

Annual Audit Letter

Cannock Chase District Council

Audit 2008/09

December 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/ members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
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Key messages

This report summarises the findings from our 2008/09 audit. It includes messages arising from the audit of your financial statements and the results of the work I have undertaken to assess your arrangements to secure value for money in your use of resources.

Overview

- 1 2008/09 has been an important and challenging year for Cannock Chase District Council. You identified in your Corporate Plan 2009/12 that the introduction of Comprehensive Area Assessment (CAA), the new assessment methodology for public sector bodies, places a much greater emphasis on delivering priority outcomes. It has therefore become increasingly important to ensure that Council decisions are evidence based and targeted to the areas of greatest need. You responded to this by focusing your annual objectives on six key areas and agreed early on how your resources would be used to deliver your corporate priorities.
- 2 As a result, you are making good progress in some of the areas that are important to local people such as reducing crime and disorder. For instance, serious crime rates have fallen by 52 per cent. Planning services has made good progress and processing times for housing benefits claims were good until recently when demand has increased. Recycling rates are still performing well. The cleanliness of streets has improved, but fly-tipping has increased.
- 3 You were faced with significant financial challenges in 2008/09. In the past, political differences have hindered long term decision making, but this is improving and you have made hard decisions around the use of your resources to ensure that you delivered your core services. The Council looked at streamlining and driving through efficiency savings for corporate and support services and its senior Management structure. In addition you reviewed front line services as part of your 'Delivering Change Process' to identify low priority areas where savings could be taken. This determined the budget and the outcome was a redundancy programme, which has reduced costs and improved financial stability.
- 4 Local income from things like parking is down because of the recession and demand for some of your services, such as housing benefits is increasing. Despite this, you have demonstrated improvements in relation to your performance indicators and delivered a surplus in 2008/09 which you have agreed to use to support the delivery of services in 2009/10. However, we are concerned that there may not be enough people at the centre of the organisation to support the continued delivery and planning for improvement. There are also some demanding issues around closing the gap of inequality that require more resources.

Use of resources

- 5 This is the first year in which you have been assessed using the more demanding and more outcome focused approach for Use of Resources. Overall for 2008/09 I assessed you as 'performing adequately' in your arrangements for Managing Finance, Governing the Business and Managing Resources.
- 6 I am required to use this work to help me conclude whether you put in place proper arrangements for securing economy, efficiency and effectiveness in your use of resources. This is known as the value for money conclusion. I issued an unqualified opinion stating that you had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources.
- 7 As this is the first year of the new approach no comparisons can be made with previous years' scores. However, my overall conclusion is that you have targeted your resources to corporate priorities which were determined at the start of the financial year through consultation with stakeholders and the public. Progress has been seen in each of these priority areas but, going forward, you need to continue to focus on delivering clear outcomes against your objectives and be able to demonstrate a more consistent approach to improving value for money across all services.

Financial statements

- 8 I issued an audit report including an unqualified opinion on your financial statements on 30 September 2009.
- 9 The accounts were prepared to a good standard within the closedown timescales laid down by the Accounts and Audit Regulations. My audit found no significant issues or weaknesses in internal control. Working papers were adequate but there was scope to improve the disclosures in the financial statements to aid readers, particularly around the reporting of your financial instruments.
- 10 I have worked with you to support improved performance in the preparation of your financial statements and will continue to support you where required throughout the financial year. This includes agreeing reporting requirements under the International Financial Reporting Standards which are being introduced for local government accounts from 2010/11 but will impact on the opening balances for 2009/10.

Shared working

- 11 Going forward, you are aware that you need to further streamline services. As a result of this you are currently discussing the potential to develop shared working with Stafford Borough Council for the majority of corporate services as a minimum. You are also exploring the possibility of sharing front line services too, with consideration being given to a joint management structure at Head of Service level. You are aware that this is a longer term initiative but are clear that you will remain focused on providing high quality services in line with your strategic vision and the needs of the local population.

Key messages

Actions

- 12 I have highlighted areas for improvement where you may wish to ensure that implementation plans are put in place to address the matters raised.

Organisational assessment and managing performance

13 A new output of the area assessment process is an Organisational Assessment which draws upon a Managing Performance element and the findings of auditors from their work on Use of Resources (UoR) and elsewhere. The Managing Performance and UoR assessments are combined to give an overall organisational assessment judgement for the Council.

Table 1 **Organisational assessment - performs adequately**

	Scored judgement
Managing performance (performs adequately)	2
Use of resources (performing adequately)	2

Description of scores

1. An organisation that does not meet minimum requirements, Performs Poorly
2. An organisation that meets only minimum requirements, Performs Adequately
3. An organisation that exceeds minimum requirements, Performs Well
4. An organisation that significantly exceeds minimum requirements, Performs Excellently

Managing performance (performing adequately)

14 There is consultation with local people on what is important to them and the results of this set the Council's priorities. It has made good progress in some of these priority areas, for example in supporting business growth in the district and working with the Police and others to reduce crime and disorder. Residents are positive about quality of life in the district. Three out of four people expressed general satisfaction with their local area and a similar proportion say that people from different backgrounds get on well together. But this level of satisfaction does not compare well with other areas. A higher proportion of people in Cannock Chase are homeless than the Staffordshire and National average. However, the Council is working with partners to address this. The Council has built an extra 59 homes that low income families can afford and to help people who have major money problems, has set up the 'fast track' money advice service.

Organisational assessment and managing performance

- 15 Local people see anti social behaviour as a problem in Cannock Chase, far more than the rest of Staffordshire. Residents believe that being drunk or rowdy and using or dealing drugs in public places are big problems. The Council has listened to local people and in response started to set up schemes such as, Projekt Flux Website, Night time Lantern parades and improved CCTV.
- 16 The Council has focussed on local peoples concerns and had a positive impact on the environment. For example, local people said Cannock Park had a problem with litter, the Council invested £79,000 in response and its successful solution was awarded a national Green Flag. Street Wardens have worked with local people to encourage residents to keep their neighbourhood clean and tidy through projects, like "Own Your Streets".

Value for money and use of resources

I considered how well the Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people, and gave a scored use of resources judgement.

I also assessed whether the Council put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

Use of resources judgements

- 17** This is the first year of the new Use of Resources (UoR) Key Lines of Enquiry (KLOE). These are more broadly based than previously and embrace wider resource issues such as people and workforce planning. The KLOEs are now focussed around three themes; managing finances, governing the business and managing resources. They focus more on value for money achievements, outputs and outcomes rather than on processes, and are therefore more strategic and less criteria driven.
- 18** In forming my scored use of resources judgements, I have used the methodology set out in the [use of resources framework](#). Judgements have been made for each key line of enquiry (KLOE) using the Audit Commission's current four point scale from 1 to 4, with 4 being the highest. Level 1 represents a failure to meet the minimum requirements at level 2.
- 19** Overall for 2008/09 I assessed the Council as 'performing adequately' (Level 2) in its arrangements for Managing Finances, Governing the Business and Managing Resources. My conclusions on each of the areas are set out in Appendix 5.

Table 2 Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances How effectively does the organisation manage its finances to deliver value for money?	2
Governing the business How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for local people?	2
Managing resources How well does the organisation manage its natural resources, physical assets, and people to meet current and future needs and deliver value for money?	2

Overview

- 20 The Council has a good overall approach to managing its money and links its spending to what it wants to achieve. Issues beyond the Council's control have resulted in the need for significant savings which have been delivered in part through efficiencies, but also through moving resources away from non-priorities through restructuring. The Council has aimed to minimise the impact of these savings on the services it delivers by focusing on corporate priorities which were agreed at the start of the financial year. These have been achieved and represent the key objectives of the Council.
- 21 The Council works with its partners to understand what local people think of the area. Partnership working is established, but there is scope to improve risk management for these arrangements. Local councillors are given information to help them make decisions and keep an eye on performance, but training for councillors is an issue that the Council needs to address. The Council is trying to make sure its workers have the skills they need, but sickness levels are high. Political leadership is improving, but enough resources to help ensure people are treated equally and the differences within local communities are taken into account when planning and delivering services are not in place.
- 22 Local people are involved in shaping the services of the Council through consultation but you cannot always clearly link improving outcomes with managing money. The Council now needs to do more to ensure that the way in which it manages its money and other resources results in a more consistent approach to improved value for money across all services.

Managing finances

- 23 The Council looked at streamlining and driving through efficiency savings for corporate and support services and its senior Management Structure. In addition you reviewed front line services as part of your 'Delivering Change Process' to identify low priority areas where savings could be taken. This determined the budget and the outcome was a redundancy programme. A transitional use of the reserves was planned as interim financial support whilst the savings from the redundancies and other initiatives started to come through in 2009/10 providing a smooth transition and minimal impact on the service user. The Council has demonstrated an ability to manage the finances to deliver the overall strategy and core objectives for 2008/09.
- 24 The Council has demonstrated an understanding of its costs and how these costs then link to performance. There is also a good record of achieving planned efficiencies. The Council has undertaken medium term financial planning but is currently not able to consistently measure value for money and in 2008/09 had not set value for money targets for its own performance, supporting the national requirements. This will be vital to supporting improvements in performance as costs and performance are integral to Council decision making. Performance management and financial management were not aligned in 2008/09 but are now reported quarterly to the Scrutiny Committee. These will need to be embedded going forward to ensure accountability is achieved.

- 25** There was considerable public consultation on the preparation of the 2008/09 budget which was prepared to support the Council's overall strategy and deliver services which met the needs of the local population. Financial reporting is tailored to the specific user and is considered timely by Council staff and Members. There is considerable work to support the preparation of the budget but little evidence of how this is then reported back to the community and service users. The Council also needs to focus on outcomes from its decisions to support improvements in its performance.
- 26** Overall the Council performs adequately in managing its finances. There is scope for further improvement by:
- making the identification of efficiencies more explicit and using a more methodical approach to capture examples;
 - consider bringing the MTFS together in one document in order to support a collective understanding throughout the organisation and engage staff involved in service delivery at all levels in taking ownership of financial performance; and
 - aligning performance and financial management.

Governing the business

- 27** The Council undertook a planning process at the start of the financial year ensuring that it had a clear vision of intended outcomes for local people, which in turn, shaped its commissioning and procurement. The Council were clear about these priorities throughout the financial year and did not change direction. Its approach to involving local people and partners in commissioning services is through consultation.
- 28** The Council is not able to assess whether data quality improves the value for money of its services, but data security was considered adequate. Arrangements to provide decision-makers with sufficient quality information to support decision-making, to monitor performance against priorities and targets and to address under-performance are also adequate.
- 29** There are arrangements for promoting and demonstrating principles of good governance in place. The Council has acceptable arrangements for maintaining its focus on purpose and vision and for demonstrating an ethical framework and culture.
- 30** The Council has a risk management policy and strategy and provides risk management training to staff and members. There is a strategic risk register and operational risk registers, but risk management in project management is still being developed. Arrangements to manage the risk of fraud and corruption are adequate and the system of internal control is well established.

Value for money and use of resources

- 31** Overall the Council performs adequately in governing the business. Areas it should consider for further improvement include:
- demonstrating that the work to understand the local market and improve customer experience leads to improved value for money;
 - developing arrangements to apply the principles and values of good governance to partnership working; and
 - developing risk management to all project management and partnerships.

Managing resources

- 32** The Council has adequate arrangements to ensure that it has a productive and skilled workforce. It has recognised that a high proportion of its workforce are approaching retirement age over the next five years and therefore needs to plan for the impact of this. There are policies designed to address current and future work force needs.
- 33** Sickness levels have increased to an average of thirteen days per year although there is a high proportion of long term sick within these figures which skews the average. All employees are subject to an annual personal development review to address training and development needs.
- 34** The Council has taken steps to facilitate two-way communication with its workforce and has policies to support diversity and good people management. It has assessed itself at level two of the equality standard for local government.
- 35** Overall the Council performs adequately in managing its resources. To improve its performance in this area it should:
- finalise the Workforce Strategy following consultation and embed its principles; and
 - finalise the Improvement Plan and ensure that this is used throughout the organisation.

VFM conclusion

- 36** I assessed your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources KLOE are the relevant criteria for the VFM conclusion at each type of audited body. My conclusions on each of the areas are summarised in this letter and have been discussed in detail with Management.
- 37** I issued an unqualified conclusion stating that the Council had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources. This was issued at the same time as the opinion on the financial statements, 30 September 2009.

Financial statements and annual governance statement

The Council's financial statements and annual governance statement are an important means by which the Council accounts for its stewardship of public funds.

Audit opinion

- 38 I issued an unqualified opinion on the Council's accounts on 30 September 2009 confirming that the financial statements fairly presented the income and expenditure for the financial year.
 - 39 This opinion also incorporated a conclusion on your value for money arrangements, drawing on the findings from my Use of Resources assessment which is detailed below. I reported that the Council had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources for the year.
 - 40 I also issued the audit certificate at the same time confirming that all work required under my statutory responsibilities had been completed for the 2008/09 financial year. This indicated that the audit for 2008/09 was complete.
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Whole of Government Accounts

- 41 The Whole of Government Accounts (WGA) cover approximately 1,300 separate bodies. They aim to provide commercial-style accounts for the public sector and are prepared by the Treasury.
 - 42 To support these accounts, I am required to submit a consolidation pack which summarises the Council's financial statements in a consistent way with all other Local Government bodies.
 - 43 I submitted this consolidation pack with a statement confirming that it was consistent with the Council's audited financial statements on 30 September 2009.
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Significant issues arising from the audit

- 44 I did not identify any significant issues which prevented me from providing my opinion on your 2008/09 financial statements. No material issues were identified during the audit.

Accounting practice and financial reporting

- 45 I considered the qualitative aspects of your financial reporting. My audit identified some areas where improvements could be made, particularly around disclosure in the accounts. These were discussed with Management and they agreed to make amendments to the 2008/09 financial statements where necessary.

Concessionary fares

- 46 My work identified a weakness in relation to payments made by the Council to various bus companies to support bus fares for those groups of people qualifying for subsidised travel. This is known as Concessionary Fare expenditure.
- 47 I agreed with finance officers that the Council should confirm that it is only making payments to subsidise journeys it is required to support and that it is receiving value for money from this scheme. In light of one main operator within the County and a standard system being in operation, it was agreed that this assurance could be obtained at a County Council level along with other District Councils. Management agreed to gain assurance over these payments as a matter of urgency to support the expenditure being made in 2009/10.

Working papers

- 48 I also identified areas for improvement in relation to working papers for some aspects of the accounts. The Council provided working papers for all areas but I considered that some improvements could be made to strengthen the supporting documents for the financial statements.
- 49 I have recently provided training for finance staff and those in other departments who supply information to finance for the accounts preparation. This training was well received and the Council are clear on what is required for next year. I have also agreed to work more closely with the finance department for the preparation of the 2009/10 financial statements to support a smoother audit process.

The governance framework

- 50 I did not identify any significant weaknesses in your internal control arrangements. Overall the Council has adequate arrangements in place for securing internal control.
- 51 The Council makes an annual governance statement within its financial statements in line with the 'Delivering Good Governance in Local Government' guidance. I review this statement against the minimum requirements and also my knowledge of the Council and its risk management and control environment.
- 52 The Council had used the required template and included a reasonable level of detail with regard to its processes. It had used a methodical approach for collating the 'Significant Governance Issues' for disclosure.

- 53 I have reviewed the issues raised by the Council as 'Significant Governance Issues' and consider that they are consistent with my understanding of the Council. I have also reviewed the Council's risk management arrangements and consider these to be adequate. I have noted that the Council's Monitoring Officer has recently left and that in order to ensure it is not exposed to significant governance risks the position is being covered with support from Stafford Borough Council's Monitoring Officer. I will continue to monitor this arrangement as the Council determines whether it is an appropriate long-term approach.

Financial standing

- 54 The last year has seen the country enter a significant economic recession. The consequence locally is an increasing demand for public services and the likelihood of reduced levels of central government funding. Together, these provide a significant challenge for local councils as they seek to continue to provide services to local residents, whilst maintaining a sound financial position.
- 55 The Council reported net operating expenditure for the year of £14.301m. This represented a favourable variation of £303k against the initial budget allowing some funds to be rolled forward to support known pressures on expenditure in 2009/10. This increased the general fund balance to £1.669m.
- 56 The Council is being affected by the economic downturn, particularly around income collection. Income from car parking, planning and leisure has reduced considerably. There has also been an increase in the level of applications for benefits being made, placing pressure on the benefits service and providing higher levels of eligible claims. Together these provide a significant challenge for the Council as it seeks to continue to provide services to local residents, whilst maintaining a sound financial position. The Council has recognised these pressures in its medium term financial strategy and I will continue to monitor its financial position.
- 57 As part of my review of the Annual Governance Statement, I considered the disclosure of the financial risks and was satisfied that this was being appropriately reported and that the increasing financial risk for 2009/10 and beyond was properly reflected in the Council's Strategic Risk Register. The impacts of the recession will continue to present a challenge for the Council in the coming financial year. I will continue to monitor the Council's response and actions in this key area.

Treasury management

- 58 In October 2008, a number of Icelandic banks went into administration. A large number of councils and other public bodies were directly affected by the collapse of the Icelandic institutions. The Council did not have monies invested in any Icelandic banks at the time of the collapse. Following this, the Council reviewed its Treasury Management policy and clearly set out its approach to risk management in relation to investing.

Financial statements and annual governance statement

- 59 We have undertaken an overview of the Council's treasury management arrangements. The Council has continued to review its Treasury Management policies in order to ensure this area of activity is controlled and to avoid exposure to any unacceptable levels of risk in the future.

Certification of grant claims and returns

- 60 The Council prepares grant claims to receive central funding for some services which it provides. The largest claim is for benefit payments made. The Council has made six grant claims in 2008/09. All claims were submitted for audit before the national deadlines and adequate working papers were provided to support the claims.
- 61 I have completed my review of five of the six claims. Four of the claims have received an unqualified opinion which indicates that the Council will receive the level of funding it initially applied for as it was found to be in line with the expenditure made.
- 62 I have recently provided a qualified opinion for the Housing and Council Tax benefits claim. However, the Council made the required amendments and I was able to conclude that the claim was fairly stated and in accordance with the grant terms and conditions, except for the matters raised in the 'qualification letter'.
- 63 The work on the claim was greatly aided by the knowledge of the Benefits Team and the sound governance arrangements supporting its compilation. Actions for improvement have been discussed with officers in order to further improve the process for 2009/10. This will be particularly important with the further increase in claims which is anticipated due to the economic downturn.
- 64 From the work undertaken on the remaining grant claim, I propose to provide an unqualified opinion and will conclude my work to meet the deadline of the 31 December 2009.

Questions and objections from electors

- 65 The appointed auditor has a duty under section 8 of the Audit Commission Act 1998 to consider whether, in the public interest, to report on any matter that comes to their attention in order for it to be brought to the attention of the public. In addition there are other responsibilities under the 1998 Act, including investigating questions or objections from electors on the Council's accounts.
- 66 I have received three questions from the public regarding the activities of the Council in 2008/09. I received one question on charity recycling bins in Council car parks which were subsequently removed by the Council. I concluded that the question raised did not fall within my powers or responsibilities as the District Auditor and so no further work was undertaken.

- 67 Another question related to the funding of Rugeley Swimming Pool. I undertook initial investigations which concluded that the correct processes were followed and that there were no matters which would require me to undertake any further work. My response to the member of the public was agreed with the Council to ensure that we had considered all the relevant information.
- 68 I received a final question relating to the costs of Council allotments. My work identified that the costs had been correctly apportioned in line with the national guidance for Councils and that the level of income and expenditure involved was not high enough to impact on the opinion on the financial statements. No further work was undertaken.

National Fraud Initiative

- 69 The Council participates in the National Fraud Initiative. This is a national exercise that matches electronic data within and between audited bodies to prevent and detect fraud including police authorities, local probation boards and fire and rescue authorities as well as local councils.
- 70 I reviewed the Council's progress in relation to investigating the matches identified and found that adequate progress had been made. The Council had started with the matches presenting the highest risk of fraud, mainly around work visas. The Council had worked through a number of matches and were reclaiming some of the payments made although there were no material frauds identified. Work is on-going to address the remaining matches.

Looking forward

- 71 Looking towards 2010/11, in line with other areas of the public sector the basis of the Council's financial statements will change from being on UK GAAP (Generally Accepted Accounting Principles) to IFRS (International Financial Reporting Standards).
- 72 I have monitored your progress on this and am satisfied that you are on track to meet these challenges. You have set up a project team and have a clear timeline and have conducted a risk assessment. I have been engaged with your initial preparations and will continue to work alongside you to ensure a successful transition.

Comprehensive Area Assessment

73 Comprehensive Area Assessment (CAA) is a new way of assessing local public services in England. It examines how well local government and other public bodies work together to meet the needs of the people they serve. The results of these assessments have been made available from December 2009 on the Audit Commission's Oneplace website (www.audit-commission.gov.uk/caa).

Comprehensive Area Assessment

74 For the first time, local public services will be held collectively to account for their impact on better local outcomes. CAA provides a mechanism to ensure that the needs of the local population are met through agencies working closely together to deliver improved outcomes.

75 The area assessment takes the single tier and county council boundary as the starting point and will focus on the prospects for better outcomes (including health outcomes) for the people living in that area. The review will draw on a range of sources of evidence and will carry out additional investigation where analysis highlights this is necessary. This could involve any of the partners.

76 As part of the approach to CAA new key lines of enquiry (KLOE) have been developed together with a new approach to Use of Resources (UoR) judgements. These judgements are broader than previously and have been applied consistently across all sectors. The CAA Lead has been discussing emerging findings with public sector bodies in Staffordshire as part of this process. The full findings are published on the Audit Commission's Oneplace website but the high level themes that Cannock Chase District Council will be involved in as an active partner are as follows.

- A protected, enhanced and respected environment
 - Most of Staffordshire is clean and well kept. Recycling levels are very high. The access to some services such as hospitals has improved. But people are not as satisfied with the bus service or information about it. There are more conservation areas and there is a well-used website to help people reduce carbon dioxide emissions.

- A vibrant, prosperous and sustainable economy
 - The recession hit Staffordshire hard with more jobs lost than anywhere else in the West Midlands. But this was from a relatively strong base. And between May and July 2009 the number of people out of work and claiming benefits has gone down. Increasing skills and the number of jobs is a clear priority and there has been some success in doing this. New jobs have been attracted to the county. But in the parts of the county where unemployment is higher, educational attainment is weaker. The partnership is working hard to close the gap but it is a long term issue requiring a stronger locality approach. First time entrants to the youth justice system have decreased. The housing needs of the growing population are not being met by new building, especially for the over 65s.
- Improved health and sense of wellbeing
 - There are big differences in the health of people across the county. It is good that less people die from stroke, heart disease, cancer and smoking compared with other parts of the country. Children in Staffordshire have a better standard of dental health and fewer women smoke when pregnant. But adult obesity is an issue across all of the districts. Child obesity is increasing and is a particular issue in Staffordshire Moorlands. While the number of teenagers becoming pregnant is below the national average for the county as a whole, it is much higher in parts of Cannock Chase and Tamworth.
- Strong, safe and cohesive communities
 - Crime levels in Staffordshire have fallen. The County Council, district councils, fire and rescue service and Police are working well together to reduce crime and antisocial behaviour. Improvements are likely to continue. But the problem varies across Staffordshire. Antisocial behaviour is seen as a big problem in Cannock Chase and Tamworth. Districts and local partners are working to address this. Fires have reduced. Road traffic accidents are reducing. Over three quarters of people feel that different communities get on well together in Staffordshire, though the figure is lower in Cannock Chase and Tamworth. Generally, surveys show that the partnership has some way to go to strengthen the involvement of local people in their local community. Children in care and vulnerable adults supported by local councils are being adequately protected.

Key areas of focus in 2010

- 77** Following this year's area assessment for Staffordshire, in the coming year the inspectorate bodies are likely to be focussing particularly on how the issue of inequalities within the county are being tackled. This work will focus particularly on addressing the health inequalities across Staffordshire.
- 78** We will also continue to closely monitor how the changing housing needs across the county are being met, particularly in the light of the forecasted increase in the elderly population.

Closing remarks

Audit and Inspection fees

79 The audit fees are reported below with proposed and actual figures included. The inspection fee is additional to the annual audit fee. All fees were agreed with the Council prior to commencing any work. The proposed and actual fees are reported in detail within Table 3.

Table 3 Audit and inspection fees

	Actual £	Proposed £	Variance £
Financial statements and annual governance statement	71,980	71,980	0
Value for money and Use of Resources judgements	29,645	29,645	0
Data Quality	8,335	8,335	0
Total audit fees	109,960	109,960	0
Comprehensive Area Assessment including the Managing Performance and Organisational Assessment	5,972	5,972	0
Total	115,932	115,932	0

80 I have discussed and agreed this letter with the Chief Executive. I will present this letter at the Audit Committee in January 2010 and will ensure that a copy is provided to all members of the Council.

- 81 Further detailed findings, conclusions and recommendations in the areas covered by our audit are included in the reports issued to the Council during the year.

Table 4 Reports issued

Report	Date issued
Audit Plan	May 2008
Direction of Travel Review	June 2009
Report to those charged with governance - Annual Governance Report	September 2009
Opinion on financial statements	September 2009
Value for Money Conclusion	September 2009
Use of Resources - Feedback to management	October 2009
Managing Performance - Feedback to management	October 2009
Annual Audit Letter	December 2009
Organisational Assessment	December 2009

Independence

- 82 I can confirm that the audit has been carried out in accordance with the Audit Commission's policies on integrity, objectivity and independence.
- 83 The Council has taken a positive and constructive approach to our audit. I wish to thank the Council staff for their support and co-operation during the audit.

Grant Patterson
District Auditor
December 2009

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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