STA 2.02.09 ITEM No.

### USE OF RESOURCES- KEY LINES OF ENQUIRY

LEAD OFFICER: M.Jepson REPORT AUTHOR: M.Jepson

**Summary and Recommendation:** 

Reports on requirements for current and future Audit Commission Key Lines of Enquiry.

Recommendation: That Committee notes future requirements in so far as they relate to Ethical Governance issues and agrees to accept regular reports on progress.

## 1. INTRODUCTION

**1.1** At the 7<sup>th</sup> July 2008 meeting of this Committee I reported on the current Key Lines of Enquiry used by the Audit Commission to assess progress on "Internal Controls", which includes Ethical Governance issues covered by this Committee. The assessment grades this Council at one of four Levels. In recent years the Council has been graded at Level 2 for Internal Controls- an "adequate" rating. The Ethical Governance area covered by this Committee comprises approximately one third of the "Internal Controls" category. The KLOE for the Ethical Governance area are shown at Appendix A.

**1.2** The Committee should also be aware that from April 2009 the Council has been advised that there will be slightly different criteria to work towards. These are described in section 3 below.

## 2. PROGRESS ON CURRENT KLOE

**2.1** As can be seen from Appendix A the first five bullet points within Level 2 are areas covered by this Committee. Within Level 3 the first three bullet points cover

areas dealt with by the Standards Committee. I have stated previously that I believe the Council achieves Level 2 and that there is an argument for Level 3.

# 3. FUTURE KLOE REQUIREMENTS

**3.1** With effect from April 1<sup>st</sup> 2009 the Use of Resources assessment is being relaunched as part of the new Comprehensive Area Assessment. Because the new assessment regime focuses more on the quality of life for residents in the area ( Copeland and Cumbria) the Use of Resources judgment will be based on a broader section of the authority's functions and cover more of the business of managing the Council.

**3.2** The main elements of interest to this Committee is the section headed "Does the organisation promote and demonstrate the principles and values of good governance?". The KLOE Focus will be on whether the Council:

-has adopted, promotes and demonstrates, the principles of good governance; -maintains focus on its purpose and vision;

-demonstrates a strong ethical framework and culture; and

- applies the principles and values of good governance to its partnership working. This covers much of the area assessed by the light touch assessment by the IDeA which has resulted in our work plan for the year being produced.

**3.3** As with previous years there would be four gradings- 1, not adequate; 2, adequate; 3, performing well and 4, performing strongly.

**3.4** In order to help promote the highest possible rating it is recommended that the Standards Committee receives regular (possibly quarterly) updates on progress against these categories.

**3.5** Officer work involved can be contained within existing resources.

# List of Appendices -Appendix A- current KLOE 4.3 for Internal Control

List of Background Documents: None List of Consultees: Fergus McMorrow; Julie Crellin; Hilary Mitchell

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Use of resources

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