

**AGENDA MANAGEMENT SHEET**

**Name of Committee**                      **Audit And Standards Committee**  
**Date of Committee**                      **22 September 2008**  
**Report Title**                              **Opinion Audit Plan 2007/2008 and Audit and Inspection Plan 2008/2009 – Additional Information**

**Summary**                                      The report provides additional information relating to the Opinion Audit Plan 2007/2008 and Audit and Inspection Plan 2008/2009 requested by the Committee at its last meeting

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**Would the recommended decision be contrary to the Budget and Policy Framework?**                      No.

**Background papers**                      None

**CONSULTATION ALREADY UNDERTAKEN:-**                      Details to be specified

- Other Committees                       .....
- Local Member(s)                       N/A
- Other Elected Members                       .....
- Cabinet Member                       .....
- Chief Executive                       .....
- Legal                                       David Carter and Jane Pollard
- Finance                                       .....

- Other Chief Officers  .....
- District Councils  .....
- Health Authority  .....
- Police  .....
- Other Bodies/Individuals  .....

**FINAL DECISION YES**

**SUGGESTED NEXT STEPS:**

Details to be specified

- Further consideration by this Committee  .....
- To Council  .....
- To Cabinet  .....
- To an O & S Committee  .....
- To an Area Committee  .....
- Further Consultation  .....

## Agenda No 9

### **Audit And Standards Committee – 22 September 2008.**

#### **Opinion Audit Plan 2007/2008 and Audit and Inspection Plan 2008/2009 – Additional Information**

### **Report of the Strategic Director of Performance and Development**

<b>Recommendation</b>
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That the Committee considers the report.
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### **Audit & Standards Committee – 22<sup>nd</sup> September 2008.**

#### **1. Introduction**

- 1.1 At the Audit and Standards Meeting held on the 16<sup>th</sup> June 2008, the committee requested additional information following discussion of Agenda Item 7 - Opinion Audit Plan 2007/2008 and Audit and Inspection Plan 2008/2009
- 1.2 This paper sets out responses to the issues raised as shown below:
  - a. The Strategic Director of Performance and Development be requested to raise with the Audit Commission the reasons for the necessity of carrying out the forthcoming CPA inspection, and the associated additional costs to the Council, when the CPA inspection régime was due to be replaced in less than a year by Comprehensive Area Assessment (CAA); and
  - b. A report to be submitted to the next meeting of the committee on the reasons why the basis for calculating the Culture rating had changed. The report to include details of whether the Council had been consulted about this change in the rules and whether sufficient time had been given for the council to amend it's working practices to maintain it's previous high rating.

## 2. The transition from CPA to CAA

2.1 The Comprehensive Area Assessment (CAA) is to be introduced in April 2009 with the first reports to be published in November 2009, replacing the following current assessment frameworks: Comprehensive Performance Assessment framework (CPA); Children's Services Joint Area Reviews; Annual Performance Assessments of Children's Services and Social Care star ratings for Adult Social Care.

2.2 CAA represents a fundamental change in the way councils and partners are assessed, embracing the work of the following inspectorates:

- Audit Commission
- Commission for Social Care Inspection
- Healthcare Commission
- HM Inspectorate of Constabulary
- HM Inspectorate of Prisons
- HM Inspectorate of Probation
- Ofsted

2.3 Where as CPA was an assessment of councils, CAA is a cross-inspectorate approach to looking at how well people are served by all their local public services, not just councils. CAA will focus on:

- Areas not just organisations
- Likelihood of future delivery not just performance in the past
- Outcomes for communities and in particular, those most in need, rather than outputs and process
- Local priorities as well as national targets

The change was driven by an acknowledgment that the framework needed to be updated to better reflect the arena in which local public services operate together as well as providing a renewed stimulus for further improvement and innovation.

2.4 The Joint Inspectorates published consultation on the proposed CAA framework in July 2008, with a deadline of responses of the October 20<sup>th</sup>. This is being considered by the Public Service Board in September and then by Cabinet on the 16<sup>th</sup> October. The final framework will be published in February 2009 at which time the details will be shared with officers and Members along with the impact upon Warwickshire County Council along with an awareness raising event for Members.

- 2.5 The proposals are clear that the new framework will be inherently proportionate and will aim to reduce the administrative burden upon public services. Inspectorates will make maximum use of the performance management capacity of local public services and draw as far as possible on the existing information already used to self assess and manage those services including information on the satisfaction of local people with their locality and the public services they experience.
- 2.6 Warwickshire County Council will receive a final CPA judgement in February 2009, which will take into account the recent Corporate Assessment, Autumn's Direction of Travel and the individual Service Assessments. The service assessment for most indicators will be based on the data return for the 2007/08 financial year. A particular treatment will be introduced to environment, housing and culture service assessments to ensure that no council is held back from a higher service assessment score solely on the basis of the inclusion of user survey data that will not be updated as part of CPA 2008.
- 2.7 The Audit Commission have stated that the information gathered during the final year of CPA will provide valuable baseline evidence to inform Comprehensive Area Assessment (CAA) from April 2009 and will provide a clear picture of councils' performance and support continuous improvement. This reinforces the necessity of all local authorities to have been subject to the same rigorous assessment against the planned rolling inspection programme in order that all local authorities are starting from the same baseline.

As set out with in the Councils Audit and Inspection Plan for 2008/09, the total indicative fee for the audit and inspection work included in the audit and inspection plan for 2008/09 is for £351,636, which compares to the planned fee of £249,167 for 2007/08.

The major variances between the planned fee for 2008/09 and the planned fee for 2007/08 are:

- a corporate assessment will take place during the year and this has increased the inspection fee;
- a separate audit of the pension fund scheme will be carried out. This has resulted in an overall net increase in fees;
- the expanded Use of Resources assessment has resulted in an increased fee;
- the introduction of new work on data quality at fire and rescue authorities has increased the fee; and
- the estimated fee for the certification of claims and returns has fallen because we are expecting to audit fewer claims in 2008/09.

### 3. Culture CPA rating

- 3.1 Our overall CPA star rating is informed through a Corporate Assessment, Use of Resources and a range of service assessments including children and young people, social care (adults), environment and culture. A Direction of Travel statement describing the council's progress towards achieving progress accompanies this.
- 3.2 In response to Member queries relating to the Culture service score, the following sets out background as to what the culture element of the assessment covers, the changes made to the assessment following consultation and the implications for Warwickshire.
- 3.3 The overall objective in designing the culture service assessment has been to take a broad view of councils' performance across the range of cultural services. This includes areas of activity around libraries, sport and recreation, museums and the arts.

An increasing focus on the community leadership role of councils within CPA helps to recognise that cultural services and activity are in some important respects different from those of housing and environment. Significant aspects of activity are not prescribed by a statutory duty. Councils nevertheless have a role, often with partners, in facilitating and enabling the provision of wider cultural opportunities to be available to the local community.

- 3.4 Due to the replacement of the CPA framework in April 2009 with the new Comprehensive Area Assessment, few changes were proposed to the CPA framework for 2008. The Council responded to the Audit Commissions consultation "*The Harder Test Framework for 2008*" in April 2008. The main changes to the framework related to the service level assessment of the framework. In particular our response highlighted the impact of the Summer floods upon footfall into libraries. It also highlighted that in relation to value for money indicator C13, Cost per Visit (libraries), consideration should be given to the usefulness of this indicator as a stand alone measure of VfM for the libraries services. The number of visits captured by footfall into Libraries does not take account of how libraries are evolving with the introduction of online services.

As a result the only changes to the PIs for culture service assessment for 2008 are shown below along with the Audit Commissions rationale for the changes.

- C13 (Cost per Visit – libraries) – No change to methodology but thresholds updated to reflect the 2006/07 rate of inflation.
- C16 (Participation of children in sport) Changes in thresholds to reflect the fact that 2008 is the target year.

- 3.5 Warwickshire's culture service rating dropped to 2 stars in 2007. To achieve a score of 3 stars in a culture assessment, no more than 15% of performance indicators can score at or below the lower threshold.

In 2006, WCC achieved a rating of 3 with 1 indicator C12 – stock level and stock turn being below the lower threshold. In 2007, after lobbying by local authorities the Audit Commission deleted this indicator due to difficulty with interpretation and national consistency.

As a result of the removal of this indicator, it was anticipated that the culture rating would remain at a level 3. However, 2007 saw two performance indicators score below the lower threshold. These were C1 (Percentage of total length of footpaths and other rights of way easy to use by members of the public) and C13 (Cost per visit – libraries). As a result of these two indicators falling into the lower threshold, WCC culture rating fell from a 3 to a 2. There were no changes to the methodology for either indicator and the fall was due to a lower than predicted performance result for C1 and an underestimate in the cost per library visits. The latter was rectified during the Audit Commission Data Audit in the Summer of 2007..

- 3.6 The performance of Culture Services, in particular Library Services will be assessed in 2008 for the last time through CPA and Best Value Performance Indicators. 2009 sees the introduction of the Comprehensive Area Assessment, which will be measured by various means including the new National Indicator Set. The Library usage figure will be based on a much broader definition of usage including virtual services which for 2007/08 increased by more than 70% on 2006/07. This is in comparison to a falling visitor count that is mirrored nationally.

DAVID CARTER  
Strategic Director of Performance and Development  
Shire Hall Warwick  
11<sup>th</sup> September 2008