

**BUSINESS PLANNING
&
KEY PERFORMANCE INDICATORS**
(Year 3 of 3)







VALUE FOR MONEY REPORT

Final v. 1.0

DATE:	May 2008
AUDIT REF:	V41

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EXECUTIVE SUMMARY & OVERALL AUDIT OPINION

The October 2007 to January 2008 Value For Money audit of "Business Planning and Key Performance Indicators" which is the final part of a three year review, assessed the adequacy of the framework in place to ensure Value For Money is achieved in the Business Planning process within St Helena Government.

Good business planning allows government departments to clearly identify their objectives and ensure that these objectives are in line with Government's overall objectives laid out in the National Strategy for St Helena and in the Sustainable Development plan. It also helps ensure that resources are properly aligned to meeting departments' objectives and allows achievement of these objectives to be measured through performance measures. It is therefore fundamental in ensuring that value for money is achieved.

Based upon the work undertaken and the findings detailed in the body of this report, our overall audit opinions are shown below. The range of possible audit opinions is Good, Adequate and Inadequate. Definitions of these opinions are provided in Appendix A to the main report.

BUSINESS PLANNING

Adequate

Management arrangements are generally conducive to achieving Value For Money – but further important enhancements could be made.

The government departments subjected to this review were: Development and Economic Planning, Education, Public Health and Social Services and Public Works and Services.

The Acting Chief Secretary provided guidelines for government departments to follow during the 2007/08 Business Planning process, which the above departments broadly followed. A consistent format for business plans helps in checking that they are complete, consistent with each other and that together they are effective in implementing Government's overall objectives. We have therefore made some recommendations to departments to help ensure compliance with the Acting Chief Secretary's guidelines.

An annual central review and challenge of departmental Business Plans was recommended and agreed for implementation in the first part of the Value For Money Business Planning and Key Performance Indicators audit cycle. This recommendation is restated and it is important that this is done every year.

USE OF KEY PERFORMANCE INDICATORS

Adequate

Management arrangements are generally conducive to achieving Value For Money – but further important enhancements could be made.

Performance measures are set within the departmental business plans. Both Development and Economic Planning Department and Education Department have taken a further step by selecting a few of these performance measures to act as key performance indicators, as requested by the Acting Chief Secretary and Accountant, Financial Analysis and Planning. Key performance indicators are required to provide an overall picture of how well the department is performing, whilst the performance measures provide more detail. Public Works and Services Department and Public Health and Social Security Department are yet to identify a selection of key performance indicators.

A total of eleven recommendations were made from the part three review for management to consider, see section 4 for details.

FOLLOW-UP ON PROGRESS MADE AGAINST FEBRUARY 2006 AND NOVEMBER 2006 VFM RECOMMENDATIONS**Adequate**

Management arrangements are generally conducive to achieving Value For Money – but further important enhancements could be made.

A total of thirty one recommendations were made to the Chief Secretary, Financial Secretary and to the government departments covered during the Business Planning and Key Performance Indicators Value For Money reviews - Parts One and Two. During our follow up, we had found the following significant recommendations outstanding and beyond the agreed timescales.

The outstanding and significant recommendations are:

- All Heads of Departments should receive formal annual appraisals to help ensure that their individual goals and objectives are closely aligned to achievement of the Department Business Plan and to ensure ongoing discussion and awareness of constraints and issues; and
- An annual central review and challenge of Departmental Business Plans should be re-introduced in the interests of ensuring a unified 'best practice' approach and quality control mechanism.

1. INTRODUCTION

- 1.1 The October 2007 to January 2008 Value For Money (VFM) audit of "Business Planning and Key Performance Indicators" which is the final part of a three year review, assessed the adequacy of the framework in place to ensure VFM is achieved in the Business Planning process within St Helena Government (SHG).
- 1.2 Good business planning allows government departments to clearly identify their objectives and ensure that these objectives are in line with Government's overall objectives laid out in the National Strategy for St Helena and in the Sustainable Development plan. It also helps ensure that resources are properly aligned to meeting departments' objectives and allows achievement of these objectives to be measured through performance measures. It is therefore fundamental in ensuring that value for money is achieved.
- 1.3 Copies of this report are provided to the Legislative Council, (who we conduct Value For Money audits on behalf of), to the relevant Heads of Department and their respective committee (if applicable), and the Chief Secretary. This report is also provided to the public through its availability to visitors to our offices, the public library and also through publication on our website. Executive summaries and action plans are provided to the Public Accounts Committee and Audit Committee.

2. RESOURCING & SCOPE

- 2.1 The agreed audit purpose was to assess whether SHG Business Planning is conducive to ensuring VFM – by assessing compatibility with the set SHG Business Planning Framework and the identification, presentation and measurement of appropriate Key Performance Indicators (KPIs) covering the areas of economy, efficiency and effectiveness.
- 2.2 To do this, we reviewed the draft National Strategy of SHG and Business Plans of all Departments over a three year period and will include scrutiny of reported attainment of KPIs. In this particular review (part three) we have covered Business Planning in the Departments of:
- Development and Economic Planning (DEPD);
 - Education;
 - Public Health and Social Services (PHSSD); and
 - Public Works and Services (PW&SD).

- 2.3 This review included a look at:
- The set Framework (as per summary table below on page 8) and clear linkage with the Sustainable Development Plan specified by Acting Chief Secretary 14/03/2007 in Business Plans circular;
 - The Business Plans 2006/07-2008/09 memo by Accountant, Financial Analysis and Planning (FPA) dated 06/02/06;
 - Adoption of the European Foundation for Quality Management (EFQM) Excellence Model concept introduced by HE the Governor on 15/07/05; and
 - Specific, Measurable, Achievable, Realistic, and Timed (SMART) KPIs, Performance Measures and Targets.
- 2.4 The audit was undertaken during the period October 2007 to January 2008 by Helena Bennett, VFM Audit Manager (trainee), Sheridan Richards, VFM Auditor (trainee) and Krystal Phillips, Assistant Auditor. Support and guidance was given by Tony Kilner, Chief Auditor. The total cost of undertaking the audit was £5,000.
- 2.5 The assistance given by all SHG staff is acknowledged with appreciation. A list of those involved is included at Appendix B to this report.

3. FINDINGS & CONCLUSIONS

- 3.1 The main findings and conclusions drawn are presented here and are based upon the agreed scope of the audit, the actual work undertaken and the evidence gathered.
- 3.2 Recommendations are presented in Section 4 of this report, together with management response and action plans.

General

- 3.3 Below are areas across the departments under review that require attention.
- 3.4 SWOT analysis is the simplest form of the risk management. Departments should continue to produce a 'SWOT' analysis in future Business Planning until a risk register is compiled.
(Recommendation 1)

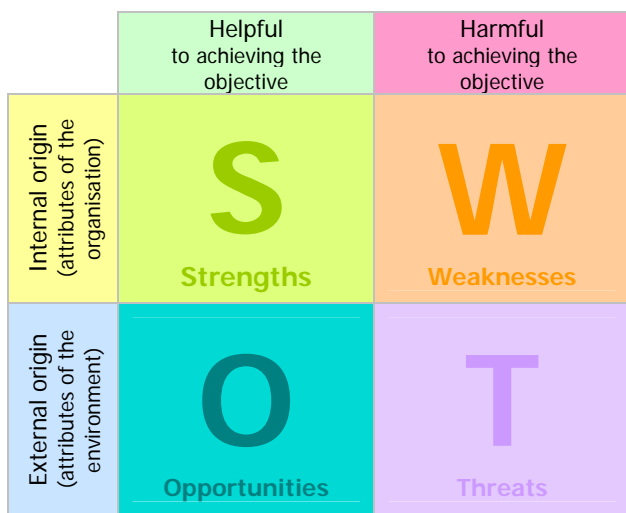


Figure 1

3.5 A circular (No. 2/2008) was issued to Heads of Department by the Acting Chief Secretary during the finalisation stage of this report. This circular confirmed departments are required to conform to the guidelines issued by the Accountant FPA on 06/02/06 (Business Plans – 2006/07 – 2008/09), the Acting Chief Secretary on 14/03/07 (Business Plans) and include the Excellence Model introduced by HE the Governor on 15/07/05. Further clarification on the Business Planning process can be sought from the Acting Chief Secretary.

3.6 Department Business Plans are not benefiting from an annual central challenge (this was recommended in BP&KPIs first report February 2006). There is only a limited process of Business Plans being approved by Line Managers and Committees that SHG follows to ensure Departments set targets aligned with core strategic objectives and that they will achieve them.
(Recommendation 2)

3.7 In conclusion, SHG issued a set of guidelines for departments to broadly follow during the business planning process. By adhering to these guidelines departments provide SHG with a consistent business planning format that is easier for Line Managers to review and understand key issues and actions planned by departments for the forthcoming year.

Development & Economic Planning Department

3.8 DEPD Business Plan met all of the criteria (as shown in the summary table below) of the Acting Secretary's Business Plan circular dated 14/03/207, with exception of the SWOT analysis component (see paragraph 3.4 above).

3.9 In conclusion DEPD Business Plan is conducive to achieving VFM. To ensure consistency for future business planning in SHG, DEPD should include a SWOT analysis.

Education Department

3.10 Whilst the Education Department produced an action table in their 2007/08 Business Plan, the format does not match the format laid out in figure 2.
(Recommendation 3)

Objective /Key Issues	Actions	Time Table	Performance Indicators	Targets
Identified for the period	To address the Key issues	For undertaking and completing the actions	To measure progress (used to determine whether the desired result has been achieved	Verifiable means to measure and assess outcome – usually quantified

Business Plans Circular No. 2/07, dated 14/03/07
Figure 2

3.11 The memo issued by the Accountant FPA, dated 06/02/06 requested Departments to implement the recommendations made in the first VFM Business Plans and KPIs Report, particularly to include two cross cutting KPIs – Average Number of Days absent during the year per employee and Percentage of Actual Departmental Expenditure covered through Departmental Revenue raised. Education is yet to include these two KPIs.
(Recommendation 4)

3.12 In conclusion, Education Business Plan is conducive to achieving VFM. To ensure consistency for future business planning in SHG, Education should align their action table to the standard action table and consider the recommended cross-cutting KPIs.

Public Health & Social Services Department

3.13 PHSSD produced an action table in their 2007/08 Business Plan; the format does not match the format laid out in figure 2.
(Recommendation 5)

3.14 The Acting Chief Secretary Circular dated 14/03/07 and Accountant FPA Memo dated 06/02/06 requested Departments to select a small set of indicators from their performance measures to serve as KPIs, including the two cross-cutting KPIs stated in paragraph 3.10.
(Recommendation 6)

3.15 In conclusion, PHSSD Business Plan is conducive to achieving VFM. To ensure consistency for future business planning in SHG, PHSSD should align their action table to the standard action table and consider key indicators from amongst their performance measures.

Public Works and Services Department

3.16 PW&SD Business Plan is not in compliance with guidelines issued by Acting Chief Secretary on 14/03/07. There is no Main Clients, Review of Prior Year, 'SWOT' analysis, Organisation Chart, Budget and Staff Resource Plan. PW&SD have 'Focus Areas' rather than Strategic Objectives, which does not link to their Action Plans. The guidelines required departments to produce a three year plan. The PW&SD Business Plan inconsistently describes itself as a three year or one year plan.

(Recommendation 7)

3.17 The Accountant FPA memo dated 06/02/06, request Committees or Line Managers to review and challenge Departmental Business Plans. Whilst PW&SD Manager stated the Public Works and Services Committee approved the 2007/08 Business Plan, there are no minutes to support the approval.

(Recommendation 8)

3.18 The Acting Chief Secretary Circular dated 14/03/07 and Accountant FPA Memo dated 06/02/06 requested departments to select a small set of indicators from their performance measures to serve as KPIs, including the two cross-cutting KPIs stated in paragraph 3.10. PW&SD have not selected any KPIs during the Business Planning process.

(Recommendation 9)

3.19 The Excellence Model, introduced by HE, the Governor on 15/07/05, is intended as a self assessment tool to ensure Departments consider inputs ie resources during the business planning process as well outputs. From review of PW&SD action table, only outputs were considered, but not in the context of SMART (see figure 3 below).

(Recommendation 10)



Figure 3

3.20 PW&SD do not track progress against their Business Plan, specifically against the action table. The PW&SD Manager stated progress is verbally discussed. With no supporting documentation of progress, Section Heads could easily backtrack on progress.

(Recommendation 11)

3.21 In conclusion, PW&SD is not conducive to achieving VFM. To ensure consistency for future business planning in SHG, PW&SD should consider complying with future guidelines issued by the Acting Chief Secretary, to consider inputs into PW&SD activities and SMART performance measures and KPIs.

**Summary of Departmental Business Plan Compliance with set Framework
(OCS Circular No. 2/07 dated 14/03/2007)**

	DEPD	Education	PHSSD	PWSD
Introduction	✓	✓	✓	✓(*)
Mission Statement	✓	✓	✓	✓
Strategic Objectives	✓	✓	✓	✓(*)
Range of Services	✓	✓	✓	✓
Main Clients	✓	✓	✓	-
Review of Prior Year	✓	✓	-	-
Key Issues ahead	✓	✓	✓(*)	✓(*)
SWOT Analysis	-	✓	✓	-
Table 1 – Strategic Objectives & SDP	✓	✓	✓	-
Table 1 – Key issues	✓	✓(*)	✓	✓
Table 1 – Actions	✓	✓	✓(*)	✓
Table 1 – Timetables	✓	✓	-	✓
Table 1 – Performance Indicators	✓	✓(*)	✓(*)	✓
Table 1 – Targets	✓	✓(*)	✓(*)	✓
Organisation Chart	✓	✓	-	-
Budget	✓	✓	-	-
Staff Resource Plan	✓	✓	-	-

- ✓ = Component present and judged to be sufficient in terms of meeting the requirements set down.
 - = Component not present or judged to be inadequate in terms of meeting the requirements set down.
 (*) = The required components were included – but incorporated in other elements of the Business Plan rather than being presented exactly as required by the Corporate framework set.

The existence of Performance Indicators and Targets does not imply that there were identified Key Performance Indicators or that the measures included a focus on Value For Money.

4. RECOMMENDATIONS & MANAGEMENT ACTION PLAN

General (For all departments to consider)

Recommendation 1	It is recommended that departments continue to produce a SWOT analysis for future business plans, until they have implemented a risk register.
Priority: (H/M/L)	
MEDIUM	<i>(For Audit Finding on which this is based, refer to Main Report, Section 3.4)</i>
Management Response	General Comments:
	<i>Agreed – PW&SD, DEPD and PHSSD</i>
	Officer responsible for Implementation:
	<i>Manager/HoD</i>
	Implementation expected to be complete by: (Month & Year)
	<i>During business planning process. PW&SD - 1st May 2008.</i>

Recommendation 2	An annual central review and challenge of departmental business plans should be re-introduced. This ensures departmental objectives are aligned to achieving the National Strategy through the Sustainable Development Plan.
Priority: (H/M/L)	
HIGH	<i>(For Audit Finding on which this is based, refer to Main Report, Section 3.5)</i>
Management Response	General Comments:
	<i>With reference to the Public Accounts Committee Meeting, 28th March 2008. Acting Chief Secretary agreed all Heads of Department will receive appraisals for the year ending 31 March 2008 by the end of June 2008.</i>
	Officer responsible for Implementation:
	<i>Acting Chief Secretary</i>
	Implementation expected to be complete by: (Month & Year)
	<i>June 2008</i>

Development and Economic Planning Department

No recommendations made.

Education Department

Recommendation 3	It is suggested for the standard table format for action plans issued by the Acting Chief Secretary is used by Education. This provides a consistent approach to business planning by departments and makes it easier for line managers to understand key issues planned for the year for all departments at a glance.
Priority: (H/M/L)	
MEDIUM	<i>(For Audit Finding on which this is based, refer to Main Report, Section 3.9)</i>
Management Response	General Comments:
	<i>Chief Education Officer clarified with HE the Governor on the approved format for business planning. It was confusing for departments to determine what the correct instructions to use were and there was no assistance in implementing these instructions. HE the Governor confirmed during a Heads of Department meeting that departments should use a format that best suits their needs.</i>
	Officer responsible for Implementation:
	<i>Chief Education Officer</i>
	Implementation expected to be complete by: (Month & Year)
	<i>Depending on what format is approved by St Helena Government and when.</i>

Recommendation 4	Education should consider using the two recommended KPIs by the Accountant FPA.
Priority: (H/M/L)	
MEDIUM	<i>(For Audit Finding on which this is based, refer to Main Report, Section 3.10)</i>
Management Response	General Comments:
	<i>Agreed. Chief Education Officer commented, to include the KPI staff absenteeism, she approached the Human Resources Department to confirm a benchmark for their target. The Human Resources Department could not provide a benchmark therefore this KPI is yet to be implemented.</i>
	Officer responsible for Implementation:
	<i>Chief Education Officer</i>
	Implementation expected to be complete by: (Month & Year)
	<i>Pending on a suitable benchmark.</i>

Public Health and Social Services Department

Recommendation 5	It is suggested for the standard table format for action plans issued by the Acting Chief Secretary is used by PHSSD. This provides a consistent approach to business planning by departments and makes it easier for line managers to understand key issues planned for the year for all departments at a glance.
Priority: (H/M/L)	
MEDIUM	<i>(For Audit Finding on which this is based, refer to Main Report, Section 3.12)</i>
Management Response	General Comments:
	<i>Agreed.</i>
	Officer responsible for Implementation:
	<i>CAHSSO</i>
	Implementation expected to be complete by: (Month & Year)
	<i>July 2008</i>

Recommendation 6	PHSSD should consider including the two KPIs recommended by the Accountant FPA and KPIs from their current set of performance measures. The KPIs identified should have some consideration of VFM attainment as required by SHG.
Priority: (H/M/L)	
MEDIUM	<i>(For Audit Finding on which this is based, refer to Main Report, Section 3.13)</i>
Management Response	General Comments:
	<i>Agreed. PHSSD are currently putting together their 2008/09 – 2010/11 business plan together and plans to include their high level indicators and any Key Performance Indicators highlighted from their new Health Strategy (once in place).</i>
	<i>PHSSD agreed to include the cross cutting KPI – Average number of days absent during the year per employee. The KPI of percentage of actual departmental expenditure covered through departmental revenue raised would not be applicable for PHSSD as they are not a revenue making department and they currently subsidise some of their costs to the public.</i>
	Officer responsible for Implementation:
	<i>CAHSSO</i>
Implementation expected to be complete by: (Month & Year)	
	<i>July 2008</i>

Public Works and Services Department

Recommendation 7	It is suggested for the guidelines issued by the Acting Chief Secretary are used by PW&SD. This provides a consistent approach to business planning by departments and makes it easier for line managers to understand key issues planned for the year for all departments at a glance.
Priority: (H/M/L)	
MEDIUM	<i>(For Audit Finding on which this is based, refer to Main Report, Section 3.15)</i>
Management Response	General Comments:
	<i>PW and SD will review. 2008 Business Plan had to be released earlier than anticipated and is still in current format. Will raise this at 6 monthly review and revise.</i>
	Officer responsible for Implementation:
	<i>Manager/HoD</i>
	Implementation expected to be complete by: (Month & Year)
	<i>October 2008</i>

Recommendation 8	It is recommended for detailed minutes to be produced for Public Works and Services Committee. These minutes to include approval for key issues such as annual business plans.
Priority: (H/M/L)	
MEDIUM	<i>(For Audit Finding on which this is based, refer to Main Report, Section 3.16)</i>
Management Response	General Comments:
	<i>Detailed minutes of PW and SC are produced. Business Plans will be placed on the Agenda on a quarterly basis.</i>
	Officer responsible for Implementation:
	<i>Manager/HoD</i>
	Implementation expected to be complete by: (Month & Year)
	<i>Effective immediately.</i>

Recommendation 9	PW&SD should consider including the two KPIs recommended by the Accountant FPA and KPIs from their current set of performance measures. The KPIs identified should have some consideration of VFM attainment as required by SHG.
Priority: (H/M/L)	
MEDIUM	<i>(For Audit Finding on which this is based, refer to Main Report, Section 3.17)</i>
Management Response	General Comments:
	<i>Will implement - effective 6 monthly review</i>
	Officer responsible for Implementation:
	<i>Manager/HoD</i>
	Implementation expected to be complete by: (Month & Year)
	<i>October 2008</i>

Recommendation 10	For future business planning, PW&SD should consider the inputs as well as outputs as suggested by the EFQM excellence model. This should include SMART performance measures and targets.
Priority: (H/M/L)	
MEDIUM	<i>(For Audit Finding on which this is based, refer to Main Report, Section 3.18)</i>
Management Response	General Comments:
	<i>Will implement - effective 6 monthly review</i>
	Officer responsible for Implementation:
	<i>Manager/HoD</i>
	Implementation expected to be complete by: (Month & Year)
	<i>October 2008</i>

Recommendation 11	A focus on the Business Plan should be maintained throughout the year through its regular inclusion on managements meetings and Public Works and Services Committee meeting agendas.
Priority: (H/M/L)	
LOW	<i>(For Audit Finding on which this is based, refer to Main Report, Section 3.19)</i>
Management Response	General Comments:
	<i>Implemented</i>
	Officer responsible for Implementation:
	<i>Manager/HoD</i>
	Implementation expected to be complete by: (Month & Year)

5. FOLLOW UP ON PROGRESS MADE AGAINST RECOMMENDATIONS IN THE FEBRUARY 2006 & NOVEMBER 2006 REPORT

5.1 In February 2006 and November 2007, the Year 1 and Year 2 Business Planning and Key Performance Indicators VFM reports was issued, which assessed the adequacy of the framework in place to ensure value for money is achieved in the Business Planning progress.

5.2 The reviews comprised a look at;

- Overall Government approach to Business Planning and
- Business Planning in the Departments of:
 - Office of the Chief Secretary;
 - Legal, Lands and Planning;
 - The Post Office;
 - Employment and Social Security;
 - Agricultural and Natural Resources;
 - Finance;
 - Human Resources (Personnel); and
 - Police.

5.3 The Audit Service concluded both reviews with the following Audit Opinions:

Business Planning

	Opinion
Year 1 of 3	Adequate
Year 2 of 3	Adequate

Use of Key Performance Indicators

	Opinion
Year 1 of 3	Inadequate
Year 2 of 3	Inadequate

Please see appendix A for definitions

and had made a total of 15 recommendations in Year 1 and 16 recommendations in Year 2 which was agreed by management.

- 5.4 The recommendations included;
- Finalise and approve the Strategic Development Plan and the new Country Policy Plan taking detailed planning beyond 2005/06 as a matter of urgency
 - Introduce an annual central review and challenge of Department business plans
 - Government Committees to review and approve their Department business plan
 - Review, revise and re-enforce best practice planning guidance for Departments

- Identify a small set of 'cross-cutting' performance indicators relevant to all Departments with Business such that Business Plans will show targets and achievements towards them year on year. Examples of possible indicators are;

- % Staff Appraisals complete by a set date in the year
- Average Number of days absent per annum per employee
- % of actual Departmental expenditure covered through Departmental revenue raised

- Identify further small sets of Departmental and Value For Money specific indicators – agreed by Departmental Committees where they exist

- Further develop the approach to Risk Management

5.5 Follow up on the above was undertaken through the Saint Helena Audit Service 'Recommendation Tracker', a management tool provided for the use of Heads of Department and those charged with governance, showing the state of play on a monthly basis with regard to audit recommendations made. Progress or implementation developments are reported by Heads of Department in writing to the Internal Audit Manager, who updates relevant trackers accordingly. Recommendation status during our follow up review identified:

Office of Chief Secretary Department Business Plan

Current Status of Recommendations	Number of Recommendations
Implemented (or agreed no longer appropriate)	7
Outstanding – but within agreed timescale	0
Outstanding – and beyond agreed timescale	2

Post Office Department Business Plan

Current Status of Recommendations	Number of Recommendations
Implemented (or agreed no longer appropriate)	2
Outstanding – but within agreed timescale	0
Outstanding – and beyond agreed timescale	1

**Legal, Lands and Planning Department
Business Plan**

No Recommendations Made

**Employment and Social Security Department
Business Plan**

Current Status of Recommendations	Number of Recommendations
Implemented (or agreed no longer appropriate)	3
Outstanding – but within agreed timescale	0
Outstanding – and beyond agreed timescale	0

Agricultural and Natural Resources

Current Status of Recommendations	Number of Recommendations
Implemented (or agreed no longer appropriate)	5
Outstanding – but within agreed timescale	0
Outstanding – and beyond agreed timescale	0

Finance

Current Status of Recommendations	Number of Recommendations
Implemented (or agreed no longer appropriate)	3
Outstanding – but within agreed timescale	0
Outstanding – and beyond agreed timescale	0

Human Resources

Current Status of Recommendations	Number of Recommendations
Implemented (or agreed no longer appropriate)	4
Outstanding – but within agreed timescale	0
Outstanding – and beyond agreed timescale	0

Police

Current Status of Recommendations	Number of Recommendations
Implemented (or agreed no longer appropriate)	3
Outstanding – but within agreed timescale	0
Outstanding – and beyond agreed timescale	1

5.6 Of the 31 recommendations made overall, 3 have not been implemented and is outstanding. These are:

Department	Recommendation
Police	Overall arrangements for Risk Management need to be developed further.
OCS	All Heads of Departments should receive formal annual appraisals to help ensure that their individual goals and objectives are closely aligned to achievement of the Department Business Plan and to ensure ongoing discussion and awareness of constraints and issues.
Post Office	A focus on the Business Plan should be maintained throughout the year through its regular inclusion on staff meeting agendas.

5.7 During the follow up it was noted that OCS had stated the recommendation – *An annual central review and challenge of Department Business Plans should be re-introduced in the interest of ensuring a unified 'best practise' approach and quality control mechanism* to be complete. Feedback from other Departments however, found that whilst they submitted their draft Business Plans to the Chief Secretary for review and approval, to date they have not had confirmation that their current Business Plans is indeed approved.

5.8 In concluding, most recommendations made from the Year 1 and Year 2 VFM Business Planning and Key Performance Indicators Reports has been implemented. It is recommended to the Departments of the remaining 3 recommendations to consider their implementation as appropriate.

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 Form 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**LIST OF PERSONNEL CONSULTED DURING THE AUDIT**

The assistance given to the Audit Service by all those listed below during the course of the audit is acknowledged with appreciation.

NAME	JOB TITLE	SECTION/AREA
Dr. Corrinda Essex	Chief Development Officer/Acting Chief Secretary	DEPD/OCS
Pamela Lawrence	Chief Education Officer	Education
Ivy Ellick	Chief Administrative Health and Social Services Officer	PHSSD
Helen Lawrence	Assistant Secretary	PHSSD
Lilly Andrews	Senior Executive Officer	PHSSD
Derek Richards	Manager	PW&SD
Ethel Yon	Acting Governor/Acting Chief Secretary	OCS