



OVERVIEW & SCRUTINY BOARD

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Audit of the 2003/04 BVPIs

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Summary

To inform Scrutiny of the results of the internal and external audit of the 2003/04 BVPIs particularly in light of the concerns Scrutiny raised last year in relation to the audit of the 2002/03 BVPIs. This report also suggests the proposed actions required in relation to the 2004/05 and 2005/06 BVPIs

Evidence/ Discussion

Background

In 2002/03 Middlesbrough Council received criticism from external auditors, Scrutiny and the Executive with regards to the reliability of data provided relating to the 2002/03 BVPIs.

The Audit and Inspection letter 2003 noted that 42% of the BVPIs submitted were inaccurate and seven BVPIs were qualified. Whilst the authority disputed the exact percentage of BVPIs that were incorrect it was clear that the Council needed to improve its data collection processes, as the number of BVPIs changed after submission was unacceptably high.

The Authority took action to improve the data collection processes this action included:

- providing clear guidance to service areas
- raising the profile of BVPIs
- ensuring that there was clear accountability for the provision of BVPI information
- Performance and Policy providing additional checks on the quality of the data provided
- a strengthened role for Internal Audit

In 2003/04 our local external auditors qualified no BVPIs. However, it should be noted that the authority is still waiting final confirmation that the BVPIs relating to finance and survey based BVPIs have passed audit. The finance BVPIs account for a small number of BVPIs and the indications from external auditors are that all are satisfactory.

The survey based BVPIs are audited by ODPM and Audit Commission auditors based in London. The indications are that there may be problems with the survey relating to satisfaction with planning services (BVPI 111).

Our External auditors were dissatisfied with either the evidence provided or the accuracy of the system for the three BVPIs listed below.

- BVPIs 82a – d (waste management BVPI)
- 84 (waste management BVPI)
- BVPI 56 – Items of equipment delivered within 7 working days

Additional, last minute work was required on the above BVPIs to ensure that they passed audit. Heads of Services with responsibility for the above BVPIs have been asked to ensure that similar problems don't occur in 2004/05.

In 2003/04 only seven BVPIs were amended after submission this equates to less than 5% and represents a significant improvement on the previous year. A list of the auditor's amendments and comments is attached at appendix A.

The external auditors involved with auditing the 2003/04 BVPIs stated that the information and evidence supplied represented a significant improvement on previous years.

Action required by Service Areas

Whilst the improved data submission was partly due to improvements in data collection by service areas credit for this improvement must also go to Internal Audit and the Performance and Policy team as the additional checks undertaken picked up a number of errors.

It should be noted that the work undertaken by Internal Audit found that 15% of the BVPIs they checked were inaccurate and 59% of the BVPIs checked had inadequate supporting documentation.

It is clear that whilst data collection process relating to BVPIs have improved service areas need to further improve the accuracy of their reporting. In particular the relevant Heads of Service MUST ensure that they are confident that the information supplied is accurate and BVPI co-ordinators must quality assure the submission.

Evidence to support the calculation of many BVPIs was often not supplied or was incomplete. Service areas must ensure that every figure used in the BVPI calculation can be evidenced. Where data is held in a different system to the source system, evidence from the source system must be supplied.

Some of the Corporate Health BVPIs rely on all service areas within the Council to record data accurately e.g. working days lost through sickness absence. This BVPI requires each service area to ensure that accurate recording practices are in place. It is important that service areas adhere to corporate guidance in respect of such BVPIs as failure to do so, even within one small team, could lead to the BVPI having 'reservations expressed' about its accuracy or leading to the BVPI being 'qualified'.

BVPIs 2004/05 and 2005/06

The suite of BVPIs for 2004/05 has remained largely unchanged. Therefore service areas should have relatively little difficulty in providing accurate information and relevant supporting documentation.

ODPM have consulted with authorities on a new suite of BVPIs for 2005/06, this consultation has been circulated to CMT members and BVPI co-ordinators. It is likely that information on the definitive set of BVPIs for 2005/06 will become available by December 2004 and the new suite of BVPIs will become effective from 1st April 2005. Service areas will need to make sure that robust data collection processes are in place for any new or amended BVPIs. This is likely to be a substantial amount of work for some service areas.

Conclusion

Whilst it is clear that data collection processes have improved across the council there were still too many errors picked up by Internal Audit and Performance and Policy. Therefore further action is required for the 2004/05 suite of BVPIs this includes:

Internal Audit undertakes an agreed programme of work relating to the BVPIs for both 2004/05 and 2005/06.

Service areas ensure that the problems identified by audit in 2003/04 are addressed.

Service areas note the comments made by internal audit in respect of evidence supplied and ensure that these are taken on board when supplying evidence for 2004/05.

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