

STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE

Date: 22nd June 2010

Agenda item: 9

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ORGANISATIONAL DEVELOPMENT PORTFOLIO HOLDER

COMPREHENSIVE AREA ASSESSMENT UPDATE REPORT

1. Purpose of Report

- 1.1 To provide the Strategic (Overview and Scrutiny) Committee with an update on the situation with regard to the Government's decision to end requirements relating to Comprehensive Area Assessment (CAA).

2. Summary

- 2.1 Comprehensive Area Assessment (CAA) was the inspection regime implemented as a means of regulating performance across parts of the public sector. It included requirements to conduct self assessments and evidence performance through documents such as the Use of Resources Assessment.
- 2.2 The Council received confirmation in a letter from the Audit Commission (please see **APPENDIX A**) that all inspection work on CAA would cease with immediate effect.
- 2.3 As a consequence the burden of inspection will, at least for the foreseeable future, reduce and as such the role of internal scrutiny will become of increasing importance. It should be noted that CAA forms only part of the inspection regime and other audit functions will continue.
- 2.4 It is positive to note that under the CAA regime the Council was acknowledged as a strong performer and the most recent score of '3' for Managing Performance compares well with other local authorities.

3. Community Benefits

- 3.1 The benefits to the community are that the Council will have the opportunity to focus to a greater extent in meeting the needs of local people. Less work will be required in producing information to evidence Council performance in ways that meet inspection requirements.

4. Recommendation

- 4.1 That the Committee notes the change in requirements and is advised of any consequential amendments to the work programme.

5. Financial Implications

- 5.1 There is a reasonable expectation that audit and inspection fees might reduce as a consequence of the requirement being removed.

6. Strategic Plan Implications

- 6.1 There are no direct implications.

7. Sustainability, Human Rights, and Crime and Community Safety Issues

- 7.1 Requirements in these areas remain in force.

8. Risk Management Issues

8.1 The removal of the CAA regime does present some new risks to the Council which are identified below:

Risk	Likelihood/ Impact	Risk Category	Countermeasure
The loss of a 'critical friend' approach to highlight areas for improvement.	M/M	Legislative/ Regulatory	The role of Overview and Scrutiny will continue in assessing and challenging performance.
The removal of a framework that helped the Council to show progress and how well it performed in comparison to its peers.	M/L	Legislative/ Regulatory	The Council will continue to choose those areas in which it wishes to excel and will publish performance information through vehicles such as the Annual Report and In Touch.

Background Documents:

Appendix A - Audit Commission Letter



28 May 2010

Chief Executives
All English District Councils

Direct line 0844 798 2467
Email g-davies@audit-commission.gov.uk

Dear Colleague,

I am writing on behalf of the CAA inspectorates to let you know how we propose to bring work on CAA to a conclusion in the light of the new government's recent announcement.

All work on updating the area assessment and organisational assessment will cease with immediate effect. These assessments on the Oneplace website will not now be updated. We will not be reporting new red or green flags in the area assessment nor updating the text around existing flags.

We will not be issuing new scores for the use of resources assessments, the managing performance assessments or the overall organisational assessments.

Your appointed auditor will continue to deliver the audit in line with the statutory Code of Audit Practice under which they are required to give a value for money conclusion alongside their opinion on the financial statements. Auditors will need to complete such work as they consider necessary to enable them to give this conclusion, but in practice we envisage they will be able to discharge this responsibility using work completed to date for the use of resources assessment. Your auditor will report any significant findings in the annual audit letter but will not be reporting a score for the use of resources.

We have already announced that we are reviewing the approach that auditors will take in future to the value for money conclusion from 2010/11.

We are in discussions with the government, the LGA and other representative bodies about the future approach to inspection. In the meantime, the Audit Commission will continue with the limited programme of risk-based inspections currently underway. We will inform you of any developments in our approach as soon as they have been agreed.

Your CAA Lead and appointed auditor will of course be available to discuss the practical implications of these changes. You can also phone our helpline on 08450 522616. I would like to thank you for your cooperation with our staff over the short life of CAA. We will of course consult you about the future approach to audit and inspection.

Yours sincerely



Gareth Davies
*Managing Director, Local Government, Housing & Community Safety
Audit Commission*