



**Exeter City Council**

**Use of Resources and Data Quality 2008**

12 January 2009

<b>Contents</b>		<b>Page</b>
<b>1</b>	<b>Executive Summary</b>	<b>1</b>
<b>2</b>	<b>Use of Resources</b>	<b>2</b>
<b>3</b>	<b>Data Quality</b>	<b>10</b>
<b>Appendix A</b>	<b>Use of Resources from 2009</b>	<b>14</b>

# 1 Executive Summary

## **Background and purpose of the report**

- 1.1 The Audit Commission's Code of Audit Practice requires us to reach a conclusion on whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources ("VFM conclusion").
- 1.2 We described, in our Report to those Charged with Governance (September 2008), the areas of audit work that provided us with the assurance that contributed to our annual VFM conclusion.
- 1.3 This report sets out our detailed findings from the two key areas underpinning the Conclusion:
- our assessment of the Council's Use of Resources, using the Audit Commission's five themes and key lines of enquiry ('KLoE') criteria; and
  - our assessment of the Council's Data Quality management arrangements, using criteria prescribed by the Audit Commission.

## **Key messages**

- 1.4 The Council continues to have good Use of Resources arrangements in place during 2007/08 . The theme scores for 2007 and 2008 are summarised in the table below.

Use of Resources theme	2007 score	2008 score
Financial reporting	3	3
Financial management	3	3
Financial standing	3	3
Internal control	3	3
Value for money	3	3

Key to the scores:

- 1. Inadequate - below minimum standards
  - 2. Performing adequately - meeting minimum requirements
  - 3. Performing well - above minimum requirements
  - 4. Performing strongly - standard setting performance
- 1.5 Further details of work to support our 2008 Use of Resources assessment are given in section two.

- 1.6 We have also assessed the Council's management arrangements for data quality as being consistently above minimum requirements and our data quality spot-check work confirmed that both of the two indicators audited were fairly stated.
- 1.7 Whilst the Council has made good progress in developing its data quality management arrangements we have identified a number of areas where those arrangements could improve further. Further details of work to support our Data Quality conclusions are given in section three.

## Way forward

- 1.8 There have been significant changes to the review and assessment of the Council's Use of Resources arrangements for 2009, as part of the new Comprehensive Area Assessment. The new assessment framework is more demanding than the current one, is broader in scope and embraces wider considerations such as people and workforce planning and the use of natural resources. It also places more emphasis on outcomes for local people. The KLoE are more strategic and focus explicitly on achievements and outcomes rather than internal arrangements and processes.
- 1.9 Therefore, in reporting the areas for development identified from our 2008 assessment, we have focussed on those where it will be important for the Council to demonstrate effective arrangements in 2009.
- 1.10 We will continue to work with the Council during the year to help prepare for the 2009 Use of Resources assessment.

### **Use of this report**

- 1.11 This report has been prepared solely for use by the Council to discharge our responsibilities under the Audit Commission Code of Audit Practice and relevant auditing standards and should not be used for any other purpose. No responsibility is assumed by us to any other person.
- 1.12 This report includes only those matters that have come to our attention as a result of performance of the audit. An audit of Use of Resources is not designed to identify all matters that may be relevant to those charged with governance. Accordingly the audit does not ordinarily identify all such matters.

### **Acknowledgements**

- 1.13 We would like to record our appreciation for the co-operation and assistance provided to us by the Council's management, officers and members during the course of our audit.

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12 January 2009

## 2 Use of Resources

### **Introduction**

- 2.1 In carrying out our audit work we comply with the statutory requirements governing our duties, as set out in the Audit Commission Act 1998, in accordance with the Code of Audit Practice (the Code). The Code requires us to issue a conclusion on whether the Council has proper arrangements in place for securing economy, efficiency and effectiveness in the use of its resources.
- 2.2 The overall conclusion that we issued, in September 2008, was that the Council has adequate arrangements for ensuring value for money in its use of resources. This was derived from the conclusions that we reached on the Council's management arrangements in a number of areas. We described the components of the use of resources conclusion and reported key messages in our Report to those Charged with Governance.
- 2.3 We summarise in this section matters arising from our Use of Resources key lines of enquiry ("KLoE") assessment for 2008.

### **Approach to the audit**

- 2.4 The assessment was carried out between April and October 2008. We reviewed the Council's arrangements against eleven KLoEs within the five themes prescribed by the Audit Commission.
- 2.5 Our work was based on review of the Council's self assessment and supporting evidence, meetings with senior management and other key officers. We also considered and updated the findings from our local risk based use of resources work carried out during the year and from our September 2008 value for money conclusion, as well as the progress made in implementing the recommendations made by your previous external auditors.

### **2008 KLoE scores**

- 2.6 We have concluded our 2008 KLoE assessment and our scores submitted to the Audit Commission have been accepted following the national quality control process.
- 2.7 The 2008 KLoE scores, with comparative 2007 scores, are shown in the table overleaf.

Theme and KLoE	Score 2007	Score 2008
<b>Financial reporting</b>	<b>3</b>	<b>3</b>
Annual accounts	3	3
External accountability	3	3
<b>Financial management</b>	<b>3</b>	<b>3</b>
Medium term financial planning	3	3
Managing performance against budgets	3	3
Managing assets	2	3
<b>Financial standing</b>	<b>3</b>	<b>3</b>
<b>Internal control</b>	<b>3</b>	<b>3</b>
Managing significant business risks	3	3
Maintaining a sound system of internal control	3	3
Ensuring probity	3	3
<b>Value for money (VFM)</b>	<b>3</b>	<b>3</b>
Current achievement of VFM	3	3
Managing and improving VFM	3	3

2.8 The key findings in each of the themes, together with the key areas for improvement, are set out below.

#### **Financial reporting**

##### **Annual accounts**

2.9 The Council has maintained a level 3 score for this theme confirming that the Council has prepared good quality financial statements, in line with the statutory requirements. A small number of significant audit adjustments were identified, relating to the recognition of commercial rent income and the presentation of the Housing Revenue Account balances within the consolidated statements. However, the Council worked hard to rectify these issues during the course of the audit.

- 2.10 The overall quality of the Council's working papers to support the 2007-08 accounts was good, although we made a number of requests for additional supporting documentation. The Council's finance team co-operated well with our audit queries and responded promptly.

#### **External accountability**

- 2.11 In terms of external accountability, the Council publish the agenda, reports and minutes for members on a timely basis.
- 2.12 The Council do not prepare a specific annual report or a set of summary financial statements, instead relying on the Corporate Plan to communicate the results for the year and including relevant financial information. The Council recognises that there is scope to improve the evidence of the current arrangements in the engagement of stakeholders on whether this format of reporting meets their requirements.
- 2.13 'Preparation of accounts' and 'publishing reports' are key components in the 2009 Use of Resources assessment (KLoE 1.3). It will remain important for the Council to:
- continue to improve the quality of its annual accounts and effectively implement revised accounting requirements, including those brought about by changes to the SoRP and the forthcoming introduction of International Financial Reporting Standards (IFRS);
  - minimise the number of additional queries required as part of the audit through the use of our working paper requirements list; and
  - undertake stakeholder consultation to identify what types and format of financial information could be externally reported.

## **Financial management**

### **Medium term financial planning**

- 2.14 The council has a medium term financial plan (MTFP) in place which models income and expenditure over a three year period. This is driven by the corporate business plan ("Planning For Our Future 2007-12") and to the overarching community strategy ("Exeter Vision").
- 2.15 Key corporate objectives are reflected in service business plans and budgets, thus ensuring that business and financial planning are linked. Key messages from the medium-term financial plan are communicated internally and externally through a variety of means, including a community forum event.
- 2.16 A comprehensive and balanced revenue budget has been set and an affordable capital programme has been developed which is aligned with strategic priorities as well as being linked to the revenue budget and the medium-term financial plan.
- 2.17 Project appraisals are in place for new policy and capital developments and the Council is regularly undertaking equality impact assessments.

### **Managing performance against budgets**

- 2.18 Overall the Council continues to perform strongly in this area. Robust arrangements are in place for agreeing and managing budgets and detailed monitoring is undertaken on the budgets and on forecast performance. Budgets are revised each quarter to reflect any changes that are required, such as approved budget additions or reductions in capital charges.
- 2.19 Monitoring reports included financial and non-financial data, and there is member involvement in the monitoring arrangements. The Council has established member working groups where it has been considered that more detailed assurance is required. Monitoring is risk-based, with a focus on areas of income and expenditure where changes will have most impact on the Council, for example, concessionary fares and car park income.
- 2.20 Progress in achieving planned savings and efficiency gains is regularly reported to senior management and a backward-looking efficiency statement is considered by the Executive team on an annual basis. The planned efficiency savings, including the Gershon efficiency savings, have also been reported to members.

### **Managing assets**

- 2.21 For 2007-08, our assessment of the Council for this KLOE has improved its score to a level 3. The Council has an up-to-date corporate capital strategy which is linked to the MTFP. An asset register is maintained and arrangements are in place to monitor maintenance and improvement works. An asset management plan provides details on the assets held and the goals for the Council and assets are reviewed to ensure they are fit for purpose.
- 2.22 The Council has sound arrangements for managing property maintenance. Condition Surveys are carried out on a rolling basis by the Estate team and the level of backlog maintenance and the reactive and planned programmes are managed through the corporate Asset Improvement and Maintenance (AIM) programme and monitored by the AIM group.
- 2.23 Portfolio responsibility for the Council's asset management arrangements has been allocated to the Portfolio Holder for Economy and Tourism and scrutiny committees receive proposals each year and quarterly progress reports.
- 2.24 Whole life costing and option appraisal have been used selectively, and there is an opportunity for the Council to ensure that all major investment and disposal decisions are based on these processes.
- 2.25 'Integrated financial planning' 'medium to long term financial planning' 'financial governance and leadership' and 'financial monitoring and forecasting' remain as key components in the 2009 Use of Resources assessment (KLoE 1.1 and 1.3).
- 2.26 The Council will wish to continue to develop its financial management arrangements and ensure that these are integrated with other corporate processes, consider the



service and financial plans of key partners and stakeholders and demonstrate how arrangements are leading to improved outcomes.

## Financial standing

- 2.27 There have been no significant changes to the prior year assessment and we have again assessed the Council at level 3.
- 2.28 The Council continues to have sound financial standing. The Council holds a levels of general fund reserves which, at 32% of the net revenue budget, is substantially higher than its target of 15%. The Council assures us that plans are in place to utilise these reserves to meet specific pressures in future periods but arrangements could be improved if specific parameters were determined for the level of reserves to be held on an annual basis, reflecting local risks and developments, rather than reporting against a fixed percentage. This will enable the Council greater flexibility in its budget planning whilst maintaining a longer term rationale for the overall level of reserves.
- 2.29 Treasury management arrangements remain robust. However, like many other Councils, the Council had a number of investments with Icelandic Banks which have now ceased trading. It held investments of £3 million with Landsbanki on a short term deposit, that was due to mature on 3 November 2008 and £2 million deposit with Glitnir Bank, which was due to mature in December 2008. With the Council, we will continue to assess what improvements, if any, can be made to the Treasury Management arrangements in place to mitigate the risk of future losses, arising from the current reviews being undertaken on the lessons to be learnt from the Icelandic banks collapse.
- 2.30 The Council regularly monitors its performance on collection rates for Council Tax, NNDR, housing rents and car park income through its performance monitoring arrangements and other internal reporting mechanisms. However, it does not routinely review the associated costs of collection and the effectiveness of recovery actions, i.e. a cost benefit analysis, and should consider incorporating this into its debt monitoring and reporting arrangements.
- 2.31 'Managing spending' forms part of KLoE 1.1 in the 2009 assessment. We will continue to assess the Council's financial standing but with an increased forward-looking focus on management of financial balances along with the delivery of strategic priorities.

## Internal control

### Managing significant business risks

- 2.32 The Council continues to maintain effective arrangements for identifying and managing risks and we have assessed the Council as maintaining level 3 performance.
- 2.33 The Council has a risk management strategy, which has been adopted by Members, that links to corporate objectives and covers strategic and operational risks. The

Council also maintains a register of its corporate risks and this is managed through the risk management group. Each risk is linked to a strategic objective, is scored for likelihood and impact, and assigned to a named individual.

- 2.34 The risk management arrangements also include member involvement and the Scrutiny (Resources) Committee considers risk management issue as well as the risk register. A senior officer and a member jointly champion and take responsibility for embedding risk management throughout the Council. Risk management training is provided as needs are identified, and risk management policies, procedures and guidance are available on the corporate intranet.
- 2.35 The Council could further improve their current arrangements by ensuring that all members receive adequate and regular risk management awareness training.

#### **Maintaining a sound system of internal control**

- 2.36 We have assessed the Council's arrangements for maintaining a sound system of internal control as level 3, which is the same as last year.
- 2.37 The Council has an assurance framework in place and has assessed the system of control through the Annual Governance Statement, which is supported by risk management and internal audit. There is an effective internal audit function at the Council and key control documents, such as standing orders, are reviewed on an annual basis.
- 2.38 The basic role of an audit committee is undertaken by the Scrutiny Resources Committee and includes reviewing internal controls and risk management and receiving internal and external audit reports.
- 2.39 We believe that whilst the Scrutiny Resources Committee is effective, there is scope to improve it further by specifically identifying and monitoring its work on risk-related issues, assurance arrangements and its wider role of challenging the Executive.

#### **Ensuring probity**

- 2.40 The arrangements for ensuring probity and propriety in the conduct of business remain sound and the Council has retained a level 3 on this KLOE.
- 2.41 The Council maintains codes of conduct for members and staff and appropriate arrangements are in place for monitoring compliance with standards of conduct, including a register of members interests, a register of gifts and hospitality and a complaints procedure. The Council is proactive in raising the standards of ethical behaviour, and this is included within induction training as well as in internal audit compliance testing.
- 2.42 The Council has counter-fraud and corruption policy and "whistle-blowing" policies. It has participated in, and made effective use of, the National Fraud Initiative data matching process for 2007-08. A standards committee is in place and its terms of reference are included within the Councils Constitution. Agenda's and minutes are available on the Council's website and an annual report is prepared, which outlines

the work of the Standards Committee during the past year as well as the work plan for the future.

Arrangements could be enhanced further by ensuring that:

- staff are provided with specific training on ethics; and
- arrangements are assessed against the Ethical Governance diagnostics toolkit.

- 2.43 'Principles of good governance,' 'ethical framework and culture,' 'partnership governance,' 'risk management,' 'counter fraud and corruption' and 'system of internal control' remain as key components in the 2009 Use of Resources assessment (KLoE 2.3 and 2.4).
- 2.44 We will continue to assess the Council on these and other aspects of internal control but with an increased focus on the effectiveness and outcomes of arrangements, including the demonstration of a strong and improving culture of governance, conduct, risk management and internal control.

## Value for money

### Current achievement of VFM

- 2.45 We have assessed the Council as retaining a level 3 for the achievement of VFM. Overall, the Council continues to provide value for money when compared to its nearest neighbours. Council tax rates remain relatively low as are the costs of delivering services. In addition, the Council has a low level of unapportioned overheads. Higher comparative costs in some areas, such as culture, homelessness and community housing, reflect the Council's commitment to these services. Satisfaction levels across services are relatively high.
- 2.46 The key exceptions to this overall positive performance are; economic and community development (where other councils are spending more with lower deprivation levels); planning (where other councils are performing better); and the cost and performance of benefits and council tax administration. However, we recognise that the Council is taking action to address these issues. The Council has a good track record in managing its spending and has sound arrangements for monitoring and reporting on costs and performance.
- 2.47 The Council is increasingly focussing on sustainable economic growth and development, tackling social disadvantage, affordable homes and delivering high performing and cost effective services.
- 2.48 We found that the Council's capital projects are linked to corporate priorities and that capital spending is closely monitored.

### Managing and improving VFM

- 2.49 We have assessed the Council as retaining a level 3 for its arrangements for managing and improving Vfm.

- 2.50 Improvements in the efficiency and effectiveness of services is sought through best value reviews and service improvement portfolios, which focus on outcomes and service priorities. The Council is developing its understanding of the longer term impact, costs and benefits of its decision-making. Whole life costing is increasingly used, particularly in procurement decisions, and environmental sustainability is considered where relevant.
- 2.51 The Council continues to respond to local needs through a range of well-established public engagement mechanisms, including a citizens' panel and has undertaken a range of targeted consultation exercises.
- 2.52 The Council continues to exceed its Gershon savings, with cumulative savings of £3.287m (cashable £2.211m) over the three year period. There are clear responsibilities for the efficiency agenda with heads of service challenging service efficiency through service improvement portfolios which applied across all areas. However, senior management are not regularly presented with developed action plans on efficiency gains and savings and this may be an area for further development.
- 2.53 The Council has an information strategy which underpins local work on using IT and information to support services and service change - the Council is using, and plans to use, IT for proper integration of back office services, customer relationship management, better customer access to services, geographical mapping and document imaging. IT is also fundamental in maintaining and providing performance and financial management information, which members and officers use to monitor Council performance.
- 2.54 There is no distinct VFM KLoE in the 2009 Use of Resources assessment as arrangements for, and achievement of, VFM will be measured across all of the KLoEs. The Council will, therefore, need to continue to demonstrate that it is improving VFM for the local community.

## Use of resources 2009

- 2.55 From 2009, the use of resources assessment considers how well organisations are managing and using their resources to deliver better value for money and better and sustainable outcomes for local people. The assessment is structured into three themes that focus on the importance of sound and strategic financial management, strategic commissioning and good governance, and the effective management of natural resources, assets and people.
- 2.56 The assessment will use the Audit Commission's current four-point scale and there will be clear expectations around the demonstration of improved outcomes in order to perform well.
- 2.57 Further details of the 2009 framework can be found at Appendix A.

## 3 Data Quality

### Introduction

- 3.1 Producing data, which is fit for purpose, should not be an end in itself, but an integral part of a body's operational, performance management, and governance arrangements. Organisations that put Data Quality at the heart of their performance management systems are most likely to be actively managing data in their day-to-day business, and turning that data into reliable information.
- 3.2 Auditors' work on Data Quality supports the Audit Commission's reliance on performance indicators in its service assessments for CPA and this will continue to be the case with the introduction of CAA from 2009.

### Approach to the audit

- 3.3 We use the Audit Commission's three stage approach to the audit of Data Quality, which is summarised in the table below:

Stage	Description
1	<p><b>Management arrangements</b></p> <p>A review to determine whether proper corporate management arrangements for data quality are in place, and whether these are being applied in practice. The findings contribute to our VFM conclusion.</p>
2	<p><b>Analytical review</b></p> <p>An analytical review of a specified selection of performance indicator results for the year, and selection of a sample for testing based on a risk assessment.</p>
3	<p><b>Data Quality spot checks</b></p> <p>In-depth review of a sample of performance indicators, most of which are used in CPA, to determine whether arrangements to secure data quality are delivering accurate, timely and accessible information in practice.</p>

### Key management arrangements findings

- 3.4 We have assessed the Council's management arrangements as meeting minimum requirements, or above, in each of the five areas covered by our assessment. Our key messages are set out overleaf.

## Governance and leadership

- 3.5 The Council has put in place a corporate framework for the management and accountability of data quality issues. Its commitment to data quality is outlined within the Corporate Plan and there is an action plan in place to cover data quality issues. The Head of the Policy Unit has overall strategic responsibility for data quality and operational responsibility for data quality is clearly defined through heads of service.
- 3.6 The corporate commitment to data quality is promoted throughout the Council. Member involvement is achieved principally through portfolio holders. Internal Audit undertakes a detailed annual review of data quality at the Council, which includes a review of the information systems as well as individual indicators.
- 3.7 Data quality is also included as a broad risk in the corporate risk register. However, development of embedded risk processes within departments is not yet evident and this is being pursued during 2008-09.

## Policies

- 3.8 There are data quality guidelines in place and these have been approved by senior management. There is also an information management strategy to secure the quality of data recorded. The data quality policy is available on the Council's intranet, along with the performance management system links.
- 3.9 The corporate Policy Unit acts as the first point of call for clarification on guidance. Staff induction training includes reference to performance management and to data quality issues. Training notes for the new performance management system include reference to data quality and data entry, including guidelines on rounding and reporting.

## Systems and processes

- 3.10 The Council has a number of departmental systems that are used to collect and report data. The Council has also invested in a new performance management system, and has established arrangements for ensuring the quality of the data input to it from other systems and identifying any unexpected entries and variances.
- 3.11 Internal Audit reviews performance data as part of its annual audit testing processes, and individual performance indicators are also subjected to detailed review. Internal Audit also reviews the controls surrounding the systems and a report on findings is considered by the corporate Management Team.
- 3.12 The Council has a business continuity plan in place and this is reviewed on a regular basis. Security arrangements are in place for critical systems. However, Internal Audit made a recommendation about undertaking a detailed risk assessment of the Council's performance information systems, and this has yet to be done.
- 3.13 The Council has a general data sharing protocol, and some general data sharing principles included within the data quality guidelines for performance data. Internal Audit randomly selects and validates data received from other organisations.

## People and skills

- 3.14 The Council has considered the roles and responsibilities necessary to achieve data quality within departments. Arrangements are in place to ensure that staff have the knowledge and competencies for their role in relation to data quality, though the Council has not yet formalised this by ensuring that relevant job descriptions have specific reference to data quality.
- 3.15 Training is provided to all relevant staff as part of the performance management arrangements. Copies of the procedures are available for all staff on the intranet and a data quality training group is under development.

## Data use and reporting

- 3.16 The Council has put arrangements in place to ensure that data supporting performance information is being used to manage and improve service delivery.
- 3.17 The data from the performance management system is formally reported, on a quarterly basis, to the directorate teams and all reports are available on the intranet for all staff to review. Where services have been performing less well, performance indicators are monitored on a monthly basis. Performance indicator data is also used as part of the annual budget setting process and in the production of the Budget Book.
- 3.18 There is member involvement in reviewing corporate and service performance, based, in part, on the performance indicators.
- 3.19 The Council has also established sound validation procedures to ensure the accuracy of data used in reported performance. The performance management system has a clear audit trail underpinning data input. In addition, where variations to target occur, staff are required to provide appropriate explanatory comment.
- 3.20 The Council has adopted a numerator package, which enables the Policy Unit to enter directly data that is applicable across the Council, thus reducing errors. Appropriate data sign-off arrangements are in place. All BVPIs that are used for external reporting fall within the Internal Audit risk-based approach to review.

## Key spot-check findings

- 3.21 Following our review of management arrangements we undertook an analytical review of a selection of performance indicators (excluding BVPIs 78a and 78b) in order to establish whether they were within expected variances and thus whether we should undertake more detailed work. Our analytical review work identified that the performance indicators were within the expected variance, and that changes were due to real performance change.
- 3.22 We therefore focused our attention on the Housing Benefit PIs (BV 78a and BV78b), as required by the Audit Commission guidance. Our detailed review of the indicators identified that they were fairly stated and we have no significant matters to report to you on this work.

## Next steps

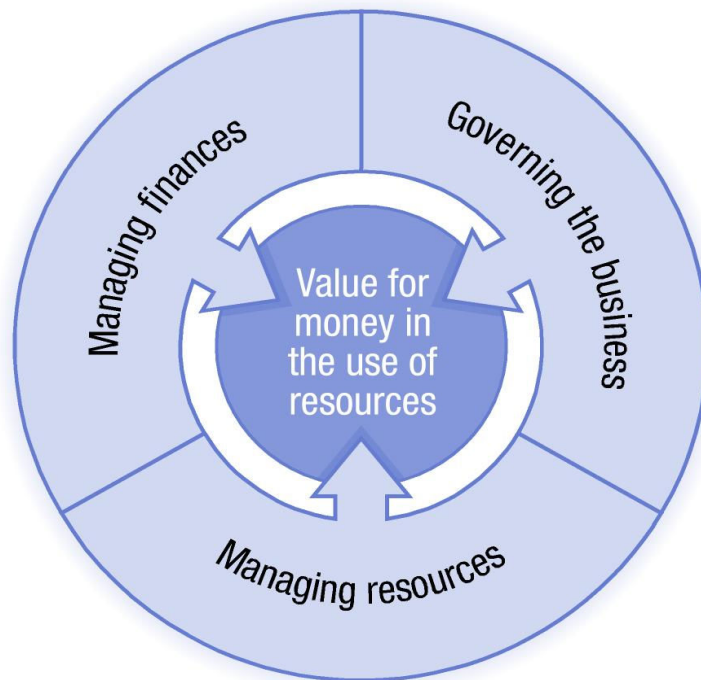
- 3.23 The Scrutiny Committee Resources should monitor implementation of the areas for improvement referred to in this report.



## Appendix A Use of Resources from 2009

The use of resources assessment forms part of the joint inspectorates' framework for Comprehensive Area Assessment (CAA), which takes effect from 2009. The inspectorates, including the Audit Commission, propose that CAA will consist of two assessments - of the area and of the organisations in an area. The area assessment will look at how well local public services are delivering better results for local people against local priorities and how likely they are to improve in future.

From 2009, the use of resources assessment considers how well organisations are managing and using their resources to deliver better value for money and better and sustainable outcomes for local people. The assessment is structured into three themes that focus on the importance of sound and strategic financial management, strategic commissioning and good governance, and the effective management of natural resources, assets and people. The three themes are illustrated below.



The new use of resources assessment framework is more demanding than the previous assessment. It is broader in scope and embraces wider resources issues such as people and workforce planning and the use of natural resources. It also places more emphasis on outcomes of local people. The KLoE are more strategic and focus much more explicitly on value for money achievements rather than processes. The KLoEs in each of the three themes are set out in the table overleaf.

Managing finances	Governing the business	Managing resources
1.1 Financial planning and financial health	2.1 Commissioning and procurement	3.1 Natural resources
1.2 Understanding costs and performance	2.2 Data Quality and use of information	3.2 Asset management
1.3 Financial monitoring and reporting	2.3 Good governance and ethical behaviour	3.3 Workforce planning
	2.4 Risk management and internal control	

Each theme comprises of a number of underlying KLoE which are common to all organisations subject to a use of resources assessment under the CAA. This promotes consistency and demonstrates that all organisations within and CAA area are assessed in the same way and to the same standards.

The use of resources assessment will use the Audit Commission's current four point scale with 4 representing the highest level of performance, as follows:

Level	Performance and principles implicit in the KLoEs
1	<p><b>Inadequate</b></p> <p>Below minimum acceptable levels of performance. Consistent with an "except for / qualified" use of resources conclusion.</p>
2	<p><b>Performs adequately</b></p> <p>Consistent with established professional practice, meeting statutory requirements, operating effectively.</p> <p>Sufficient to address the KLoE demonstrating, for example organisational leadership and commitment, partnership working, appropriate capacity and skills, and informed by priorities with supporting action plans as appropriate.</p> <p>Arrangements that achieve minimum accepted levels of performance.</p>
3	<p><b>Performs well</b></p> <p>Implemented effective arrangements that are forward looking and proactive in developing improvement opportunities and include more sophisticated measuring and assessment techniques.</p> <p>Outputs and outcomes demonstrate effective arrangements that have the intended impact, and where appropriate show evidence of effective partnership working.</p> <p>Evidence of performing consistently above minimum acceptable levels and achieving value for money.</p>

Level	Performance and principles implicit in the KLoEs
4	<p><b>Performs excellently</b></p> <p>Demonstrating innovation or best practice.</p> <p>Demonstrating strong outcomes for the community including through partnership working.</p> <p>Evidence of performing well above minimum acceptable levels and achieving excellent value for money.</p>



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