

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

None.

Purpose

1. To receive the Audit Commission's Use of Resources report 2008 (Appendix 1 to this report). The external auditor will present the report to Committee.
2. To receive a progress report and action plan in respect of the improvement opportunities identified in the Use of Resources report 2008 from the Corporate Management Board (Appendix 2 to this report).

Financial Implications

3. 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; and**
- (b) **the Audit & Corporate Governance Committee considers the Corporate Management Board's progress report and action plan and any comments it wishes to make to Cabinet thereon.**

Reasons

4. The Council needs to respond appropriately and promptly to the Use of Resources report 2008 in preparation for the next assessment.
5. The Council's overall score for Use of Resources has fallen to 2 (adequate performance in 2006/07) from a 3 (performing well in 2005/06).
6. The score for internal control has fallen to 1 (inadequate performance in 2006/07) from a 2 (adequate performance in 2005/06).
7. The score for value for money has fallen to 2 (adequate performance in 2006/07) from a 3 (performing well in 2005/06).

Further information on the subject of this report is available from
Mrs Sonia Rees, Director of Resources on tel: (01432) 383519

Considerations

8. 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. The Use of Resources assessment encompasses financial reporting, financial management and financial standing, together with internal control and value for money.
9. The Director of Resources is accountable for many of the criteria within the Use of Resources assessment. Many other officers also have direct accountabilities as can be seen in Appendix 2. 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.
10. Being able to evidence that effective financial governance arrangements are in place to support the optimal use of resources is not, however, the end of the story. 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.
11. The Corporate Management Board has therefore been consulted at length in preparing the commentary on and agreeing the actions in response to the improvement opportunities identified by the Audit Commission. The detail is available for the Committee to comment on and challenge at Appendix 2.
12. The key priorities for the Council in restoring its overall Use of Resources score are:

Internal Control

- a. Developing a consolidated business continuity plan.
- b. Reaffirming the standards expected with regard to accepting and declaring gifts and hospitality.
- c. Providing assurance that the financial governance issues identified within ICT have been addressed.

Value for Money

- d. Continued improvement in performance indicators across the board.
- e. Adopting a systematic approach to evidencing that service provision represents value for money and to benchmarking the cost of services.

Financial management, reporting and standing

- f. Continued improvement in response to the improvement opportunities identified and progress already made.

Risk Management

13. 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.

Background Papers

None identified.