

Annual Audit and Inspection Letter

Stockton on Tees Borough Council

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Reference:	ST021 – Annual Audit and Inspection Letter
Date:	December 2004

Executive summary

The purpose of this letter

This is our audit and inspection 'Annual Letter' for Members which incorporates the Annual Audit Letter for 2003/04, and is presented by the Council's Relationship Manager and District Auditor. The letter summarises the conclusions and significant issues arising from our recent audit and inspections of the council.

We have issued separate reports during the year having completed specific aspects of our programme. These reports are listed at Appendix 1 for information.

Appendix 2 sets out the scope of audit and inspection.

Appendix 3 provides information about the fees charged.

Key messages

Council performance

Stockton Council continues to perform at a high level and retains its excellent CPA status.

The work of the council is characterised by sound leadership and a commitment to improve services for local people.

The overall rating for core service performance has fallen slightly in the last twelve months, but capacity to improve remains high.

Financial position

The council has a sound financial position . The council has undertaken appropriate risk assessments to assess future financial pressures. However, the current allocation of resources does not wholly reflect spending need in some areas and progress on finalising the costs of the decent homes standard works has been very slow.

Other accounts and governance issues

We have not identified any significant weaknesses in the overall control framework during 2003/04. However, full bank reconciliations for 2004/05 are still outstanding; the council's planned review of partnership arrangements needs to be completed and the council also needs to develop the fine detail for the plans for moving processes from its mainframe computer.

Action needed by the council

- Ensure the budget setting process for 2006/07 meaningfully challenges current spending patterns and needs.
- Monitor progress in reinstating prompt cash book to bank reconciliations.
- Ensure that the planned review of partnership arrangements is undertaken as soon as possible.
- Ensure prompt agreement to the pay/gain element of the decent homes standard contracts after the end of the financial year.
- Develop the fine details of the plan for withdrawal from the mainframe computer.

Council performance

The council continues to be classified as excellent by the Audit Commission. However, the council recognises that there is more it can do to further improve services. To this end the council has become one of only 21 councils nationally to pilot a new government initiative called a 'Local Area Agreement'.

CPA scorecard

Stockton-on-Tees Borough Council continues to be an excellent council. It has made improvements in street cleanliness, housing, libraries and planning over the last year.

The council has further improved street cleanliness and reduced the time taken to respond to fly tipping. The library service now meets all but one of the national standards resulting in better public satisfaction.

Improved housing services have resulted in a significant reduction in the number of non-decent homes. The number of planning applications completed on time has improved.

Adult education is outstanding and some children's test results have improved. GCSE results are not as good as last year. Social services for both children and adults have remained the same while the benefits service has declined.

The council is clear about what matters to local people and has good systems for managing performance and making improvements. There are plans in place to improve areas such as the time taken to process benefit claims.

Based on Stockton's plans, the council is well placed to continue to improve the way it works and the services it provides to local people.

Element	Assessment
Overall	excellent
Current performance	out of 4
education	4
housing	3
use of resources	4
social care (children)	2
social care (adults)	3
benefits	3
environment	3
libraries & leisure	3
Capacity to improve (not reassessed in 2004)	4 out of 4

(Note: 1=lowest, 4=highest)

CPA Improvement Report

Ambition and Priorities

The council is clear about what matters to local people and where the priorities lie. The Council Plan 2004/07 provides a sound overarching framework for the delivery of services and sets out key improvements for the next three years with clear links between the community strategy and the council's overall ambitions.

Priority areas in relation to organisational improvements have been identified in areas such as e-government, risk management and procurement and these are central to the council's modernisation programme and its ability to respond to CPA recommendations.

The council's approach to improvement is systematic and remains focused on:

- promoting achievement;
- tackling disadvantage; and
- transforming the character and image of the area.

The council remains ambitious, but realistic. It has a clear sense of direction combined with effective strategic and managerial leadership to deliver its challenging agenda.

Focus

The council has a strong focus on improvement. The Renaissance Board (Local Strategic Partnership) is structured to ensure both geographical and thematic focus. Liveability improvements have been targeted through the care for your area service.

There is a more consistent and comprehensive approach to customer focus and a mechanism is now in place that the council hopes will lead to more effective consultation with black and minority ethnic (BME) communities. A children and young people strategic partnership has been established for better co-ordination and delivery of services.

The council retains its focus on service improvement through a programme based on three types of review integrated into an overall performance management framework. These are:

- performance improvement assessments (a corporate health check);
- internal best value and external reviews (a challenge to services); and
- best value improvement projects (corporate council wide improvement projects).

Investment and future plans

The council is well placed to further improve the way it works and the services it provides. Scrutiny and support for elected members has significantly improved.

The customer first programme is a firm basis for better user focused service delivery. There is now a single authority wide 'commendations, comments and complaints' system, improved translation guidance and there has been good progress in making services available electronically.

Good progress on procurement includes:

- the establishment of a corporate procurement team;
- a procurement strategy and action plan in place; and
- the development of a procurement intranet toolkit and purchasing model.

The impact of a new HR Strategy has not yet been fully realised. Single status issues had not been afforded enough priority in the past and this impeded progress. However the timetable for job evaluation and single status is now on track and factored into the medium term financial plan (MTFP) for implementation in future years.

The council has consistently invested in priority areas and is now turning its focus to other areas for improvement, such as libraries and the leisure services recently transferred to the Tees Active Trust.

Service planning has been simplified to link more clearly to the council's improvement priorities and a methodology for performance improvement assessments, developed during the autumn, will result in the first assessment of service improvement at the end of 2004.

The modernisation of the planning service will provide greater delegation to officers, together with increased use of ICT to improve the efficiency and quality of contact with applicants.

Capacity

HR and procurement limitations are being tackled and there has been strong progress in IT and e-government. A central procurement team has been established. However, progress in some areas has been slower than anticipated, often arising from recruitment difficulties; though particular problems with staff levels in social work and planning are now resolved.

The planning for the future initiative is beginning to have a positive impact on leadership and management development.

The council works well with partners to improve local services and is developing collaborative arrangements with other north east authorities.

The medium term financial plan (MTFP) supports priorities for improvement and strengthens focus on financial impact of service planning.

The council plan contains service grouping financial breakdown up to 2006/07 to allow alignment between resources and priorities. The MTFP review during 2004/05 is focused more on policy and financial planning and it is positive that particular attention is being paid to time limited funding streams.

A specific development fund is in place (over £1 million a year) which allows the council to address local priorities. Recent use includes investments in capacity within care for your area (CFYA) services, community safety initiatives and more support to scrutiny.

Performance management

The performance monitoring framework allows for the effective management of performance improvement. The council produces a considerable body of management and performance information including comprehensive information to cabinet. The council is continuing to develop the way in which portfolio holders report on performance by way of regular meetings with service directors.

The council is resolving areas for development in risk management and complaints management identified in the 2002 CPA report. It continues to strengthen risk management in service planning and embed in mainstream performance management arrangements. A themed approach ensures greater focus on services.

Financial management has improved with the introduction of budget and performance clinics for all services and greater integration of financial and service planning processes.

Areas identified for improvement in the 2003 CPA inspection included:

- library service management information systems; and
- including a programme of future reviews and setting out savings/efficiencies as result of reviews in the council's performance plan.

In response, the council now reports to a three year timeframe and continuously reviews services, with best value now mainstreamed into performance management cycles. The quality of the library service management information has improved.

Achievement

The council's performance shows improvement in local services over the last year. Resident satisfaction with the council overall remains in the top 25 per cent; satisfaction with complaints handling is above average. Three quarters of LPSA targets were achieved.

Just under half of indicators improved, although seven of the 52 not improving are within the bottom 25 per cent. Despite this, the council has fewer indicators in the bottom 25 per cent than at any time over the last three years.

Education

Overall, education performance in Stockton has continued to be high, however, GCSE results are not as good as last year.

Sixty three per cent of indicators are improving with a number in the top 25 per cent. However education attainment and education social inclusion targets are generally not being met. There is an upward trend of improvement in key stages one and two and the council's main priority is to improve attainment at key stages three and four. The adult education service achieved the highest ranking of 'good or outstanding'

Health and Social care

There have been some improvements in health and social care, with 29 per cent of indicators improving. However, overall rating for both adults and children remain the same.

The social care indicators for children are generally in top 25 per cent though the cost of providing care is above average. The following have contributed to improvement.

- A significant increase in band rating of PAF performance.
- The re-launch of Children and Young Peoples Strategic Partnership.
- The Children's Inspection action plan signed off as complete.
- Mental health services benchmarked positively against other services.

Regeneration

Unemployment levels continue to fall although levels are still higher than the north east average. LSP area boards have been reformed and increased to four for a more comprehensive coverage of the borough and there have been positive assessments of the Parkfield neighbourhood management pilot by both the Neighbourhood Renewal Unit and Government Office North East.

Environment

Satisfaction ratings increased for the award winning care for your area service which has continued to improve already high performance levels. The council is part way through implementing an improvement plan which has resulted in more planning applications being completed on time. Transport indicators generally remained in the top 25 per cent but are not improving or meeting council targets.

Housing

The financial pressures on the housing revenue account have stabilised with the establishment of the housing ALMO and a two star service rating generating over £63 million. Performance continued to improve into the first quarter of 2004/05 in a number of key areas which had previously been in the bottom 25 per cent.

These include:

- the proportion of non decent homes reduced significantly;
- increased SAP rating;
- re-let times reducing to 39 days; and
- repair appointment performance improving significantly over two years from 26 per cent to over 66 per cent kept.

Crime and Community Safety

Direction of travel is positive with crime figures are generally decreasing. The council and its partners in the Safer Stockton Partnership received beacon status in 2004/05 for work in reducing crime and disorder. A MORI survey shows the public feel their area is safer than two years ago and the community warden service is expanding in response to positive public feedback. Improved arrangements for community cohesion have recently been used by ODPM as a good practice case study on community cohesion.

Libraries and Leisure

The council has transferred leisure services to Tees Active a newly established trust and attendance levels and customer satisfaction are increasing at leisure facilities.

The library service has made progress in achieving all but one of 26 national library standards, library satisfaction increase and in top 25 per cent with visitor numbers constant against national trends, however indicators show library visits falling to well below the council target and remains below average.

Benefits

Difficulties in implementing the new revenue and benefits ICT system resulted in a larger than expected drop in performance for processing claims and changes of circumstance. The council achieved 95 per cent of national performance standards and satisfaction indicators are generally in the top 25 per cent, however indicators are mixed across the full range of quartiles.

Other performance work**Local Strategic Partnership (LSP)**

The Stockton local strategic partnership has a number of strengths in relation to performance management. These included a clear framework, a strong culture of performance management which incorporates an openness to challenge.

However, there is a lack of clarity on the frequency of reporting performance information to the board and the financial resource commitment of partner agencies to the Improvement Plan.

More consistent reporting of performance information to the Board would be achieved by agreeing dates for each theme partnership's six monthly review and the introduction of a reporting timetable.

Working with other inspectorates and regulators

An important aspect of the role of the Relationship Manager is to work with other inspectorates and regulators who also review and report on the council's performance.

These include:

- Ofsted;
- Commission for Social Care Inspection (CSCI);
- Benefits Fraud Inspectorate (BFI);
- DfES; and
- Local Government Office contact.

We share information and seek to provide 'joined up' regulation to the council. During the last year the council has received the following assessments from other inspectorates.

BFI improvement report

Overall, BFI found that Stockton-on-Tees Borough Council's benefits service is providing a fair level of performance. This assessment took account of the changes since 2003 and was based on a full self-assessment against the October version of Performance Standards in which Stockton-on-Tees Borough Council scored itself as 95 per cent at Standard.

Performance for the speed of processing new claims had deteriorated during 2003/04. The council did anticipate some slippage in its performance during the conversion to the new Benefits IT system. Backlogs of work caused by the implementation of the new system have now been cleared and the council anticipates that its next quarterly return to the Department will show sharp improvements.

The council identified some key areas where it still needs to improve to meet performance standards. These include:

- assessment of the needs of in-work customers and providing a service to meet their needs;
- introducing procedures to make payments on account in line with standards;
- undertaking pre-notification quality checks of 10 per cent of assessments;
- the vigorous recovery and monitoring of the repayment of accepted administration penalties and associated overpayments;
- undertaking a review to identify the correct resource level for counter fraud activity;
- publicising suitable fraud prosecution cases as a deterrent to possible fraudsters;
- the development of a strategy for overpayment recovery; and
- the monitoring of the level and age of debt and reporting it to Members on an annual basis.

BFI found that the council needs to:

- produce a documented business continuity plan, communicate it to all staff and review it annually;
- recommence monitoring the telephone service to ensure that calls are answered within time targets;
- produce exception reports for claims not meeting the standard, which show the reason for any delays;
- make explicit in all communications with landlords the consequences of not reporting changes of circumstances; and
- ensure that a decision is made within two working days of receiving a Rent Officer determination.

Accounts and governance

We have given your accounts an unqualified audit opinion.

Your overall corporate governance arrangements are satisfactory in most key areas. However, the finer details of the plan for withdrawal from the mainframe computer need to be developed. Members need to ensure that this year's budget review meaningfully challenges the need for 'managed' underspends and reviews the position of those services with on-going 'managed' overspends.

Audit of 2003/04 accounts

We gave an unqualified opinion on the council's accounts on 24 November 2004.

Matters arising from the final accounts audit

The published accounts are an essential means by which the Council reports its stewardship of the public funds at its disposal and its financial performance in the use of those resources. Members approved the Council's annual accounts on 31 July 2004.

There has been a significant improvement to the standard of working papers provided to support the entries in the statement of accounts. Officers need to ensure that this standard is at least maintained whilst bringing closure forward next year.

Due to a number of difficulties with the new financial ledger no full bank reconciliation has been completed in 2004/05. Entries in the ledger have been agreed to the transactions in the bank but the cash book and bank balances have not yet been reconciled. Officers are working to address this issue as soon as possible.

Prompt bank reconciliations are a major internal control for the council in preventing and detecting fraud and error. Members should monitor progress in reinstating this control.

Report to those with responsibility for governance in the council

We reported to those charged with governance (in this case Performance Review and Audit Committee) that there were no matters of concern before we give an opinion on the financial statements.

Financial standing

The council's financial position is sound and appropriate risk assessments have been done on future financial pressures. However, budgets do not wholly reflect spending need in some areas and progress on finalising the costs of the decent homes standard works has been very slow.

General fund spending and balances

The council had a surplus of £2 million and £5.6 million of reserves were carried forward into 2004/05. Services underspent their budgets by £6.4 million and a number of 'managed' underspends were greater than planned. Officers and members are currently challenging the need for the 'managed' underspends being carried forward by some services.

Conversely health and social care services, like many others, struggle to balance their expenditure against their budget. A planned overspend or managed commitment of £1.4 million was carried forward into 2004/05 to be recovered against that year's budget. It has been recognised that the service cannot recover this position fully and members have approved a managed commitment of £550,000 to be recovered against future budgets. The needs of health and social care services will be reviewed as part of the budget setting process for 2005/06.

HRA

The housing revenue account had a cumulative surplus of just over £1 million at 31 March 2004. The council has again recovered £1 million from Tristar to ensure that the housing revenue account achieved this planned surplus.

The Corporate Director of Resources has been closely involved in Tristar's financial planning, monitoring and reporting over the past months and as a result working relationships have improved and a more secure financial future for Tristar has been obtained.

The council and Tristar have been working closely to ensure the delivery of the decent homes standard programme of works. Additional funding of £10.5 million was secured and the business plan is being revised to ensure the further £13.4 million requirement is found.

The partnerships with the contractors involved in the decent homes standard works are based on a pay/gain arrangement which allows for deficits and surpluses against target costs to be shared between the council and the contractor. Last year we had concerns about how this arrangement was working and in the summer internal audit made a number of recommendations to improve the procedures.

There has been very slow progress in finalising costs with some contractors to determine the pay/gain element. One contractor has not provided sufficient information for costs to be finalised, some eight months after works have been completed. The council has taken formal action in the form of a default notice. Members need to ensure that the process for pay/gain is settled promptly after the year end in future.

There has been little noticeable impact of the decent homes standard works on the budget for repairs and maintenance. The housing and community safety select committee have recently scoped an in depth review of the housing repairs and maintenance service to ensure that value for money is being obtained from repairs and that the improvement works are reflected in future budgets. We will be monitoring actions arising from that review as part of next year's audit.

Systems of internal financial control

We have not identified any significant weaknesses in the overall control framework. However, the council still needs to complete its planned review of partnership arrangements and develop plans for the migration of interface processes from the mainframe computer.

Risk management

The council has made good progress in developing and embedding risk management across services. To support this improvement the council has introduced service risk registers and progress reports against these registers are reported to CMT every six months. Services are being encouraged to review their risks monthly.

The areas the council are seeking to further improve are:

- wider member engagement; and
- development of meaningful performance indicators.

Internal Audit

The Chief Internal Auditor and his team are continuously looking improve the quality of internal audit services. We reviewed the approach to IT audit this year and confirmed that processes in the main provide for an effective service. In order to improve the service further the Chief Internal Auditor agreed to implement a number of recommendations.

We have been working closely with him and his team in reviewing the implementation of the new ledger and HR systems.

Partnerships

The council has been planning to review governance arrangements with its partners in the private and voluntary sector for some time. The advent of the local area agreement highlights the need to do this as soon as possible. A questionnaire covering single regeneration budget partnerships has been piloted, but needs to be evaluated and rolled out across the council. It is anticipated that this work will be undertaken shortly with the outcome being the identification of weaknesses in arrangements and an action plan to address them. We will be monitoring progress on the action plan in next year's audit.

IT security and E-government

The council is well on the way to achieving 100 per cent target in electronic service delivery at December. The e-government programme under the title 'E-Champions' continues to provide a sound structure for monitoring the progress of electronic service delivery projects.

Good progress has been made in following up recommendations made in our report last year. As a result the council has demonstrated improved information security and project management arrangements.

New financial systems

Over the last 12 months the council replaced:

- housing benefits, council tax and NNDR systems with OpenRevenues (IBS); and
- PALS financial system with Agresso.

The UNIPAY payroll system is currently being replaced with Rebus.

Each of these systems is fundamental to the council. We have reviewed the former two systems and plan to review the third in early 2005. The council set very tight timescale for the implementation of the new systems and has successfully managed to have them running by the deadlines with few problems.

The outstanding issues to address are:

- how interfaces between the systems are to be managed following the decommissioning of the mainframe computer; and
- how the council proposes to address security issues around the e-enabled systems.

Standards of financial conduct and the prevention and detection of fraud and corruption

We have not identified any significant weaknesses in your arrangements to prevent and detect fraud and corruption.

Legality of transactions

We have not identified any significant weaknesses in the framework established by the council for ensuring the legality of its significant financial transactions.

Other work

Grant claims

Over recent years the number of claims requiring audit certification has grown and audit fees have risen in line with this growth.

In accordance with Strategic Regulation, the Audit Commission has adopted a more risk-based approach to the certification of grant claims. With effect from 2003/04 the smaller claims have not been subject to audit or have received a lighter touch. The approach to larger claims has been determined by risk and the adequacy of the Council's control environment.

The Council's arrangements for managing and quality assuring grant claims submitted for audit has improved in recent years. However, there are areas where improvement could be made including better quality control before the submission of the claim or return for audit.

National Fraud Initiative

The Council took part in the Audit Commission's national fraud initiative (NFI) 2002/03. The NFI, which is undertaken every two years, brings together data from local authorities, NHS bodies, government departments and other agencies, to detect a wide range of frauds against the public sector.

Overall the council made good progress on following up the NFI matches. However, some investigations do need to be brought to a close more promptly.

The Commission are repeating the exercise this year and will again collect payroll, pensions, housing benefits, student loan and housing rents data from Authorities. Alongside the core exercise a number of pilot initiatives are being undertaken at selected sites. These are focused on risk areas that were highlighted by Authorities and include payments made to privately run care homes, abuse of blue badge parking permits, serial insurance claimants and duplicate payments to suppliers. These pilot areas, if they prove effective, will be incorporated into future NFI exercises.

Looking forwards

Future audit and inspection work

We have an agreed plan for 2004/05 and we have reported in this letter those aspects that have already been completed. The remaining elements of that plan, including our audit of the 2004/05 accounts, will be reported in next year's Annual Letter. Our planned work, together with that of other inspectorates, is included on both the Audit Commission and LSIF (Local Services Inspectorates Forum) websites.

We have sought to ensure, wherever possible, that our work relates to the improvement priorities of the council. We will continue with this approach when planning our programme of work for 2005/06. We will seek to reconsider, with you, your improvement priorities in the light of the latest CPA assessment and your own analysis, and develop an agreed programme by 31 March 2005. We will continue to work with other inspectorates and regulators to develop a co-ordinated approach to regulation.

Revision to the Code of Audit Practice

The Audit Commission has consulted on a revised Code of Audit Practice for application to the audit of the 2005/06 accounts. The new Code, which will be laid before Parliament in January 2005, is designed to secure:

- a more streamlined audit, which is proportionate to risk and targeted on areas where auditors have most to contribute to improvement;
- a stronger emphasis on value for money, focussing on bodies' corporate performance and financial management arrangements (rather than individual services and functions); and
- better and clearer reporting of the results of audits.

Further details will be provided in the Audit and Inspection Plan 2005/06.

CPA 2005 and beyond

The Audit Commission has also consulted on a new framework for CPA in 2005 and beyond. The main changes proposed are as follows.

- Rationalization of service blocks.
- 'Achievement' assessment element of Corporate Assessment to be driven by review of Community Plan and shared priority themes.
- Move away from rigid numerical model, to one based on rules.
- Corporate Assessments to be undertaken on rolling programme, integrated with Joint Area Reviews of children and young people.
- Stronger focus on service delivery for users and customers.
- More robust and explicit view of vfm and cost-effectiveness.

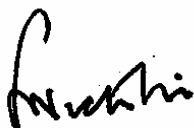
Closing remarks

This letter has been discussed and agreed with officers and will be discussed with leading members on 21 January 2005. A copy of the letter will be presented at the Performance Review and Audit Committee early in 2005.

The council has taken a positive and constructive approach to our audit and inspection. I would like to take this opportunity to express my appreciation for the council's assistance and co-operation.

Availability of this letter

This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk, and also on the council's website.



Steven Nicklin
District Auditor/Relationship Manager
December 2004

Status of our reports to the council

Our annual audit and inspection letter is prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. Annual audit and inspection letters are prepared by relationship managers and appointed auditors and addressed to members and officers. They are prepared for the sole use of the audited and inspected body, and no responsibility is taken by the Audit Commission or its appointed auditors to any member or officer in their individual capacity, or to any third party.

Reports issued during 2003/04

Reports issued	Date
Audit plan	March 2004
Interim Audit Memorandum	July 2004
IT security and e-government follow up	September 2004
Review of new distributed systems	November 2004
Final Accounts memorandum	November 2004
Report to those charged with governance	November 2004
BVPP opinion	November 2004

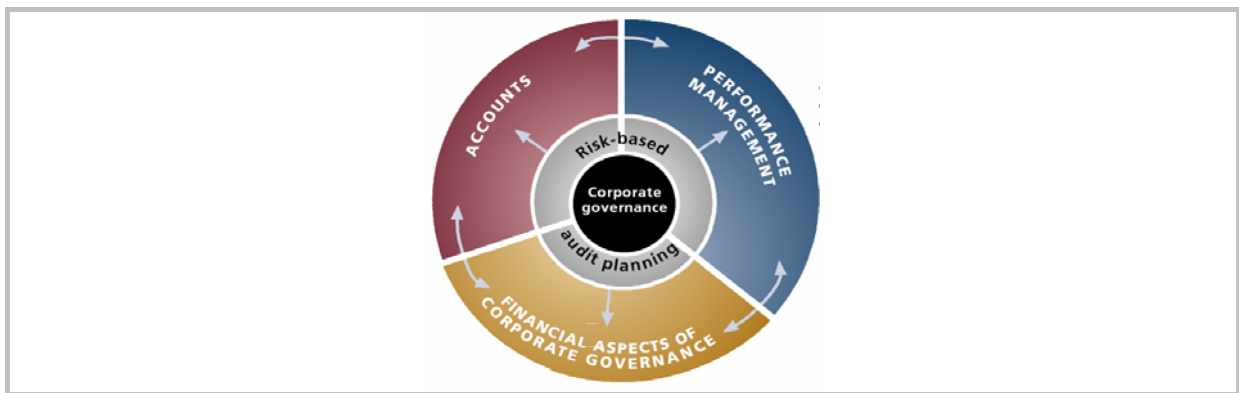
Objectives of audit and inspection

Audit

Our main objective as your appointed auditor is to plan and carry out an audit that meets the requirements of the Code of Audit Practice. We adopt a risk-based approach to planning our audit, and our audit work has focused on your significant financial and operational risks that are relevant to our audit responsibilities.

Central to our audit are your corporate governance arrangements. Our audit is then structured around the three elements of our responsibilities as set out in the Code and shown in Exhibit 1.

The three main elements of our audit objectives



Accounts

- Opinion.

Financial aspects of corporate governance

- Financial standing.
- Systems of internal financial control.
- Standards of financial conduct & the prevention and detection of fraud and corruption.
- Legality of transactions.

Performance management

- Use of resources.
- Performance information.
- Best Value Performance Plan.

Inspection

Inspection work is based around Section 10 of the Local Government Act 1999, which requires us to carry out inspections and deliver reports that will:

- enable the Council and the public to judge whether best value is being delivered;
- enable the Council to assess how well it is doing;
- enable the Government to assess how well its policies are being implemented; and
- identify failing services where remedial action may be necessary.

The Audit Commission has circulated to all audited bodies a statement that summarises the key responsibilities of auditors. Our audit has been conducted in accordance with the principles set out in that statement. What we say about the results of our audit should be viewed in the context of that more formal background.

Audit and Inspection fee

Audit fee update

Audit area	Plan 2003/04	Actual 2003/04
Accounts	£61,000	£61,000
Financial aspects of corporate governance	£94,000	£94,000
Performance	£82,000	£82,000
TOTAL CODE OF AUDIT PRACTICE FEE	£237,000.00	£237,000.00
Grant Claim certification	£70,000	£44,332 (to October)

Inspection fee update

The full year inspection fee is £49,000. The work reported in this audit and inspection letter has been funded by an element of the fee covering 2003/04 and by an element of the fee covering 2004/05. In both years the actual fee will be in line with that planned.