



## **Audit Committee – 4 September 2006**

### **ANNUAL AUDIT LETTER – Progress Report**

**Portfolio:** All

**Service Area:** Corporate perspective covering all service areas.

**Wards:** All

#### **Summary of report**

The annual audit letter from the Audit Commission was presented to this committee on 27 February 2006. This report provides a progress update against the issues raised in the audit letter and uses the 'traffic light' system to categorise performance.

#### **Recommendations**

(1) That the committee note the progress to date against the actions identified in the annual audit letter 2005 and receive further progress updates throughout the audit year.

#### **Resource and legal considerations**

The responsibilities of Audit Commission inspectors are detailed in section 10 of the Local Government Act, 1999. Auditor's responsibilities are summarised in the Audit Commission's statement of key responsibilities of auditors; paragraph 33 states that the audit letter should be distributed to members and this was affected electronically.

#### **Citizen impact**

The audit letter was addressed to members and officers for the sole use of the audited body. However, on being reported to this committee it became a public document and thereby provided a useful independent summary of key issues and performance of the council. This shows the progress made which is of interest to citizens and other stakeholders.

## **Environmental impact**

None directly relating to this report.

## **Performance and risk management issues**

The audit letter provided an independent summary of the council's performance by the Audit Commission. It outlined the key issues for the council and is a helpful way of objectively assessing (along with other material) how the council is progressing. The audit committee's remit includes receipt of the audit letter and responsibility for reviewing progress against any key actions arising from it.

## **Equality implications**

None directly relating to this report.

## **Consultation**

The draft audit letter is routinely discussed with the executive management team, directorate teams and heads of service.

## **Background papers**

Annual Audit and Inspection letter 2004/5  
Audit Commission Reports as listed on page 28 Annual Audit and Inspection letter 2004/5,

Signed: pp.



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Date: 21 August 2006

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## ANNUAL AUDIT LETTER 2004/5 – FOLLOW UP PROGRESS REPORT

Page No	Action Identified in Audit Letter	EMT & Lead Officer	Progress against agreed objectives/targets (as at 31 August 2006)	Traffic Light
6	<b>1. Ensure appropriate action plans are firmed up for those services which were to be part of the strategic partnership</b>	Carole Evans Sarah Homer	<p>The Strategic Transformation Programme was formally ratified by Cabinet in March 2006 and officers were instructed to achieve the following within the first 12 months of transformation:-</p> <ul style="list-style-type: none"> <li>• Establish clear governance arrangements for the transformation programme</li> <li>• Create the strategic transformation team and programme office structures</li> <li>• Develop the initial transformation programme</li> <li>• Develop the necessary supporting documentation and transformation standards</li> <li>• Deliver the required levels of service transformation necessary to deliver the savings target of £1.243 M</li> <li>• Define the parameters of the transformation 'wrapper' and identify all initiatives that fall within the boundaries of the programme</li> </ul> <p>Achievements in the first quarter :</p> <ul style="list-style-type: none"> <li>• Strategic Transformation team formed</li> <li>• Transformation Boards established for all the</li> </ul>	


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	<b>Ensure appropriate action plans are firmed up for those services which were to be part of the strategic partnership (continued)</b>	Carole Evans Sarah Homer	<p>Transformation theme groups and project documentation , risk assessments and risk action plans developed</p> <ul style="list-style-type: none"> <li>• New processes and documentation developed as transformation standards</li> <li>• Transformation programme office created to support Programme Boards</li> <li>• Business Support service formed, structure reviews now taking place. Financial administration and PA and Secretarial teams are already being restructured.</li> <li>• Postal service reviewed and new arrangements effective in August</li> <li>• Restructure of HR/OD teams into a single service is underway</li> <li>• Procurement Executive formed to drive forward procurement savings – list of “quick win” procurement initiatives being targeted for savings in 2006/07, and work has started on some of the more complex procurements which will deliver savings in 2007/08.</li> <li>• Contact centre project underway - accommodation for new team identified and</li> </ul>	

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	<b>Ensure appropriate action plans are firmed up for those services which were to be part of the strategic partnership (continued)</b>	Carole Evans Sarah Homer	refurbishment to commence in late autumn. <ul style="list-style-type: none"> <li>• Local Access Point strategy document being developed.</li> <li>• External consultants commissioned and project underway to define future Walsall ICT strategy. Final report will be ready late September.</li> <li>• Options appraisal review of the Revenues and Benefits service has been completed. Cabinet has ratified decision for 'mixed economy' approach to service improvement. Improvement plan now being developed.</li> <li>• £755k of the targeted savings of £1.243m has already been delivered.</li> </ul>	


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6	<b>2. Ensure action is quickly taken to improve the performance of the benefits service</b>	Carole Evans James T Walsh	<p>A partnership arrangement was put in place the result of which is that 6,000 backlog cases have been cleared. Because of this it is anticipated that performance will deteriorate until quarter three.</p> <p>Secured £402k grant funding from DWP to improve service quality and performance via training, process review and change, and maximising the use of SX3.</p> <p>Underlying performance for new cases from 1 April 2006 show considerable improvement and look set to achieve annual target of 45 days.</p> <p>An “options appraisal” review of the Revenues and Benefits service has been completed and the following options were considered:</p> <ul style="list-style-type: none"> <li>• A full outsource of the whole R&amp;B service</li> <li>• A “mixed economy” option which would focus attention on the core aspects of the service and look for external agencies to run the non-core activities</li> </ul>	

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	<p><b>2. Ensure action is quickly taken to improve the performance of the benefits service (continued)</b></p>	<p>Carole Evans James T Walsh</p>	<ul style="list-style-type: none"> <li>• A joint service delivery option delivered through a consortium arrangement of public and/or private sector organisations</li> <li>• A “do nothing” option</li> </ul> <p>The review concluded that the “<b>mixed economy</b>” option is the best combination of securing the improvements that have already been made and being able to make a step change towards further service improvements. Cabinet agreed and a detailed service improvement plan is now being developed and implemented with active member involvement via the corporate service scrutiny working group.</p>	

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6	<b>3. Ensure action is taken in response to the annual assessment of adults' services and in particular to increase the pace of change in services for older people;</b>	David Martin Kathy Mcateer	<p>As a result of management action taken performance in 2005/6 subsequently improved dramatically and out of 14 key indicators 7 exceed the target set.</p> <p>9 targets:</p> <ul style="list-style-type: none"> <li>• b11 intensive home care unit cost;</li> <li>• c26 residential admissions;</li> <li>• c51 direct payments;</li> <li>• c62 carers assessments;</li> <li>• d39 statement of needs;</li> <li>• d54 % of equipment delivered within 7 days;</li> <li>• d56 waiting times for care packages;</li> <li>• e48 ethnicity services</li> </ul> <p>increased their band ratings.</p> <p>4 targets :</p> <ul style="list-style-type: none"> <li>• c28 intensive home care numbers;</li> <li>• c32 Older people helped to live at home;</li> <li>• d37 single rooms and</li> <li>• d40 number of reviews improved their rating within their band</li> </ul>	





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	<b>4. Ensure there is adequate control over the two major areas of grant funded expenditure where we encountered problems this year benefits and sure start. (continued)</b>	Carole Evans James T Walsh	<p>Outstanding recommendations relate to the review of the contractual relationship of Blakenhall and Birchills schemes, and the drawing up of a contract with Surgeons for the Darlaston scheme.</p> <p>Completed actions include a review of the council's procedures to ensure the council is meeting its accountable body responsibilities. Clearly defined controls expected of Serco who administer the scheme on behalf of the council. Regular reporting has been improved however delays in the submission of the grant claims remain at an unsatisfactory level.</p>	