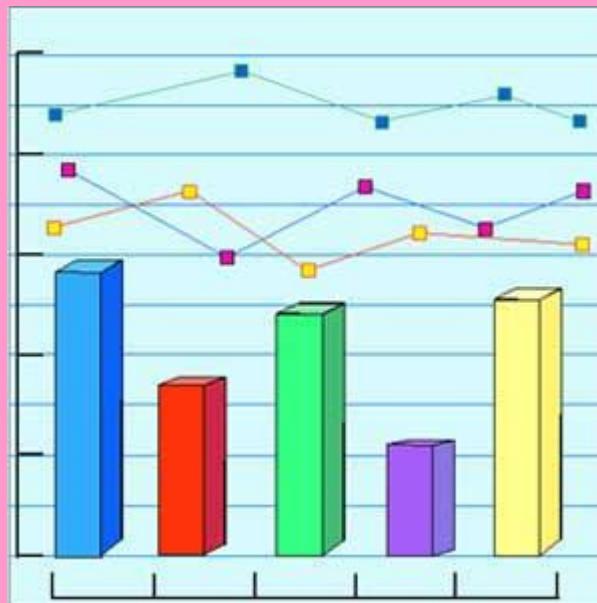




SAINT HELENA **AUDIT SERVICE**

PERFORMANCE INDICATORS IN PW&SD



VALUE FOR MONEY REPORT

V08 – MARCH 2010

Value for Money audits are conducted by the Audit Service on behalf of the Legislative Council, in order to determine whether St Helena Government resources have been used with proper regard to economy, efficiency and effectiveness.

CONTENTS

Executive Summary. **3**

1. Findings and Conclusions **4**

2. Management Response and Action Plan **5**

Appendices:

A. Audit Opinion Definitions 6

B. Scoping and Resourcing 6

<p>Value For Money Team: Tony Kilner. Contact Details: Tel: 2107, chief.auditor@sainthelena.gov.sh</p>	<p>Report Distribution: Manger/Head of Department Public Works and Services Department, Chief Secretary, Financial Secretary and Legislative Council. The executive summary is provided to the Public Accounts Committee and Audit Committee. It is available to the public through our website (www.audit.gov.sh), in the Public Library and at the Audit Service Offices.</p>
--	--

PERFORMANCE INDICATORS IN PW&SD

EXECUTIVE SUMMARY

An Audit of Performance Indicators in the Public Works and Services Department is included in the 2009/10 plan of value for money audits. The focus of the audit, as described in that plan, is the appropriateness and accuracy of the performance indicators in the PW&SD business plan.

Although the 2008/09 PW&SD Business Plan contains numerous performance targets, there has been no reporting against these targets, except where this has been required for other purposes such as reporting against the Front Loading Initial Triggers (FLITs) or reporting to donors.

As a result this audit has not required any detailed work in order to reach our overall opinion, which is given below. The range of possible audit opinions given for Value For Money is good, adequate and inadequate. Definitions of the audit opinions can be found at Appendix A to the main report.

PERFORMANCE INDICATORS IN PW&SD

INADEQUATE

Management arrangements are not considered to be adequately conducive to achieving maximum Value For Money.

Because there has been no reporting of actual results against targets, the process of setting targets in the business plan has been a waste of time and money. The business planning process has been of no use to the Manager/Head of Department, the Public Works and Service Committee, the Chief Secretary or anyone else in monitoring or managing performance in the department.

The report makes three recommendations, all rated high priority. They are that the Department should report against targets set out in its business plan; that Heads of Department should receive appraisals; and that SHG's policy on performance management should be implemented by the Public Works and Services Department.

1 FINDINGS AND CONCLUSIONS

Introduction

- 1.1 An Audit of Performance indicators in the Public Works and Services Department is included in the 2009/10 plan of value for money audits.
- 1.2 The focus of the audit, as described in that plan, is the appropriateness and accuracy of the performance indicators in the PW&SD business plan.
- 1.3 The 2008/09 PW&SD business plan includes two types of performance targets. Firstly, for each section within the department, there is a table listing actions to be completed within given timeframes over the period 2008/09 to 2010/11. Secondly, for each department, there is a set of indicators measuring the volume or level of services. (e.g. "200 meters of road edge protection installed.")
- 1.4 These targets form the bulk of the 44 page business plan.
- 1.5 There is reporting against some targets in the SDP and against the FLIT targets where these relate to the work of the department.
- 1.6 There is also reporting against targets for particular projects agreed with donors.
- 1.7 There is however no systematic reporting of actual results to compare against targets in the Business Plan.

Conclusion

- 1.8 The process of setting targets in the business plan has been a waste of time and money. The business planning process has been of no use to the Manager/Head of Department, the Public Works and Service Committee, the Chief Secretary or anyone else in monitoring or managing performance in the Department.

Other Remarks

- 1.9 We had intended, as part of the audit to examine the way in which data on performance reported against business plan targets is used to help in the management of staff performance.
- 1.10 As noted in previous audits, Heads of Departments have not received performance appraisals for a number of years. (See Business Planning and Key Performance Indicators Reports from February 2006, November 2006 and May 2008 which are available at www.audit.gov.sh/publications.htm) At the time of writing, the Head of Department had not received an appraisal since taking up his post four years ago.
- 1.11 SHG's policy, as set out in the Code of Management, is that all departmental objectives must be translated into individual performance plans and that these plans must be reviewed and formally appraised annually. (See Chapter 13.3 of the Code of Management.) While appraisals for some senior staff have now been completed, these do not include any appraisal against business plan targets.

2 MANAGEMENT RESPONSE AND ACTION PLAN

	RECOMMENDATION	Officer responsible for implementation	Priority	Implementation expected to be complete by: (Month, Year)	Management Comments
1	The Department should report against targets set out in its business plan.	Manager/ Head of Department	H	No response received	No response received
2	Heads of Departments should receive appraisals.	Chief Secretary	H	April 2010	
3	SHG's policy on performance management should be implemented by the Public Works and Services Department.	Manager/ Head of Department	H	No response received	No response received

APPENDIX A**AUDIT OPINION DEFINITIONS**

Every Value For Money audit concludes with an overall opinion based upon individual opinions that are applied to each of the review areas identified in the scope of the audit. The range of opinions, together with an explanation of their meanings, is as follows:

<i>Value For Money Opinions</i>	
GOOD	Management arrangements are conducive to achieving Value For Money and only minor enhancements, if any, can be identified.
ADEQUATE	Management arrangements are generally conducive to achieving Value For Money – but further important enhancements could be made.
INADEQUATE	Management arrangements are not considered to be adequately conducive to achieving maximum Value For Money.

APPENDIX B**SCOPING AND RESOURCING**

The purpose of the audit was to assess the appropriateness and accuracy of performance indicators in PW&SD Business Plans.

This was done by:

- Interviewing the Manager/Head of Department Mr Derek Richards.
- Reviewing business plans and related documents.

The audit was undertaken during the period October 2009 to December 2009. The total cost of undertaking the audit was £600.