

Annual Governance Report

September 2007



Annual Governance Report

Oldham Metropolitan Borough Council

Audit 2006/07

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explain 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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Purpose of this document

- 1 In accordance with the Audit Commission's Code of Audit Practice (the Code), this report provides a summary of the work we have carried out during our 2006/07 audit of accounts, the conclusions we have reached and the recommendations we have made to discharge our statutory audit responsibilities to those charged with governance (in this case the Audit Committee) at the time they are considering the financial statements.
- 2 In preparing our report, the Code requires us to comply with the requirements of International Standards on Auditing (United Kingdom and Ireland) – ISA (UK&I) - 260 'Communication of Audit Matters to Those Charged with Governance', by reporting to you matters relating to the audit of the financial statements. Other auditing standards require us to communicate with you in other specific circumstances including:
 - where we suspect or detect fraud;
 - where there is an inconsistency between the financial statements and other information in documents containing the financial statements; and
 - non-compliance with legislative or regulatory requirements and related authorities.
- 3 We are also required to communicate to you the Audit Commission's requirements in respect of independence and objectivity, and these are set out at Appendix 2.
- 4 This report has been prepared for presentation to the Audit Committee on 27 September 2007. Members are invited to:
 - consider the matters raised in the report before the financial statements are approved;
 - approve the representation letter on behalf of the Authority and those charged with governance before we issue our opinion; and
 - consider amending the financial statements for unadjusted misstatements, significant qualitative aspects of financial reporting and any recommendations for improvement in the action plan.
- 5 Our work during the year was performed in line with the plan that we presented to Finance and Resources Committee on 26 June 2006. We have issued separate reports during the year having completed specific aspects of our programme, which are listed in Appendix 3.

Key messages

- 6 Our work on the financial statements is now complete and we propose issuing an unqualified audit opinion on 28 September 2007. A draft report is attached at Appendix 4.
- 7 In our view, the Statement on Internal Control (SIC) has been prepared in accordance with proper practice specified by CIPFA and is consistent with the findings from our audit.
- 8 Our work on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources is now complete. A draft report is attached at Appendix 4. We propose issuing a qualified conclusion on the use of resources on 28 September 2007 on the grounds that the Council did not meet the minimum requirements, in 2006/07, in respect of the following criteria:
 - having adequate arrangements in place for the management of its asset base;
 - arrangements in place to maintain a sound system of internal control; and
 - arrangements in place that are designed to promote and ensure probity and propriety in the conduct of the Council's business.
- 9 There continue to be weaknesses in the accounts preparation processes and these are detailed at paragraphs 20 - 23. Members should ensure that the year end and qualitative processes for producing the financial statements are improved to ensure the accounts presented for approval are free from significant errors and supported by a robust set of working papers.
- 10 A new financial ledger system, Agresso, is being implemented from 1 April 2008 and will include new systems for debtors, creditors and the general financial ledger. Its introduction will take place at the same time as the preparation of the 2007/08 statement of accounts. Given the capacity and resource issues we found during this audit, it is crucial that members ensure that adequate resources are in place to cover both the introduction of Agresso and the prompt and accurate production of the 2007/08 statement of accounts.

Audit status

- 11 We will issue an unqualified opinion on the Council's accounts on 28 September 2007. This will follow:
 - consideration of the accounts and their adoption by the Authority on 27 September 2007;
 - receipt and checking of a final set of accounts reflecting any amendments required following consideration and adoption of the accounts;
 - receipt of all certificates relating to the accounts, signed and dated;
 - receipt of a letter of representation signed on behalf of the Authority; and
 - receipt of any outstanding information and explanations required in respect of the audit, in particular, completion of a post balance sheet events review up to the date of issue of the audit opinion.
- 12 The Council has taken a positive and constructive approach to our audit and we would like to take this opportunity to express our appreciation for the Council's assistance and co-operation.

Accounts and Statement on Internal Control

- 13 Our work on the financial statements is complete.
- 14 Auditors are required to obtain written confirmation of certain representations from management and those charged with governance before an audit report is issued, such as acknowledgement of responsibility for the fair presentation of the financial statements in accordance with the applicable financial reporting framework and responsibility for the design and implementation of internal control to prevent and detect error.
- 15 The auditor should also obtain written representations from management on matters material to the financial statements when other sufficient appropriate audit evidence cannot reasonably be expected to exist.
- 16 The final draft of the letter of representation has been attached as Appendix 5.

Unadjusted misstatements

- 17 We are required to report to you all unadjusted misstatements that we have identified during the course of our audit, other than those that are clearly trivial. Officers have adjusted all of the non-trivial misstatements and there are no unadjusted misstatements to report to the Audit Committee.

Adjustments to the financial statements

- 18 We are also required to bring to your attention misstatements that have already been corrected by management where we consider them relevant to your wider governance responsibilities. We provide an analysis of the most significant items in Table 1 for your attention. In summary, balances have increased:
 - the General Fund by £5,000;
 - the Collection Fund by £435,000, and
 - the Housing Revenue Account by £134,000.

Table 1 Adjusted misstatements

Misstatement detail	Value of misstatement (£000)	Effect on balances (£000)
NNDR pool contribution overstated	2421	2421 Collection Fund
Council tax income incorrectly categorised	6865	-1328 Collection Fund
Business rates income incorrectly categorised	8193	
Collection fund bad debt provision understated	658	-658 Collection Fund
Housing Benefit overpayments not recorded	394	394 General Fund
External interest incorrectly allocated	389	-389 General Fund 389 HRA
External interest overstated in HRA Subsidy claim	255	-255 HRA
Manchester Airport land not included	7663	NIL
Magistrates Court transfer	5600	NIL
Romps internal balances not eliminated	3897	NIL
Insurance reserves miss-classified as provisions	3346	NIL
SRB debtors and creditors not netted-off	1537	NIL
Equal pay incorrectly classified as current asset rather than reserve	1067	NIL
Fixed assets duplicated in asset register	1007	NIL
Home care redundancy provision miss-classified as creditor	840	NIL

Source: Audit Commission audit file

Accounting practices

- 19 We are also required to report to you our view on the qualitative aspects of the Authority's accounting practices and financial reporting and have set out below our observations on key issues affecting the Authority:
- there were no fundamental changes in accounting policy or disagreements in accounting treatment;
 - we found no cases of non-compliance with the latest SORP;
 - there are no events that we are aware of that have occurred after the completion of the financial statements; and
 - there are no potential going concern issues.
- 20 However, as last year, there were weaknesses in the accounts preparation processes:
- we provided a schedule of working papers required to officers in February 2007, including specifying the standard we required. Nevertheless, the quality and availability of working papers provided to us to support the entries in the Statement of Accounts was mixed, ranging from comprehensive to poor;
 - management review of the financial statements prior to audit was inadequate;
 - several material balances were unsupported or not reconciled;
 - there was insufficient capacity to deal promptly with audit queries; and
 - many journals were not descriptive.

Recommendations

R1 Improve year end and qualitative processes for producing the financial statements to ensure the accounts presented to members for approval are free from significant errors and supported by a robust set of working papers.

R2 Ensure that adequate staff resources are provided to cover both the introduction of Agresso and the prompt and accurate production of the 2007/08 statement of accounts.

- 21 We would like to draw your attention to two particular issues.

Cash and Bank Reconciliation

- 22 The cash and bank reconciliation was presented to us with an imbalance of £178,703. This difference has taken considerable time and effort by officers to resolve and proved difficult because of the lack of proper reconciliations during the year.

First Choice Homes (FCHO)

- 23 The statement of accounts includes a creditor of over £7m in respect of FCHO. Because the inter company reconciliation had not been carried out, there was no evidence to support the validity and accuracy of this amount. The position was complicated by the accounting arrangements with FCHO. At our request, officers have completed a major exercise to substantiate the balance. Although the amount is still not fully reconciled, we are currently satisfied that the balance is not materially misstated.

Recommendations

R3 Ensure proper cash and bank reconciliations are completed monthly.

R4 Complete the inter company balance reconciliation.

R5 Review the accounting arrangements for the transactions with FCHO.

Systems of internal control

- 24 As part of our audit, we consider the systems of accounting and financial control and report to you any material weaknesses identified. This report has already drawn your attention to our concerns over the lack of reconciliations of major items of account. These weaknesses should be addressed through the implementation of the recommendations made above. There are no other issues material to the financial statements that we need to bring to the attention of the Council. Areas for improvement will be reported to management in our forthcoming accounts memorandum.
- 25 We have not provided a comprehensive statement of all weaknesses which may exist in internal control or of all improvements which may be made, but have addressed only those matters which have come to our attention as a result of the audit procedures we have performed.
- 26 As set out in Appendix 6, we have however, under our latest use of resource assessment, concluded that the Council's arrangements to maintain a sound system of internal control were inadequate in 2006/07. This is because internal audit carried out no work on fundamental financial systems in the year as well as the matters referred to above in respect of the lack of reconciliations.
- 27 We have also reviewed whether the SIC has been prepared in accordance with proper practice specified by CIPFA and is consistent with the findings from our audit. There are no matters arising.

Use of resources

Work performed

- 28** The Code requires us to reach a conclusion on whether we are satisfied that the Council has proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources – the value for money conclusion. In meeting this responsibility, we review evidence that is relevant to the Council's corporate performance management and financial management arrangements across a range of criteria specified by the Audit Commission. Our work to support our conclusion comprised the following elements:
- use of resources assessment;
 - data quality work; and
 - the best value performance plan.
- 29** We propose issuing a qualified conclusion on the use of resources on 28 September 2007 on the grounds that the Council did not meet the minimum requirements, in 2006/07, in respect of the following criteria:
- having adequate arrangements in place for the management of its asset base;
 - arrangements in place to maintain a sound system of internal control; and
 - arrangements in place that are designed to promote and ensure probity and propriety in the conduct of the Council's business.
- 30** Details of our conclusion for each of the criteria specified by the Audit Commission are set out in Appendix 6. Where criteria are linked to our use of resources assessment (UoR) key lines of enquiry (KLOEs), a score of Level 2 or higher under the KLOEs will result in an assessment that the Council has adequate arrangements in place for the purposes of the Code criteria. Where linked to KLOEs, our VFM conclusion assessments for this financial year have been based upon our initial findings from our 2007 UoR assessment, which updated our 2006 assessment undertaken in January 2007 to March 2007.

Use of resources assessment

- 31** We are currently finalising our report arising from our use of resources assessment. When finalised, we will discuss this with the relevant officers.

Data quality work

- 32** We are currently finalising our data quality review and will report our findings to the relevant officers.

Best value performance plan

- 33 Our work in respect of the 2006/07 best value performance plan (BVPP) was reported to the Council in November 2006. No recommendations were made to the Audit Commission or the Secretary of State.

Audit fee update

- 34 We reported our fee proposals as part of the Audit Plan for 2006/07. The table below reports the outturn fee against that plan.

Table 2 Audit fee update

	Plan 2006/07	Actual 2006/07
Financial statements and Statement on Internal Control	£183,300	£183,300
Use of Resources	£157,500	£157,500
Total Audit Fees	£340,800	£340,800
Grants certification work	Based on number of claims submitted	Based on number of claims submitted
Other work	Nil	Nil

- 35 The analysis above shows that our audit fee has been contained within the totals you have already agreed. The outturn on grants certification work will be reported in the annual audit and inspection letter.

Appendix 1 – Action plan

Page	Recommendation	Priority 1 = Low 2 = Medium 3 = High	Responsibility	Agreed	Comments	Anticipated implementation date
9	R1 Improve year end and qualitative processes for producing the financial statements to ensure the accounts presented to members for approval are free from significant errors and supported by a robust set of working papers.	3				
9	R2 Ensure that adequate resources are provided to cover both the introduction of Agresso and the prompt and accurate production of the 2007/08 statement of accounts.	3				

Page	Recommendation	Priority 1 = Low 2 = Medium 3 = High	Responsibility	Agreed	Comments	Anticipated implementation date
10	R3 Ensure proper cash and bank reconciliations are completed monthly	3				
10	R4 Complete the inter company balance reconciliation	3				
10	R5 Review the accounting arrangements for the transactions with FCHO	3				

Appendix 2 – The Audit Commission’s requirements in respect of independence and objectivity

- 1 We are required to communicate the following matters to those charged with governance:
 - the principal threats, if any, to objectivity and independence identified by the auditor, including consideration of all relationships between the Authority, directors and the auditor;
 - any safeguards adopted and the reasons why they are considered to be effective;
 - any independent partner review;
 - the overall assessment of threats and safeguards; and
 - information about the general policies and processes for maintaining objectivity and independence.
- 2 We are not aware of any relationships that may affect the independence and objectivity of the audit team and which are required to be disclosed under auditing and ethical standards.

Appendix 3 – Audit reports issued

Planned output	Planned date of issue	Actual date of issue
Audit and Inspection plan	March 2006	June 2006
Interim audit memorandum	June 2007	Included with Final Accounts
Annual governance report	September 2007	September 2007
Opinion on financial statements	September 2007	September 2007
Use of resources conclusion	September 2007	September 2007
Final accounts memorandum	October 2007	
BVPP report	December 2006	November 2007
Service and Financial Planning	October 2007	
Transformational Government	April 2007	To be finalised
Access to Services	To be confirmed	
Annual audit letter	March 2008	

Appendix 4 – Proposed auditor’s report

Opinion on the financial statements

I have audited the financial statements of Oldham Metropolitan Borough Council and its Group for the year ended 31 March 2007 under the Audit Commission Act 1998, which comprise the Income and Expenditure Account, Statement of the Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, the Housing Revenue Account, the Collection Fund, the Group Accounts and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to Oldham Metropolitan Borough Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Chief Finance Officer and auditors

The Chief Finance Officer’s responsibilities for preparing the financial statements in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006 are set out in the Statement of Responsibilities.

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 financial statements present fairly the financial position of the Authority in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006.

I review whether the statement on internal control reflects compliance with CIPFA’s guidance, *‘The Statement on Internal Control in Local Government: Meeting the Requirements of the Accounts and Audit Regulations 2003’* published on 2 April 2004. I report if it does not comply with proper practices specified by CIPFA 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 statement on internal control covers all risks and controls. I am also not 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 financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In my opinion the financial statements present fairly, in accordance with applicable laws and regulations and the ‘Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006’, the financial position of the Authority as at 31 March 2007 and its income and expenditure for the year then ended.

Clive Portman
District Auditor
Aspinall House
Aspinall Close
Middlebrook
Horwich
Bolton
BL6 6QQ

September 2007

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 to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the Authority is required to prepare and publish a best value performance plan summarising the Authority’s assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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. 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.

I am required by section seven of the Local Government Act 1999 to carry out an audit of the authority’s best value performance plan and issue a report:

- certifying that I have done so;
- stating whether I believe that the plan has been prepared and published in accordance with statutory requirements set out in section six of the Local Government Act 1999 and statutory guidance; and
- where relevant, making any recommendations under section seven of the Local Government Act 1999.

Qualified conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and I am satisfied that, having regard to the criteria for principal local authorities specified by the Audit Commission and published in December 2006, in all significant respects, Oldham Metropolitan Borough Council made proper arrangements to secure economy, efficiency and effectiveness in its Use of Resources for the year ending 31 March 2007 except that the Council did not have adequate arrangements in place:

- for the management of its asset base;
- to maintain a sound system of internal control; and
- to promote and ensure probity and propriety in the conduct of its business.

Best value performance plan

I issued my statutory report on the audit of the Authority's best value performance plan for the financial year 2006/07 on 15 November 2006. I did not identify any matters to be reported to the Authority and did not make any recommendations on procedures in relation to the plan.

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.

Clive Portman
District Auditor
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September 2007

Appendix 5 – Management representation letter

To: Clive Portman
District Auditor
Audit Commission
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Oldham Metropolitan Borough Council - Audit for the year ended 31 March 2007

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Oldham Metropolitan Borough Council, the following representations given to you in connection with your audit of the Authority's financial statements for the year ended 31 March 2007.

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements which present fairly the financial position of the Authority and its Group as at 31 March 2007 and its income and expenditure for the year then ended, and for making accurate representations to you.

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

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.

Related party transactions

I confirm the completeness of the information provided 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.

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.

Law, regulations 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 body 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 when appropriate adequately disclosed in the financial statements:

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

Irregularities

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

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; and/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.

Post balance sheet events

Since the date of approval of the financial statements by members of the Council, no additional significant post balance sheet events that have occurred which would require additional adjustment or disclosure in the financial statements.

Signed on behalf of Oldham Metropolitan Borough Council

Signed:

Name:

Position:

Date:

Appendix 6 – Value for money conclusion

- 1 The Audit Commission has published, in accordance with the Code of Audit Practice, 12 criteria on which auditors are required to reach a conclusion on the adequacy of an audited body's arrangements for economy, efficiency and effectiveness in its use of resources.
- 2 Most Code criteria are linked to the use of resources assessment (UoR) key lines of enquiry (KLOEs). A score of Level 2 or higher under the KLOEs will result in an assessment that the authority has adequate arrangements in place for the purposes of the Code criteria. Our VFM conclusion assessments have been based upon our initial findings from our 2007 UoR assessment (which updated the 2006 assessment to March 2007).

Code criteria	Description	Associated UoR KLOE	VFM conclusion	Key reasons for not adequate assessment
1	The body has put in place arrangements for setting, reviewing and implementing its strategic and operational objectives.	N/A	Adequate	N/A
2	The body has put in place channels of communication with service users and other stakeholders including partners, and there are monitoring arrangements to ensure that key messages about services are taken into account.	N/A	Adequate	N/A
3	The body has put in place arrangements for monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary, and reporting to members.	N/A	Adequate	N/A

Code criteria	Description	Associated UoR KLOE	VFM conclusion	Key reasons for not adequate assessment
4	The body has put in place arrangements to monitor the quality of its published performance information, and to report the results to members.	LG DQ KLOEs	Adequate	N/A
5	The body has put in place arrangements to maintain a sound system of internal control.	4.2	Not adequate	Internal audit carried out no work on fundamental financial systems in 2006/07. Regular bank reconciliations and reconciliations of major feeder systems were either not carried out, or not carried out properly in 2006/07.
6	The body has put in place arrangements to manage its significant business risks.	4.1	Adequate	N/A
7	The body has put in place arrangements to manage and improve value for money.	5.2	Adequate	N/A
8	The body has put in place a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities.	2.1	Adequate	N/A
9	The body has put in place arrangements to ensure that its spending matches its available resources.	3.1	Adequate	N/A
10	The body has put in place arrangements for managing performance against budgets.	2.2	Adequate	N/A

Code criteria	Description	Associated UoR KLOE	VFM conclusion	Key reasons for not adequate assessment
11	The body has put in place arrangements for the management of its asset base.	2.3	Not adequate	Arrangements to establish a corporate property approach were not in place in 2006/07.
12	The body has put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of its business.	4.3	Not adequate	In 2006/07, the Council's fraud and corruption policy was not readily available to staff, nor was it communicated throughout the Council. The Council's whistleblowing policy was not readily available to staff, nor was it communicated throughout the Council or to those parties contracting with the Council.