

Report of: **Director of Finance**

Meeting of	Date	Agenda Item	Ward(s)
Standards Committee	22 <sup>nd</sup> April 2009	5	

<b>Delete as appropriate</b>	Exempt	Non-exempt
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## **SUBJECT: ANNUAL AUDIT AND INSPECTION LETTER 2007/08**

### **1. Synopsis**

- 1.1. Islington is determined to achieve the goals set out in the 'One Islington' vision. The Annual Audit and Inspection letter for 2007-08 recognises the continuing improvements made by the Council over the past year which have led to the Council receiving the highest possible four star performance, improving strongly Comprehensive Performance Assessment (CPA) rating for 2008.

### **2. Recommendations**

- 2.1. To note the contents of the Annual Audit and Inspection Letter for 2007-08 and welcome the 2008 performance assessment and positive comments about the continued improvements in services.
- 2.2. To note the areas for further improvement as identified in the Letter, and that these have been included in service plans for the coming year.

### **3. Background**

- 3.1. The Annual Audit and Inspection Letter ('the letter') provides an overall summary of the Audit Commission's assessment of the Council, drawing on the findings and conclusions from the audit of the Council for 2007-08, from the recent Comprehensive Performance Assessment (CPA) and from inspections that have been undertaken in the past year.

3.2. The letter is addressed to the Council but is available as a public document for stakeholders. A full copy of the letter is included with this report.

## 4. Overall Summary and Actions

4.1. The letter considers two main areas. Firstly, how the Council is performing and secondly, consideration of the audit of the accounts and value for money (VFM). The Letter's main messages are:

- The Council is improving strongly. The pace of improvement has increased considerably over the past year.
- The Council works well in partnership to deliver share community outcomes in areas such as tackling crime and regeneration.
- The pace of improvement is higher than the national average with over two thirds of performance indicators improving last year. The Council has a high proportion of strong performing services.
- Housing services provided by HFI have been rated as excellent.
- The Council received an unqualified opinion on the financial statements and pension fund for 2007-08 and an unqualified opinion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.
- The arrangements for the production of the financial statements have been strengthened; however there are further opportunities to improve the quality of the financial statements and the supporting working papers and audit trails.

4.2. Further action identified are for the Council:

- Take steps to improve the arrangements for financial reporting; and
- Continue to improve performance in the area of educational attainment, recycling and reducing crime.

## 5. How is the Council performing?

5.1. The Audit Commission has assessed the Council as a four star council that is improving strongly. This is the highest rating attainable under the Comprehensive Performance Assessment (CPA) system.

5.2. The letter states that the Council continues to deliver strong improvement in key priority areas such as reducing crime, educational attainment, environment and by helping older people to live independently. The Council's pace of improvement is higher than the national average, with the over two thirds of the Council's performance indicators improving last year.

5.3. The letter highlights that the Council has a high proportion of strong performing services and works well with partners to deliver wider community outcomes such as tackling health inequalities and regeneration. The letter points to challenges that remain in terms of recycling but notes that the Council has plans in place to address these. The letter states that the Council provides good value for money and that its good financial management continues to deliver significant efficiency savings and concludes that the Council is well placed to sustain and deliver future improvements.

5.4. The letter sets out the results of the annual performance assessments of key council services. Services for children and young people received a rating of 3 (out of 4), adult social care services received a rating of 3 (out of a possible 3) and the benefits service received a rating of 3 (out of a possible 4). The service inspection of housing services provided by HFI awarded the service a three star, 'excellent' rating with 'excellent' prospects for improvement.

5.5. The Council's performance management arrangements were reviewed, with the conclusion that the Council has set clear aims and priorities and is well placed to channel its resources effectively to achieve its objectives for the community. In tackling health inequalities the Council, the PCT and its partners have established clear and appropriate partnerships to work together to reduce health inequalities and good progress has been made, but there is a need for an overall strategy for tackling the causes of health inequalities and a performance management structure needs to be put in place. A review of ethical standards found that the Council had made improvements to its ethical governance and that on the whole these arrangements are good. The review of community safety arrangements to reduce barriers to greater joint working across the Council. The recent waste management review concluded that the Council has made good progress in implementing the previous 2004 reviews' recommendations.

## **6. Audit of the accounts and value for money**

6.1. The 2007-08 accounts were produced on time and the audit concluded on time with the Council received an unqualified opinion by 30 September 2008. Corporate Services Committee received the auditors' Annual Governance Report on 29 September 2008 which reported on the outcome of the audit and contained five recommendations. A report on progress against the recommendations was presented to the Audit Committee on 26 January 2009. An unqualified conclusion was given on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources for 2007-08.

6.2. The strengthened its level 3 use of resources assessment. The key areas of improvement in the year were in financial management and internal control.

## **7. Implications**

### **7.1. Financial implications**

These are contained within the body of the report.

### **7.2. Legal Implications**

None

### **7.3. Equalities Impact Assessment**

No equalities impact assessment has been carried out on this report.

## **8. Conclusion and reasons for recommendations**

8.1 The letter demonstrates the continued progress the council has made over the past year, which has led to improvements and successful inspection judgements. The council is well positioned as a four star, 'improving strongly' authority to deliver further improvements to the services received by the residents of Islington.

**Appendices attached**

A	Annual Audit and Inspection Letter 2007/08
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**Background papers: none**

Final Report Clearance

**Signed by** .....  
Director of Finance Date

**Received by** .....  
Head of Democratic Services Date

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