

Extract from the Comprehensive Area Assessment - Use of Resources

[http://www.audit-](http://www.audit-commission.gov.uk)

[commission.gov.uk/SiteCollectionDocuments/Downloads/uorframework2008updatefeb09.pdf](http://www.audit-commission.gov.uk/SiteCollectionDocuments/Downloads/uorframework2008updatefeb09.pdf)

Use of Resources Framework

Overall approach and key lines of enquiry

May 2008 (updated February 2009)



Appendix 1 – Themes and key lines of enquiry

Managing finances

How effectively does the organisation manage its finances to deliver value for money?

1.1 Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?

KLOE focus

The organisation:

- integrates financial planning with strategic and service planning processes on a medium to long-term basis;
- engages local communities and other stakeholders in the financial planning process;
- manages spending within available resources and is financially sound over the medium term; and
- recognises individual and collective responsibilities for financial management and values and develops financial skills.

1.2 Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?

KLOE focus

The organisation:

- understands its costs, including whole life, transaction and unit costs, the main factors that influence these and how they link to performance;
- takes account of this understanding of its costs and performance in decision making and commissioning; and
- identifies the scope for making efficiencies and is on track to achieve planned efficiencies.

Appendix 1 – Themes and key lines of enquiry

1.3 Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?

KLOE focus

The organisation:

- produces relevant, timely and reliable financial monitoring and forecasting information;
 - uses financial and related performance information to monitor performance during the year;
 - produces financial reports that are clear, relevant and concise to support strategic decision making;
 - prepares accounts that meet statutory requirements, financial reporting standards and present fairly, or give a true and fair view of, the financial performance and position; and
 - publishes reports that provide an objective, balanced and understandable assessment of the organisation's performance in the year.
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