

Report to: **Audit Scrutiny Committee**
Date: **27^h March 2006**
Report of: **Assistant Chief Executive**
Subject: **Auditors report on the Audit of the 2004/2005 Best Value Performance Indicators**
Ward: **All**

1.0 Purpose of the Report

- 1.1 To present the Audit Commission's feedback report on their audit of the Council's Best Value Performance Indicators for 2004/5.

2.0 Consultation

- 2.1 Officers responsible for the calculation and reporting of the BVPI returns have been notified of the findings and recommendations included within the Audit Commission's report. This report has also been considered by Management Team.
- 2.2 Discussions have also taken place with the Audit Manager in relation to the recommendations and with the Executive Member for Organisational Development

3.0 Background

- 3.1 The annual audit of the Council's best value performance plan for 2005/6 was carried out towards the end of last year. You may recall that I reported to this committee in January 2006 the District Auditor's report, concluding that the plan had been prepared and published, in accordance with the statutory requirements. As part of that audit, the Commission is required to review selected performance indicators contained within the Plan. This review was undertaken last year by a team of specialist Officers from the Audit Commission.
- 3.2 The Audit considered a total of 34 PIs (a selection of BVPI's and HIP indicators) across a range of service areas – attached as Appendix "1" to this report is the Audit Summary report of the Commission's findings as a result of their audit. This report highlights errors or omissions found in 13 of the Indicators audited. Of these, 2 indicators were "reserved" as a consequence of the Audit, resulting in a void return for the Authority; these 2 indicators are BVPI 199 which measures the amounts of litter and detritus, and BVPI 79b, which records the percentages of overpayments housing/council tax benefit which have been recovered. The other issues raised as inaccuracies can be categorised as follows:
- 6 had errors in either the way they were calculated/or in the decimal place
 - 4 had errors as a result of the direction not being strictly followed
 - 1 had a lack of supporting evidence

4.0 Follow up work

- 4.1 As a result of receiving this report, Officers within my unit have contacted each of the Officers responsible for collating and returning the Indicators highlighted

with a view to improving the data quality arrangements within each of the areas.

4.2 In relation to the 2 indicators which were “reserved”, the following actions have been taken:

- **BVPI 199** – this indicator was reserved as a result of one of the surveys not being carried out during the period specified in the guidance document – this was due to a lack of capacity at that time. In addition, there were issues around validation of the surveys, lack of supporting evidence and an incorrect number of sites being surveyed. Following advice from District Audit and Officers meeting with Defra Officials, all of these issues have now been addressed. Improvements include the development of the GIS to allow modifications to land use being charted; the introduction of hand held technology and improvements to the information contained within the survey files. Relevant Officers have also attended additional training provided by Encams in relation to this area of work.
- **BVPI 79b** – this indicator was reserved due to the Authority’s inability to collect the data necessary to complete a return. Improvements to the computer software within the Benefits and Rents sections have now enabled this information to be collected, and we have started receiving returns for this BVPI, from the 3rd quarter of this year.

4.3 As the Audit Commission have informed us that there will be less regulation, therefore we are expected to improve our own arrangements for securing data quality, we have drawn up an action plan to address the problems encountered in last year’s audit. Following a meeting with District Audit, these “agreed actions” were incorporated into his final report and form section 12 of the document in Appendix “1”. As stated in the audit report, District Audit will follow up these actions next year to ensure we have implemented our proposals.

5.0 Action Plan to improve our data quality arrangements

5.1 In order to ensure that we implement the actions identified for ensuring improvements in the way the BVPI and HIP data is collected, calculated and evidenced, the agreed actions have been incorporated into the work programme for my unit, as shown below:

- Working with Internal Audit, a system of checks will be made, on a 6 monthly basis. These checks will consider the guidance applicable to the P.I’s, the calculation method, and the evidence trail. The list of P.I’s to be considered for this interim audit will be agreed by both CDU and IA, and will be based on
 - (i) those indicators picked out as having errors on them the previous year
 - (ii) those indicators highlighted as “key” indicators by the Authority
 - (iii) those indicators identified by District Audit as being up for review in the forthcoming audit
- A meeting will be held at appropriate intervals, facilitated by CDU and IA, with all Officers responsible for collating the BVPI’s, to provide guidance and support

- CDU to play a more proactive role in identifying any areas of concern around the BVPI returns, and to improve “guidance “ role – eg when newsletters are produced, or additional guidance notes are received from the Audit Commission, CDU to highlight areas to specific Officers responsible for those P.I’s which have changed
- The new computerised Performance management system will enhance the delivery of the information and provide improved access and data collation, however CDU needs to develop a system of checks to ensure data quality.
- CDU to facilitate an approach whereby targets are challenged and agreed corporately

5.2 This work also involves Officers from Internal Audit, therefore we have held discussions with the Audit Manager and they have programmed these actions into their work plan also, for the coming year.

6.0 Implications

6.1 Financial Implications

This report has no financial implications

6.2 Legal Implications

This report has no direct legal implications

6.3 Policy Implications

This report has no direct policy implications

6.4 Risk Implications

A risk assessment has been carried out.

6.5 Communications

This report has no direct communications implications

7.0 Corporate Implications

7.1 Corporate Plan and Priorities

This report relates to the Corporate and Best Value Performance Plan as the BVPI data is recorded within that document.

7.2 Equality and Diversity

There are no direct Equality and Diversity implications.

7.3 E Government

There are no e government implications

7.4 Procurement

There are no specific procurement issues.

8.0 Recommendations

8.1 Members are asked to

- (1) Note the report of the Audit Commission in relation to the audit of the BVP and HIP Indicators
- (2) Agree the Action plan for improvements to our data quality arrangements

Background Papers

Corporate and Best Value Performance Plan 2005/6

Auditor's report on the Audit of Performance Indicators January 2006