

Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report Reference: AGC-025-2009/10
Date of Meeting: 29 March 2010

Portfolio: Performance Management

Subject: Use Of Resources Assessment 2008/09

Responsible Officer: Steve Tautz (01992 564180).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

That the Committee note the Council's results in respect of the annual Use Of Resources Assessment for 2008/09, including the key findings, conclusions and recommendations of the authority's external auditor.

Executive Summary:

The Council's external auditor, PKF (UK) LLP, has recently published its audit report in respect of the Council's Use Of Resources Assessment for 2008/09. The findings of the assessment report have indicated that the authority currently meets minimum requirements (Level 2 - 'Performs Adequately') for ensuring that it manages and uses its resources to deliver value for money and achieve better, sustainable outcomes for local people.

Reasons for Proposed Decision:

The terms of reference of the Audit and Governance Committee include a requirement for the formal consideration of reports of the Council's external auditor, in order to ensure the proper consideration of key findings, conclusions and recommendations for improvement.

Other Options for Action:

None. Use Of Resources considers how well the Council manages and uses its resources to deliver value for money and achieve better, sustainable outcomes for local people. Failure to participate fully in the process might mean that opportunities for improvement were lost and might adversely affect the reputation of the authority. Failure to monitor and review performance against key priorities, objectives, targets and actions and to take corrective action where necessary, could have negative implications for judgements made about the authority in Comprehensive Area Assessment and similar corporate assessment processes.

Report:

1. Assessing the effectiveness of councils is an integral part of the Organisational Assessment element of Comprehensive Area Assessment (CAA), because of its focus on outcomes delivered through local authority's working alone or with partners. The Organisational Assessment comprises the new Use Of Resources assessment methodology for 2008/09 (Managing Finances, Governing the Business and Managing Resources), alongside a new Managing Performance assessment to replace the former Direction of Travel statement. The results of the Organisational Assessment were considered by the Committee at its meeting on 8 February 2010.

2. The Use Of Resources assessment considers how well organisations manage and use their resources to deliver value for money and better and sustainable outcomes for local people. The assessment comprises three themes, focusing on the importance of sound and strategic financial management, strategic commissioning and good governance, and the effective management of natural resources, assets and people. The assessment scores for each of these themes are based on underlying Key Lines of Enquiry (KLoE), which are generic and applicable equally to all organisations subject to Use Of Resources judgements under the CAA process, in order to promote consistency.

3. From 2008/09, the KLoE were more broadly based than previously, and embraced wider resource issues such as workforce planning and the use of natural resources. The KLoE also focused more on value for money achievements, outputs and outcomes, rather than on processes, and were also more strategic and less detailed. The scoring of the Use Of Resources assessment for 2008/09 continued to use the Audit Commission's current four-point scale from Level 1 (An organisation that does not meet minimum requirements – 'Performs Poorly') to Level 4 (An organisation that significantly exceeds minimum requirements – 'Performs Excellently'), with Level 4 representing the best performance.

4. The Council's Use Of Resources Assessment for 2008/09 has recently been published by its external auditor, PKF (UK) LLP. The findings of the assessment report have indicated that the authority currently meets minimum requirements (Level 2 - 'Performs Adequately') for ensuring that it manages and uses its resources to deliver value for money and achieve better, sustainable outcomes for local people. Although the Council has achieved an overall Use of Resources score of Level 3 ('Performing Well') in 2007/08, it should be noted that the Use Of Resources assessment for 2008/09 was much more demanding than in previous years.

5. The annual Use Of Resources report for 2008/09 is attached as Appendix 1 to this report, and will be presented to the Committee by Lisa Clampin and Clare Beesley of PKF.

Resource Implications:

The budget and human resource implications of the Organisational Assessment element of Comprehensive Area Assessment are met from within existing resources.

Legal and Governance Implications:

Comprehensive Area Assessment is a statutory assessment process, which replaced the former Comprehensive Performance Assessment from 1 April 2009.

Safer, Cleaner and Greener Implications:

There are no direct implications arising from the introduction of Comprehensive Area Assessment for the Council's commitment to the Nottingham Declaration for climate change, the corporate Safer, Cleaner and Greener initiative, or any Crime and Disorder issues within the district. However, the success of these initiatives are measured by the Comprehensive Area Assessment process.

Consultation Undertaken:

The draft Use Of Resources assessment report for 2008/09 was subject to dialogue with the Council's external auditor prior to publication, and has been considered by the Use of Resources Working Party.

Background Papers:

Comprehensive Area Assessment Framework Document (Audit Commission, Care Quality Commission, Her Majesty's Inspectorates of Constabulary, Prisons and Probation, Ofsted) (February 2009). This document has been placed on deposit in the Members' Room.

Impact Assessments:***Risk Management;***

In terms of risk, failure to participate fully in the Comprehensive Area Assessment process might have meant that opportunities for improvement were lost, and may have adversely affect the reputation of the Council.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?

No. The content of this report has no specific equality implications. However, the equality implications arising from proposals for corrective action in respect of areas for improvement highlighted in the Council's Use Of Resources Assessment report for 2008/09, will need to be considered.

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?

N/A

What equality implications were identified through the Equality Impact Assessment process?

N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A