Audit progress report – December 2001

City of Salford

Audit 2000/01

DISTRICT AUDIT

delivering public audit
for the Audit Commission

Introduction

1 This report summarises progress against your 2000/2001 audit plan as at December 2001. The plan covers the work programmed to take place during 2001, relating to the financial year 2000/2001.

Progress to December 2001

2 During the first part of the year we have carried out our review of the Council's Best Value Performance Plan, corporate governance arrangements and a proportion of our value for money programme. During the second half of the year we have concentrated on bringing our value for money studies to a conclusion and carrying out our audit of the Council's financial statements.

3 The current position in relation to each of the main elements of the audit plan is summarised in Exhibit 1 overleaf. In accordance with our normal procedure, a brief summary of our completed performance review work is also contained in the attached Appendix.

Conclusion

4 The Exhibit shows that most of our work has been completed or is well underway. Several reports have been issued and are in the process of being finalised with the Authority.

5 During the second half of the year we have undertaken reviews in two areas not included in the original plan. These are:

- homeswaps scheme
- mayoral allowance.

6 We have issued draft reports on both of these topics and the Authority is currently considering these. This additional work has resulted in a delay in some reviews, such as the review of Internal Audit. However this and any other outstanding work should be completed early in the new year.

7 We will also summarise our work for the year in our annual audit letter to members later this month.

Exhibit 1 Summary of progress

Most work has been completed and any outstanding issues will be cleared early in the new year.

Agreed output	Position at December 2001
Best Value Performance Plan	Final report issued on 30 June and presented to Cabinet on 10 July. Updated position included in annual audit letter.
Better services for vulnerable older people	Work in progress with draft report planned for January 2002.
Collection of income	Audit work completed and report agreed with the Authority. The action plan for taking our recommendations forward is currently being completed.
Early retirement/severance	Fieldwork completed and report to be issued in January 2002.
Information Society	Input to the developing arrangements on an on-going basis. The Authority may take part in an Audit Commission pilot study on this topic next year.
Follow up of previous studies VFM studies including: • Planning school places • School attendance and exclusions • Asset management • Probity in planning	Audit work completed.
Review of corporate governance arrangements (including core processes)	Audit work completed and report being discussed with the Authority.
Financial standing	Audit work completed and report being discussed with the Authority.
New decision making structures	Input to the developing arrangements on an on-going basis.
Internal Audit review	Work in progress with draft report planned for January 2002.
Health Act flexibilities	Final report issued in August.
Final accounts audit	Audit work well underway. Although the accounts were received one month later than usual we are still aiming to give our opinion by 31 December 2001.
Performance indicators audit	Audit work completed.

Appendix

Summary of findings - completed work

Area of work	Key findings
Collection of income	The review concentrated on the Council's performance in collecting income for: • council tax • sundry debtors. We found that in recent years council tax and sundry debtor recovery procedures have not been rigorous in their design and application. However during the last twelve months the Council has introduced some changes in its procedures aimed at improving the collection rates in these two areas. These developments have generally taken place as departmental initiatives rather than as part of an overall strategy on income collection. To significantly improve the collection of income overall there needs to be a comprehensive corporate income collection policy across the board. Without a clear corporate lead, the initiatives taken so far will not be effective in meeting the new demands placed on the Council. Our review also showed that: • there is a need to explore the options for reducing the number of small value invoices, including a much greater emphasis on prepayments and aggregated invoices • the new procedures are just beginning to have a positive impact on collection rates but need to continue to be rigorously enforced • the administration of old sundry debts is hindering the effective performance of the new measures being taken by the Council • the Council has a high level of outstanding transactions with some of its schools and other public bodies, particularly Salford University • the Council has not had an active policy for write-offs with many accounts lying dormant on the system although work on reviewing these has recently commenced • the bad debt provision needs to be re-appraised as this does not currently reflect the level of arrears.
VFM follow up – Planning school places	The secondary review is underway and surplus places should be no more than 8% by the time this exercise is concluded. Work is progressing on the plans to reduce the number of surplus places in primary schools although there has been some slippage in the programme. Securing funding to finance any structural changes to buildings that may be required as a result of the review may be a

	problem.
VFM follow up – School attendance and exclusions	The Authority has succeeded in reducing the cost and improving the effectiveness of the Education Welfare Service. The Authority has worked hard to improve the inclusiveness of its provision but despite these efforts the exclusion rates, particularly in secondary schools, has remained high. Further work is required to understand the effectiveness of different approaches.
VFM follow up – Asset management	The Council has developed its asset management arrangements including producing an Asset Management Plan in accordance with the DTLR timetable. Work is continuing in the following areas: • linking the Asset Management Plan to the six pledges • calculating the on-going cost of maintaining the asset base • undertaking phase two of the property Best Value review • developing benchmarking for running costs.
VFM follow up – Probity in planning	Good progress has been made in addressing key improvement areas identified last year. The only issue still outstanding is the need to include certain policies in the new Unitary Development Plan when it is published in 2002.