

Annual Governance Report

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Annual Governance Report

Watford Borough Council

Audit 2006/07

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Purpose of this document

- 1 In accordance with the Audit Commission's Code of Audit Practice (the Code), this report provides a summary of the work we have carried out during our 2006/07 audit of accounts, the conclusions we have reached and the recommendations we have made to discharge our statutory audit responsibilities to those charged with governance (in this case the Audit Committee) at the time they are considering the financial statements.
- 2 In preparing our report, the Code requires us to comply with the requirements of International Standards on Auditing (United Kingdom & Ireland) – ISA (UK&I) - 260 'Communication of Audit Matters to Those Charged With Governance', by reporting to you matters relating to the audit of the financial statements. Other auditing standards require us to communicate with you in other specific circumstances including:
 - where we suspect or detect fraud;
 - where there is an inconsistency between the financial statements and other information in documents containing the financial statements; and
 - non-compliance with legislative or regulatory requirements and related authorities.
- 3 We are also required to communicate to you the Audit Commission's requirements in respect of independence and objectivity, and these are set out at Appendix 2.
- 4 This report has been prepared for presentation to the audit committee on 26 September 2007. Members are invited to:
 - consider the matters raised in the report before the financial statements are approved;
 - approve the representation letter on behalf of the Authority and those charged with governance before we issue our opinion; and
 - consider amending the financial statements for unadjusted misstatements, significant qualitative aspects of financial reporting and any recommendations for improvement in the action plan.
- 5 Our work during the year was performed in line with the plan that we agreed with officers and presented to you on 23 March 2006. We have issued separate reports during the year having completed specific aspects of our programme, which are listed in Appendix 3.

Key messages

- 6 Our work on the financial statements is substantially complete, although there are still outstanding issues to be resolved at the date of drafting this report (19 September 2007). In particular, our work on the following has yet to be concluded:
 - 'rights and obligations' testing of fixed assets;
 - agreement of the cashflow statement;
 - resolution of Housing Revenue Account queries;
 - housing benefit assurance; and
 - review of contingent liabilities.
- 7 We have yet to receive a final, revised set of accounts to review all agreed amendments and I still need to undertake my overall review of work done and ensure completion of all tests. Should any further matters arise in concluding the outstanding work that need to be reported, we will raise them with the Chair of the Audit Committee. We propose issuing an unqualified audit opinion on by 30 September 2007 (a draft report is attached at Appendix 4).
- 8 In our view, the Statement on Internal Control (SIC) has been prepared in accordance with proper practice specified by CIPFA and is consistent with the findings from our audit.
- 9 Our work on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources is nearing completion. We propose issuing an unqualified conclusion on the use of resources by 30 September 2007 (a draft report is attached at Appendix 4).

Audit status

- 10 At the date of issue of this report our detailed audit is substantially complete, although there are still outstanding issues to be resolved. Subject to the satisfactory conclusion of the work outstanding, we anticipate being able to issue an unqualified opinion by 30 September 2007 (a draft report is attached at Appendix 4).

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Accounts and Statement on Internal Control

- 11 Our work on the financial statements is substantially complete, although there are still outstanding issues to be resolved at the date of drafting this report (19 September 2007). In particular, our work on the following has yet to be concluded:
 - 'rights and obligations' testing of fixed assets;
 - agreement of the cashflow statement;
 - resolution of Housing Revenue Account queries
 - housing benefit assurance; and
 - review of contingent liabilities.
- 12 We have yet to receive a final, revised set of accounts to review all agreed amendments and I still need to undertake my overall review of work done and ensure completion of all tests.
- 13 Auditors are required to obtain written confirmation of certain representations from management and those charged with governance before an audit report is issued, such as acknowledgement of responsibility for the fair presentation of the financial statements in accordance with the applicable financial reporting framework and responsibility for the design and implementation of internal control to prevent and detect error.
- 14 The auditor should also obtain written representations from management on matters material to the financial statements when other sufficient appropriate audit evidence cannot reasonably be expected to exist.
- 15 The final draft of the letter of representation has been attached as Appendix 5.

Unadjusted misstatements

- 16 We are required to report to you all unadjusted misstatements that we have identified during the course of our audit, other than those that are clearly trivial. There are no unadjusted misstatements for us to bring to the attention of members.

Adjustments to the financial statements

- 17 We are also required to bring to your attention misstatements that have already been corrected by management where we consider them relevant to your wider governance responsibilities. These are recorded in full at Appendix 6 but we provide an analysis of the most significant items below for your attention:

- the most significant items relate to the overstatement of both debtor and creditor balances by £2.9m, as a result of a duplication of council tax arrears in both categories. An independent officer review of working papers to support these balances may have highlighted this overstatement.
 - cash in hand and bank overdraft balances had been netted off on the face of the balance sheet. The Statement of Recommended Practice (SoRP) states that balances should not be netted off unless there is a formal arrangement with the bank to do so. We appreciate that the Authority's accounts operate in such a way that all bank accounts are swept into one. However, it should be ensured that individual account balances are separately reviewed for the purpose of preparing the financial statements; and
 - two long term investments had been incorrectly classified as short term.
- 18** Our audit also identified a number of reserves which were incorrectly classified as creditor balances, in particular:
- 'Spend to Save' - £0.81m (general reserve to fund future investment in cost-saving/income generation projects);
 - District plan - £0.13m (to fund future expenditure on objections to the district plan);
 - Energy Fund - £0.27m (to fund future increases in energy prices to smooth the effect on the general fund); and
 - Leisure services corporate initiative - £0.19m (service specific reserve to fund future investment in cost-saving/income generation projects)
- 19** These items did not accord with the requirements of Financial Reporting Standard (FRS) 18, in that there is no past event that would require a transfer of economic benefit and therefore they should not have been counted as liabilities. As these have been created by a transfer from the General Fund balance and are held for future unknown contingent events, they should be classified as earmarked reserves.
- 20** A complete listing of all amendments has been provided to officers.

<i>Recommendations</i>
<i>R1 Improve year end processes for producing the financial statements to ensure the accounts presented for approval are free from material misstatement.</i>
<i>R2 Incorporate within year end processes a review of all significant accounting items for compliance with relevant Financial Reporting Standards.</i>

Accounting practices

- 21 We are also required to report to you our view on the qualitative aspects of the Authority's accounting practices and financial reporting and have set out below our observations on key issues affecting the Authority.
- the accounts submitted for audit on 16 July 2007, two weeks after approval by the Audit Committee, still contained a significant number of typing, casting and other inconsistency errors;
 - the cashflow statement specifically contained a number of errors including incorrect balances brought forward, casting errors and inconsistencies between the notes to the cashflow statement and the cashflow statement. These have all been corrected with one exception. The 2005/06 comparative note to the cashflow statement incorrectly shows the deficiency on the income and expenditure account as nil. This is inconsistent with the latter which shows a deficit of £131k;
 - all transactions through the general ledger (APTOS) system are processed as journals. As such, these are not subject to independent review or authorisation. This leaves a potential control weakness which could result in unauthorised movements between account codes or error occurring during input. Although, all journals tested were found to be in line with expectations, the control weakness could expose the Council to additional risks. We reported this issue in our 2005/06 Annual Governance Report, but have noted no improvement;
 - the income and expenditure account discloses £1.2m (2005/06 £3.79m) as the gain on disposal of fixed assets. This calculation has been done by reference to historic costs. SoRP 2006 recommends that a revaluation is carried out at the point of disposal of assets, so that any gain/loss on disposal only occurs in exceptional circumstances. Similarly, in the restatement of 2005/06 comparatives, the SoRP recommends a retrospective revaluation. Whilst we appreciate that CIPFA guidance was sought for this entry, this contradicts the Authority's statement of accounting policies, which states that the accounts have been prepared in accordance with the SoRP. The Council plan to amend their accounting policies to reflect this divergence.
 - the accounts include pension fund assets as valued by the actuary. These figures are based on actuarial estimates as at 31 December 2006. As at 31 March 2007, the fund had outperformed their estimates (1.1% increase on total asset value, equivalent to £1m for Watford Borough Council). However, this is a timing issue and has no 'bottom-line' impact on the accounts; and
 - The whole of government accounts consolidation pack received has yet to be revised to reflect changes to the accounts.

Recommendations

R3 Improve qualitative processes to include robust officer review to ensure the accounts presented for audit are free from inconsistency and casting errors.

R4 Review all disclosures to ensure compliance with recommended practice and consistency with the core financial statements.

R5 Strengthen controls over the authorisation of journals and consider senior officer review of journals over a specified amount prior to input.

Systems of internal control

- 22** As part of our audit, we consider the systems of accounting and financial control and report to you any material weaknesses identified.
- 23** We have not provided a comprehensive statement of all weaknesses which may exist in internal control or of all improvements which may be made, but have addressed only those matters which have come to our attention as a result of the audit procedures we have performed.
- 24** We have also reviewed whether the SIC has been prepared in accordance with proper practice specified by CIPFA and is consistent with the findings from our audit. There are no matters arising.

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Use of resources

Work performed

- 25 The Code requires us to reach a conclusion on whether we are satisfied that the Council has proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources – the value for money conclusion. In meeting this responsibility, we review evidence that is relevant to the Council's corporate performance management and financial management arrangements across a range of criteria specified by the Audit Commission. Our work to support our conclusion comprised the following elements:
- use of resources (UoR) assessment;
 - data quality work; and
 - the best value performance plan.
- 26 Details of the criteria specified by the Audit Commission, our UoR assessments for last year and our proposed value for money conclusion for this year are set out in Appendix 7. On the basis of our assessment last year and the work we have undertaken to date, we propose issuing an unqualified value for money conclusion by 30 September 2007 (a draft report is attached at Appendix 4), although, as noted below our work to update the UoR assessments for 2006/07 is still in progress.

Use of resources assessment

- 27 We are currently undertaking our work on the use of resources assessment, and will report our findings to the relevant officers and the Audit Committee in a separate report and in the annual audit and inspection letter.

Data quality work

- 28 We are currently undertaking our work on our data quality review and in depth work on a sample of indicators. We will report to officers the outcome of our assessment of the arrangements in place for ensuring the quality of data in a separate report. Our report to officers will cover issues identified during our work.
- 29 However, on the basis of work undertaken in previous years and the work we will be completing on management arrangements this year, we anticipate concluding that the Council's arrangements for data quality are satisfactory.

Best value performance plan

- 30 Our work in respect of the Authority's 2006/07 Best Value Performance Plan (BVPP) was reported in the 2006 annual audit and inspection letter. No recommendations were made to the Audit Commission or the Secretary of State.

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Audit fee update

- 31 We reported our fee proposals as part of the Audit Plan for 2006/07. The table below reports the outturn fee against that plan:

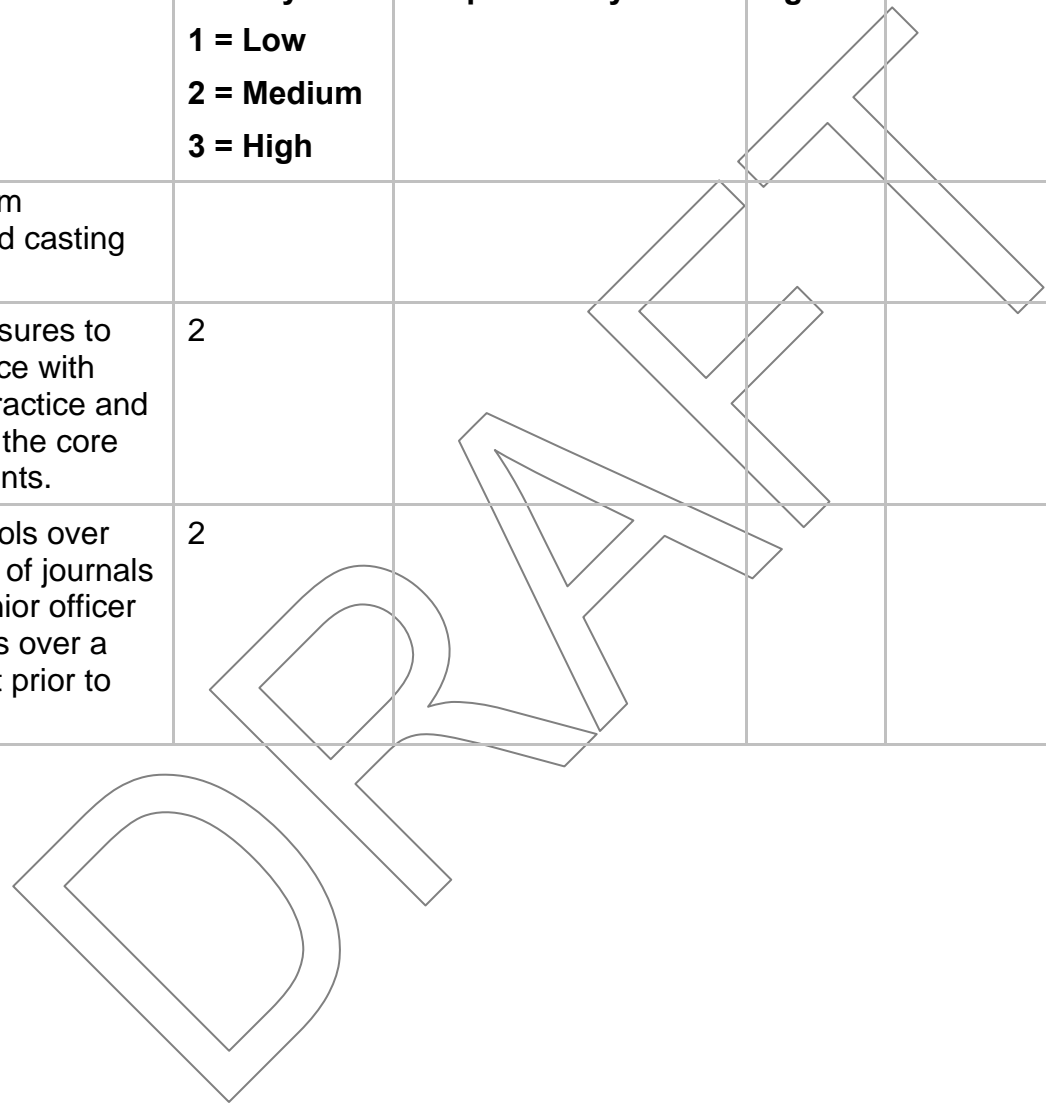
	Plan 2006/07	Estimated Actual 2006/07
Financial statements and Statement on Internal Control	92,542	99,542
Use of Resources	51,289	44,289
Whole of Government Accounts (WGA)	Not in plan	2,524
Total Audit Fees	143,831	146,355
Grants certification work	65,000	65,000 (on-going)

- 32 The analysis above shows that our audit fee has been contained within the totals you have already agreed.
- 33 Additional work was undertaken to enable us to give an opinion on the accounts. However, this was offset by the reduced time required to undertake local risk work to inform our Use of Resources work.
- 34 At the time of issuing the original 2006/07 plan, we did not include a fee for the audit of the Whole of Government Accounts (WGA) data return as the Audit Commission was still discussing the scope of the likely work with the NAO and other stakeholders. On 7 September we wrote to the Director of Finance regarding the additional invoice of £2,524 for this work.
- 35 The outturn on inspection fees will be reported in the annual audit and inspection letter.

Appendix 1 – Action plan

Page	Recommendation	Priority 1 = Low 2 = Medium 3 = High	Responsibility	Agreed	Comments	Anticipated Implementation Date
8	Improve year end processes for producing the financial statements to ensure the accounts presented for approval are free from material misstatement and are supported by a robust set of working papers and detailed analytical review.	3				
8	Incorporate within year end processes a review of all significant accounting items for compliance with relevant Financial Reporting Standards.	3				
9	Improve qualitative processes to ensure robust officer review to ensure the accounts presented for	3				

Page	Recommendation	Priority 1 = Low 2 = Medium 3 = High	Responsibility	Agreed	Comments	Anticipated Implementation Date
	audit are free from inconsistency and casting errors.					
10	Review all disclosures to ensure compliance with recommended practice and consistency with the core financial statements.	2				
10	Strengthen controls over the authorisation of journals and consider senior officer review of journals over a specified amount prior to input.	2				



Appendix 2 – The Audit Commission’s requirements in respect of independence and objectivity

- 1 We are required to communicate the following matters to those charged with governance:
 - the principal threats, if any, to objectivity and independence identified by the auditor, including consideration of all relationships between the Authority, directors and the auditor;
 - any safeguards adopted and the reasons why they are considered to be effective;
 - any independent partner review;
 - the overall assessment of threats and safeguards; and
 - information about the general policies and processes for maintaining objectivity and independence.
- 2 We are not aware of any relationships that may affect the independence and objectivity of the audit team and which are required to be disclosed under auditing and ethical standards.

Appendix 3 – Audit reports issued

Planned output	Planned date of issue	Actual date of issue	Addressee
Audit plan	March 2006	March 2006	Audit Committee
Certified return on selected PIs	October 2006	October 2006	Management
BVPP Opinion	December 2006	November 2006	The Authority
LAA partnership review	TBA	December 2006	Management
Use of Resources assessment	TBA	March 2007	The Authority
Data quality report	TBA	May 2007	Management
Annual governance report	September 2007	September 2007	Audit Committee
Opinion on financial statements	September 2007	September 2007	The Authority
Use of resources (VFM) conclusion	September 2007	September 2007	The Authority
Final accounts memorandum	October 2007	TBA	Management
Annual audit letter	November 2007	Expected March 2008	Audit Committee

Appendix 4 – Proposed auditor's report

Independent auditor's report to the Members of Watford Borough Council

Opinion on the financial statements

I have audited the financial statements of Watford Borough Council for the year ended 31 March 2007 under the Audit Commission Act 1998, which comprise the Explanatory Foreword, Income and Expenditure Account, Statement of the Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, the Housing Revenue Account, the Collection Fund and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to Watford Borough Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Chief Finance Officer and auditors

The Chief Finance Officer's responsibilities for preparing the financial statements in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006 are set out in the Statement of Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements present fairly the financial position of the Authority in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006.

I review whether the statement on internal control reflects compliance with CIPFA's guidance 'The statement on internal control in local government: meeting the requirements of the Accounts and Audit Regulations 2003' issued in April 2004. I report if it does not comply with proper practices specified by CIPFA or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I/we considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I/we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, the financial position of the Authority as at 31 March 2007 and its income and expenditure for the year then ended.

Debbie Hanson

District Auditor

x September 2007

Audit Commission

1st Floor, Sheffield House, Lytton Way, off Gates Way, Stevenage,
Hertfordshire. SG1 3HG

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's Responsibilities

The authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the authority is required to prepare and publish a best value performance plan summarising the authority's assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

I am required by section 7 of the Local Government Act 1999 to carry out an audit of the authority's best value performance plan and issue a report:

- certifying that I have done so;
- stating whether I believe that the plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
- where relevant, making any recommendations under section 7 of the Local Government Act 1999.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities specified by the Audit Commission and published in December 2006, I am satisfied that, in all significant respects, Watford Borough Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2007. List all relevant Code criteria, for example

Best Value Performance Plan

I issued my statutory report on the audit of the authority's best value performance plan for the financial year 2006/07 on 23 November 2006. I did not identify any matters to be reported to the authority and did not make any recommendations on procedures in relation to the plan.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Debbie Hanson

District Auditor

x September 2007

Audit Commission

1st Floor, Sheffield House, Lytton Way, off Gates Way, Stevenage,
Hertfordshire. SG1 3HG

Appendix 5 – Management representation letter

To:

Ms D Hanson

District Auditor
Audit Commission Sheffield House
Lytton Way
Stevenage
Herts
SG1 3HG

Watford Borough Council - Audit for the year ended 31 March 2007

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Watford Borough Council the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2007.

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements which present fairly and for making accurate representations to you.

The Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Council and committee meetings, have been made available to you.

Related party transactions

I confirm the completeness of the information provided regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements

Contingent liabilities

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

Law, regulations, contractual arrangements and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Council.

The body has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Assets

The following have been properly recorded and when appropriate adequately disclosed in the financial statements:

- losses arising from sale & purchase commitments;
- agreements & options to buy back assets previously sold; and
- assets pledged as collateral.

Irregularities

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect error.

There have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

Post balance sheet events

Since the date of approval of the financial statements by Members of the Council, no additional significant post balance sheet events that have occurred which would require additional adjustment or disclosure in the financial statements and pension fund accounts.

Compensating arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts.

Signed on behalf of Watford Borough Council

Name: Ms Janice Maule

Position: Director of Finance

Date: x September 2007

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Appendix 6 – Summary of adjusted misstatements

- 1 The following misstatements were identified during the course of our audit and the financial statements have been adjusted by management. We bring them to your attention to assist you in fulfilling your governance responsibilities.

		Income and Expenditure Account		Balance Sheet	
Adjusted misstatements	Nature of Adjustment	Dr £000s	Cr £000s	Dr £000s	Cr £000s
<i>Description of Misstatement</i>					
Debtors & creditor account overstatement of council tax arrears	Dr Creditors. Cr Debtors.			2,922	2,922
Cash balances netted off on the balance sheet	Dr Cash in Hand. Cr Bank Overdraft			1,345	1,345
Misclassification of Short term investments as long term investments	Dr Short term Investments. Cr. Long term investments			2,000	2,000
Earmarked reserves incorrectly classified as creditors	Dr Creditors. Cr Earmarked reserves			1,380	1,380

Appendix 7 – Value for money conclusion

- 2 The Audit Commission has published, in accordance with the Code of Audit Practice, 12 criteria on which auditors are required to reach a conclusion on the adequacy of an audited body’s arrangements for economy, efficiency and effectiveness in its use of resources.
- 3 The Code criteria are linked to the use of resources assessment (UoR) key lines of enquiry (KLoEs). A score of Level 2 or higher under the KLoEs will result in an assessment that the Authority has adequate arrangements in place for the purposes of the Code criteria. The Code criteria and the linked KLoEs are show in the table below, which also shows the UoR score from our last UoR assessment reported in March 2007. Our work on the 2007 assessment is currently in progress.

Code Criteria	Description	Associated UoR KLoE	UoR Score (2006)	Proposed VFM Conclusion
1	The body has put in place arrangements for setting, reviewing and implementing its strategic and operational objectives.	N/A	N/A	Adequate
2	The body has put in place channels of communication with service users and other stakeholders including partners, and there are monitoring arrangements to ensure that key messages about services are taken into account.	N/A	N/A	Adequate
3	The body has put in place arrangements for monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary, and reporting to members.	N/A	N/A	Adequate
4	The body has put in place arrangements to monitor the quality of its published performance information, and to report the results to members.	LG DQ KLoEs	N/A	Adequate
5	The body has put in place arrangements to maintain a sound system of internal control.	4.2	2	Adequate

6	The body has put in place arrangements to manage its significant business risks.	4.1	2	Adequate
7	The body has put in place arrangements to manage and improve value for money.	5.2	3	Adequate
8	The body has put in place a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities.	2.1	3	Adequate
9	The body has put in place arrangements to ensure that its spending matches its available resources.	3.1	3	Adequate
10	The body has put in place arrangements for managing performance against budgets.	2.2	2	Adequate
11	The body has put in place arrangements for the management of its asset base.	2.3	1	Adequate
12	The body has put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of its business.	4.3	3	Adequate