

Annual Governance Report

Vale of White Horse District Council

Audit 2008/09

September 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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Ladies and Gentlemen

2008/09 Annual Governance Report

I am pleased to present the final version of my report on the results of my audit work for 2008/09.

A draft of the report was agreed with the Executive Director, Finance in early September 2009 and has been updated since as issues have been resolved.

The report sets out the key issues that you considered at the Audit and Governance Committee on 17 September before I completed the audit.

I asked you to:

- consider the matters raised in the report before approving the financial statements (pages 4 to 7);
- take note of the adjustments to the financial statements which are set out in this report; and
- approve the letter of representation on behalf of the Council (Appendix 2) before I issue my opinion and conclusion (Appendix 1).

I can now confirm that, having given my opinion on 24 September, the audit for 2008/09 is closed.

Yours faithfully

Maria Grindley
District Auditor
1 October 2009

Key messages

This report summarises the findings from the 2008/09 audit which is now complete. It includes the messages arising from my audit of your financial statements and the results of the work I have undertaken to assess how well you use and manage your resources to deliver value for money and better and sustainable outcomes for local people.

Financial Statements	Results	Page
Unqualified audit opinion	Yes	6
Financial statements free from error	Yes	6
Adequate internal control environment	Yes	6
Use of resources	Results	Page
Use of resources judgements	Yes	8
Arrangements to secure value for money	Yes	9

Audit opinion

- 1 My work on your financial statements is complete, and I gave an unqualified opinion on 24 September 2009.

Financial statements

- 2 The accounts adopted by the Audit and Governance Committee on 30 June 2009 were made available for audit supported by detailed working papers. There was only one error in the statements adopted, where income in advance had been taken into account twice.

Use of resources

- 3 My work on your scored use of resources is complete, and I am pleased to confirm that there are no areas where you do not meet expected standards and some where you are performing well. I therefore gave an unqualified value for money conclusion on 24 30 September 2009.

Audit Fees

- 4 As my audit is substantially complete, I can confirm that I do not propose to issue a supplementary fee letter.

Next steps

This report identifies the key messages that you considered before I issued my financial statements opinion, value for money conclusion, and audit closure certificate. It includes only matters of governance interest that have come to my attention in performing my audit. My audit is not designed to identify all matters that might be relevant to you.

5 I asked the Audit and Governance Committee to:

- consider the matters raised in the report before approving the financial statements (pages 6 to 7);
- take note of the adjustments to the financial statements which are set out in this report;
- take note of the VFM Conclusion and Use of Resources score; and
- approve the letter of representation on behalf of the Council (Appendix 2) before I issue my opinion and conclusion (Appendix 1).

Financial statements

The Council's financial statements and annual governance statement are important means by which the Council accounts for its stewardship of public funds. As Council members you have final responsibility for these statements. It was important that you considered my findings before you adopted the financial statements and the annual governance statement.

Opinion on the financial statements

- 6 As all outstanding matters had been satisfactorily cleared I issued an audit report including an unqualified opinion on the financial statements on 24 September. Appendix 1 contains a copy of my audit report.

Errors in the financial statements

- 7 There was only one error in the financial statements for which I requested an adjustment. Income received for 2009/10 for council tax and business rates had been adjusted for twice. This meant that income in advance and debtors were both overstated by £892,000 although there was no overall impact on the assets available to the Council. This has been adjusted in the final version of the accounts.
- 8 A late adjustment was made following revised advice on Icelandic Bank investments impairment, which increased the impairment within the accounts by £84,000.

Material weaknesses in internal control

- 9 No material weaknesses in internal control were identified as a result of my audit.

Letter of representation

- 10 Before I issue my opinion, auditing standards required me to obtain appropriate written representations from you and management about your financial statements and governance arrangements. Appendix 2 contains the draft letter of representation I obtained from you.

Key areas of judgement and audit risk

11 In planning my audit I identified specific risks and areas of judgement that I have considered as part of my audit. My findings are set out in Table 1.

Table 1 **Key areas of judgement and audit risk**

Issue or risk	Finding
Problems with the payments system in 2007/08 resulted in additional work being done to gain assurance over expenditure figures.	On review, we were able to place reliance on the controls within the payments system for our assurance.
Council properties and investments were affected by the economic downturn, leading to risks around the correct valuation for these assets in the financial statements.	We reviewed the transactions relating to these valuations, but did not identify any areas of concern. The treatment of Icelandic bank investments was in accordance with guidance issued by CIPFA.
Significant errors totalling £707,000 were identified in capital accounting entries within the income and expenditure account for disabled facilities grants in the 2007/08 accounts.	We reviewed the revenue transactions relating to disabled facilities grants and did not identify a recurrence of the errors. We also noted the action taken to review the circumstances around the prior year errors and the action taken to prevent recurrence.

Use of resources

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

I am also required to conclude 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

- 12** 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.
- 13** I have also taken into account, where appropriate, findings from previous use of resources assessments (updating these for any changes or improvements) and any other relevant audit work.
- 14** The Council's use of resources theme scores are shown in Table 2 below. The key findings and conclusions for the three themes, and the underlying KLOE, are summarised in Appendix 3.

Table 2 Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances	3
Governing the business	2
Managing resources	3

- 15** There are strong linkages between financial planning and strategic priorities supporting financial health with clear outcomes for local people. Consultation is used to shape priorities and finance follows these priorities. Links between costs and performance inform decisions, and are delivering real efficiencies and better ways of working. Good quality services are provided at comparatively low council tax and user satisfaction with services provided is high. Financial reporting internally and externally is sound, and used to drive learning and further improvements. Accounts production is timely and supported by good quality working papers.

Use of resources

- 16** The Council has a clear vision of the services required to meet local needs in a sustainable way. This is based on an understanding of the needs of the local population and the procurement options available. Strong use of partnership working and outsourcing to deliver services and improve capacity. There is a strong ethical drive within the Council supported by good relationships between officers and Members. Risk management arrangements are mature and embedded and there is a clear trail of risks moving in and out as they are managed and addressed. The internal control environment is strong with Internal Audit being respected and valued. Members and officers take their findings seriously and clear improvements are being delivered to the control environment as a result.
- 17** The Council demonstrates an empowering culture which helps to develop the workforce. It has achieved this by developing clear links between corporate priorities, service plans and appraisals and considering its needs now and in the future. Workforce planning has considered and addressed the challenges of delivering services at district level with limited resources, and has moved innovatively to both outsource work, develop joint teams across two councils, and to develop a shared management team. It values diversity and offers a variety of options for its staff tailored to individuals rather than blanket policies. It is highly rated by the staff who work there, who recognise the importance of a mixed and diverse workforce.

Value for money conclusion

- 18** I assess 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 set out in Appendix 3.
- 19** I issued an unqualified conclusion stating that the Council had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources. Appendix 1 contains the wording of my report.

Appendix 1 – Independent auditor’s report to Members of Vale of White Horse District Council

Opinion on the financial statements

I have audited the Authority accounting statements and related notes of Vale of White Horse District Council for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, the Collection Fund and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the Members of Vale of White Horse District Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Director of Finance and auditor

The Director of Finance’s responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 the financial position of the Authority and its income and expenditure for the year.

I review whether the governance statement reflects compliance with ‘Delivering Good Governance in Local Government: A Framework’ published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls.

Appendix 1 – Independent auditor’s report to Members of Vale of White Horse District Council

Neither am I required to form an opinion on the effectiveness of the Authority’s corporate governance procedures or its risk and control procedures

I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority’s circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

Opinion

In my opinion the Authority financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority’s Responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor’s Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for (principal local authorities/other local government bodies). I report if significant matters have come to my attention which prevent me from concluding that the Authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, Vale of White Horse District Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Maria Grindley
District Auditor

Unit 5, Isis Business Centre
Horspath Road, Cowley

Oxford, OX4 2RD

September 2009

Appendix 2 – Draft letter of representation

To:

Maria Grindley,

Unit 5, Isis Business Centre,
Horspath Road,

Cowley
Oxford

OX4 2RD

Vale of White Horse District Council - Audit for the year ended 31 March 2009

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other directors, officers, and Members of Vale of White Horse District Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2009.

Compliance with the statutory authorities

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice which present fairly the financial position and financial performance of the Council and for making accurate representations to you.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Council and Committee meetings, have been made available to you.

Irregularities

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect fraud or error.

Except for the error in capital entries amounting to £707,000 relating to 2007/08, there have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements; and
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Law, regulations, contractual arrangements and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Council.

The Council has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Assets

The following have been properly recorded and, where appropriate, adequately disclosed in the financial statements:

- losses arising from sale & purchase commitments;
- agreements & options to buy back assets previously sold; and
- assets pledged as collateral.

Compensating arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts. We have no other lines of credit arrangements.

Appendix 2 – Draft letter of representation

Contingent liabilities

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

Related party transactions

I confirm the completeness of the information disclosed regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements.

I confirm that there are no related party transactions with Capita, with whom we have a contract for the provision of financial services.

One Member failed to return the related party transaction return before 30 September 2009.

Post balance sheet events

Since the date of approval of the financial statements by the Audit and Governance Committee, no additional significant post balance sheet events have occurred which would require additional adjustment or disclosure in the financial statements.

The Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

If adoption of the financial statements and the representation are on the same day this paragraph is not required.

Signed on behalf of Vale of White Horse District Council

I confirm that the this letter has been discussed and agreed by the Audit and Governance Committee on 17 September 2009

Signed by Chair AGCtee 17 September

Signed Executive Director, Finance 24 September.

Appendix 3 – Use of resources key findings and conclusions

The following tables summarise the key finding and conclusions for each of the three use of resources themes.

Table 3 **Managing finances**

Theme score 3	
Key findings and conclusions	
The Council has sound arrangements across all aspects of managing finances, and these arrangements are delivering real outcomes for local people. Whilst the arrangements for producing the accounts are strong and worked well, there was one material change required to the statements.	
KLOE 1.1 (financial planning)	
Score	3
VFM criterion met	Yes
Key findings and conclusions	
<p>Good processes linking objectives, financial resources, and the MTFS both in the short and long term. The MTFS is based on consultation with partners and the public and reflective of strategic priorities. There are extensive consultation processes are using different methods and times and local views help form priorities. Partners and stakeholders are included; and contacts have been established with hard to reach and minority groups. Financial pressures over a number of years have led to good understanding of the linkages between policy, provision of service and costs throughout the council. Budget monitoring is strong, and challenging targets set. The Council is investing now to improve for the future. Outcomes noted include:</p> <ul style="list-style-type: none"> resources moved to higher priority areas; housing needs set as a high local priority based on customer consultation. The Council offers a high level of support for affordable housing, and through improvement grants; 	

Appendix 3 – Use of resources key findings and conclusions

<ul style="list-style-type: none"> the joint financial service contract with South Oxfordshire is good practice and is delivering real savings in both cost and service improvements. Further joint working is being delivered via the shared management structure; customer satisfaction is in the highest band, whilst council tax is the ninth lowest in the country; challenging targets set for the outsourced finance contract are driving performance upwards in key priority areas such as benefits; and strong member involvement on shared services management board is supporting and driving financial and performance improvements. 	
KLOE 1.2 (understanding costs and achieving efficiencies) Score VFM criterion met	3 Yes
Key findings and conclusions	
<p>Good arrangements are in place to link cost and performance. High spend is clearly linked into high priority areas. Stretch targets are set for priority areas and benchmarking is used to assess performance. Alternative methods of costing, together with detailed cost analysis, are used to support decision making. This includes the use of whole life costing. Awareness of performance on key priorities, highlighted by service monitoring, feeds into procurement decisions. Strong arrangements are in place for identifying and delivering efficiencies. Overall the Council is delivering high satisfaction services on a low council tax</p> <p>Outcomes noted include:</p> <ul style="list-style-type: none"> costs are consistently in the lowest category, and satisfaction in the highest; early identification of demand reduction impact on income and charges was recognised and dealt with without impact on other services; trend analysis was used to support growth bids; the decision to let the finance contract jointly with SODC, and move to shared service delivery, was based on a good understanding of costs and the need to improve capacity; use of net current cost to decide the best method of financing new waste bins and vehicles for the revised contract; review of processes led to efficiency savings of £102k delivered by a multi skilled planning application support team; and routine use of benchmarking to identify areas where costs out of line and determine appropriate levels 	

<p>KLOE 1.3 (financial reporting)</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>
<p>Key findings and conclusions</p>	
<p>The Council has sound arrangements for financial monitoring and forecasting. These are supported by fit for purpose financial reports to monitor performance and support strategic decision making. There is good understanding of the role of Members around the accounts, and the accounts were produced in a timely manner and well supported by working papers. The Council is open about reporting publicly and publishes information on its website promptly.</p> <p>Outcomes noted include:</p> <ul style="list-style-type: none"> • a consistent approach to reporting at service level including areas for improvement, efficiency savings, benchmarking and best practice, comments and complaints. Finance information linked into this includes current and predicted outturn; • challenge of service reports ½ yearly to demonstrate understanding of whether budget monitoring information is reliable, relevant and understandable. Standardisation of report formats has resulted in better challenge and fulfilment of the role in Members in monitoring outcomes; • detailed working papers to support the accounts which were available in both paper and electronic format; • specific challenge meetings held by Members to look at individual aspects of the accounts outside of the main meetings where the accounts were adopted; • the Accessible information policy being used to identify the needs of the community with services dealing with these groups urged to be proactive in providing information in alternative formats appropriately; and • the use of plain English in all reports for service users, with clear layouts and standard fonts and styles which support better understanding; and • a user friendly web design which is easy to follow. 	

Appendix 3 – Use of resources key findings and conclusions

Table 4 Governing the business

Theme score	2
Key findings and conclusions	
The Council has sound arrangements across all aspects of governing the business, which is delivering some good outcomes for local people. However, in some areas it was harder to see that outcomes had resulted from these arrangements in the year of assessment, although they stand the Council in good stead for the future.	
KLOE 2.1 (commissioning and procurement)	
Score	2
VFM criterion met	Yes
Key findings and conclusions	
<p>The Council has a clear and accessible explanation of its commissioning and procurement strategy on its website, with effective and user friendly guidance for service users, the wider community and potential suppliers. It makes the most of common ground with other councils and is a member of a forum for joint purchasing. It has sound processes to consider how things are done and to deliver the right service to local users. There is good consideration of alternative methods of delivering services including partnership working. The Council has put considerable effort into understanding the needs of its local community and is using this in service planning and design. Standardisation of good practice in making procurement decisions has led to sound arrangements. The Council has an ongoing programme of reviews using benchmarking, not all of which have yet delivered outcomes. These strong arrangements are delivering some real outcomes, but these were not evidenced across all aspects of commissioning and procurement in the year of assessment.</p> <p>Outcomes noted include:</p> <ul style="list-style-type: none"> • joint procurement of financial services, which is delivering significant savings as well as improving resilience; • Improved accessibility to local producers via the development of e-procurement; • improved ways of working where efficiencies were delivered alongside improved performance; • customer surveys undertaken to understand why customers visit local service points were used to formulate new corporate service standards and develop the website; • evaluating the new waste contract on both cost and environmental issues; and • using the appointment of procurement champions to spread good practice. 	

<p>KLOE 2.2 (data quality and use of information)</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>
<p>Key findings and conclusions</p>	
<p>The Council produces relevant and reliable data and works with partners to secure data quality. Lead officers have been nominated for all national indicators, and systems are in place to gather data required and to ensure indicators are calculated correctly. A comprehensive suite of management information goes to the management team, and the Scrutiny Committee receives performance reports quarterly and at the year end to support the decision making process. Data security is robust and the security policy is up to date. Governance, accountability and leadership arrangements are well embedded and data management arrangements are integrated into the service and financial planning processes. These processes are delivering outcomes, but these were not consistent across all aspects of this KLOE in the year of assessment.</p> <p>Outcomes noted include:</p> <ul style="list-style-type: none"> • requirements for data accuracy being built into the contracts let with Capita and within the new waste contract; • data on costs and performance being linked and e.g. used to determine the outsourcing of pest control; • an ICT disaster recovery plan which is in place and tested every year. Outcomes are considered at Member level for any improvement opportunities which are then acted on; • a service level agreement which outlines data sharing and monitoring arrangements with community and voluntary sector groups awarded Council grants to deliver against priorities; and • the use of customer and staff surveys and locality information and benchmarking to monitor its performance and to make continued improvement to local services. 	

Appendix 3 – Use of resources key findings and conclusions

KLOE 2.3 (good governance)	
Score	2
VFM criterion met	Yes
Key findings and conclusions	
<p>The Council has adopted all required codes of practice and is routinely monitoring adherence to them. The Council constitution sets out principles to be followed clearly and allocates roles to individual officers and Members. The policy to prosecute any benefit fraud and publicise the outcome supports good governance both in principle and practice. In recognition of the importance of a clear vision for ethical governance, a skills assessment has been completed by Members and a targeted training programme to support them in their governance roles has been developed. The Council seeks to improve its openness to members of the public. Constructive working relationships have been fostered between Members and officers, which support a strong internal control environment. An ethical approach is demonstrated by the high profile for internal audit and the strong challenge from Members to officers over any high priority recommendations they make. Formal governance arrangements are in place for all significant partnerships and are monitored for compliance. This clear understanding of partnership responsibilities supports the achievement of objectives and minimises disputes. These all demonstrate sound arrangements, but it was difficult to demonstrate the outcomes flowing from these arrangements in the year of assessment.</p>	

<p>KLOE 2.4 (risk management and internal control)</p> <p>Score</p> <p>VFM criterion met</p>	<p>3</p> <p>Yes</p>
<p>Key findings and conclusions</p>	
<p>The Council has a strong history of managing risks effectively. All corporate risks are assigned to risk owners and have action plans to reduce risk to an acceptable level. The risk register is linked into strategic objectives and risk levels are considered as part of the ongoing review of objectives by senior management team. The process is well embedded and delivering outcomes consistently. Arrangements to prevent fraud and corruption are well embedded, and the strategy is made available to all staff, and is supported by an anti fraud and corruption response plan. Internal audit is strong and contributes significantly to the internal control environment. The sources of assurance to support the annual governance statement are clear and reported regularly to Members. The statement itself is an honest assessment, and sets out clearly actions to be taken to deliver improvements</p> <p>Outcomes noted include:</p> <ul style="list-style-type: none"> • risks moving into the risk register when recognised, and coming out of the register as addressed. Recent examples include risks around maintaining reserve levels in the medium term, the impact of the economic climate and the problems in meeting affordable housing targets in the downturn; • recognition of the risks from partnerships within the risk registers, with officers are required to gain assurance over the management of those risks; • incorporation of the Fraud and Corruption strategy and arrangements into the contract arrangements with major contactors routinely; • reviewing the training provision for all new employees, increasing the prominence of policies on the web site, and increasing the use of posters on internal notice boards as part of raising the profile of anti fraud and corruption issues; and • pursuing housing benefit fraud vigorously and publicising outcomes in the local press. 	

Appendix 3 – Use of resources key findings and conclusions

Table 5 Managing resources

Theme score	3
Key findings and conclusions	
The Council's arrangements to develop and support a skilled workforce both now and in the future are sound, and delivering real outcomes. The shared management structure with South Oxfordshire District Council is an example of good practice.	
KLOE 3.3 (workforce planning)	
Score	3
VFM criterion met	Yes
Key findings and conclusions	
<p>The Council demonstrates an empowering culture, and there are numerous examples of it developing its people for promotion. It demonstrates an ambition to learn and improve, and to develop organisational agility. It makes good use of workforce planning to support delivery of major organisational change whilst making efficiencies. Workforce planning is used to adjust staff numbers and skills to meet service needs, whilst also achieving cashable savings. It has done this while maintaining a focus on value for money and creating a flexible workforce. Corporate priorities, service plans and the appraisal system are linked and service plans include HR implications. The People Strategy is aimed at recruiting and retaining a skilled, motivated and flexible workforce. Secondments, career paths, job share, mentoring and coaching opportunities are available and promoted. The Council has been proactive in managing organisational change and there have been significant moves over the last two years. The Council has effective people management policies in place and can demonstrate it is committed to supporting its staff in delivering improvements and in personal and professional development. It has a good approach to equalities and diversity, and consults effectively with staff and local people around equalities issues. It conducts Equality Impact Assessments on all new strategies and policies and incorporates changes into service design and delivery aligned to local priorities. The Council demonstrates good practice in workforce planning in the move to the shared management structure with South Oxfordshire District Council.</p> <p>Outcomes include:</p> <ul style="list-style-type: none"> • a move to a shared management team which, together with the alignment of processes, is supporting workforce capabilities and building resilience. It is also spreading good practice between the two Councils. This is an example of good practice in workforce planning and development; • the introduction of HR partners to improve the links between service planning, delivery, and organisational workforce planning and training needs analysis; • the move to a shared internal audit section, which is recognised as professional, skilled, and is valued across both Councils, has improved skills and resilience; 	

Appendix 3 – Use of resources key findings and conclusions

- successfully outsourcing a number of functions which involved TUPE transfers and has built resilience into hard to fill posts such as benefits as part of this process;
- improved staff satisfaction as a result of Council engagement through effective communication and consultation approaches. The Council has high retention rates with staff sickness below the national average;
- 89% of staff saying they personally understood the importance and value of equality and diversity in the work place; and
- offering family friendly and flexible working policies to support its aim to attract under-represented groups. Examples have been seen of tailoring conditions for individual circumstances rather than just applying blanket policies.

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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