

Audit Committee – 22nd January 2009

7. Use of Resources Judgement

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Purpose of the Report

This report outlines the Use of Resources Judgement by the Audit Commission for 2007/08.

Recommendations

- (1) that the Audit Committee notes the Audit Commission Use of Resources judgement as attached at pages 25 - 38;
- (2) that the Audit Committee notes the new approach being taken by the Audit Commission for 2008/09.

Background

The Use of Resources scores cover five different themes and a score of 1 to 4 given in each theme (1 being the lowest and 4 the highest). An overall average score is then given from all themes.

“The Audit Commission annually assesses SSDC in terms of “Use of Resources”. In 2008 SSDC scored an overall “3” and this was translated over the following elements:

Element	Score
Financial Reporting	4
Financial Management	3
Financial Standing	3
Internal Control	3
Value for Money	3
Overall Score	3

Although this is the same overall score as in 2007 there have been some major improvements made to strengthen the score specifically in the area of Financial Reporting and Internal Control.

Any areas scored a 4 are shown as “notable practice” on the Audit Commission’s website. This year the Statement of Accounts, the Carbon Strategy, and asset management were seen as exemplar areas of good practice within local authorities.

The Audit Committee’s work has also been noted within the report as follows “ The Audit Committee is challenging and provides a strong lead on audit and governance issues, particularly through its “calling to account” arrangements.”

The “Use of Resources” judgement will change next year and will continue in addition to the new Comprehensive Area Assessment regime. A briefing note is attached at pages 39 - 56 outlining the new methodology and Terry Bowditch will be attending the Committee to give members an update.

Financial Implications

There are no financial implications.

Background Papers: *Audit Commission's Use of Resources Judgement*