

Report to the Strategic Directors Board on 9 February and the Executive on
14 February 2005
Report by Martin Evans

FOLLOWING UP THE ANNUAL AUDIT & INSPECTION LETTER 2004

1 Purpose: to indicate how the actions proposed by the Audit Commission's Annual Audit and Inspection Letter are being followed up in existing work programmes and to point to any new actions that we need to take.

2.1 The Strategic Directors Board is recommended to consider whether the items in para. 4.4 should be added to the schedule of key corporate projects that they are overseeing

2.2 The Executive is recommended to note the actions to be taken to address the concerns of the Audit Commission, especially the key role that the Moving Towards Excellence review has in this.

3 Background

The Audit Commission will be presenting a summary of their Audit and Inspection letter at the Executive meeting on 14 February. We are not required to do an action plan as a result, but we should say what we are doing about their recommendations, many of which are already part of our plans.

4 Response to the main recommendations

4.1 The key recommendations by the Audit Commission are being met through:

- the Moving Towards Excellence **restructuring**
- a programme of **corporate projects** that the Strategic Directors Board (SDB) is overseeing and through the **performance management** that it undertakes
- **other reviews** that are in train.

4.2 **Restructuring** is playing a key role in:

- addressing the Audit Commission's concerns over corporate management that were raised in the 2002 Comprehensive Performance Assessment (CPA) and again in their annual letter for 2003
- regaining the momentum of project and risk management with an appointment due shortly to head work on risk and project management
- a new approach to Human Resources Strategy, including centralised management, recruitment, learning and development and workforce planning, alongside the co-location of Human Resources managers in the new directorates, who will apply the HR strategy more consistently across the council
- helping to break down departmental boundaries and facilitate a more corporate approach for property management

- greater corporate ownership for improving communications and clarifying roles and responsibilities for this, with a new head to be appointed to lead communications and customer services
- implementing improved procedures for benefits, by bringing staff together in a new Revenues & Benefits service, which will be better able to act quickly to avoid any backlog re-emerging and to reach targets that are being set e.g. for reducing overpayments
- the Strategic Director of Environment and Transport making the achievement of a common standard of cleansing across the various contracts a high priority
- a more corporately consistent approach to support services for HR, IT and Finance, following the proposals of a task group set up for the Review.

4.3 A programme of **corporate priority projects and performance management** is overseen by the SDB. This will deal with several other Audit Commission concerns, such as:

- Bringing in performance management of arrears and of outstanding debt, as part of a review that was sparked by the regular monitoring of performance; this review will report back to the Strategic Directors Board
- Overcoming inconsistency in the way that business plans take account of the Community Strategy and corporate priorities, and ensuring that objectives are cascaded to individuals
- ensuring high level input at officer and member level to the best value review of community safety.

4.4 **Other reviews** are addressing:

- Strengthening the Supporting People programme by improving its governance arrangements, user information and involvement and by getting more corporate ownership (including by adding the Supporting People programme into the corporate plan - now done)
- Bringing in a corporate process to draw together and review the effectiveness of internal controls (e.g. risk management and internal audit) using a CIPFA/SOLACE framework
- Improving the processes for compiling accurate financial statements
- Statementing in education, particularly to support and encourage secondary schools to accommodate pupils who have a statement of special educational needs.

.....Head of Strategy

Me/bv/AC letter feb 05

Background papers

Annual Audit and Inspection Letter – Portsmouth City Council, December 2004

Consultation: The Audit and Inspection Letter was discussed by the Policy & Review (Performance) Panel on 12 January 2005 and by the Strategic Directors Board on 9 February 2005.