

Audit of Performance Indicators and Best Value Performance Plan

Devon County Council

Audit 2004-2005

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Introduction and objectives

- 1 The Local Government Act, 1999 (the Act) requires best value authorities to publish a best value performance plan (BVPP) each year, setting out an assessment of current performance and targets for improvements. The Act requires the external auditors of best value authorities to audit the BVPP and report whether it has been prepared and published in accordance with the Act and statutory guidance.
- 2 Auditors are also required by the Code of Audit Practice (the Code) to review best value authorities' arrangements for the management of performance, and the systems for producing specified performance information.
- 3 Our objective was to consider and report on:
 - whether the BVPP content met the minimum statutory requirements; and
 - the adequacy of the systems you have put in place to produce and publish best value performance indicators (BVPIs) and other performance information (both to inform our audit opinion on the BVPP and to report on arrangements to ensure data quality to the Audit Commission).
- 4 It should be noted that this report is not the auditor's statutory audit report on the BVPP as required under section 7 of the Local Government Act 1999, which is published separately.

Audit approach

BVPP compliance audit

- 5 The extent to which your BVPP complies with legislation and revised statutory guidance was assessed by drawing upon checklists produced by the Audit Commission. This is the 'BVPP Compliance Checklist' and the 'BVPI inclusion checklist'.

Performance indicator audit

- 6 To inform our judgement on the arrangements in place to ensure that performance indicators are produced in accordance with the relevant guidance, we have taken the following approach.
- Select a sample of BVPIs and other performance indicators (PIs) to review. This sample has been determined in part by the Audit Commission and also by risk assessment. Indicators assessed as high-risk in the year have been included in the sample. A complete list of the sample and results of testing is at Appendix 1.
 - For each PI, obtain explanations for variances from the previous year.
 - Test each PI to determine whether the correct definitions have been used and whether the PI has been correctly calculated.
 - Review the system in place to ensure that the PI is properly prepared.
 - Test the system to ensure that it is working effectively.
- 7 We also reviewed the quality assurance arrangements operated by the service departments.

Findings and recommendations

BVPP compliance audit

- 8 The published BVPP complied with both statutory requirements and good practice guidance. A summary of the findings is set out below.

Table 1 BVPP compliance

Expected content	Findings
A summary of the Authority's strategic objectives and priorities for improvement.	All expected objectives and priorities were included.
Arrangements for addressing the Authority's improvement priorities.	The Council's key objectives are included in the BVPP along with how this will be measured. This includes the actual actions that will be taken to achieve the objectives.
Details of past, current and planned performance.	All of the required performance indicators have been included in the BVPP. See findings from BVPI audit for further details.

Expected content	Findings
Brief statement on contracts awarded during the past year, involving a transfer of staff.	Statement of contracts awarded during the year involving a transfer of staff has been included in the BVPP.
Has the Authority published its BVPP by 30 June?	BVPP was published by 30 June 2005.

BVPI and other PIs audit

Quality assurance arrangements

- 9 The introduction of a computer system has improved access to information required for the audit.

Completeness of PIs

- 10 All required BVPIs are included in the BVPP. Around seven targets have, however, been omitted.

Recommendation

R1 The Council should ensure that targets for all indicators are included in future BVPPs.

Accuracy of PIs

- 11 A summary of findings following the testing of BVPIs and other PIs is shown at Appendix 1.

Next steps

- 12 An action plan has been prepared and is attached at Appendix 2.
- 13 We would like to take this opportunity to thank the Council's staff for their help during the audit.

Appendix 1 - Summary of PI testing

Table 2 Summary of PI testing

PI	Calculated correctly and in accordance with PI definition?	System in place to prepare PI and working effectively?	Improvements required
BV 157 - Percentage of interactions with public capable of electronic service delivery.	Yes	Yes	None.
BV 159 - Percentage permanently excluded pupils provided with tuition.	Yes	Yes	None.
BV 192a - Average days access to relevant training and development per practitioner.	Yes	No - the number of practitioners is estimated. A reservation has been placed on this indicator.	The number of practitioners needs to be ascertained and used in future BVPI calculations.
BV 49 - Stability of placements of children looked after.	Yes	Yes	None.
BV 52 - Cost of intensive social care.	Yes	No - information supplied by external providers that goes towards the denominator is incomplete. A reservation has been placed on this indicator.	Systems for collection of information from external providers needs to be further improved.

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PI	Calculated correctly and in accordance with PI definition?	System in place to prepare PI and working effectively?	Improvements required
BV 53 - Intensive home care per 1,000 population aged 65 or over.	Yes	No - information supplied by external providers that goes towards the numerator is incomplete. A reservation has been placed on this indicator.	Systems for collection of information from external providers needs to be further improved.
BV 58 - Percentage of people receiving a statement of needs.	Yes	Yes	None.
BV161 - Employment, education and training for care leavers.	Yes	Yes	None.
BV 201 - Adults receiving direct payments.	Yes	Yes	None.
BV 82 - Household waste.	Yes	Yes	None.
BV 96 - Condition of principal roads.	Yes	Yes	None.
BV 178 - Percentage of footpaths and rights of way that are easy to use.	Yes	Yes	None.
BV 109 - Planning applications determined within 13 weeks.	Yes.	Yes	None.

PI	Calculated correctly and in accordance with PI definition?	System in place to prepare PI and working effectively?	Improvements required
Stock turnover (number of stock issues divided by the number of books held).	No - the indicator has been incorrectly calculated, and should show 4.8.	No - the Galaxy system used for this indicator operates on a live basis and there is no archive available. We have therefore been unable to test that the controls in place are operating satisfactorily and have placed a reservation on these indicators.	The Authority should amend the figure to show 4.8. Management trails should be further developed to enable quality checks and audit tests.
Public Library Service Standards on access (PLS 1, 2 and 6).	Yes	Yes	None.
Public Library Service Standards on stock (PLS 5, 9 and 10).	Yes	No - the Galaxy system used for this indicator operates on a live basis and there is no archive available. We have therefore been unable to test that the controls in place are operating satisfactorily and have placed a reservation on these indicators.	Management trails should be further developed to enable quality checks and audit tests.

Appendix 2 - Action plan

Recommendations	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
R1 The Council should ensure that targets for all indicators are included in future BVPPs.	2	None required.		<p>For BVPIs 39, 194a and 194b DfES does not require targets to be set for future years.</p> <p>For BVPIs 38, 40, 41, 181a to d targets for 2007/08 are not negotiated with schools until during the 2005/06 academic year for submission to DfES by 31 January 2006.</p> <p>For all remaining PIs where no targets were provided the PIs had been withdrawn, amended, or targets were not required by ODPM.</p>	
R2 BVPI 192a. The number of practitioners needs to be ascertained and used in future BVPI calculations.	3	Sue Turner PI Team		BVPI 192a has been withdrawn from 2005/06. The replacement indicator BVPI 222a requires similar denominator information. The Authority has a number of questions relating to the collection of this information being referred to the Audit Commission PI Team for clarification.	January 2006

Recommendations	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
R3 BVPI 52. Systems for collection of information from external providers needs to be further improved.	3	Steve Blandford		Implementation of the solution to this was hampered last year by renewal of all domiciliary care contracts in Devon, resulting in the change of a significant number of providers. This year's validation exercise is already 70 per cent complete and we do not anticipate this problem recurring.	March 2006
R4 BVPI 53. Systems for collection of information from external providers needs to be further improved.	3	Steve Blandford		As above for BVPI 52.	March 2006
R5 (Stock turnover) The Authority should amend the figure to show 4.8.	2	Geraint Hughes		This is CPA Culture indicator C12a and has been agreed with IPF as 4.83. Previous error related to misleading wording of definition that is now resolved. (Under CPA definition, since adjusted to 6.03 with inclusion of deprivation gradient factor.)	December 2005

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Recommendations	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
R6 PLS 5, 9 and 10. Management trails should be further developed to enable quality checks and audit tests.	2	Geraint Hughes		<p>PLSS 5: Requests performance. Management trail already developed with new mechanism on Galaxy MI system (from December 2005) which has allowed us to move away from annual sampling survey. Can still be further tested for audit purposes by sampling at frontline as necessary.</p> <p>PLSS 9 and 10: Annual items through purchase and time taken to replenish stock.</p> <p>In the context of the Galaxy system, we will explore ways of further validating and complementing system-produced data to demonstrate that purchases of new stock have actually taken place to the level the system tells us.</p>	<p>March 2006 for year-end data.</p> <p>July 2006</p>