
Audit and Governance Committee

29 June 2009

Report of the Assistant Director of Resources (Customer Service & Governance)

Summary of Audit Commission National Reports

Summary

1. This paper gives a brief overview of national reports produced by the Audit Commission (AC) during 2009 to date. Whilst this report is for information only, it may prompt a request for a more detailed response from council officers, where the content of a specific report may impact on the governance or internal control arrangements of the council.

Background

Report Summaries

2. **Tired of hanging around: Using sport and leisure activities to prevent anti-social behaviour by young people (Published 28 January 2009)**

This study focuses on the role of sport and leisure activities in preventing anti-social behaviour in young people aged 8 to 19 years. These activities are part of the actions that councils and their partners can use to tackle and prevent anti-social behaviour. This study recognises, but does not cover, local agencies' work with families and young children or the role of schools in helping to prevent or address anti-social behaviour

3. **CAA framework and guidance (Published 25 February 2009)**

Following extensive consultation with government, stakeholders and local people, the partner inspectorates published the CAA framework. The framework sets out what CAA is and how it will be delivered. The AC also produced a document which outlines the changes made in the final framework compared to the summer 2008 consultation document.

4. **Final score: The impact of the Comprehensive Performance Assessment of local government 2002-08 (Published 5 March 2009)**

The report considers the extent to which CPA helped councils improve their governance, finances and services for local people, and finds that on the whole councils got better year on year during CPA, although CPA was only one element in a wider system.

5. Risk and return: English local authorities and the Icelandic banks (Published 26 March 2009)

This report examines English local authorities' deposits in the Icelandic banks and their UK subsidiaries. The AC found that the majority of councils acted properly in managing their investments and were alert to the risks. Authorities halved their investments in Icelandic banks between January and October 2008. However, one in four (127) local authorities share £954 million at risk in Icelandic banks. The report also identifies some examples of poor practice during the days leading up to the collapse of the Icelandic banks on 7 October 2008.

6. Working better together? Managing local strategic partnerships, (Published 21 April 2009)

The report reviews local strategic partnerships' (LSPs) arrangements for performance, resource management, and governance. It identifies LSPs as evolving and maturing, and that local and national partners still need to recognise the key dynamics that support partnership working. LSPs that have good, shared systems for performance management (with performance reporting, resource allocation, and risk management) will find it easier to show that they are on track to achieve agreed outcomes than those that do not.

7. Summing up: A review of financial management in local government 2005-2008. (Published 23 April 2009)

Summing up provides an overview of councils' progress in developing their financial management arrangements between 2005 and 2008, and discusses the importance of sound financial management in helping to meet the challenges facing local government in the short to medium term. Councils are accountable for around one-quarter of all public spending, and sound and strategic financial management is essential to ensure that resources are available to help

8. Managing the transition to IFRS. (Published 4 May 2009)

The third International Financial Reporting Standards (IFRS) briefing paper considers what local government bodies should be doing now as they prepare for the transition to IFRS and also highlights what the AC considers to be the most significant issues that authorities will have to address as the new standards take effect. The transition to IFRS will require careful planning and can have significant resourcing implications.

9. Room for Improvement: A review of strategic asset management in local government (Published 17 June 2009)

Nine years after its last examination of asset management, the AC finds that few councils are managing strategically their £250 billion of assets. They report that

- councils have spent £1.2 billion more on buying or refurbishing their offices than they have derived from sales
- only one in 14 (7 per cent) of councils is an exemplary manager of its assets
- in 2007/08, while 65 improved, the performance of 46 councils on asset management deteriorated (based on their UOR scores)
- a third do not yet share assets with other public services

The AC warns that, in the current economic climate, councils will need to do far better, if councils are to achieve expected savings and maintain services in the coming years. The report also calls on central government to give a clear steer on the priority for local government: should councils seek to dispose of assets to maximise receipts, or enhance estates

Consultation

10. The Audit Commission Manager and the council's Policy Officer have been consulted on the list of reports in this paper.

Options

11. Not relevant for the purpose of the report.

Analysis

12. Not relevant for the purpose of the report.

Corporate Priorities

13. This report contributes to the overall effectiveness of the council's financial, governance and assurance arrangements in the achievement of all its priorities, and in particular the Effective Organisation theme of the Corporate Strategy.

Implications

14.
 - (a) **Financial** – There are no implications.
 - (b) **Human Resources (HR)** - There are no implications.
 - (c) **Equalities** - There are no implications.
 - (d) **Legal** - There are no implications.
 - (e) **Crime and Disorder** - There are no implications.
 - (f) **Information Technology (IT)** - There are no implications.
 - (g) **Property** - There are no implications.

Risk Management

15. By not considering the content of Audit Commission Reports, the council will fail to properly comply with best practice requirements, and its Use of Resources score in CPA/CAA assessments could be adversely affected.

Recommendations

16. Members are asked to note the report and comment on any areas for further consideration by the Committee or by officers

Reason

To ensure that the council can benchmark, learn from and meet best practice requirements derived from external audit national activity and enhance its governance frameworks as a result.

Contact Details

Author:

Pauline Stuchfield
Assistant Director (Customer Service
& Governance)
Telephone: 01904 551706

Chief Officer Responsible for the report:

Ian Floyd
Director of Resources

Report Approved



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Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers:

Audit Commission Reports as follows:

- Tired of hanging around: Using sport and leisure activities to prevent anti-social behaviour by young people, Published 28 January 2009
- CAA framework and guidance, Published 25 February 2009
- Final score: The impact of the Comprehensive Performance Assessment of local government 2002-08, Published 5 March 2009
- Working better together?: Managing local strategic partnerships, Published 21 April 2009
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- Room for Improvement: A review of strategic asset management in local government, Published 17 June 2009

Annexes

None