

## Audit and Governance Committee

21 September 2009

Report of the Director of Resources

### Use of Resources 2008/09: Audit Commission Report

#### Summary

1. This paper introduces a report (see annex) prepared by the Audit Commission summarising the findings from the Use of Resources Assessment relating to the financial year 2008/09 which is now operating within the Comprehensive Area Assessment (CAA) framework. This is one part of a scored auditor's assessment with the Organisational Assessment aspect of the CAA process.

#### Background

2. In the first year of CAA the Audit Commission has carried out its annual review of the council's arrangements for use of its resources. This focussed on a new suite of themes with the following overall scores:

KLOE	Score	Theme score
<b>Managing Finances</b>		
1.1 Financial planning	2	2
1.2 Understanding costs & performance	3	
1.3 Reporting financial performance	2	
<b>Governing the Business</b>		
2.1 Commissioning & procurement	2	2
2.2 Data quality	2	
2.3 Good governance	2	
2.4 Risk management & internal control	3	
<b>Managing Resources</b>		
3.1 Natural resources	2	2
3.2 Asset management	2	
	<b>Overall Score</b>	<b>2</b>

3. In summary the report concludes that the council performed adequately in its use of resources in 2008/09, based on an overall score of **2**. The overall score is not comparable with the previous year's score of 3 as it took place under a different assessment process which is explained in the report.
4. The report states that 'There are elements of strong performance across a number of the use of resources Key Lines of Enquiry (KLOE), in particular the Council's provision of value for money services, its risk management arrangements and elements of its commissioning of services'.
5. Ongoing improvement actions will continue to be monitored, where appropriate, through the council's Improvement Plan and Corporate Strategy, and by the Strategic Officer Governance Group chaired by the Director of Resources as part of the improvement work set down within the 2008/09 Annual Governance Statement.

### **Consultation**

6. The report and action plan has been discussed and agreed by officers.

### **Options**

7. Not relevant for the purpose of the report.

### **Analysis**

8. Not relevant for the purpose of the report.

### **Corporate Priorities**

9. This report contributes to the overall effectiveness of the council's governance and assurance arrangements and the achievement of the corporate priority 'Effective Organisation'.

### **Implications**

10.
  - **Financial** – there are no financial implications to this report.
  - **Human Resources (HR)** – there are no HR implications to this report.
  - **Equalities** - there are no equalities implications to this report.
  - **Legal** - there are no legal implications to this report
  - **Crime and Disorder** – there are no crime and disorder implications to this report.
  - **Information Technology (IT)** - there are no IT implications to this report.

- **Property** - there are no property implications to this report.

### **Risk Management**

11. By not responding to the content of this report, the council will fail to properly comply with legislative and best practice requirements, and its Use of Resources score in current and future CAA assessments could be adversely affected.

### **Recommendations**

12. Members of the Audit and Governance Committee are asked to note the report and the progress the council is making in addressing the areas for improvement in this and previous reports.

#### Reason

*To ensure the maintenance of an effective internal control environment at the council.*

### **Contact Details**

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**Report Approved**

**Date** 11 September 2009

### **Specialist Implications Officers**

Not applicable

#### **Wards Affected:**

**All**

**For further information please contact the author of the report**

### **Background Papers:**

See below

### **Annex**

Audit Commission Use of Resources Report 2008/09