

STANDARDS COMMITTEE
11 March, 2005

AUDIT COMMISSION: AUDIT OF THE BEST VALUE PERFORMANCE PLAN AND BEST VALUE PERFORMANCE INDICATORS

Purpose of the Report

1. To draw the Audit Commission's Audit of the Best Value Performance Plan and Best Value Performance Indicators to the attention of the Standards Committee.

Background

2. Each year the District Auditor audits the County Council's Best Value Performance Plan (the Performance & Improvement Plan). This includes an audit of the County Council's Best Value Performance Indicators (BVPIs). The report for 2003/04 is attached. It gives an unqualified BVPP opinion and recognises improvements in performance information:

"As can be seen there has been a significant improvement in the accuracy of the performance information over the prior year. As a result, unlike last year, we do not propose a statutory recommendation concerning performance data arrangements."

3. The number of problem BVPIs fell to five out of 76 indicators (7%), (for 2002/03 this was 15%). Three of these were corrected, and two were reserved by the auditor. Although we aim to have no reserved BVPIs, this level of reservations is below the county council average (3.8) and is equivalent to best quartile performance. The two reserved PIs were:

- **BV 12 The average working days lost due to sickness per FTE**

Reserved due the authority's system not recording the nearest half day when an individual reports sick part way through the day/shift as required by the definition. The Chief Personnel Officer has put alternative arrangements in place to collect this information from February 2005.

- **BV 177 Legal and advice expenditure on quality mark services**

Reserved on the basis that the authority was unable to provide sufficient audit trail for the calculation provided. This was partly because a member of staff was unavailable at the time of the audit. Arrangements have been put in place for improved staff cover and working papers.

Main Considerations for the Council

4. The Auditor has made three recommendations, which are shown in the report together with our responses.
5. Our response to recommendation three registers our disappointment in the Audit Commission's decision to stop providing pre-publication audit. This has been useful

in the past, and has provided an opportunity to clear any misunderstanding in relation to the Audit Commission's guidance on the calculation of indicators. Such guidance is usually received late in the year or sometimes after the year-end. For example, in January 2005 the Audit Commission published Newsletter 25 which set its requirements for 2004/05 indicators – these indicators have been in place since April 2004. This guidance was changed in February. Further changes may appear. To help fill the gap, the Council's Internal Audit section has agreed to do a small amount of work on performance indicators this year.

6. The Office of the Deputy Prime Minister wrote to Chief Executives on the 28th February setting out the Best Value Performance Indicator requirements for 2005/06. The document is 299 pages long, and introduces considerable changes to the BVPI set that must be in place from April 2005. In the next few months staff will be producing final BVPI information for 2004/05 for publication and audit, and at the same time will be introducing arrangements for the BVPI set for 2005/06.

Environmental Impact of the Proposal

7. No specific recommendations or implications.

Financial Implications

8. No specific recommendations or implications.

Reasons for the Proposals

9. To draw the Audit Commission's Audit of the Best Value Performance Plan and Best Value Performance Indicators to the attention of the Standards Committee.

Recommendation

10. The Standards Committee is invited to welcome the County Council's improved performance and to consider whether it wishes to make any further comment.

KEITH ROBINSON

Chief Executive

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The following unpublished documents have been relied upon in the preparation of this Report: Working papers and correspondence relating to the audit of BVPIs.