

USE OF RESOURCES REPORT - DECEMBER 2008**Report By: DIRECTOR OF RESOURCES****Wards Affected**

None.

Purpose

1. To receive the Audit Commission's Use of Resources Report - December 2008 (Appendix 1 to this report). The external auditor will present the report to Committee.

Financial Implications

2. None directly arising from this report.

RECOMMENDATION**THAT:**

- (a) **The Audit & Corporate Governance Committee discusses the content of the Use of Resources report for 2008 with the Audit Commission.**

Reasons

3. The Council's overall score for Use of Resources has risen to 3 (performing well) in 2007/08 from a 2 (adequate performance) in 2006/07. The key message is one of improvement, with three of the five themes improving. The Use of Resources judgement contains eleven key lines of enquiry (KLOEs); five of eleven have improved and the remainder stay the same, with none lower than adequate performance.
4. The scores for the themes are as follows:
 - a) Financial Reporting has risen to 4 (performing strongly) in 2007/08 from 3 (performing well) in 2006/07.
 - b) Financial Management remains at 3 (performing well).
 - c) Financial Standing has risen to 3 (performing well) in 2007/08 from 2 (adequate performance) in 2006/07.
 - d) Internal Control has risen to 2 (adequate performance) in 2007/08 from a 1 (inadequate performance) in 2006/07.

- e) Value for Money remains at 2 (adequate performance in 2007/08).

Considerations

5. The Use of Resources assessment is a significant element of the Comprehensive Performance Assessment (CPA) framework, the Audit Commission's annual assessment of the services provided by councils for local people. This is the last year of CPA and this Use of Resources judgement will be part of this assessment. However, it will carry through into the new Comprehensive Area Assessment (CAA) system. The Use of Resources assessment encompasses financial reporting, financial management and financial standing, together with internal control and value for money.
6. The Director of Resources is accountable for many of the criteria within the Use of Resources assessment, although many other officers also have direct accountabilities. Together these officers ensure that the framework for effective financial governance is in place so that use of resources is optimised in providing services to local people.
7. The Council has to be able to demonstrate that all parts of the organisation work consistently within the agreed framework with the utmost regard for probity and propriety. This makes the Use of Resources an issue for every officer and councillor.
8. From 2009/10, the Use of Resources assessment will undergo significant change and the council is already working on the self-assessment document that will draw on improvement areas identified in the attached report. The new process is significantly different and, as such, a specific improvement plan based on the current judgement has not been produced. Instead, this report will feed into the self-assessment document.

Risk Management

9. Failure to improve across the board in relation to the assessment criteria within Use of Resources will have a reputational impact for the Council as the CPA is replaced by the Comprehensive Area Assessment (CAA). The new assessment framework will start in Spring 2009 and will be much more focused on the community's perceptions of how well the council is performing.

Appendix

Audit Commission's Use of Resources Report – December 2008.