlesbrough and national averages is narrowing. Adult social care has improved, with above average provision of intensive home care. The Council with others is promoting healthier communities, with circulatory and cancer mortality rates falling. There have been reductions in five of the six categories of recorded crime and although more people believe their neighbourhood is safe, fear of violent crime and burglary remains an issue. Recycling rates continue to improve but remain well below national targets. The benefits service has improved. Employment rates are increasing, especially among minority communities. Less people are homeless and housing remains on track to meet the housing decency target.
- 11 Access and quality of services for citizens is improving. Achievement of value for money and the skills needed for further improvement remain good. Financial capacity is good, with effective use of external funds to deliver priorities. Performance and financial management systems are well established and provide a good platform for further improvements in the future.

**Figure 1**



Source: Audit Commission

- 12 The detailed assessment for Middlesbrough Council is as follows.

### 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)*	4 out of 4
Use of resources*	3 out of 4
Housing	4 out of 4
Environment	3 out of 4
Culture	3 out of 4
Benefits	4 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 report

- 13 The Council is improving services well in areas identified as priorities and the public say are important to their communities. The Council is making progress against all of its seven strategic priorities; however progress is not consistently strong across all of them. Overall the Audit Commission's basket of comparable PIs shows this Council to be above average in terms of improvement. The Council is ranked 79th of 388 with 66 per cent of performance indicators (PI's) improving compared to the national average range of between 60.8 and 63.2 per cent. The Council has 36 per cent of its PI's performing in the top quartile compared to the national average of 29 per cent

- 14 Middlesbrough continues to deliver good services overall against its priority of supporting children and learning. Despite the fact that many outcomes remain below national averages, the gap is narrowing across several and considerably in some. The Council is tackling the areas identified for improvement in previous APA assessments with some notable successes. There has been good improvement in attainment of 11 and 16 year olds however the attainment of pupils aged seven has fallen in both 2006 and 2007. Together with its partners Middlesbrough's children and families and learning service is making significant contributions to improving the well being and achievements of children and young people across an area that faces deep rooted challenges to improving health and social wellbeing. Robust action to tackle persistent absentees has led to attendance being broadly similar to national averages in both primary and secondary pupils.
- 15 Social care services for adults continue to be good and have improved its CSCI rating from three to four. The Council improvement strategy for social care and specific initiatives has resulted in sustained progress across a wide range of service areas. High numbers of people are helped to live at home, significantly more than other councils. The Council is performing above the top quartile threshold in providing intensive home care per 1,000 population. Performance however compared to other councils on the percentage of new assessments and new care packages within time limits, providing adaptations and equipment to support people in their own homes is below average. The Council continues to make progress on its priorities for promoting healthier communities. Narrowing the gap in reducing circulatory disease and cancer mortality rates is impressive with the former reducing 17.1 points. It is working well in partnership with others to tackle and reduce drug misuse but progress on smoking cessation and alcohol consumption is not as strong as expected given the interventions in place.
- 16 The Council's priority on creating safer and stronger communities has seen mixed performance. Overall, performance against the national picture remains a concern; the rates of some types of crimes are increasing. Despite recent increases however, progress on reducing domestic burglary is impressive narrowing the gap nationally from 32.6 to 17.3. Progress on reducing vehicle crime also remains strong with a gap narrowing with England from a high of 29.2 to 16.3. Fear of burglary and violent crime are in line with the national average. Perhaps as a result the percentage of residents who believe that their neighbourhood is either very or fairly safe has risen significantly, from 60 per cent in 2001 to 93 per cent.
- 17 The Council has made progress against its priority to transform the local environment. Although improvements have been made in many PI's, a large number of them remain below national averages, recycling and composting rates are improving but at 15.42 per cent are still well below both the Council's and national targets. The level of household waste collected and the cost of waste collected both increase significantly in 2006/07. Overall level of unclean land because of litter has shown consistent improvement but remains in the bottom quartile. Satisfaction levels with waste collection, recycling, waste disposal and cleanliness of public space have all improved.

- 18 There has been mixed progress on the priority area of meeting local transport needs more efficiently. Road traffic accidents have been reduced by eight per cent and overall road casualties have been reduced by 9 per cent. Local transport improvements include the introduction of a demand responsive bus service to local hospital and to employment sites in Riverside Park. Satisfaction however with both passenger information and bus service has declined.
- 19 The Council has performed well against its priority of promoting the economic vitality of Middlesbrough. Overall the borough's employment rate continues to rise with good progress in addressing over 50's employment where the rate has increased from 39.6 per cent to 43.9 per cent and the gap has narrowed to the England average. Excellent progress has been made on BME employment narrowing the gap from 17.5 to 10.6 This is at a much faster rate than for the region and the NRF areas. Initiatives aimed at tackling worklessness have assisted 937 people into jobs and supporting business has created 307 new jobs with potential for a further 810. Housing services have made strong progress. They have continued to reduce the number of homeless people from 277 to 133 from 462 in 2004/05 and remain on track to meet the housing decency target. The Council is now offering local people a broader range of cultural opportunities. The Mima arts centre opened in January 2007 and has attracted over 110,000 visitors. A programme of events held in Central Square including the BBC proms in the park was also well attended.
- 20 The Council is improving well both access and the quality of service for all its citizens. Seventy-five of their key PI's measuring this area remain in the top quartile with none in the bottom quartile. There has been particular success in work with the black and minority ethnic community particularly around employment among the BME communities. The percentage of public buildings now accessible to disabled people has doubled and the percentage of interactions which are capable of electronic service delivery has increased from 56 per cent to 98 per cent. Diversity Action Plans (DAPs) continued to be embedded in each directorate as a means to improve service provision for hard to reach groups. Good progress is being made against the actions detailed in the DAPs, which are monitored quarterly. User focus within the Benefits service has made significant progress, the Benefit Fraud Inspectorate has assessed performance as three compared to one last year. Overall the service has improved its score to a four from three overall. The setting up and delivery of multi agency teams are now having an impact on local service delivery targeted at the previously hard to reach groups.
- 21 The Council continues to secure significant cost reductions and achieves good value for money by balancing costs, service quality and working environment. The Council maintained its use of resources score of three for value for money. Key drivers in this have been the strategic partnership, member led performance clinics and service reviews which target both overspending and high cost services.

- 22 The Council has implemented a range of robust improvement plans to sustain future improvement. The LSP improvement plan is positively assessed by the Government Office and states the Middlesbrough partnership has continued to deliver strong improvements across all neighbourhood renewal themes with evidence of narrowing the gap in some areas. Whilst there are many strengths identified there are still some areas to address across all the themes. The Corporate Performance Plan (CPP) links the Mayoral 'raising hope' agenda and the Community Strategy, to provide clear objectives. The embedding of the Children's Trust Board has improved the clarity and consistency of children and young people plans, for example the building schools for the future programme. This improvement is noted by CSCI in their annual assessment. The strategy for older people is clear and comprehensive and embraces national priorities and objectives. The strategic plan sets out clear priorities for the Council for the next three years supported by robust action plans with key milestones and responsibilities for delivery.
- 23 The Council met 230 of the 245 (91 per cent) planned actions set out in their strategic plan and hit or exceeded 53.1 per cent of its 145 targets for BVPIs, 69 per cent of PI's improved or remained the same. This represents good progress against its key objectives and milestones. Performance clinics are held regularly to monitor progress against key targets and indicators. Integrated clinics for performance and budget are run quarterly for each directorate, involving the executive and senior management. External regulators have identified positive responses to areas for improvement highlighted in last year's assessments. For example the Council has taken action to improve the weaker areas identified in last year's children and young people assessment, such as working closely with the PCT and other health partners to address many health challenges in Middlesbrough, for example reducing teenage conceptions.
- 24 The Council has the capacity and skills that it needs to achieve change and further improvement in services. There is strong political and corporate leadership. The Council's financial capacity is good and it makes good use of external funding to deliver against priorities. There is still potential cost pressures emerging around equal pay settlements which could impact on the Council's future financial health although the risk is declining. The Council has an open approach to exploring alternative methods of service delivery and the use of partnerships to provide services in areas such as social care and community safety.
- 25 The Council needs to improve in several areas in order to fully deliver its fit for purpose agenda. Sickness absence has been tackled by a range of initiatives and has reduced sufficiently to raise performance out of the bottom quartile and place Middlesbrough's performance as the best in the Tees Valley. Collection of council tax and payment of invoices are improving but remain at or below average performance. Despite a fall in the number of complaints to the ombudsman the average length of time to respond to them has declined although remains well above national average.

- 26 There are no significant weaknesses in arrangements for securing continuous improvement. The Council was assessed last year as performing well with only minor improvements to governance arrangements to enhance existing provision. The Council has sound internal control procedures and has strengthened them further through production of business continuity plans. The introduction of an audit committee to oversee the process is seen as a positive approach to improving existing governance arrangements.

## Other regulators

- 27 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.
- 28 The Ofsted Annual Performance Assessment concluded that:
- "Middlesbrough Borough Council continues to deliver good services overall for children and young people;
  - despite the fact that many outcomes remain below national averages, the gap is narrowing across several and considerably in some;
  - the council is tackling the areas identified for improvement in the previous APA with some notable successes, such as the good improvement in attainment of 11 year olds at Key Stage 2; and
  - together with its partners, Middlesbrough's children families and learning service is making a number of significant contributions to improving the well-being and achievements of children and young people across an area that faces deep-rooted challenges to improving health and social and economic well-being."

**12 Annual Audit and Inspection Letter | How is Middlesbrough Council performing?**

**29** The Commission for Social Care Inspection (CSCI) in its annual letter gave the following ratings.

<b>Areas for judgement</b>	<b>Grade awarded</b>
Delivering Outcomes	Excellent
Improved health and emotional well-being	Excellent
Improved quality of life	Excellent
Making a positive contribution	Excellent
Increased choice and control	Good
Freedom from discrimination or harassment	Good
Economic well-being	Good
Maintaining personal dignity and respect	Excellent
Capacity to Improve (Combined judgement)	Excellent
Leadership	
Commissioning and use of resources	
Star Rating	3 stars

**30** The Benefits Fraud Inspectorate concluded the following.

- "Middlesbrough Borough Council's overall performance had improved from its good performance in 2005/06. It attributed much of this to increased staffing and lower staff turnover. It had cleared a backlog of claims, resulting in a marked improvement in new claims performance to an average of 23 days and changes of circumstances clearance to an average of eight days. It had introduced dedicated new claim visiting officers to reduce the risk of fraud entering the system at an early stage. The council had tackled its poor performance on appeals work in 2005/06 by setting more stretching targets early in 2006/07. This resulted in significantly improved performance in the remainder of 2006/07".

## Other Performance Work

### Partnership work to tackle arson

- 31 The Commission published a report which indicated that partnership working across Teesside to tackle arson and deliberate fires is effective and has improved considerably over the last two or three years. The main agencies involved in this work are the fire authority, police and the four local councils and partners are all committed to working together. They share information and coordinate their actions well.
- 32 The key messages from the report are:
- with the fire authority taking the lead, the partners have made a real impact, achieving significant improvements in reducing the level of arson and deliberate fire setting;
  - the commitment of the partners to work together to tackle arson is clear and unambiguous;
  - strategic planning arrangements are generally robust;
  - partnership working in practice is effective. There is good sharing of information and good communications. Action and resource deployment is based on detailed intelligence;
  - performance management is based on high quality performance information; and
  - there is room for further improvement, for example, in some elements of shared planning and in the clarity with which different roles and responsibilities are set out.

### Management of long - term health conditions in South of Tees

- 33 In November 2007 the Commission reported to the Council on the report it published into improving the management of long-term conditions in South of Tees. The main points reported to the Council were as follows.
- The key challenges are to manage people with chronic diseases in the community, promote independence and use technology to improve productivity.
  - The prevalence of depression in people over age 75 is one-in-five but incidence of depression among people in residential homes is 40 per cent.
  - Notable practices across South Tees to support people with long term conditions included: integrated health and social care teams to reduce hospitalisation rates, strong leadership of these initiatives in place from local councils and PCT provider arm and good working with voluntary sector.
  - Actions to be taken included: greater prominence for mental health services, programme management arrangements need to be strengthened, GPs need to be more fully engaged, the commissioning of services needs to be strengthened and scrutiny is needed to test and challenge delivery.

## Health Inequalities

- 34 Partnership working is helping to improve the North East's health outcomes but more needs to be done to close the gap between the North East and the rest of England. Life expectancy is lower, rates for sickness and disability are twice the national average, and smoking mortality rates are among the highest in England. There is also a high prevalence of obesity, increasing sexual health infection rates and serious alcohol and substance misuse issues.
- 35 Tackling health inequalities is a high priority for the Government, which has been increasingly encouraging health trusts to work in partnership with local public bodies and the voluntary sector to improve health and reduce inequalities through a number of initiatives, targets and legislation. The factors causing health inequalities are complex and can best be addressed through agencies working together.
- 36 The Audit Commission, Deloitte and PricewaterhouseCoopers have reviewed how organisations across the North East are working together to address health inequalities, culminating in a workshop in October 2007 for 200 representatives from the NHS, local government and the many voluntary sector agencies involved in tackling health inequalities, where we identified seven key challenges.
- Challenge 1: Develop arrangements to evaluate projects and ensure continued funding of those that deliver tangible outcomes, and to embed this learning in project planning and performance management systems.
  - Challenge 2: Gather intelligence on where gaps in services exist and a profile of those accessing services. Target services at those areas and individuals where there is unmet need and develop strategies to target hard to reach groups.
  - Challenge 3: Ensure local area agreements contain a breadth of targets to reduce health inequalities, across all sectors and ensure health and wellbeing strategies are translated into local delivery plans that contain sufficient detail and local targets to monitor progress.
  - Challenge 4: Spread awareness of priorities and services on offer and provide networking opportunities and information sharing systems to improve the links between service planners and service providers. Cascade messages and targets to front line workers such as teachers, health professionals and social workers.
  - Challenge 5: Use the Regional Health and Wellbeing Strategy to provide direction for the North East and link national, regional and local policies. Develop networking opportunities and support to share good practice to achieve the aim of transforming the North East into the healthiest region in the country within a generation.

- Challenge 6: Give community and voluntary sector organisations increased certainty over funding with agreed delivery targets and simplify commissioning arrangements to make it easier for them to bid for the provision of services.
  - Challenge 7: Systematically seek community views to influence how and where services are provided.
- 37** A report summarising the work to date was distributed widely to inform future development and improvement. We will be building on this work in the coming year, focussing in on specific areas, identifying good practice and helping to identify and overcome barriers to improving health outcomes in the North East.

## The audit of the accounts and value for money

- 38 As your appointed auditor, I have reported separately to Corporate Affairs committee on the issues arising from our 2006/07 audit and have issued on:
- my audit report providing an unqualified opinion on your accounts;
  - a conclusion on your value for money arrangements to say that these arrangements are adequate; and
  - my report on the Best Value Performance Plan confirming that the Plan has been audited.

### Use of Resources

- 39 The findings of the auditor are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the auditor in the following areas.
- Financial reporting (including the preparation of the accounts of the Council 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).
  - Value for money (including an assessment of how well the Council balances the costs and quality of its services).
- 40 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**

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

*(Note: 1 = lowest, 4 = highest)*

- 41 The Council continued to secure improvements year on year and is performing well in most areas of the resources assessment. The Council has embedded arrangements in some areas including:
- improvements to working papers on the web portal;
  - management of the asset base with the development of a strategy and backlog maintenance quantified; and
  - development of a business continuity plan and establishment of an audit committee.
- 42 Further improvement opportunities include:
- reviewing the timetable for closure of the accounts to maximise the time available for review;
  - reviewing the reporting of the balance sheet position to Members; and
  - ensuring that the governance and risk management arrangements in place for significant partnerships remain appropriate.

### **Data quality**

- 43 The Council's overall management arrangements for ensuring data quality are performing well. There are sound arrangements for monitoring and reviewing data quality for the main data systems. There is a clear, documented approach in place, based on The Minimum Standard for Performance Management and the Council is developing a formal data quality policy based on the Audit Commission Voluntary standards.
- 44 There are appropriate systems in place for the collection, recording, analysis and reporting of data used to monitor performance and controls exist to ensure data quality. There is no formal agreement or assurance provided that data used from third parties has been subject to robust data quality arrangements; however this is being reviewed by the Council.
- 45 There is strong evidence of the active use of performance data to monitor and drive improvement in the Council's services. Effective validation procedures ensure the accuracy of data used in reported performance indicators. Our spot checks of specific performance indicators found that they were fairly stated.

### **National fraud initiative**

- 46 The National Fraud Initiative is a computerised data matching exercise designed to identify overpayments to suppliers and benefit claimants and to detect fraud perpetrated on public bodies. The referrals from the current exercise were released to participating bodies in 2007, and the data matches are being investigated and followed up by Internal Audit. To date the exercise has identified savings over £48,800 and recovery action is in progress.

## **Additional services**

### **Custodian property**

- 47** After the abolition of Cleveland County Council in 1996 buildings owned or leased by the County Council which had not been transferred to other councils for specific purposes were vested in identified successor authorities (referred to in this report as 'identified successor authorities') under the 1995 property transfer and transitional payments regulations. These identified successor authorities have been responsible for managing and disposing of these properties according to a Custodian Buildings Agreement since this transfer.
- 48** Middlesbrough Council, acting on behalf of the successor unitary authorities to the County Council, has asked the Audit Commission to review the working of the agreement and to identify possible options for the future. The work is still on-going and we have issued a draft report to the Council. The next step is for the Council circulate the report to the other authorities and arrange for a workshop to discuss the way forward.

## Looking ahead

- 49 The public service inspectorates are currently developing 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.
- 50 CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate annual area risk assessment and reporting performance on the new national indicator set, together with a joint inspectorate annual direction of travel assessment and an annual use of resources assessment. The auditors' use of resources judgements will therefore continue, but their scope will be widened to cover issues such as commissioning and the sustainable use of resources.
- 51 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 Local Area Agreements.

## Closing remarks

- 52 This letter has been discussed and agreed with officers. A copy of the letter will be presented at the Executive on Tuesday 29 April 2008. Copies need to be provided to all Council members.
- 53 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**

<b>Report</b>	<b>Date of issue</b>
Audit and inspection plan	March 2006
Annual Governance Report	September 2007
Opinion on financial statements	September 2007
Value for money conclusion	September 2007
Final accounts memorandum	December 2007
Annual audit and inspection letter	March 2008

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

## Availability of this letter

- 55 This letter will be published on the Audit Commission's website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk), and also on the Council's website.

**Steve Nicklin**  
**District Auditor and Relationship Manager**  
**March 2008**