

**HERTFORDSHIRE COUNTY COUNCIL
AUDIT COMMITTEE**

THURSDAY 20th JUNE 2002 AT 2.15 P.M.

Agenda Item No.

4

THE COMPREHENSIVE PERFORMANCE ASSESSMENT (CPA)

Report of the Chief Executive

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1. Purpose

To explain the process of the Comprehensive Performance Assessment, as requested by the Committee at their last meeting.

2. Background

Hertfordshire County Council volunteered to be a pathfinder authority for the Comprehensive Performance Assessment (CPA) as this fits in with the Best Value review of the Management of the Authority – Herts Connect Simply Done which is now in train. The CPA involves judgements being made by a variety of different methods and inspectorates and a numerical model being used to come to an overall judgement. Each authority will be placed in a category of top performing, striving, coasting or low performing depending upon their overall score. The elements of the CPA are:

- Education performance assessed by Ofsted
- Social Services performance assessed by the Social Services Inspectorate
- Fire Service performance assessed by HMI Fire
- “Gap” Best Value inspections – in Hertfordshire’s case Libraries and Highways Maintenance
- Corporate Governance inspection undertaken by the Corporate Assessment Team
- District Audit assessment

The weighting between the individual elements to make up the final judgement has not yet been decided. It is recognised however that the Corporate Governance Assessment will form an important part of the final judgement.

3. The Corporate Governance Assessment

The process for the Corporate Governance Assessment is as follows:

1. Preparation and submission of a self-assessment

2. Review of the self-assessment, examination of published information and liaison with partner inspectorates e.g. District Audit, the Best Value Inspectorate and Ofsted by the Corporate Assessment Team.
3. Round-table discussion for the Corporate Assessment Team (CAT) to present the initial findings of their research and discuss this with the authority.
4. Corporate Governance Inspection
5. Presentation of draft report, opportunity for the Authority to comment and challenge (two weeks)
6. For pathfinders only, four-month period during which the Authority can work on the main recommendations before a finalised ranking is given
7. Authority produces an action plan to address issues in the Assessment which is agreed with the Audit Commission.

We are responding to our draft report on 27th May and will be able to present progress against the main recommendations in our report in September.

4. Other inspection activity

Other inspection activity which will contribute to the final CPA assessment which is currently taking place includes:

1. The District Audit Comprehensive Performance Assessment - Assessment completed, will be reviewed before final input to the process in September
2. Social Services star rating – result expected 27th May
3. "Gap" inspection of Library Services – inspection completed, awaiting interim challenge 10th June
4. "Gap" inspection of Highways Maintenance – inspection completed, interim challenge 29th May
5. HMI Fire – inspection completed, awaiting report
6. Ofsted star rating.

5. District Audit involvement

The key contribution of District Audit is their completion of "audit judgement" forms. These score the Council on both current performance and capacity to improve in respect of six areas:

1. Financial standing
2. Internal financial control
3. Standards of financial conduct, and the prevention and detection of fraud and corruption
4. Financial statements
5. Legality of financial transactions
6. Aspects of performance management.

Scores were based on the last year's audit (2000/01); they were discussed with the Finance Director, and submitted to meet the Audit Commission deadline of 9th April. An action plan has now been agreed, with actions for both the Council and District Audit to address prior to a final submission of the scores. No deadline for this revised submission has yet been received from the Audit Commission, but we are

provisionally assuming September. The scores will also be updated based on information obtained during the current audit.

District Audit are also involved through:

1. Statutory audit of the Best Value Performance Indicators (specified indicators will contribute to the Audit Commission's CPA model)
2. Contribution to the Corporate Assessment Team as required.

6. Pathfinding

Being a pathfinder authority has given us an opportunity to comment on and shape the CPA process. We have taken part in a range of workshops and discussion fora and given feedback on the Corporate Governance inspection process. We will continue to be consulted at every stage of the process although it is something of a movable feast at the moment. The next stage is a workshop on action planning, this has been postponed as the Audit Commission are not yet ready to take it forward. Pathfinding has also involved senior officers in a number of speaking engagements.