

### 3. AUDIT OF COVALENT PERFORMANCE MANAGEMENT SYSTEM

The Audit Committee considered a report (copies of which had been circulated) by the Internal Audit Manager informing the members of the results of recent audit work carried out on the Covalent Performance Management System.

The report advised that in April and May 2009 an audit had been carried out and involved testing a random sample of 22 high level performance indicators to determine whether they were up to date and accurate.

Attached to the report at Appendix 1 were the details of the audit and which were summarised as below: -

- 18 indicators were up to date; 4 indicators (18% of the sample) were not up to date;
- 14 indicators were considered to be accurate or to have minor errors which would not effect understanding of performance (64% of the sample);
- 3 indicators could not be checked as back-up information was not available or was not auditable;
- 4 indicators either had material errors or were estimates, which turned out to be materially different from actual.
- One indicator (NET006\_9b) required a revised definition as it did not appear to be an effective measure of performance

The Internal Audit Manager advised that it was imperative that information within Covalent was an accurate reflection of service performance and that services must ensure that back up documentation was retained to enable performance information within Covalent to be checked.

Additionally some indicators comprised estimated information and the Internal Audit Manager suggested that the Best Value Manager consider whether this was appropriate.

The report concluded that further improvement must be made to ensure that performance information included with Covalent was relevant, accurate and up to date.

The Chief Executive then advised the committee that he had communicated to all staff/managers, following the last Audit Committee, the need to improve the accuracy of the data being input to Covalent and if there was no improvement over the coming months strong management action would be taken.

Councillor McGinty then questioned what level of management was responsible for checking the accuracy of data being input into the Covalent System.

The Best Value Manager explained that each Covalent indicator identified who was responsible for building the data and therefore who verified the data. And if concerns with the accuracy or relevance of the data were identified then this could be escalated to either Head of Service or Director level.

Councillor Anderson then expressed concern that some of the data within Covalent were estimates and if there was any doubt with regards to the data then the performance indicator should remain blank until such time the data could be verified.

The Best Value Manager advised that he had not been aware that this practice was taking place and that only through the audit process had it been identified and therefore steps would be taken to have the practice stopped.

Councillor McGinty then queried what level of guidance was provided to services in terms of retaining background/supporting information for the performance indicators.

The Internal Audit Manager explained that in a number of cases the data in Covalent was taken from another computer-based system, as opposed to a paper-based system, and that this was not always a satisfactory method for obtaining accurate data.

Additionally the Best Value Manager advised that guidance on completion of the Covalent performance indicators was provided to all services but it would appear that this information needed to be provided again.

Councillor Anderson concluded that there was a perceived lack of confidence in the system and that a report back to the December meeting of the Audit Committee would be welcome.

### Decision

1. Noted the terms of the report; and
2. Agreed that a further report on the Covalent Performance Management System be presented to the December meeting of the Audit Committee.