



Evaluation of the 1999/2000
performance management
and planning audit

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Introduction

Best Value in Scotland requires every council to develop effective performance management and planning (PMP) arrangements. In 1999/2000 the Accounts Commission completed a detailed audit of councils' progress in developing their arrangements for performance management and planning. Three services were audited in each of the 32 Scottish councils. A detailed report on the findings from the audit will be available from Audit Scotland later in 2000.

As part of its own commitment to continuous improvement, Audit Scotland, on behalf of the Accounts Commission, completed an extensive evaluation exercise at the end of the 1999/2000 PMP audit. This report summarises the key findings from the evaluation of the 1999/2000 PMP audit and the main changes in relation to the 2000/2001 PMP audit are set out.

Background

The Best Value Task Force set out the features of a best value council in its final report in December 1999:

- commitment to Best Value and acceptance of 4 key principles (accountability, ownership, continuous improvement, transparency)
- political and senior management leadership
- an effective performance management and planning (PMP) framework
- public performance reporting
- a commitment to equality issues

Objectives of the PMP audit

The Accounts Commission was given responsibility for auditing councils' progress in implementing the PMP framework. The PMP Audit was applied for the first time in all Scottish councils in 1999/2000. The objectives of the PMP Audit are to:

- provide independent external assurance that councils are making progress on implementing a PMP framework
- help identify both good practice and areas of concern
- ensure that each council is planning for improvement.

Audit approach

In each council three nominated services were audited. The audit approach was as follows. The Accounts Commission produced a Manager's Guide to the audit and an Auditor's Guide. Both were made available to councils and to auditors. The Manager's Guide provided an overview of the audit and, under 10 criteria, set out:

- what the service's PMP audit submission should cover
- the key features of a best value service
- the audit focus

The Auditor Guide covered the same material but also provided audit templates which detailed the specific audit tasks to be completed when assessing the service's submission.

Audit process

The audit process started with auditors agreeing with the Chief Executive the three services to be audited in 1999/2000. Services were then provided with copies of the audit documentation and key milestone dates agreed. Services completed their audit submission, assessing their current PMP framework using the audit material available. The submission was passed to the auditor who reviewed the submission against the detailed audit template and checked a sample of evidence to assess the service evaluation. The auditor and service then agreed key improvements that were needed for the service's PMP framework and the actions necessary to achieve these improvements.

A follow-up audit of services' progress against these planned improvement actions will take place during 2000/2001.

Evaluation of the 1999/2000 PMP audit

As part of its own commitment to continuous improvement, Audit Scotland completed an extensive evaluation exercise at the end of the 1999/2000 PMP audit on behalf of the Accounts Commission. The evaluation was undertaken in a number of ways:

1. All services audited in 1999/2000 were sent an evaluation questionnaire on completion of the audit. Those services which had not replied within 3 weeks were sent a reminder letter plus another questionnaire.
A total of 78 responses were received (an 81% response rate).
2. All auditors were sent an evaluation questionnaire at the end of each council's audit. All were returned.
3. The Commission organised two informal workshops to discuss the PMP audit in April 2000 for Best Value coordinators in councils. All councils were invited and 28 were represented at the workshops.
4. The Commission organised a workshop for auditors to discuss the PMP audit in May 2000.
5. The Scottish Centre for European Public Sector Studies (Comhairle) at the University of Paisley was commissioned to undertake independent research into the 1999/2000 PMP audit. Semi-structured interviews took place in eight councils with the BV co-ordinators and the three service managers involved in the PMP audit.

Findings

1. Overall response to the PMP audit

Overall response to the PMP audit was largely positive and favourable with managers commenting that the audit allowed them a chance to focus, reflect on and review their service delivery. A considerable number of unsolicited comments about the usefulness of both PMP and the scrutiny by the auditor were received.

Comments from services included:

- 'we learnt a great deal from the exercise'*
- 'the PMP process is definitely worthwhile'*
- '(the audit was) helpful in developing service plan goals'*
- 'the audit was extremely valuable'*
- 'a very useful complement to the department's programme of continuous improvement'*
- 'an effective process, highlighting areas of weakness'*
- 'the approach is being considered for BV reviews from now on'*
- 'overall most constructive, thought provoking and worthwhile'*
- 'the audit has helped us focus on what is still to be achieved'*

Comments from auditors included:

- 'the service was very positive (about the audit) and used the audit to help inform their own service review'*
- 'the service was very positive about the process and found the exercise useful and one that added value'*
- 'the service was very enthusiastic and felt there was benefit'*

However, there was a small number of instances where the audit was less well received. This appears to have been caused by a combination of attitudes/approaches by the auditor and the service *'the impression gained (from the service) was that this was just another job to be done'*. In a small number of instances, auditors reported that a service appeared reluctant to scrutinise itself: *'one of the services concentrated solely on trying to present the best picture possible'*

Some services also reported that auditors had taken too rigid an approach to the audit and the audit material and had not been sufficiently challenging about the service's performance:

- '(the auditor was) not tough enough'*
- 'a missed opportunity'*
- 'it was too much yes/no'*
- 'statements of evidence were simply accepted on trust'*
- 'Audit team appeared to be constrained by the process of the audit and could not accept a more flexible interpretation'*

2. The PMP audit material

75% of services which responded to the evaluation questionnaire indicated that the PMP documentation had been adequate for their needs. Overall, there was broad and positive support for the 10 criteria underpinning PMP. These were felt to be generally helpful at providing a summary of the focus for Best Value '(the material) *concentrated the mind on what makes a BV service*'.

However, it is apparent that many services were unclear as to the connection between the Managers' Guide and the Auditor Guide, and on the type and quantity of evidence to be made available to the auditor. However, of the services which required clarification on parts of the documentation/procedure, 70% were able to obtain adequate clarification from the auditor. The other major comment on the documentation related to the occasional overlap between parts of the audit templates covering the different criteria.

There was general agreement on the need:

- to produce a single PMP document (rather than both the Managers Guide and the Auditor Guide)
- to remove overlaps/duplication within the audit templates
- for a period of stability in the PMP audit with only minimal change from year to year
- for a continuous improvement approach to the development of PMP

3. Timing of the audit

There was considerable variability as to when services were informed they would be subject to PMP audit (either by the auditor or by corporate officers). A small number of services were notified in the first half of August 1999. At the other extreme some were not notified until early January 2000. The bulk (almost 50%) were notified in the second half of October or the first half of November.

Inevitably, together with the Christmas/Millennium holidays, this frequently caused considerable time pressures on both services and auditors to meet agreed timescales.

4. Time taken to complete the audit

On average, services indicated it took 10 days of staff time to complete the PMP submission with 2/3rds of services completing the work within this time. A small number of services indicated it had taken them considerably longer, in one case up to 60 days. In some cases, it appears that where the time input was higher, this was because services had little experience of being externally audited and had difficulty meeting the evidence requirements of auditors with little available documentation to hand on systems, procedures and performance.

5. The Auditor

a) Initial feedback

80% of services indicated that the auditor's initial written feedback on their submission was a fair and accurate assessment of the service's submission. Of those who disagreed, typical comments included (not in rank order):

- Lack of initial experience/understanding by the auditor in terms of what the service does, how it operates, the constraints it faces
- Disagreement over whether evidence existed to support the service's submission
- Auditor feedback was too general and lacked an adequate service-specific focus

b) Formal meeting between the service and auditor

93% of services indicated that the formal meeting with the auditor to discuss initial audit findings had been useful.

c) Final report

88% of services indicated that the auditor's final report was both fair and accurate.

However, only 18% of final reports were submitted by the agreed date. Reasons for this slippage were several including:

- the time taken for the service and auditor to agree the final report
- the time/difficulty taken to sample check evidence
- inadequate or incomplete initial submissions from the service

d) Contacting the auditor

All services indicated they had been able to contact the auditor when required and that queries were dealt with promptly, helpfully, and on the whole, effectively.

6. The service

a) adequacy of the initial service submission

Auditors indicated that less than half of initial service submissions were adequate from their perspective. The main reasons given for inadequacy were:

- submissions were not sufficiently detailed to enable the auditor to complete the audit templates
- the required accompanying documentation was not provided (service plans, committee reports etc)
- no improvement actions were detailed

This inevitably caused additional work for both services and auditors and contributed to slippage.

b) checking sample evidence

80% of auditors indicated that they had been able to check the sample evidence required easily and efficiently.

c) contact with the service

The overwhelming majority of auditors commented that they had been able to contact the relevant people in the service when needed and that queries had been dealt with promptly, effectively and helpfully.

Conclusion

Overall, there has been an extremely positive response to the PMP audit from both services and auditors. The audit structure and the audit process have generally been seen as useful and productive in encouraging services to assess their existing PMP framework. The audit has also generally been seen as effective at encouraging services to agree specific improvement actions designed to strengthen their PMP framework for delivering best value services.

Services largely felt that the audit had been challenging but productive and useful at helping them identify improvements to their PMP framework and that auditors had been professional in their approach. Auditors, by and large, commented on the openness of service submissions and the helpfulness of service staff.

Prior to the evaluation exercise, Audit Scotland had already arranged:

- a) Training workshops to support the 2000/2001 PMP audit for all auditors in the Autumn of 2000
- b) Workshops in the Autumn of 2000 for all services involved in the 2000/2001 PMP Audit

A number of other areas for improvement in the PMP audit have been identified in terms both of the audit material and the audit process. These are being made in time for the 2000/2001 PMP audit:

In addition, at a corporate level, councils may also wish to ensure that the learning that took place in services involved in the 1999/2000 PMP audit is shared with services included in the 2000/2001 PMP audit.

Summary of the key changes to the PMP audit

Improvement	What the improvement will achieve
1. Services to be included in the 2000/2001 PMP audit to be selected by June 2000.	This will allow services more time to consider their PMP submission and consider the evidence that will support their submission.
2. The Manager's Guide and the Auditor Guide will be integrated into a single document for the 2000/2001 PMP Audit	This will remove any possible confusion as to which document should be used and will provide a single reference document for the PMP audit.
3. The 2000/2001 PMP Audit Guide will be designed <ul style="list-style-type: none"> • to minimise overlap and duplication between audit prompts • to provide additional guidance on the format of the submission • to provide additional guidance on the evidence to be made available to the auditor 	This will improve the user-friendliness of the audit guide and make it clearer to both service and auditor what is required and what will be audited.
4. Audit Scotland will provide detailed individual feedback to auditors on their 1999/2000 performance	This will ensure auditors are aware of how services viewed their performance last year. It will assist auditors in reviewing how the audit can be improved.
5. Formal briefing to the auditor to be given by services at the start of the audit	This will provide the council with an opportunity to brief the auditor on its approach to PMP.
6. Agreement between the service and the auditor on the audit findings should be reached no later than end February 2001	This will ensure that services are able to build agreed improvement actions into their service planning