

Extract from the Comprehensive Area Assessment - Use of Resources

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# Use of Resources Framework

Overall approach and key lines of enquiry

May 2008 (updated February 2009)



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# Appendix 1 – Themes and key lines of enquiry

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## 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.

**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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