

**WYRE FOREST DISTRICT COUNCIL**

**AUDIT COMMITTEE**  
**TUESDAY 24 APRIL 2007**

**Use of Resources Assessment**

<b>OPEN</b>	
<b>COMMUNITY STRATEGY THEME</b>	Internal Organisational Theme
<b>CORPORATE PLAN THEME</b>	Improving Corporacy & performance
<b>KEY PRIORITY</b>	Financial & Asset Management
<b>CABINET MEMBER</b>	Cllr J-P Campion
<b>RESPONSIBLE OFFICER:</b>	Corporate Performance Advisor
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<b>APPENDIX</b>	Use of Resources Key Lines of Enquiry

**1. PURPOSE OF REPORT**

- 1.1 To provide Members with an overview of the Audit Commission's Key Lines of Enquiry for Use of Resources.

**2. RECOMMENDATION**

**The Committee is asked to DECIDE:**

- 2.1 The contents of the Audit Commission's Use of Resources Key Lines of Enquiry, as set out in the appendix to this report, be noted.**

**3. BACKGROUND**

- 3.1 At the 20<sup>th</sup> November 2006 meeting of this Committee, Members requested a summary report on the Use of Resources assessment, which now forms part of the Audit Commission's annual audit and inspection of Councils.
- 3.2 The Use of Resources assessment forms part of the new Comprehensive Performance Assessment (CPA) model and is designed to establish how well a Council manages and uses its financial resources to support its priorities and improve services. It covers the following themes:
- Financial reporting
  - Financial management
  - Financial standing
  - Internal control, and
  - Value for money

- 3.3 For each of the above themes, the Commission has developed a series of questions - Key Lines of Enquiry (KLOEs) – with a set of criteria against which the Council is assessed and given a score of between 1 and 4 as follows:
- 4 = performing strongly (well above minimum requirements)
  - 3 = performing well (consistently above minimum requirements)
  - 2 = performing adequately (at minimum requirements)
  - 1 = performing inadequately (below minimum requirements).
- 3.4 A summary of the KLOEs and where Use of Resources fits within the overall CPA framework is given in the Appendix to this report. Full details of the KLOEs and supporting criteria were circulated to Members of this Committee after the 20<sup>th</sup> November 2006 meeting.

#### **4. KEY ISSUES**

- 4.1 The Council's overall score in the first year of this assessment (2005/06) was 2 (performing adequately). The score for the year just ended (2006/07) was also 2 overall, but with improvements in individual scores for Financial Reporting (from 2 to 3) and Internal Control (from 1 to 2).
- 4.2 Further details of the external auditor's (KPMG's) report are contained in the Annual Audit & Inspection Letter (AAIL), which is a separate item on this Committee's current agenda.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 There are no direct financial (i.e. budgetary) implications arising from this report.

#### **6. CONCLUSION**

- 6.1 Progress has been made in work relating to Use of Resources over the past year. The next step now is to agree an action plan, based on external audit findings and recommendations in the AAIL.

#### **7. CONSULTEES**

- 7.1 Cabinet Member for Finance & Corporate Affairs
- 7.2 Head of Financial services

#### **8. BACKGROUND PAPERS**

- 8.1 Key Lines of Enquiry for Use of Resources (2006) – *circulated 20<sup>th</sup> November 2006*