

Meeting:	Cabinet
Date:	16 February 2006
Subject:	Annual Audit and Inspection Letter
Responsible Officer:	Myfanwy Barrett, Director of Finance and Business Strategy Paul Najsarek, Director of People, Performance and Policy
Contact Officer:	Paul Najsarek, Director of People, Performance and Policy
Portfolio Holder:	Sanjay Dighé, Business Connections and Performance
Key Decision:	No
Status:	Part I

Section 1: Summary

Decision Required

Cabinet to note the recommendations of the Annual Audit and Inspection letter.

Request that officers incorporate responses to the letter in current work plans and next years corporate and service plans as appropriate.

Reason for report

The Council is required to report the Annual Audit and Inspection letter to cabinet, Overview and Scrutiny Committee and Audit Committee.

Benefits

It allows Members to review the feedback received from external regulators and

ensure officers are taking adequate action in response.

Cost of Proposals

Within existing budgets.

Risks

Progress against regulatory priorities is important for the Council's improvement. The Council's reputation is affected by annual CPA assessments.

Implications if recommendations rejected

Next year's CPA assessment of the Council would suffer and improvement work would be hindered.

Section 2: Report

2.1 Brief History

On December 15th 2005 the Audit Commission published the latest local government CPA classifications. Harrow is now a '2 star' council and is 'improving well'. Given that the new ratings are a harder test of Councils than the previous years assessment this is a positive outcome. However, most Councils with the same functions as Harrow are rated as 3 or 4 star. The reasons for this are partly the rules of the CPA system and partly the need to further improve our performance in key areas (notably social care for adults and children and Use of Resources)

The scores in each service area, which go toward the overall classification, are mainly based on our performance on key performance indicators as at 31 March 2005. In addition we are carrying a score of 2 out of 4 from the corporate assessment we had in 2002. It is now about four years since this corporate assessment in which time the Council has made significant progress, which cannot be reflected until a new corporate assessment is carried out. We have recently been notified that the Council will receive a new Corporate Assessment and Joint Area Review of Children's Services in November 2006.

It is pleasing that the Audit Commission acknowledges our corporate improvements as an organisation over the last year and are positive about our prospects for future improvements.

The challenge for the Council is to make improvement in performance in our key service areas and in our Use of Resources. There are action plans in place in each service to make improvements in performance indicators by 31 March 2006. The Council is developing an action plan to tackle the issues on Use of Resources that have been identified within the Audit letter, the report on accounts and other internal and external audit reviews. The Council is also launching a value for money project currently to address the issues raised in this area.

Work arising from the Audit and Inspection letter for 2006/7 will be planned, managed and monitored through the Councils corporate and service planning process and the Strategic Performance Report.

2.2 Options considered

Not applicable.

2.3 Consultation

The Audit Commission provided the Council with a draft of the letter for comment prior to finalising it.

2.4 Financial Implications

None.

2.5 Legal Implications

Section 99 of the Local Government Act 2003, places the Audit Commission's role in conducting Comprehensive Performance Assessment onto a statutory footing. The Audit Commission must publish a report which categorises authorities according to their performance in carrying out their functions.

Compliance with the recommendations made following the annual inspection by the Audit Commission is conducive to improving the Council's score.

2.6 Equalities Impact

The CPA assessment includes a focus on diversity issues.

2.7 Section 17 Crime and Disorder Act 1998 Considerations

The corporate assessment in November 2006 will assess how the Council is meeting its obligations under the Act.

Section 3: Supporting Information/Background Documents

Appendix - Annual Audit and Inspection Letter