



Haringey Council

Agenda item:

Audit Committee

On 12 May 2008

Report Title: **The Annual Audit and Inspection Letter 2008**

Report of: **Chief Executive and Chief Financial Officer**

Wards(s) affected: **All**

Report for: **Non-key decision**

1. Purpose

1.1 To consider the Council's response to the issues set out in the Audit Commission's annual audit and inspection letter.

2. Recommendations

2.1 To note the letter and to agree the response and actions as set out in the report.

Report Authorised by: **Gerald Almeroth, Chief Financial Officer**

Contact Officer: **Gerald Almeroth, Chief Financial Officer**

3. Head of Legal Services Comments

3.1 The annual letter records that the Council's arrangements for maintaining the legality of transactions with financial consequences are adequate. There are no other specific legal implications raised by the report.

4. Local Government (Access to Information) Act 1985

Background papers

- Comprehensive Performance Assessment (CPA) for 2007 including Use of Resources
- Annual Audit and Inspection Letter London Borough of Haringey, Audit Commission, March 2008

5. Strategic Implications

5.1 The annual audit and inspection letter is part of the formal process of external audit and inspection and reflects the Council's progress and position in terms of meeting its strategic objectives.

6. Annual Audit and Inspection Letter

- 6.1 Haringey Council has continued to work positively with District Audit and the Audit Commission during the last year and good progress has been made by the Council. This is recognised in the overall CPA score in December 2007, with the Council achieving 3 'stars' (good), and a positive Direction of Travel statement that categorises the Council as 'improving well'.
- 6.2 Within the CPA scorecard it is recognised that good progress has been made in priority areas such as children and young people, environmental services and safer and stronger communities and that the majority of performance indicators have shown improvement. All elements of the CPA scored at a three for the Council other than the score for Social care (adults), which remained at two.
- 6.3 The two separate service inspection areas in the last year were for Homes for Haringey and Benefits Fraud. Both inspections recognised the services being delivered were sound and a number of recommendations were made to improve services further.
- 6.4 The Use of Resources score, including value for money, maintained an overall assessment score of three, although one of the five elements, financial reporting, has reduced to a two. This is mainly in respect of the need to refresh our statement of accounts consultation process.
- 6.5 In the area of accounts and governance the comments are generally positive and this is reflected in the important auditor opinions that the accounts for 2006/07 are unqualified and that the value for money conclusion is also unqualified.
- 6.6 The key areas for action from the Audit and Inspection letter are set out in the table together with the Council's response and proposed actions:

	Recommendation	Response
	The Council needs to:	
1	Improve adult social care and accelerate the pace of improvement in housing	An action plan is in place for adult social care and is now being implemented; the housing service improvements continue to be monitored and further stretching targets are part of the business planning process.
2	Develop its arrangements for the production of the annual accounts	A detailed action plan has been jointly agreed with the auditors and is being implemented; refreshed consultation with our partners has taken place at the HSP on the format of the annual report and summary accounts for 2007/08.

3	Continue to enhance risk management across the Council and its partnerships	The Council is continuing to enhance its risk management processes and this is a key feature of business planning and decision making.
4	Maintain focus on improving its understanding of costs and their relationship with its priorities and, in particular, on ensuring that costs are commensurate with performance levels	The Council will continue its drive for improving value for money. It is a key component of the business planning process and a separate rolling programme of value for money reviews, including zero based budgeting, is progressing under the Achieving Excellence programme.

7. Financial Implications

7.1 There are no direct financial implications arising from the recommendations in this report. The resources for implementing the actions set out above will be contained within existing approved budgets.

8. Equalities Implications

8.1 The CPA assessment has a strong emphasis on user focus and diversity. The Council performs well in this area and will continue to develop equalities impact assessments as part of its service planning process.

9. Consultation

9.1 This report was considered by the Cabinet on 22 April. There is no other wider consultation planned.

10. Background

10.1 The Annual Audit and Inspection Letter from the Audit Commission is an important external assessment of the council's position. Proposals for responding to the issues raised are included in this report for consideration.

10.2 The Annual Audit and Inspection Letter is compiled by the council's external auditor. It summarises the conclusions and significant issues arising out of the audit and inspection work for the council in the preceding year and from the audit of the Council's accounts. It includes information from the Direction of Travel statement and from the Comprehensive Performance Assessment (CPA) scorecard.

11. Conclusion

11.1 The response and proposed actions will contribute further to the plans for continuous improvement.

12. Use of Appendices / Tables / Photographs

12.1 Annual Audit and Inspection Letter for 2008 – Audit Commission (attached as an appendix).