

A. Use of Resources Summary

The Use of Resources assessment is an annual check to see how well a council manages its financial resources. It examines how financial management is integrated with strategy and corporate management, supports council priorities and delivers value for money. It makes judgements in five areas:

- financial reporting
- financial management
- financial standing
- internal control
- value for money.

1. Financial Reporting

How good are the council's financial accounting and reporting arrangements?

- 1.1 The council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers
- 1.2 The council promotes external accountability

2. Financial Management

How well does the council plan and manage its finances?

- 2.1 The council's medium-term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities
- 2.2 The council manages performance against budgets
- 2.3 The council manages its asset base

3. Financial Standing

How well does the council safeguard its financial standing?

- 3.1 The council manages its spending within the available resources

4. Internal Control

How well does the council's internal control environment enable it to manage its significant business risks?

- 4.1 The council manages its significant business risks
- 4.2 The council has arrangements in place to maintain a sound system of internal control
- 4.3 The council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business

5. Value for Money

How well does the Council balance economy, efficiency and effectiveness?

- 5.1 The council currently achieves good value for money
- 5.2 The council manages and improves value for money

Auditors will use the following scale, which has been adopted by the Commission across all inspections and assessments, to form their judgements:

- **4** = well above minimum requirements – **performing strongly**;
- **3** = consistently above minimum requirements – **performing well**;
- **2** = at only minimum requirements – **adequate performance**; and
- **1** = below minimum requirements – **inadequate performance**.

B. Use of Resources and the Comprehensive Performance Assessment framework

Annual assessment activity focuses on Use of Resources, improvement planning (direction of travel), performance indicators, any service inspections carried out and other monitoring by relationship managers and external auditors.

Any evidence to show that that a Council has significantly improved or deteriorated may trigger the process for CPA re-categorisation as follows:

CPA Framework

