

Use of resources 2008/09

Auditor slide briefing pack
16 October 2008

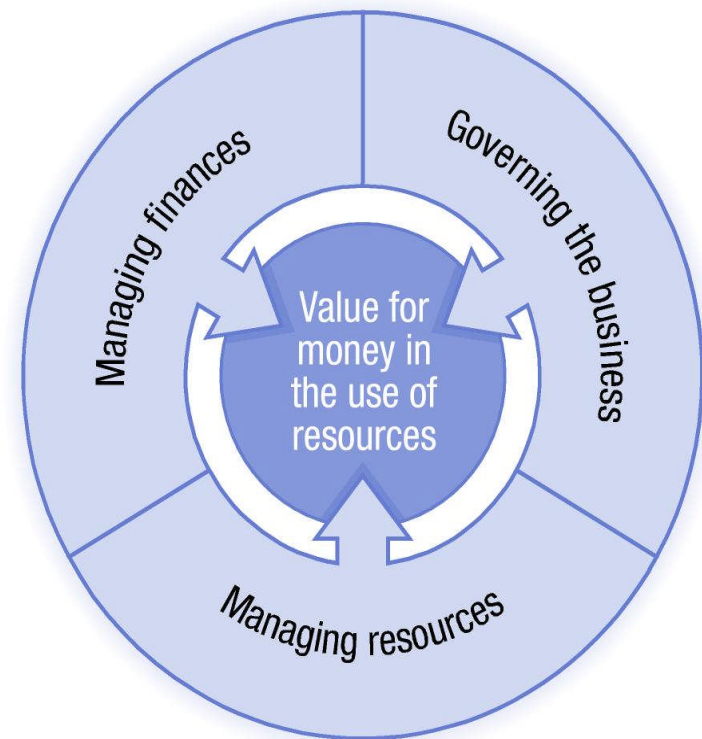


Introduction

- The UoR assessment forms part of the new CAA framework
- The Commission published its use of resources [overall approach and key lines of enquiry](#) in May 2008
- This briefing covers:
 - an overview of the UoR framework
 - the KLOE and where they apply for 2008/09
 - key messages about the new approach and the guidance
 - where to find more information

Use of resources assessment framework

- Applicable with effect from 2008/09
- Applicable to local authorities, police authorities, fire & rescue authorities and PCTs
- Consists of 3 themes resulting in an overall judgement on VFM in the use of resources
- Scored on 1 – 4 scale
- First assessments reported as part of CAA in autumn 2009



Key lines of enquiry

Managing finances	Governing the business	Managing resources
1.1 Financial planning & financial health	2.1 Commissioning & procurement	3.1 Natural resources
1.2 Understanding costs & performance	2.2 Data quality & use of information	3.2 Asset management
1.3 Financial monitoring & reporting	2.3 Good governance & ethical behaviour	3.3 Workforce
	2.4 Risk management & internal control	

Specified KLOE for 2008/09

KLOE	STCCs	Districts	Police	Fire	PCTs
Managing finances					
1.1 Planning for financial health	√	√	√	√	√
1.2 Understanding costs and achieving efficiencies	√	√	√	√	√
1.3 Financial reporting	√	√	√	√	√
Governing the business					
2.1 Commissioning and procurement	√	√	√	√	X
2.2 Use of information	√	√	√	√	√
2.3 Good governance	√	√	√	√	√
2.4 Risk management and internal control	√	√	√	√	√
Managing resources					
3.1 Natural resources	√	X	X	X	X
3.2 Strategic asset management	√	X	X	X	√
3.3 Workforce	X	√	√	√	√

What's different about the approach?

- Emphasis on a rounded professional judgement by the auditor against the headline KLOE – ‘top down’ rather than ‘bottom up’ approach
- Moves away from a checklist of criteria to illustrative characteristics of performance included within the guidance
- Less focus on prescriptive arrangements and process and more focus on outcomes – what difference have the arrangements made?
- Scores of 4 reserved for excellence and genuine leading edge performance

What's different about the auditor guidance?

- Auditor guidance presented in an electronic format and published on the AC website – no separate guidance for audited bodies
- Guidance will provide a standing source of reference material for auditors and can be easily updated
- Generic guidance but includes sector specific sections
- Characteristics integrated into guidance and not available separately
- Only performance levels 2 and 3 described

Where to find more information

- [Use of resources web pages](#)
- [Use of resources auditor guidance](#)
- [CAA web pages](#)