

Executive

EXTERNAL AUDIT ANNUAL GOVERNANCE REPORT AND USE OF RESOURCES JUDGEMENT

5 October 2009

Report of Chief Executive

PURPOSE OF REPORT

To update the Executive on the key messages from the District Auditor in her 2008/09 Annual Governance Report and the judgements she has made on the Council's performance in the new Use of Resources assessment.

This report is public

Recommendations

The Executive is recommended to:

- (1) Note the Use of Resources score contained in the District Auditor's Annual Governance Report and the scale of the achievement this represents.

Executive Summary

Introduction

- 1.1 The District Auditor's 2008/09 Annual Governance Report is attached in Appendix 1. This report was considered in detail by the Audit Committee at their meeting on the 23rd September.
- 1.2 This report is now being drawn to the attention of Executive Members as it also contains the District Auditor's judgement on our performance against the new Use of Resources framework. This is the first year that this new framework is being used. It has been deliberately designed to be a harder test than the previous Use of Resources assessment and specifically much more challenging in testing Local Authorities on the outcomes they are achieving from their approach to their use of resources. Furthermore, the assessment covers a much broader base than previously, considering not only financial management ('managing finances'), but also broader governance issues such as procurement, contract management, risk management and partnership working ('governing the business'), and also use of resources including our workforce, our asset base and natural resources ('managing resources'). However, these last elements of this

theme have not been part of this first year's assessment. The framework uses a 4-point scale with 4 being the highest score.

- 1.3 We scored 3s, 'performing well', for each of the three headline themes, the so-called key lines of enquiry. We have also scored 3s for every separate part of each key line of enquiry. Our District Auditor described this performance to the Audit Committee as a 'huge achievement' and one of which this Council should be very proud. It is her view that there will not be many Local Authorities in the country who score a complete suite of 3s both at the headline level and the elements of each theme. The Annual Governance Report details the three notable practice submissions that the Audit Commission have made on the basis of our work this year. These have certainly contributed to the overall judgement.
- 1.4 This Use of Resources judgement is an important part of the new Organisational Assessment. The remaining part of this is the Managing Performance assessment, the results of which will follow in late October. Our overall Organisational Assessment score is derived from our Use of Resources and Managing Performance scores and this will be announced in December. The Area Assessment for Oxfordshire will be published at the same time.

Conclusion

- 1.5 The District Auditor's view on our use of resources is an important judgement and contributes directly to our final Organisational Assessment score. Her judgement is an extremely good result for Cherwell District Council.

Implications

Financial:	There are no financial effects arising from this report Comments checked by Karen Curtin, Head of Finance 01295 221551.
Legal:	There are no legal effects arising from this report. Comments checked by Liz Howlett, Head of Legal 01295 221686.
Risk Management:	Risk Assessment – there are no risk issues arising from this report. Comments checked by Karen Curtin, Head of Finance 01295 221551
Efficiency Savings	There are no efficiency savings arising from this report. Comments checked by Karen Curtin, Head of Finance 01295 221551.

Wards Affected

All

Executive Portfolio

Councillor K Atack
Portfolio Holder for Performance Management & Improvement

Councillor J Macnamara
Portfolio Holder for Resources and Organisation Development

Councillor B Wood
Leader of the Council

Document Information

Appendix No	Title
Appendix 1	District Auditor's 2008/09 Annual Governance Report
Background Papers	
None	
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