

Annual Report and Accounts 2005/06
Driver & Vehicle Testing Agency



Driver & Vehicle Testing Agency
Annual Statement of Accounts for the year ended 31 March 2006

Laid Before the House of Commons
by the Comptroller & Auditor General for Northern Ireland
in accordance with Paragraph 12(1) and (3) of the Schedule to
the Northern Ireland Act 2000

17 July 2006

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under Article 8(6)(b) of the Financial Provisions (Northern Ireland) Order 1993
by the Comptroller & Auditor General for Northern Ireland

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Chief Executive's Report

I am pleased to have the opportunity to introduce the Driver & Vehicle Testing Agency's (the Agency) Annual Report and Financial Statements for 2005/06.

This was another challenging year for the Agency, but despite the difficulties there were some very positive developments and significant progress in key areas.

Although we increased throughput by 21% for vehicles and by 37% for drivers, and significantly reduced average waiting times, we missed both waiting time targets, owing partly to the backlogs arising from industrial action by staff the year before and partly to substantial increases in demand, particularly on the driving test side.

We achieved two of our financial targets, but missed out very narrowly on our ambitious efficiency target of 2.82%. Our theory test partner, Pearson VUE, achieved 95% of the service standards specified in the contract compared with the target figure of 93%.

Customer satisfaction levels improved for both booking and testing, and complaints fell from over 18,000 to under 700, but again we missed out on both key ministerial targets – mainly as a consequence of the waiting time problems referred to above.

Also on the debit side, we encountered real difficulties with the new emissions tests introduced on 1 March 2006, and we received a critical report from the Northern Ireland Audit Office (NIAO) on some aspects of the Private Finance Initiative contract with Romaha for the provision and maintenance of the vehicle testing equipment in each of our 15 test centres. The issues raised under both headings will be priorities for action in 2006/07.

On the other hand, we took considerable pride in achieving ISO 9001:2000 certification for our vehicle testing operations at all centres. We are now one of a very small number of testing organisations in Europe to have achieved ISO status for both drivers and vehicles.

On compliance, we saw MOT evasion levels fall to 19% from figures of 21% in 2004 and 28% in 2002. This was as a consequence of a variety of measures, including action to reduce motor tax evasion, the use of MOT discs on car windscreens and the introduction of MOT reminders. On roadside enforcement, we made significant strides, with fewer roadside checks but proportionately more prohibitions and prosecutions, thus reducing the burden on the compliant and targeting the non-compliant more effectively. We also carried out our first ever baseline roadworthiness survey on heavy goods vehicles.

We recognise that people are by far our most important asset and, although we recognise that we have a long way to go to become the organisation that we aspire to be, we were pleased by average staff satisfaction levels in five key areas of 70%, compared with 57% in 2003 and 39% in 2000. We were pleased too that at 4.9% sick absence was significantly below our target of 5.5%.

In terms of new developments, we made excellent progress in a whole range of key areas including preparations for: the new motorcycle manoeuvres planned for 2007; new tests coming in later on in 2006 for vehicles used for carrying dangerous goods;

digital tachographs; a new optional bus test; and new arrangements for initial and refresher training for professional bus and lorry drivers.

We were also pleased to welcome Noel Brady to the management board as an independent board member and as chair of the Agency's Audit committee, and we responded positively to the Secretary of State's announcement on 21 March of plans to merge the Agency with its sister agency Driver and Vehicle Licensing Northern Ireland (DVLNI).

Without the commitment, dedication and support of our partner organisations and our staff, none of this would have been achieved, and I should like to pay the warmest possible tribute to them for the way they have responded to successive challenges and for the work they have done to create a platform for future success.



JST Duncan

Chief Executive
15 June 2006

Highlights of the year

- Full vehicle tests conducted up by 23% from 474,000 to 585,000
- Practical driving tests conducted up by 37% from 46,000 to 63,000
- ISO 9001:2000 accreditation achieved for vehicle testing operations at all centres
- MOT evasion levels reduced from 28% in 2002 to 21% in 2004 to 19% in 2005
- Significant improvement in the effectiveness of roadside enforcement, with far fewer checks but higher proportions of prohibitions and prosecutions and tougher action by the courts
- New quality control procedures introduced at test centres
- Independent board member appointed
- Extensive strategic review completed and key themes identified for the future

Directors' Report

Introduction

The Driver & Vehicle Testing Agency was established as an Executive Agency of the Department of the Environment (NI) on 1 April 1992 under the Government's Next Steps initiative. The Agency attained trading fund status under the provisions of the Driver & Vehicle Testing Agency Trading Fund (Northern Ireland) Order 1996, with effect from 1 April 1996.

The Agency's accounts have been prepared in accordance with a direction given by the Department of Finance & Personnel under Article 8(6) of the Financial Provisions (Northern Ireland) Order 1993.

Principal Activities

On behalf of the Department of the Environment (DoE), the Agency undertakes statutory testing on a range of vehicles to ensure their roadworthiness. The Agency is also responsible for undertaking driver testing work and for the maintenance of the Register of Approved Driving Instructors. Since 2 October 2000 the Agency has also been responsible for the enforcement activities previously carried out by the Department's former Transport Licensing and Enforcement Branch.

Capital Structure

The Driver & Vehicle Testing Agency Trading Fund (Northern Ireland) Order 1996 created public dividend capital of £2,100,000 and a long term loan of £1,431,094 in consideration of the appropriation of Crown assets and liabilities to the Agency.

Financial Review

Income from activities increased by £5,015,000 due to higher test volumes and the impact of industrial action during 2004/05. The average number of full time equivalent staff increased by two from the 2004/05 figure. Other operating costs increased by £1,033,000 from 2004/05. This was due mainly to increases in the use of contracted out booking and vehicle testing equipment services. The Agency's working capital position remains positive.

Key Corporate Financial Targets

The Agency is required to achieve a return of 3.5% per year on capital employed. This is expressed as a percentage of average net assets employed at current values. The Agency achieved a return of 11.5% during the year.

The Agency achieved a standard hour cost of £61.34, a slight improvement on the target of £61.41.

Results for the Year

The surplus for the year was £1,295,000 compared with a deficit of £773,000 in 2004/05. The Agency has provided a total return to the Northern Ireland (NI) Consolidated Fund (original lender) of £460,000 for the current year and £392,000 for 2004/05. This is shown in the Income and Expenditure Account as Interest Payable and Dividend Payable.

Events Since the End of the Financial Year

There have been no significant events since the end of the financial year which would affect the results or the assets and liabilities at the year end.

Future Developments

During 2006/07 the Agency will continue to improve the efficiency of booking arrangements, statutory testing and other services provided. Further details are contained within the body of the Annual Report and in the Agency's corporate and business plans for the 2006/08 period.

The Agency will work with DVLNI to implement the move to a combined Agency from 1 April 2007.

Fixed Assets

Movements in tangible and intangible fixed assets are disclosed in Notes 5.1 and 5.2 respectively. Land and buildings with an open market value for existing use of £4,187,500 were appropriated by the Agency on attainment of trading fund status on 1 April 1996. Legal title to the land and buildings occupied by the Agency is held by various Northern Ireland government departments including DoE.

The Agency's properties are revalued by Valuation and Lands Agency (VLA) on the basis of open market value for existing use on a periodic basis. The most recent valuation was carried out on 31 March 2006 and details of the open market value on an alternative use basis are included in Note 5.1.

Financial Instruments

In accordance with Financial Reporting Standard 13, Derivatives and Other Financial Instruments, details of

the impact of financial instruments on the Agency's risk profile are disclosed at Note 24 to the Financial Statements.

Pension Liabilities

Staff Pension liabilities are borne by the Principal Civil Service Pension Scheme (NI) and are, therefore, not reflected in the Agency's accounts. Details of the scheme are included at Note 23 to the Financial Statements.

Group Incentive Bonus Scheme

Agency staff can benefit from a group incentive bonus scheme if annual targets are exceeded. The amount provided in the accounts for the current year is £12,000 (including Employers National Insurance Contributions). The equivalent amount in 2004/05 was nil.

Employment of People who are Registered as Disabled

The Agency is committed to the principle that all eligible persons should have equal opportunity for employment and advancement on the basis of their ability, qualifications and aptitude. Full and fair consideration is given to applications from disabled persons for employment or promotion. Wherever possible, arrangements are made for the continuing employment of persons who have become disabled during service and for the appropriate training, career development and promotion of disabled employees.

Employee Involvement

The contribution of staff to the Agency's operations is vitally important and efforts are made to consult and inform staff of developments. Regular management meetings take place and written and oral team briefings are provided on a monthly basis. Management

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board members visit test centres regularly. Project teams and working groups involving staff across the Agency are established where necessary. Formal and informal consultation takes place with trade union representatives.

Payments to Suppliers

The Agency is committed to prompt payment of invoices for goods and services received in accordance with the Better Payment Practice Code and British Standard BS7890 – Achieving Good Payment Performance in Commercial Transactions. Unless otherwise stated in the contract, payment is made within 30 days of receipt and agreement of invoices for goods and services completed to the satisfaction of the Agency.

The Agency has in place a system for dealing quickly with complaints and disputes and advises suppliers without delay when invoices or part invoices are contested. The Agency's finance section continually monitors any payment outside the 30 day period.

During the year to 31 March 2006, 99.3% (2004/05 – 99.0%) of invoices were paid within 30 days.

Charitable Donations

During the year the Agency made donations totalling £700 to various registered charities.

Health and Safety

The Agency is committed to adhering to all existing legislation on health and safety in order to ensure that staff and customers can transact business in a safe environment. This commitment is reflected in the Agency's health and safety policy and employee health & safety manual.

Board Members' Interests

There are no company directorships or other significant interests held by board members which may conflict with their management responsibilities.

Auditors

The financial statements are audited by the Comptroller & Auditor General for Northern Ireland (C&AG) in accordance with the Financial Provisions (Northern Ireland) Order 1993. As head of the NIAO, he and his staff are wholly independent of the Department/Agency. The C&AG reports his findings to Parliament.

As far as I am aware there is no relevant information which has not been made available to the auditors. I have taken all steps necessary to make myself aware of any relevant information and to ensure that the Agency's auditors are aware of that information.

The audit of the financial statements for 2005/06 resulted in an audit fee of £7,799. This is included in the other operating costs in the income and expenditure account.

A value for money review by the NIAO of the private finance initiative (PFI) contract for replacement vehicle testing equipment (MOT2) was completed during the year.



J S T Duncan

Chief Executive
15 June 2006

Management Commentary

This commentary aims to provide an analysis of the Agency's business and provides the context for the operating and financial performance during the reporting period. It also identifies those trends and factors that are relevant to an assessment of future performance and the achievement of long term business objectives.

The Agency operates as a trading fund. This means that it operates outside the supply process and meets all its expenditure requirements from the income it generates from its principal activities. The Agency must

break even after interest and dividends, taking one year with another. It also has a responsibility to achieve such further financial objectives as the Department of Finance & Personnel may from time to time deem appropriate. Roadside enforcement activity, which is outside the trading fund, is financed through the supply process.

The Agency charges for the full cost of services provided. It does not normally aim to make a surplus but fixes its charges with a view to earning an average return on capital employed of 3.5%.

Section One: Strategic Overview

Key Objective

Our main purpose is to promote road safety and improve the quality of the environment by implementing the Government's policies on driver and vehicle testing and on roadside enforcement of road traffic regulations.

Main Tasks

Our specific responsibilities are to:

- check vehicles for roadworthiness and emissions;
- conduct practical driving tests and driving theory tests to ensure learner drivers can drive competently and safely before they get full licences;
- maintain the Register of Approved Driving Instructors; and
- carry out roadside enforcement of specified road traffic regulations for commercial and public service vehicles.

Mission Statement

Our mission statement is as follows:

"The Driver & Vehicle Testing Agency contributes to road safety by providing a fair, independent and efficient testing service in which customers have complete confidence.

We achieve this by:

- getting even better at what we do; and
- having courteous, well trained staff."

Values

Our values may be summarised under these five headings:

- we focus on people;
- we focus on results;
- we are supportive of our staff;
- we adopt a quality approach; and
- we are progressive.

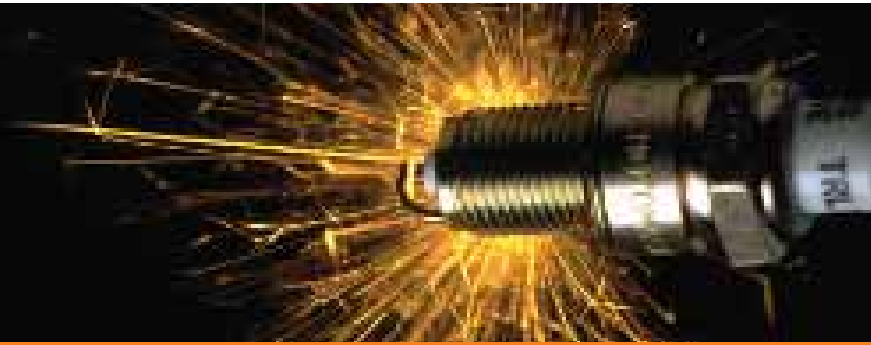
Strategic Objectives

Our business plan is structured around the following strategic objectives:

- to deliver the right tests to the appropriate quality standards and in the quantity required to meet demand;
- to invest effectively in staff;
- to improve compliance;
- to increase customer satisfaction;
- to increase efficiency;
- to maintain an effective system of corporate governance; and
- to maximise the benefits of working in partnership.

Balanced Scorecard

We use a balanced scorecard to ensure a coherent and co-ordinated response to business priorities and to link



business and corporate plans with operational plans and individual personal performance agreements.

The four elements of our balanced scorecard are:

- customer satisfaction;
- employee satisfaction;
- financial performance; and
- investing in the future.

- economic competitiveness – making NI a more prosperous and productive region;
- building equality and community cohesion – to increase opportunity for all and ensure stronger, safer communities throughout NI; and
- better public services – ensuring better, more efficient public services for all.

The proposals were underpinned by an investment strategy for NI which had been developed by the Strategic Investment Board.

Strategic Context

Northern Ireland Priorities and Budgets 2005/08

Priorities and Budgets 2005/08 was published in October 2004. The document summarised the Government's main policies and priorities as well as the finances which had been allocated to Departments for the period. The proposals were designed to achieve the objectives of:

Public Service Agreement

The Public Service Agreement (PSA) included for each Department in Priorities and Budgets 2005/08 set out the Department's main objectives, together with budgets, planned citizen outcomes and key service channels. The section of the DoE PSA which is relevant to the Agency is as follows:

DOE Objective	Planned Outcome for the Citizen	Key Service Channel	Target
To protect, conserve and enhance the natural environment and built heritage and support the adoption of the principles of sustainable development; to plan and manage development in a sustainable way which will contribute to a better environment and which is modern and responsive to the community; to work with statutory and voluntary partners to reduce road deaths and serious injuries; and to support a system of effective local government which meets the needs of residents and tax payers	To work with statutory and voluntary partners to reduce road deaths and serious injuries	DoE Road Safety Division; DRD Roads Service; PSNI	To reduce by 2012 road deaths and serious injury by 33% from the 1996-2000 average of 1,750 per annum; to reduce by 2012 the number of children killed or seriously injured by 50% of 1996/2000 average of 250 per annum

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The Agency's business plan sets out how the aims and objectives are to be achieved and is agreed by the Minister. Part of this is the agreement of the eight key ministerial targets as shown below.

Key Ministerial Targets

Key Target	2005/06 Target	2005/06 Actual	2006/07 Target
1 Vehicle tests – average appointment waiting times ¹	21 days	35 days	21 days
2 Driving tests – average appointment waiting times ¹	23 days	48 days	23 days
3 Customer satisfaction with booking arrangements (+/-2%) ²	92%	84%	92%
4 Customer Satisfaction with test procedures (+/-2%) ²	94%	87%	94%
5 Level of compliance with theory test service standards ³	93%	94%	93%
6 Standard Hour Cost ⁴	£61.41	£61.34	£61.46
7 Aggregate Cost Efficiency (ACE) index ⁵	2.82%	2.50%	2.29%
8 Return on capital ⁶	3.5%	11.5%	3.5%

- The average waiting times are based on the year to date average time from first request for appointment until actual appointment date.
- An independent consultant carries out a survey of customers who have undertaken a vehicle or driving test. This allows the Agency to calculate the satisfaction levels with booking arrangements and test procedures.
- The performance of the theory test contractor is measured against the 34 key performance targets defined in the contract. Performance against the ministerial target is defined as the number of targets achieved during the year as a percentage of the total number of monthly targets available.
- The standard hour cost is calculated by dividing the total cost of providing practical driving and vehicle tests by the value in hours of the total tests conducted.
- The aggregate cost efficiency (ACE) index calculates the change in the standard hour cost for testing. Outputs and costs are compared with the previous year after inflation and removal of new or additional work activity.
- Return on capital employed is based on the target set by HM Treasury for public sector non-commercial operations in relation to the return on average resources used.

Section Two: Business Operations

Vehicle Testing

The total number of tests carried out during the year was 732,000. This represented a significant increase of 21% on the previous year, and was attributable largely to the steps taken to reduce the backlog of tests dating back to the industrial action in 2004. These included additional recruitment and the increased use of overtime working. Further details are provided in Appendix C.

Waiting times continued to be a challenge for the Agency during the year. However, steady progress has been made throughout, resulting in the average waiting time being reduced from a high of 49 days in May to 35 days in March.

Although the backlog had been reduced to around 50,000 by November, the usual seasonal demand in January-February (which saw the highest ever number of applications recorded in a single month), coupled with the introduction of new emissions tests at the beginning of March, saw it edge back up again to around 72,500 by the year end.

We continued to issue certificates of temporary exemptions (CTEs) to motorists affected by the high waiting times. These allowed them to drive legally and to get their vehicles taxed.

We introduced two new tests on 1 March: a metered smoke test for diesel engined vehicles and a catalytic converter test for petrol engined vehicles. The tests were introduced in order to meet the requirements of EU Directive 96/96/EC as implemented by the Motor Vehicle

(Construction and Use) Regulations (Northern Ireland) 1999, and to bring Northern Ireland into line with testing procedures operated in Great Britain (GB).

In the first few weeks after the new tests were introduced, a number of health and safety concerns emerged, linked to the amounts of smoke and fumes being generated in the vicinity of staff and customers. As a result we decided to apply the new procedures only to vehicles first registered on or after 1 January 2001, ie mainly to those vehicles being presented for test for the first time. For vehicles registered before 2001, the emissions tests in place before 1 March were continued. A project was set up to identify and address the key issues to enable the full emissions testing programme to resume as soon as possible.

In March the Northern Ireland Audit Office published a value for money report on the MOT2 vehicle test equipment project. We welcomed the report, which included some important lessons for this and other PFI projects, and put procedures in place to address the key issues raised.

Work continued on plans to introduce a new optional test for bus manufacturers, in response to EU Directive 2001/85/EC. Staff have been trained but a legislative operative date has yet to be determined.

The Agency has been involved in consultation with the Health & Safety Executive Northern Ireland (HSENI), Department of Enterprise, Trade and Investment (DETI) and DoE about plans to replicate the GB carriage of dangerous goods (CDG) legislation in Northern Ireland.

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HSENI confirmed in February that they are planning to introduce the Carriage of Dangerous Goods Regulations and the Carriage of Explosives Regulations on 1 August 2006. This will oblige the Agency to test vehicles that require CDG approval. Staff have been trained and arrangements are being put in place to deliver the test in partnership with the Vehicle and Operator Services Agency (VOSA) in GB. Consultation has taken place with the haulage industry. The test will be available at the Cookstown and Belfast test centres.

Work continued on the development of the systems and procedures necessary to support the requirements of EU Directive 2135/98/EC relating to digital tachographs, which will have to be fitted to all new goods vehicles from 5 August. To date 13 digital tachograph workshops have been formally approved, and our test centres are equipped to provide a driver smartcard replacement/exchange service. Roadside enforcement equipment and procedures are also in place.

Work was carried out in consultation with the transport industry to extend the current speedlimiter test to include all HGVs and PCVs in accordance with the requirements of EU Directive 2002/85/EC. Legislation has been amended to take effect from 4 May 2006.

During the year a review was carried out to assess the effectiveness of the new headlamp beam alignment test introduced in March. This resulted in a number of recommendations to improve testing standards.

Practical Driver Testing

The total number of driving tests carried out during the year was 63,000, an increase of 17,000 (37%) on the previous year. This rise was attributable largely to the steps taken to reduce the backlog of tests dating back to the industrial action in 2004, including the recruitment

of new driving examiners. Full details are provided in Appendix D.

Waiting times for driver tests remained outside target throughout the year, mainly because of an increase of around 20% in the demand for tests. At the end of the year the backlog stood at just over 7,500 driving tests. Over the year waiting times averaged 48 days compared with the target of 23 days.

Preparatory work was carried out during the year for the introduction of a third EC directive on driver licensing, which was agreed by the European Commission in March.

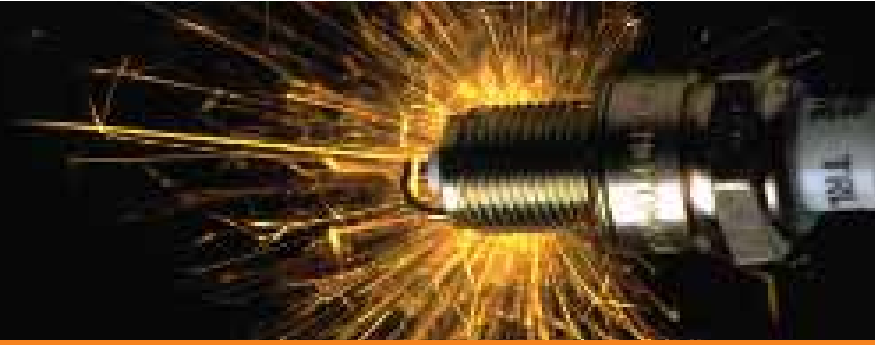
Plans are under way for the inclusion of new test manoeuvres into motorcycle tests in 2007 under EU Directive 2000/56/EC. The new manoeuvres will be tested at existing centres but at separate tests from candidates' main motorcycle tests. A pilot manoeuvring area has been developed at the Omagh centre, and six other sites have been identified for completion during 2006/07.

In preparation for the introduction of compulsory initial and periodic refresher training for professional lorry and bus drivers under EU Directive 2003/59/EC, a public consultation exercise was completed and information seminars were held for the trade. A number of joint GB/NI working groups have been established, and draft legislation has been prepared.

Initial work was started on plans to introduce compulsory basic training for motorcyclists in 2006/07 under EU Directive 2000/56/EC.

Driving Theory Test

The Agency worked with its partner Pearson VUE to deliver the driving theory test in Northern Ireland under a joint contract with GB. The key ministerial target of



93% compliance with theory test service standards was met, while 97-98% customer satisfaction was achieved consistently in post test surveys.

The contract provides for internet booking, and by the end of the year about one third of people were using this method. Tests are provided in 20 languages other than English, through six centres all with air conditioning and disabled access.

New theory test questions were developed in partnership with the Driving Standards Agency (DSA) in GB. In addition, work started during the year on an enhanced theory test in support of the compulsory training directive (2003/59/EC) project.

Theory test statistics are provided in Appendix D.

Register of Approved Driving Instructors

The number of instructors on the register continued to increase steadily to a figure of 785 at the end of the year. Details of the numbers of potential ADIs taking the requisite tests in order to join the register, and other relevant statistics, are provided in Appendix E.

Following a consultation exercise the Agency put a process in place to allow ADIs who had not undertaken the hazard perception test, as part of their qualification process, to do so on a voluntary basis. A small number of instructors applied for the test, with a 50% pass rate for those who did so.

The Agency continued to work with the Department on the draft Road Traffic (NI) Order 2006, which contains a number of new powers relating to instructor and other driving test issues. An Agency workshop was held in March to discuss priorities and resources, and the implications of the new measures, and it was agreed that a strategy would be drawn up to determine an implementation plan.

During the year we met with the NI ADI Association and the Greater Belfast ADI Association, and issued regular editions of the ADI Update news letter, containing information on new developments and items of general interest to all instructors.

Compliance and Roadside Enforcement

The year saw major changes to enforcement and compliance. Work continued on the implementation of the compliance strategy, while a new strategy was developed for intelligence based, targeted enforcement, supported by outcome orientated performance measures, appropriate information systems and technology, better education of drivers and operators and professionally trained staff.

During the year a major HGV fleet compliance survey and an MOT evasion survey were completed, and details were made available on the Agency's website. Enforcement and compliance have identified and implemented a number of objectives to reduce non-compliance including major tachograph inspections, cross border and multi agency operations and roadside inspections of buses, HGVs and private cars. Other events have included participation in high profile media events including the Motorplus Show at the King's Hall and the launch of the enforcement strategy at the new weighbridge facility at Toome.

Details of roadside enforcement activity are provided in Appendix F.

Miscellaneous Activities

Miscellaneous activities carried out during the year included checks on HGVs and trailers used internationally under the Transports Internationaux Routiers (TIR) convention and the issue of certificates of initial fitness (COIF) for buses manufactured in NI for use

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in GB. We also carried out vehicle identity checks in NI as agents of the Department for Transport (DfT) in GB.

We approved and monitored a number of tachograph installations and calibration centres, prepared road traffic collision reports for the Police Service of Northern Ireland (PSNI) and checked repair work carried out on vehicles after defect or prohibition notices had been issued at roadside check points.

Details of miscellaneous activities are provided in Appendix C.

Fees

We found it necessary to impose a general fee increase in October, the first since April 2003. The main reasons were the increase in salary costs, higher superannuation contributions and additional work content in tests.

Details of fees are provided in Appendix I.

Review of Public Administration

On 21 March 2006 the Secretary of State announced that, following the Review of Public Administration, the Agency and DVLNI would merge to form a new Driver & Vehicle Agency (DVA). This will be taken forward in the coming year.

Section Three: Other Activities

Booking Services

The take-up rate for telephone booking increased steadily throughout the year from 30% to over 40%. Although this fell short of the anticipated uptake, the positive trend looks set to continue in the coming year. A high level of satisfaction amongst those who used the telephone booking service has continued to be achieved, with the service regularly achieving ratings of 100%.

In the Customer Service Awards Ireland 2006, our call centre, operated by Northgate, was highly commended in the category 'Customer Service Contact Centre of the Year' and was selected as a finalist in the 'Customer Service Team of the Year – Public Services & Education' category.

The development of online booking was unfortunately further delayed. It is currently under development and is now expected to start later in 2006.

In September the Agency extended the MOT reminder service to provide notice to customers of when their vehicles are due to be tested for the first time. This was a welcome development in terms of customer service and should further assist customers to comply with their statutory obligations.

The availability of the telephone booking service was promoted by a variety of means including the reminder service. We also undertook a range of other steps both internally and externally to promote customer awareness.

Business Planning

We undertook a major review of strategy, involving management, staff, the Department and other key stakeholders, and a number of strategic themes were developed for inclusion in the 2006/08 corporate and business plans.

Communications

Internally the Agency published its in-house magazine *Testing Times* and conducted monthly team brief meetings, with members of the Agency's management board routinely in attendance. The Chief Executive also carried out regular centre visits throughout the year. A new online induction programme was made available for all new staff, providing information and advice about the relevant centre/section and the Agency in general, and focus groups were set up to examine key issues and identify, prioritise and formulate strategic frameworks on the way forward.

Externally we hosted our annual customer reception in June to keep key customers informed about relevant developments, and we issued regular trade bulletins. We were represented at the Royal Ulster Agricultural Society's Balmoral Show in May, which was attended by some 70,000 people over three days. We shared a stand with Road Safety, DVLNI and HSENI under the theme of 'Safety'. We also had a presence at the Motorplus Show under the theme of 'Making Northern Ireland Safer'.

The Agency's website, which had been redesigned at the end of March to make it more accessible and

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user friendly for customers and to provide more comprehensive information about the Agency's services, was very well received by both staff and customers. It was also further developed to meet new accessibility standards.

Community Involvement

In September we held our annual MacMillan coffee morning, raising £346 in support of cancer research. Our enforcement section cooked a fry-up in November in aid of Children in Need. A Christmas raffle raised around £750, with the money being used to buy gifts for World Vision and to sponsor a child in South Africa. We made financial contributions totalling £700 from Agency funds to a number of approved community/charity organisations, under our policy on community involvement, and many staff participated in, or provided financial or practical support to, a number of charitable and community activities and charities.

Corporate Governance

The Agency continued to take forward the corporate governance agenda. An independent board member was appointed to the management board in September. Noel Brady is a former head of Viridian subsidiary Sx3, and also has considerable public sector experience.

The Audit committee, comprising the management board and representatives of the Northern Ireland Audit Office and the Department's Internal Audit branch, and now chaired by the independent board member, met in June and December.

A number of audit reviews were carried out, with progress recorded in most areas against audit recommendations.

In April the Agency issued its fraud policy and fraud response plan. In the period ten incidents of fraud

were recorded. These included receipt of counterfeit banknotes; missing test certificates; a cash robbery; and two separate incidents involving vehicle testing irregularities. Steps were taken to strengthen procedures, and two members of staff were dismissed.

The Risk Management committee met at quarterly intervals throughout the year. Risks were identified, reviewed and updated on a monthly basis through the risk register.

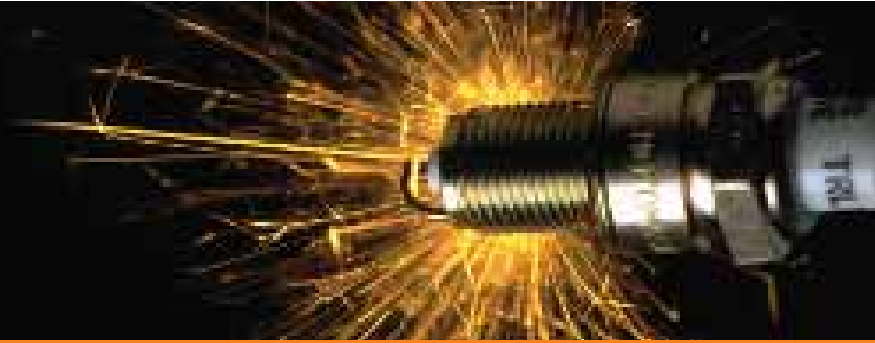
An action plan was developed to address issues arising from an assessment against the European Foundation for Quality Management (EFQM) model and further work was carried out on the development of a business continuity plan.

Draft corporate and business plans have been developed for the 2006/08 period.

Customer Services

Our annual customer survey was conducted this year by Research and Evaluation Services (RES). Its purpose is to measure customer satisfaction against our ministerial targets. The survey, which covered 800 driver and 800 vehicle test customers, achieved a response rate of 30%. The response rate has dropped significantly compared with previous years.

For the third consecutive year we failed to achieve either of our key customer service performance targets. Performance against both targets continued to be affected by the aftermath of the industrial action of 2004 married with increasing demand for tests. The survey showed that 84% of customers were satisfied with booking arrangements, compared with the target of 92%, and 87% with test procedures, compared with the target of 94%.



The underlying figures suggest that the overall results are being affected by lower levels of satisfaction on driving tests. There is a clear suggestion that waiting times are still the single most significant cause of dissatisfaction, but CTEs may have helped with customer satisfaction levels on the vehicle side.

The total number of written and oral complaints received during the year was 685, a substantial reduction on the previous year's total of over 18,000. The Agency's target of responding to complaints within 14 days was achieved in 78% of cases against a target of 90%.

The annual customer reception was held in June. The reception is aimed at providing key customers and representative groups with an opportunity to learn of new developments, such as the new compulsory training directive and the introduction of new tests, and to discuss issues that affected them.

We also met with a number of individual and trade customers during the year.

Equality and Human Rights

A monitoring report on the ADI equality impact assessment was submitted to the Department's Equality Unit. Work began on monitoring reports for the theoretical and practical driving tests and the vehicle test equality impact assessments. Equality screening of a number of new policies also took place. Plans to deliver a comprehensive programme of customer service training to address the needs of people with particular requirements was deferred as a result of lengthy driver and vehicle waiting times.

Measures to enable people with certain disabilities to undergo the practical parts of the ADI qualifying examinations were included in the draft Road Traffic (NI) Order 2006, due to become law in December 2006.

Health & Safety

A health promotion strategy was developed. This provided for the completion of a workplace stress risk assessment and a series of Healthworks training programmes. A Workplace Health Improvement Programme (WHIP) committee was formed to take forward this agenda.

A programme of work to improve fire safety standards across all centres was completed. This included the installation of fire alarm systems at nine centres and a fire safety training programme for all staff.

Information Management

During the year the Agency processed 70 requests for information. Of these 54 were answered under the Freedom of Information Act and 16 were handled as subject access requests under the Data Protection Act. The Agency continued to review and enhance its procedures for handling these requests.

The Agency's disposal schedule was developed and agreed with the Public Records Office (NI) and published on the internet.

Work commenced on preparing for the implementation of the NICS Electronic Documents and Records Management System (EDRMS). This was supported by ongoing information audits and reviews of our record and file management processes and procedures.

A number of in-house IT systems were developed to further enhance the delivery of administrative and other support services.

International Developments

Involvement continued with the international driver testing association, CIECA. We contributed to the EU funded project on Minimum European Requirements

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for Driver Instructor Training (MERIT), managed by CIECA. The recommendations of the MERIT project were accepted by the European Commission in the summer.

We also continued to work with the European Road Safety Charter working group on quality standards and assessment for driver testing. The work of the group is due to come to an end this year when it will hold a workshop to present its findings and recommendations.

We invited a European Expert Advisory Group to audit the driving test in Northern Ireland and produce a report.

On the vehicle inspection front we continued to work with the international vehicle testing organisation, CITA. We participated in a European wide quality working group, focussing on the introduction of consistent vehicle and quality standards for vehicle testing across European sister organisations, and in a working group on braking systems. We also acted as co-sponsors of the AUTOFORE project on future options for vehicle roadworthiness testing.

Legislation

The Agency is responsible for progressing subordinate legislation that impacts on driver and vehicle testing. A full list of the statutory rules that were made during the year is provided at Appendix G.

The Agency has continued to work with the Department's legislative teams on a number of other projects such as the consolidation of the driving licence regulations and the forthcoming Road Traffic (NI) Order 2006.

Partnerships

We worked closely with Road Safety Division (RSD) in DoE and with our colleagues in DVLNI. We also continued to play an important role in the delivery of the Northern Ireland Road Safety Strategy.

The driver, vehicle and operator group (DVONI), comprising DVTA, DVLNI, RSD, DfT and DVLA met on a number of occasions to consider a strategic approach to policy, legislation and operational activity in relation to driver, vehicle and operator testing and licensing.

We worked closely with relevant bodies in GB such as DfT, DSA and VOSA. We also liaised regularly with the PSNI on a range of issues including roadside enforcement.

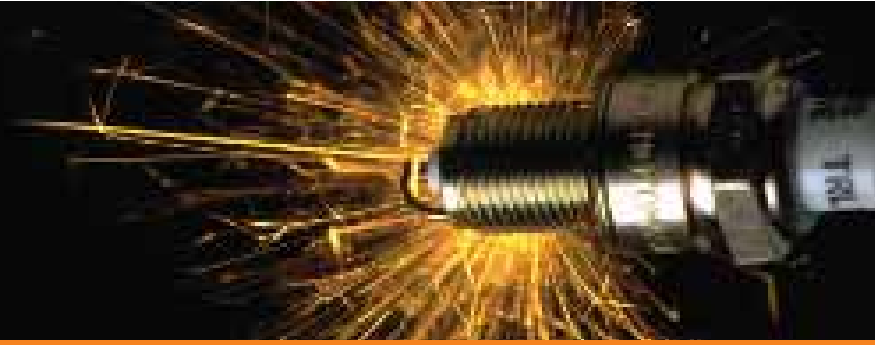
We continued to build on the working relationships already established with our private sector partners for the delivery of services: Romaha for the provision of vehicle test equipment and associated services; Pearson VUE for delivery of the theory test service; and Northgate Information Solutions for the provision of booking systems and telephone booking services.

People

Our staff continue to represent our most important resource. In addition to informal training and personal development, an average of 6.9 days per employee was spent on formal training, at a direct cost of some £245,000.

We continued to roll out a tailored management development programme for Centre Managers and Deputy Centre Managers, and almost half of the Agency's staff attended the Healthworks training programme. A one day business planning forum was held for all members of staff in the Operations directorate.

Other training needs were met through the delivery of formal training courses provided both externally and in-house. These included: induction training for all new entrants; fraud; digital tachograph awareness and familiarisation; DDA awareness; deaf awareness; fire safety; Institution of Occupational Safety & Health;



personal safety; and diesel smoke and catalytic converter testing. A number of staff also received support through the Aids to Study programme.

The Agency carried out a staff survey with a very favourable response rate of 64%. Overall the findings were very positive with 31 (86%) of the 36 questions repeated from the 2003 survey receiving a more positive response. The results in five categories indicated overall satisfaction levels of around 70% compared with 57% in 2003 and 39% in 2000. Focus groups have now been set up to identify and prioritise areas for improvement and formulate a strategy framework on the way forward.

In October an Investors in People (IiP) review of the new 'standard' model and an assessment against the 'leadership and management' model were applied for. The Agency did not meet all the indicators, and now enters the 'retaining recognition' category. An action plan will be presented to the IiP Recognition Panel in July 2006 on the action required to return to the standard. A further assessment will then be due within one year from April.

The management of attendance in the Agency showed continued improvement, meeting Departmental targets. The overall absence rate for Agency staff was 4.9%.

Property Services

Consultants were engaged to report on current and future requirements for accommodation. The report recommended more efficient use of office space, including reduced reliance on cellular units and decentralisation of HQ functions to test centres.

We completed a £500,000 programme of work to improve physical access to test centres for people with disabilities.

Quality

The quality control unit continued to implement a comprehensive and broadly based system of quality control for vehicle testing. The new system provides for improved performance measurement, internal checking, staff training and development, critical analysis of management information and external validation.

We achieved accreditation to the BS EN ISO 9001:2000 quality management standard for the administration, supervision and delivery of all classes of vehicle inspection across all of our 15 test centres. We also retained the similar accreditation for the practical driver testing process at all centres which was awarded in 2004/05.

Sustainable Development

We have developed a waste management strategy as our internal contribution to the achievement of the goals set by DoE. It was drawn up following a waste audit of the main sites occupied by the core Department and its four executive agencies. The actions and targets have been adopted by the Departmental Board and will be reported on in future Departmental and Agency annual reports.

We commissioned the Carbon Trust to undertake an energy survey at a selection of our properties. The resulting recommendations were complementary to the waste management strategy and where practical and cost effective will be taken forward over the next two to three years.

Section Four: Management Board

Bernie Rooney, previously in the Public Service Reform Unit of the Office of the First Minister and Deputy First Minister, was appointed to the management board in November as Director of Operations, replacing Martin Woods, who had been temporarily promoted to fill the post from October 2004.

Noel Brady was appointed to the management board as an independent board member in September.

The management board structure at 31 March was as follows:



l-r: Noel Brady, Independent Board Member; Stanley Duncan, Chief Executive; Bernie Rooney, Operations; John Crosby, Personnel & Customer Services; Colin Berry, Finance; David Craig, Corporate Services; David Wilson, Compliance & Planning; Trevor Hassin, Technical Policy, Legislation & Standards.

The board met for 12 strategic and 12 management meetings and also met on a number of separate occasions for business and corporate planning purposes.

Remuneration Report

The remuneration of the Chief Executive, who is a senior civil servant, is set following independent advice from the Senior Salaries Review Body. The review body takes account of the evidence it receives about wider economic conditions and the affordability of its recommendations. The remuneration of all senior civil servants includes a significant performance element.

The other directors are remunerated in accordance with the pay scales set by Central Personnel Group for all non-industrial staff below the Senior Civil Service.

Service Contracts

Civil Service appointments are made in accordance with the Recruitment Code of the Civil Service Commissioners for Northern Ireland, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open ended

until they reach the normal retiring age of 60. Policy relating to notice periods and termination payments is contained in the Northern Ireland Civil Service (NICS) handbook.

Noel Brady was appointed as an independent board member on 1 September on a three year fixed term contract. The appointment may be terminated by three months written notice by either party – this period can be waived or reduced by consent. The independent board member is not a civil servant and therefore the superannuation provisions do not apply.

Further information about the work of the Civil Service Commissioners can be found at:

www.nicscommissioners.org.

The following sections provide details of the remuneration and pension interests of the Chief Executive and board members of the Agency, subject to the exercise of statutory rights under the Data Protection Act.

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Officials	2005/06		2004/05	
	Salary Including Performance Pay (£'000)	Benefits in Kind To the Nearest £100	Salary Including Performance Pay (£'000)	Benefits in Kind To the Nearest £100
Stanley Duncan, Chief Executive	55-60	Nil	55-60	Nil
Trevor Hassin, Director of Technical Policy, Legislation & Standards	35-40	Nil	40-45	Nil
Colin Berry, Director of Finance	40-45	Nil	45-50	Nil
David Craig, Director of Corporate Services	35-40	Nil	0-5	Nil
Martin Woods, Director of Operations (acting until 25 November 2005)	20-25	Nil	15-20	Nil
Bernie Rooney, Director of Operations (from 28 November 2005)	10-15	Nil	N/A	N/A
John Crosby, Director of Personnel & Customer Services	40-45	Nil	40-45	Nil
David Wilson, Director of Compliance & Planning	35-40	Nil	35-40	Nil
Noel Brady, Independent Board Member (from 1 September 2005)	0-5	Nil	N/A	N/A

Salary

Salary includes gross salary, performance pay or bonuses, overtime, any allowance such as London Weighting Allowances, to the extent that it is subject to UK taxation. This report is based on payments made by the Agency and thus recorded in these accounts.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the Agency and treated by the Inland Revenue as a taxable emolument. No senior employee received any benefit in kind during the year.

Officials	Real increase in pension and related lump sum at 31 March 2006 (£'000)	Total accrued pension at 31 March 2006 and related lump sum (£'000)	CETV at 31 March 2005 or date of joining (£'000)	CETV at 31 March 2006 or date of leaving (£'000)	Real increase in CETV after adjustment for inflation and changes in market investment factors (£'000)
Stanley Duncan, Chief Executive	0-2.5 plus 2.5-5.0 lump sum	20.0-22.5 plus 60.0-62.5 lump sum	278	322	31
Trevor Hassin, Director of Technical Policy, Legislation & Standards	0-2.5 plus 0-2.5 lump sum	17.5-20.0 plus 52.5-55.0 lump sum	269	304	20
Colin Berry, Director of Finance	0-2.5 plus 0-2.5 lump sum	5.0-7.5 plus 20.0-22.5 lump sum	98	113	10
David Craig, Director of Corporate Services	0-2.5 plus 0-2.5 lump sum	12.5-15.0 plus 37.5-40.0 lump sum	160	174	6
Martin Woods, Director of Operations (acting until 25 November 2005)	0-2.5 plus 0-2.5 lump sum	10.0-12.5 plus 35.0-37.5 lump sum	134	147	7
Bernie Rooney, Director of Operations (from 28 November 2005)	0-2.5 plus 2.5-5.0 lump sum	7.5-10.0 plus 27.5-30.0 lump sum	96	107	11
John Crosby, Director of Personnel & Customer Services	0-2.5 plus 0-2.5 lump sum	15.0-17.5 plus 50.0-52.5 lump sum	201	227	15
David Wilson, Director of Compliance & Planning	0-2.5 plus 0-2.5 lump sum	15.0-17.5 plus 45.0-47.5 lump sum	226	258	21
Noel Brady, Independent Board Member (from 1 September 2005)	N/A	N/A	N/A	N/A	N/A

Civil Service Pensions

Pension benefits are provided through the civil service pension (CSP) arrangements. From 1 October 2002 civil servants may be in one of three statutory based final salary defined benefit schemes (classic, premium and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes to the retail price index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality money purchase stakeholder based arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three year's pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

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The partnership pension account is a stakeholder type arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, these will be matched by the employer up to a limit of 3% (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the CSP arrangements can be found at the website www.civilservice-pensions.gov.uk.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure

applies. The CETV figures and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increases in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



JST Duncan

Chief Executive
15 June 2006

Financial Report & Accounts 2005/06

Statement of the Driver & Vehicle Testing Agency's and Chief Executive's Responsibilities

Under Article 8(6) of the Financial Provisions (Northern Ireland) Order 1993, the Department of Finance & Personnel has directed the Agency to prepare a statement of accounts for each financial year in the form and on the basis set out in the accounts direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs at the year end and of the Agency's income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Department of Finance & Personnel, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual

have been followed and disclose and explain any material departures in the financial statements; and

- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Agency will continue in operation.

The Department of Finance & Personnel has appointed the Chief Executive of the Agency as the Accounting Officer for the trading fund. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Accounting Officers' Memorandum in Government Accounting in Northern Ireland, issued by the Department of Finance & Personnel. The maintenance and integrity of the Agency's website is the responsibility of the Agency.



J S T Duncan

Chief Executive
15 June 2006

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Driver & Vehicle Testing Agency

Statement on Internal Control

Scope of Responsibility

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the Agency's policies, aims and objectives set by Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting in Northern Ireland.

As a trading fund, the Agency must break even year on year for each of the services it provides. This means that the costs incurred in delivering each service must be recovered from the fees charged to customers. In addition, the Agency must meet an overall return on capital target, designed to measure the return on average net assets employed in delivering its services.

The Minister with responsibility for DoE, including the Department's executive agencies, approves the policy framework within which the Agency operates, together with the Agency's strategic objectives and annual performance targets. A proposed business plan, including annual key targets and fee levels, is submitted to the Minister for approval in advance of the year to which it relates, together with a draft corporate plan for that year and the one following. A Ministerial Advisory Board, which advises and assists the Minister on issues relevant to the Agency, is chaired by the Deputy Secretary responsible for the Department's Local Government & Road Safety group.

Performance reports are submitted to the Department and the Ministerial Advisory Board at quarterly intervals and a comprehensive report on the Agency's activities is published in the Annual Report and Accounts.

Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives: it can, therefore, provide only reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Agency's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Agency for the year ended 31 March 2006 and up to the date of approval of the Annual Report and Accounts and accords with DFP guidance.

Risk Management

The Agency has established and embedded a comprehensive hierarchical risk management system. The system is based on identifying the divisional and operational risks which flow from the high level corporate risks. The inherent risk score of each risk is assessed using a risk matrix which measures the likelihood of the risk in question being realised and the impact it would have should it be realised. In measuring the inherent risk score no account is taken of any controls in place. The risk is then re-evaluated in light of the controls present and a residual risk score allocated. A red/amber/green (RAG) system is in place to highlight the significance attached to each risk. Risks having a residual risk score of 1 to 3 are classified as green, 4 to 6 are amber and 7 to 9 are red.

The Risk Management committee is responsible for administering the risk management system, including the review of divisional and operational risk registers.

Directors and operational managers are responsible for reviewing their elements of the risk register on a monthly basis. Any changes that move the status of a risk to red are reported to the management board along with the proposed strategy for managing the risk.

A comprehensive review of the risk environment is incorporated into the Agency's annual corporate and business planning cycle.

In a report published in March 2006, the Northern Ireland Audit Office identified a number of concerns in relation to the PFI contract for the provision and maintenance of new vehicle testing equipment and the Agency is taking steps to address the relevant issues.

Review of Effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness is informed by the work of the internal auditors and the executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter and other reports. I have also been advised on the effectiveness of the system of internal control by the management board and the Risk Management committee.

In respect of 2005/06, I concluded that the systems and procedures in place were sufficient to provide me with limited assurance regarding the adequacy and effectiveness of internal control.

The Agency's internal auditors have acknowledged that significant efforts are being made to remedy deficiencies in internal control and to ensure continuous improvement of the system. A number of potential improvements to internal controls have been identified primarily in relation to the Agency's core business activities of booking and testing vehicles and drivers and plans are in place to address the issues identified.



JST Duncan

Chief Executive
15 June 2006

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Driver & Vehicle Testing Agency

The Certificate and Report of the Comptroller & Auditor General to the Houses of Parliament and the Northern Ireland Assembly

I certify that I have audited the financial statements of the Driver & Vehicle Testing Agency for the year ended 31 March 2006 under the Financial Provisions (Northern Ireland) Order 1993. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective Responsibilities of the Driver & Vehicle Testing Agency, the Chief Executive and Auditor

The Agency and Chief Executive are responsible for preparing the Annual Report and the financial statements in accordance with the Financial Provisions (Northern Ireland) Order 1993 and Department of Finance & Personnel directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Agency's and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Financial Provisions (Northern

Ireland) Order 1993 and Department of Finance & Personnel directions made thereunder. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 26-27 reflects the Agency's compliance with the Department of Finance & Personnel's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chief Executive's Report, the Directors' Report, the Management Commentary, the unaudited part of the Remuneration Report, and the Appendices to the financial statements.

I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of Audit Opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the

Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Chief Executive in the preparation of the financial statements and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- The financial statements give a true and fair view, in accordance with Financial Provisions (Northern Ireland) Order 1993 and directions made thereunder by the Department of Finance & Personnel, of the state of the Agency's affairs as at 31 March 2006 and of its net surplus for the year then ended;
- The financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Government Financial Provisions (Northern Ireland) Order 1993 and Department of Finance & Personnel directions made thereunder; and
- In all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

J M Dowdall CB
Comptroller & Auditor General
22 June 2006

Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

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Driver & Vehicle Testing Agency

Income & Expenditure Account for the year ended 31 March 2006

	Notes	2006 £'000	2005 £'000
Income			
Income from Activities	2	25,541	20,526
Expenditure			
Staff Costs	3	13,397	11,541
Depreciation & Amortisation	5.3	444	419
Other Operating Costs	4	10,207	9,174
Total Expenditure		24,048	21,134
Operating Surplus/(Deficit) on Ordinary Activities		1,493	(608)
Interest Receivable		262	227
Interest Payable and Similar Charges	6	(134)	(134)
Net Surplus/(Deficit) for the Year		1,621	(515)
Dividend Payable	7	(326)	(258)
Retained Surplus/(Deficit) for the Year	13	1,295	(773)

The surplus for the year relates to the continuing activities of the Agency. There have been no activities acquired or discontinued during the year.

The notes on pages 33 to 51 form part of these financial statements.

Statement of Total Recognised Gains and Losses for the year ended 31 March 2006

	2006 £'000	2005 £'000
Surplus/(Deficit) for the year	1,295	(773)
Unrealised surplus on revaluation of fixed assets	881	2,932
Total Recognised Gains and (Losses) for the Year	2,176	2,159

The notes on pages 33 to 51 form part of these financial statements.

Balance Sheet as at 31 March 2006

	Notes	2006 £'000	2005 £'000
Fixed Assets			
Tangible Assets	5.1	14,909	13,826
Intangible Assets	5.2	279	412
		15,188	14,238
Current Assets			
Stock of Consumables		23	17
Debtors – Due within one year	8	679	751
Other Investments – Deposit with the NI Consolidated Fund	16	6,735	5,350
Cash in hand and at Bank		97	46
		7,534	6,164
Current Liabilities			
Creditors – Amounts falling due within one year	9	5,822	5,774
Net Current Assets/(Liabilities)		1,712	390
Total Assets less Current Liabilities		16,900	14,628
Creditors - Amounts falling due after one year	12	1,431	1,431
Deferred Creditor	10	2,230	2,134
Net Assets		13,239	11,063
Financed by: Capital & Reserves			
Public Dividend Capital	11	2,100	2,100
Revaluation Reserve	13	5,402	4,521
Income and Expenditure Account	13	5,737	4,442
		13,239	11,063

All Capital and Reserves are attributable to equity interest.
The Notes on pages 33 to 51 form part of these financial statements.



J S T Duncan

Chief Executive, 15 June 2006

Annual Report and Accounts 2005/06

Driver & Vehicle Testing Agency

Cash Flow Statement for the year ended 31 March 2006

	Notes	2006 £'000	2006 £'000	2005 £'000	2005 £'000
Net Cash Inflow from Operating Activities	14		1,557		1,245
Return on Investment & Servicing of Finance					
Interest Received		259		220	
Interest Paid		<u>(134)</u>	<u>125</u>	<u>(134)</u>	<u>86</u>
Capital Expenditure					
Payments to acquire tangible fixed assets	15	(321)		(499)	
Payments on intangible fixed assets	15	<u>0</u>	<u>(321)</u>	<u>(95)</u>	<u>(594)</u>
Public Dividend Paid			<u>(298)</u>		<u>(350)</u>
Cash Inflow/(Outflow) before use of liquid resources and financing			1,063		387
Management of Liquid Resources					
Deposit with NI Consolidated Fund		(16,100)		(12,195)	
Withdrawals from NI Consolidated Fund		<u>14,715</u>	<u>(1,385)</u>	<u>11,335</u>	<u>(860)</u>
(Decrease) in Cash for the Year	17		<u>(322)</u>		<u>(473)</u>

The notes on pages 33 to 51 form part of these financial statements.

Notes to the Financial Statements

Note 1: Accounting Policies

1.1 Statement of Accounting Policies

The Financial Statements have been prepared in accordance with the 2005/06 Government Financial Reporting Manual (FReM) issued by the Department of Finance & Personnel (DFP). The accounting policies contained in the FReM follow UK generally accepted accounting practice (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Agency for the purposes of giving a true and fair view has been selected. The Agency's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The financial statements are prepared under the historical cost convention modified to include the revaluation of tangible fixed assets at current cost. Without limiting the information given the financial statements meet:

- the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986;
- the accounting standards issued or adopted by the Accounting Standards Board; and
- the accounting and disclosure requirements issued by the Department of Finance & Personnel:

insofar as those requirements are appropriate.

1.2 Fixed Assets – Tangible

All fixed assets with the exception of land and buildings are revalued by reference to the Office for National Statistics indices as published by The Stationery Office.

Land and buildings are revalued periodically by the Valuation and Lands Agency in accordance with FReM.

Surpluses and deficits arising on revaluation are taken to the revaluation reserve where appropriate, permanent diminutions in the value of fixed assets are charged to the income and expenditure account.

The minimum level for capitalisation as an individual or grouped fixed asset is £500 for IT equipment and £1,000 for all other assets. All additions to grouped fixed assets are capitalised at their cost of acquisition and installation.

Land and buildings attributed to the operation of the Agency were appropriated by the Agency on attainment of trading fund status. On 1 April 2001 the weighbridges and other assets of the enforcement function were transferred to the Agency.

Legal title to the land and buildings occupied by the Agency is held by various Northern Ireland Government Departments including DoE.

Other tangible fixed assets are valued at current replacement cost. Their values are revised annually through the use of suitable indices, with the exception of computers and IT equipment. Due to technological advances an accelerated depreciation method is applied to write off the cost of computers and IT equipment to nil residual book value over their assumed useful economic life.

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1.3 Intangible Fixed Assets

Expenditure on intangible fixed assets is capitalised and amortised over the useful life of an asset. Intangible assets are restated to current value each year by reference to the Retail Price Index.

Expenditure on the development of the third generation theory test contract is being amortised over the seven year period of the contract beginning 4 September 2004. The booking project is being amortised over the five year period of the contract.

1.4 Depreciation

Freehold land is not depreciated.

Depreciation is provided on a straight line basis in order to write off the valuation less estimated residual value of all tangible fixed assets over their useful lives.

The base useful lives of assets, which are reviewed regularly, are as follows:

Buildings		10 to 45 years
Plant and Machinery		5 to 15 years
Vehicles		5 years
Computer	Software	3 to 5 years
	Hardware	3 to 10 years
Equipment		4 to 15 years
Weighbridges		15 to 40 years

A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

1.5 Stock

Stock is valued at the lower of current replacement cost and net realisable value.

1.6 Insurance Provision

Government policy on insurance against all risks (except motor insurance) is one of self financing.

In setting fees and charges for the Agency, the estimated insurance premiums are calculated and included in total costs. For financial statements the Agency charges to the income and expenditure account insurance claims as they are advised. The value of the insurance premium included in fees to customers but not yet paid out as claims is set out in Note 19.

1.7 Pension Contributions

The Agency's past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) (NI) in respect of their pensions as described in Note 23. The PCSPS(NI) is a multi-employer defined benefit, unfunded and non-contributory scheme. All contributions are charged to the income and expenditure account as incurred.

1.8 Value Added Tax

All items in these financial statements are exclusive of VAT.

1.9 Income

Income represents the revenue received for services provided by the Agency. Income is stated net of refunds.

1.10 Enforcement

As at 1 April 2001 the Agency acquired the fixed assets associated with the enforcement activity previously undertaken by the Department. The costs of these assets are reflected as acquisitions in the Deferred Creditor Account in the 2001/02 year.

Enforcement activities are funded by the Department on a cash basis to cover the direct costs of salaries,

operational running costs and capital. The income and expenditure account recognises any notional costs, accruals and prepayments. Depreciation, additions and any other change in fixed assets are reflected as movements in the Deferred Creditor Account.

1.11 Private Finance Initiative (PFI) Transactions

PFI Transactions have been accounted for in accordance with Financial Reporting Standard 5 (Application Note F) Private Finance Initiative and Similar Contracts.

For the vehicle testing equipment project, where the balance of risk and the rewards of ownership are borne by the contractor, payments to the contractor are recorded as an operating cost and all costs incurred by the Agency are reflected as expenditure in the income statement.

1.12 Leases

Operating lease rentals are charged to the income & expenditure account on a straight line basis over the term of the lease.

1.13 Provisions

The Agency provides for legal and constructive obligations which are of uncertain timing or amount at the Balance Sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the time value of money is significant, the estimated risk adjusted cashflows are discounted using the Treasury rate of 2.2% in real terms.

Note 2: Income

	2006 £'000	2005 £'000
Vehicle Test Fees	20,018	16,090
Practical Driving Test Fees	2,676	1,894
Driving Theory Test Fees	1,013	946
Other Fees and Licences	451	353
Enforcement contribution from DoE	1,383	1,243
	25,541	20,526

Income represents the revenue received for services provided by the Agency. Income is stated exclusive of VAT and net of refunds. All activities are carried out in the United Kingdom.

Delivery to customers of the driving theory test was contracted out by the Agency to Pearson VUE Driving Assessments for a period of seven years from 3 September 2004.

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Note 3: Staff Costs and Numbers

	2006 £'000	2005 Restated £'000
a. Salary costs for the year were:		
Wages and Salaries	11,017	9,807
Social Security Costs	790	699
Pension Costs (including Superannuation)	1,635	1,063
	13,442	11,569
Capitalised as part of Computers	(45)	(28)
	13,397	11,541
b. The average number of full time equivalent persons employed by DVTA during the year was:	No	No
Management Board	7	7
Executive	46	43
Clerical and Administration (including support grades)	133	150
Technical Grades (including Driver Examiners)	313	297
Other non DVTA staff	5	3
	504	500

The 2005 employee numbers have been restated to include non DVTA staff.

Note 4: Other Operating Costs

	2006 £'000	2005 £'000
Maintenance and Estate Running Costs	1,356	1,051
Driving Theory Test	756	831
Services Provided by DoE and DRD	659	537
Permanent Diminution of Fixed Assets	5	55
Loss/(Profit) on Disposal of Fixed Assets	3	(3)
Rates	359	373
Postage and Stationery	584	560
Management Consultancy	134	125
Travel and Subsistence	367	269
Telephone	177	193
Training	385	202
PFI Contract Cost	3,280	3,220
Booking Service Contract Cost	1,598	1,236
Computer Consumables	139	113
Security of Cash	84	82
Operating Lease Rentals	11	13
Office Equipment	50	89
Auditors Remuneration	8	13
Insurance	23	66
Rent	84	53
Notional Charges on Enforcement Cost	(97)	(86)
Other Charges	242	182
	10,207	9,174

Note 5: Fixed Assets

5.1 Tangible Assets

	Free-hold Land & Buildings £'000	Long Lease- hold Land & Buildings £'000	Weigh- bridges £'000	Plant & Machinery £'000	Vehicles £'000	Computers £'000	Equipment £'000	Total £'000
Cost or Valuation								
At 1 April 2005	7,850	3,250	2,390	238	187	564	164	14,643
Additions	371	24	7	3	-	196	-	601
Disposals	-	-	-	(74)	-	(50)	(5)	(129)
Revaluation	374	241	78	(15)	3	2	(4)	679
Permanent diminution in value	-	-	-	-	-	(5)	-	(5)
At 31 March 2006	8,595	3,515	2,475	152	190	707	155	15,789
Accumulated Depreciation								
At 1 April 2005	-	-	-	180	130	370	137	817
Provided in year	116	28	32	5	26	162	11	380
Disposals	-	-	-	(71)	-	(50)	(5)	(126)
Revaluation	(116)	(28)	(32)	(17)	2	3	(3)	(191)
At 31 March 2006	-	-	-	97	158	485	140	880
Net Book Value								
At 31 March 2006	8,595	3,515	2,475	55	32	222	15	14,909
At 31 March 2005	7,850	3,250	2,390	58	57	194	27	13,826

The Agency's properties funded within the trading fund were revalued by VLA on 31 March 2006 at £12,110,000 on an existing use basis and £13,495,000 on an alternative use basis. The valuations are in accordance with the Appraisal and Valuation Manual prepared and published by the Royal Institute of Chartered Surveyors.

The Agency properties associated with the enforcement activity (including the weighbridges) were revalued by VLA on 31 March 2006 at £2,474,500 on an existing use basis.

VLA is a related party to the Agency as it is itself a Government Agency.

The value of freehold land not depreciated is £5,705,000 (2005 £5,260,000) and the value of long leasehold land not depreciated is £2,700,000 (2005 £2,500,000).

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5.2 Intangible Assets – Development Expenditure

	Third Generation Theory Test £'000	Booking Contract £'000	Total £'000
Cost or Valuation			
At 1 April 2005	88	587	675
Additions	-	-	-
Disposals	-	-	-
Revaluation	2	14	16
At 31 March 2006	90	601	691
Accumulated Amortisation			
At 1 April 2005	7	256	263
Provided in year – Annual	12	130	142
Disposals	-	-	-
Revaluation	1	6	7
At 31 March 2006	20	392	412
Net Book Value			
At 31 March 2006	70	209	279
At 31 March 2005	81	331	412

5.3 Depreciation

	2006 £'000	2005 £'000
Depreciation on Tangible Assets	380	328
Amortisation on Intangible Assets	142	144
	522	472
Costs allocated against deferred credit (See Note 10)	(78)	(53)
	444	419

Note 6: Interest Payable and Similar Charges

	2006 £'000	2005 £'000
Interest on long term loan, not wholly repayable within 5 years	134	134
	134	134

Note 7: Dividend

	2006 £'000	2005 £'000
Interim Dividend paid	150	110
Final Dividend payable	176	148
	326	258

Dividends are payable to the Northern Ireland Consolidated Fund. The dividend due is the balance of the 3.5% per annum return on the total assets employed less the current liabilities and deferred creditor, less the interest paid on the maturing loan.

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Note 8: Debtors Due Within One Year

	2006 £'000	2005 £'000
VAT recoverable	550	378
Amounts due from other NI Government bodies	49	315
Sundry debtors and prepayments	55	35
Interest Receivable	25	23
	679	751

Note 8(a): Intra-Governmental Balances

	2006 £'000	2005 £'000
Balances with other Central Government bodies	49	315
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
Intra-Governmental balances	49	315
Balances with bodies external to government	630	436
Total Debtors at 31 March	679	751

Note 9: Creditors – Amounts Falling Due Within One Year

	2006 £'000	2005 £'000
Bank Overdraft	373	-
Prepaid test fees	2,907	3,485
Trade Creditors	649	604
Interest Payable	67	67
Final Dividend Payable	176	148
Amounts due to other NI Government bodies	656	562
Other creditors and accruals	994	908
	5,822	5,774

Note 9(a): Intra-Governmental Balances

	2006 £'000	2005 £'000
Balances with other Central Government bodies	899	777
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
Intra-Governmental balances	899	777
Balances with bodies external to government	4,923	4,997
Total Creditors at 31 March	5,822	5,774

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Note 10: Deferred Creditor Movement for the Year

	2006 £'000	2005 £'000
Opening balance	2,134	2,140
Additions	175	77
Permanent diminution in value	(1)	(30)
Depreciation (See Note 5.3)	(78)	(53)
Closing Balance	2,230	2,134

Note 11: Public Dividend Capital

Under Article 5(2) of the Driver & Vehicle Testing Agency Trading Fund (Northern Ireland) Order 1996 Public Dividend Capital of £2,100,000 was created.

Note 12: Creditors – Amounts Falling Due After One Year

	2006 £'000	2005 £'000
Unsecured 15 Year Maturing Loan at 9.375% from DoE	1,431	1,431

	2006 £'000	2005 £'000
Repayments falling due in the following period:		
After 5 years	1,431	1,431

The loan is repayable in full on 1 April 2012. The interest rate of 9.375% is fixed.

Note 13: Reconciliation of Government Funds and Movements in Reserves

	Public Dividend Capital £'000	Income & Expenditure Account £'000	Revaluation Reserve £'000	Total £'000
At 1 April 2005	2,100	4,442	4,521	11,063
Surplus for the year	-	1,295	-	1,295
Surplus on Revaluation	-	-	881	881
Realised Revaluation	-	-	-	-
At 31 March 2006	2,100	5,737	5,402	13,239

Note 14: Reconciliation of Operating Surplus to Net Cash Inflow From Operating Activities

	Notes	2006 £'000	2005 £'000
Operating Surplus		1,493	(608)
Adjustments for non-cash transactions			
Depreciation	5.3	444	419
Permanent diminution in value of fixed assets		5	27
Disposal of fixed assets		3	-
Adjustments for movement in working capital			
(Increase)/Decrease in stock		(6)	(9)
Decrease/(Increase) in debtors		75	(404)
(Decrease)/Increase in creditors and provisions		(457)	1,820
Net cash inflow from operating activities		1,557	1,245

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Note 15: Reconciliation of Capital Additions to Net Cash Outflow from Investing Activities

	Notes	2006 £'000	2005 £'000
Tangible fixed assets acquired	5.1	601	646
Less items included in creditors		(105)	(70)
Less items included in deferred creditor	10	(175)	(77)
Net Cash Outflow		321	499
Intangible fixed assets acquired	5.2	-	95
Net Cash Outflow		-	95

Note 16: Net Borrowing and Reconciliation of Net Debt

	2006 £'000	2005 £'000
Cash in hand and at bank	97	46
Other investments	6,735	5,350
Short term borrowings	(373)	-
Long term borrowings	(1,431)	(1,431)
	5,028	3,965

	Cash in Hand and at Bank £'000	Long Term Loan £'000	Other Investments Deposit with NICE £'000	Total Net Borrowings £'000
Balance at 31 March 2005	46	(1,431)	5,350	3,965
Cashflow for the Year	(322)	-	1,385	1,063
Balance at 31 March 2006	(276)	(1,431)	6,735	5,028

Note 17: Analysis of Changes in Cash in Hand and at Bank During the Year

	£'000
Balance at 1 April 2005	46
Net Cash Outflow	(322)
Balance at 31 March 2006	(276)

Note 18: Related Party Transactions

DoE is regarded as a related party. During the year, the Agency has had a number of material transactions with the Department.

In addition, the Agency has had a number of material transactions with other Government departments and central Government bodies. Most of these transactions have been with the Department of Finance & Personnel. As stated in Note 5.1 the Valuation and Lands Agency valued the land and buildings used by the Agency.

During the year, neither the Chief Executive nor members of the management board nor any other related party has undertaken any material transaction with the Agency.

Note 19: Business Activities Attracting Fees and Charges

The income, cost and surplus generated from the Agency's main activities are:-

	2006			2005		
	Income £'000	Cost £'000	Surplus (Deficit) £'000	Income £'000	Cost £'000	Surplus (Deficit) £'000
Vehicle Testing	20,018	19,062	956	16,090	16,999	(909)
Practical Driver Testing	2,676	2,906	(230)	1,894	1,964	(70)
Driver Theory Testing	1,013	831	182	946	955	(9)
Other Activities	451	270	181	353	269	84
Enforcement	<u>1,383</u>	<u>1,383</u>	<u>-</u>	<u>1,243</u>	<u>1,243</u>	<u>-</u>
	25,541	24,452	1,089	20,526	21,430	(904)
Adjustment on Insurance Provision	<u>-</u>	<u>(206)</u>	<u>206</u>	<u>-</u>	<u>(131)</u>	<u>131</u>
Income & Expenditure Account	<u>25,541</u>	<u>24,246</u>	<u>1,295</u>	<u>20,526</u>	<u>21,299</u>	<u>(773)</u>

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This note is to meet DFP requirements on fees and charges and not for the purposes of SSAP25. The impact of the accounting policy for insurance costs (see Note 1.6) on the income and expenditure account is reflected above.

As at 31 March a surplus of £565,000 (2005 £359,000 surplus) is included in the Agency's reserves in respect of unpaid insurance provisions.

Note 20: Capital Commitments

Future capital expenditure authorised but not yet contracted for, amounted to £2,990,000 at 31 March (2005 £1,050,000).

Note 21: Commitments Under Leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.

		2006 £'000	2005 £'000
Expiring:	Within one year	-	3
	After one year but not more than 5 years	10	4
		10	7

The Agency did not enter into any finance leases during the year.

Note 22: Other Commitments

The Agency has annual commitments as follows.

		PFI Contract £'000	Other Contracts £'000	Total £'000
Expiring:	Between two and five years	-	1,702	1,702
	Between five and ten years	-	878	878
	Between ten and fifteen years	3,347	-	3,347
		<u>3,347</u>	<u>2,580</u>	<u>5,927</u>

These commitments are for the replacement vehicle testing equipment (PFI contract) and the driving theory test and booking services contracts. The contract for new vehicle testing equipment was signed on 26 March 2001 and is operational until 25 March 2018 (a period of 17 years). The total capital value of the equipment is £24,000,000. The booking services contract was signed on 12 September 2001 and is operational for a period of five years from 9 December 2002. The driving theory test contract commenced on 3 September 2004 and runs for a period of seven years.

Note 23: Pensions

The Agency is covered by the Principal Civil Service Pension Scheme (NI) (PCSPS) (NI) and bears the cost of pension provision for its staff by payment of an Accruing Superannuation Liability Charge (ASLC). The PCSPS(NI) is an unfunded defined benefit scheme which produces its own resource accounts. The Agency is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2003 and details of this valuation are available in the PCSPS(NI) resource accounts.

For 2005/06, employer's contributions of £1,635,000 were payable to the PCSPS(NI) (2004/05 - £1,063,000) at one of four rates in the range 16.5 to 23.5 per cent of pensionable pay (the rates in 2004/05 were in the range 12% to 18%), based on salary bands. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £nil were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age related and range from 3% to 12.5% of pensionable pay. The Agency also matches employee contributions up to 3% of pensionable pay. In addition, employer contributions of 0.8% of pensionable pay were payable to the PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £nil. Contributions prepaid at that date were £nil.

Note 24: Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 is more applicable. The Agency financial instruments principally comprise a loan from DoE and items arising directly from its day to day operations and are not held to change the risks facing the Agency in undertaking these activities.

As permitted by FRS 13, debtors and creditors which mature or become payable within 12 months from the balance sheet date have been omitted from the currency profile.

Liquidity Risk

The Agency manages liquidity risk within the framework of operating as a trading fund within DoE such that sufficient income is generated to meet expenditure on ongoing activities. Capital expenditure requirements are managed to be met from available cash balances but where additional funding is required for new initiatives, etc loans are sought from DoE.

Interest Rate Risk

All of the Agency's financial liabilities carry nil or fixed rates of interest and it is not, therefore, exposed to significant interest rate risk. Details of the fixed rate loan from DoE is shown in Note 12.

Interest Rate Profile

The following tables show the interest rate and current profiles of the Agency's financial liabilities and financial assets.

Financial Liabilities

Currency Sterling	Total £'000	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Non interest bearing financial liabilities £'000	Weighted average interest rate %	Fixed rate financial liabilities Weighted average period for which rate is fixed Years	Non interest bearing financial liabilities Weighted average period until maturity Years
At 31 March 2006	6,134	-	1,431	4,703	9.375	6	-
At 31 March 2005	5,665	-	1,431	4,234	9.375	7	-

Note

The Agency's fixed rate financial liabilities at 31 March 2006 comprise the Long Term Loan of £1,431k (2005 £1,431k). Non interest bearing financial liabilities comprise bank overdrafts of £373k (2005 £nil), the deferred creditor of £2,230k (2005 £2,134k) and the public dividend capital of the Agency of £2,100k (2005 £2,100k). The deferred creditor and the public dividend capital are of unlimited term.

Financial Assets

Currency Sterling	Total £'000	Fixed rate financial assets £'000	Non interest bearing financial assets £'000	Weighted average interest rate %	Fixed rate financial assets Weighted average period for which rate is fixed Years	Non interest bearing financial assets Weighted average period until maturity Years
At 31 March 2006	6,832	-	6,832	N/A	N/A	See Note
At 31 March 2005	5,396	-	5,396	N/A	N/A	See Note

Note

The Agency's non interest bearing financial assets at 31 March 2006 comprise the cash and bank balances of £97k (2005 £46k) and funds held at the Northern Ireland Consolidated Fund of £6,735k (2005 £5,350k). These balances are available on demand.

Foreign Currency Rate Risk

The Agency's exposure to foreign currency risk is not significant.

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Fair Value

Set out below is a comparison by category of book values and fair values of the Agency's financial assets and liabilities at 31 March 2006.

Primary Financial Instrument	Book Value £'000	Fair Value £'000	Basis of Fair Valuations
Financial Liabilities:			
Bank overdraft	373	373	
Deferred creditor	2,230	2,230	Note A
Public dividend capital	2,100	10,437	Note B
Unsecured loan	1,431	1,431	
Financial Assets:			
Cash at bank	97	97	
Northern Ireland Consolidated Fund	6,735	6,735	

Note A: The book value has been used as it is not practicable to estimate fair value with sufficient reliability.

Note B: The fair value amounts to net assets less the amount of any loan in the balance sheet and the revaluation reserve in respect of enforcement assets.

Note 25: Contingent Liabilities

The Agency is disputing liability in Employer's and Public Liability cases amounting to £44,500.

Note 26: Contingent Gain

There is a contingent gain in relation to a claim against Romaha Limited, the supplier of replacement vehicle testing equipment (MOT2) under the Private Finance Initiative. The claim is in respect of the Agency's inability, using the new equipment, to achieve the actual test times and levels of productivity provided for in the contract. The Agency has incurred additional costs and while penalties are provided for in the contract these have not yet been invoked. However, the Agency is working to resolve the outstanding issues and is currently consulting with DFP's Central Procurement Directorate on the way forward.

In view of the ongoing discussions and the commercial sensitivity of the relevant information the contingent gain has not been included in these accounts.

Note 27: Losses and Special Payments

	2006 Number of Cases	2006 £'000	2005 Number of Cases	2005 £'000
Losses	6	1	4	2
Special Payments	1,250	33	1,116	33

Note 28: Post Balance Sheet Events

There have been no events since the balance sheet date that necessitate revision of the figures included in the financial statements.

Note 29: Corporate Financial Target

	2006 Actual %	2006 Target %	2005 Actual Restated %	2005 Target %
Return on average capital employed	11.54	3.5	(5.52)	3.5

The return on average capital employed has been amended in line with proposed trading fund guidance from DFP. The return is the surplus on ordinary activities measured before interest (both receivable and payable) and dividends payable. Capital employed is the capital (public dividend capital and loan capital) and reserves.

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Appendix A

Performance Against Key Target

Target		2002/03	2003/04	2004/05	2005/06
Driving Tests – Average Waiting Time	Target	23 days	23 days	23 days	23 days
	Performance	32 days	32 days	43 days	48 days
Vehicle Tests – Average Waiting Time	Target	21 days	21 days	21 days	21 days
	Performance	20 days	30 days	44 days	35 days
Standard Hour Cost	Target	£56.51	£61.71	£61.63	£61.41
	Performance	£54.63	£57.77	£64.66	£61.34
ACE – Target as %	Target	-11.17%	-1.38%	2.53%	2.82%
	Performance	-15.31%	2.75%	-2.75%	2.50%
Level of Compliance with Theory Test Standards	Target	92%	92%	93%	93%
	Performance	97%	98%	88%	94%
Level of Customer Satisfaction with Booking Arrangements	Target	92%	92%	92%	92%
	Performance	(+/-2%) 90%	(+/-2%) 68%	(+/-2%) 81%	(+/-2%) 84%
Level of Customer Satisfaction with Test Procedures	Target	94%	94%	94%	94%
	Performance	(+/-2%) 93%	(+/-2%) 91%	(+/-2%) 86%	(+/-2%) 87%
Return on Capital	Target	6.00%	6.00%	3.50%	3.50%
	Performance	19.55%	18.79%	-5.52%	11.54%

Appendix B

Ref	Key Management Tasks	Progress at 31 March 2006
(a)	Roll out an enforcement strategy that will encompass a revised means of measuring enforcement performance. The strategy will focus on developing intelligence on all operators and drivers so that education, advisory and enforcement activities can be targeted according to the assessed risk that they present.	Implementation of the enforcement strategy commenced with reorganisation to focus on an intelligence led, targeted approach. A new database was developed and arrangements made to purchase mobile inspection equipment.
(b)	Implement the first phase of a quality control regime for vehicle testing.	Phase one of the quality strategy was completed in March. Work to implement phase two is now in progress with a planned completion date of March 2007.
(c)	Develop a staff charter.	Benchmarking and other preparatory work undertaken but substantive progress deferred as a result of resource constraints.
(d)	Develop a strategy to ensure that waiting times for test appointments are brought within target.	Despite sustained effort, waiting time targets were not achieved. However, a strategy was developed to ensure that waiting times are brought within target in the future.
(e)	Consider new approaches to managing the performance of teams in business units.	Performance portfolios for individual centres are being developed and will be in place by September 2006.
(f)	Undertake a major review of the Agency's strategy through consultation with key stakeholders, benchmarking and horizon scanning.	A strategic review involving management, staff, the Department and key stakeholders was carried out. A number of strategic themes were developed and included in the 2006/08 corporate and business plans.

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Appendix C

Vehicle Testing

Applications Received

Vehicle Category	2002/03	2003/04	2004/05	2005/06
Private Cars	391,100	441,852	442,428	458,968
Motorcycles	10,577	12,693	17,632	15,782
Light Goods	33,375	37,871	40,913	43,380
Heavy Goods	23,483	24,834	25,619	26,587
Trailers	11,433	12,305	12,418	12,713
Omnibus	2,730	2,833	2,542	2,814
Taxis	6,866	7,551	8,735	9,772
LPCV	2,527	2,736	2,694	2,779
SVA Motorcycles	-	-	67	106
SVA Others	-	-	61	177
Totals	482,091	542,675	553,109	573,078

Full Tests Carried Out

Vehicle Category	2002/03	2003/04	2004/05	2005/06
Private Cars	396,425	421,737	383,924	469,318
Motorcycles	9,518	11,953	12,961	15,666
Light Goods	34,038	36,259	32,719	44,424
Heavy Goods	21,765	22,912	20,918	27,182
Trailers	10,868	11,144	9,923	12,631
Omnibus	2,327	2,442	2,365	2,767
Taxis	6,433	7,167	8,361	9,613
LPCV	2,402	2,486	2,462	2,780
SVA Motorcycles	-	-	69	106
SVA Others	-	-	69	177
Totals	483,776	516,100	473,771	584,664

Vehicle Testing Standard Control Checks

	2002/03	2003/04	2004/05	2005/06
No of Vehicles Checked by Standards Control Officer	378	10	0	141
No of Vehicles Checked by District Examiners	808	372	454	908

Tachograph Centre Approval

	2002/03	2003/04	2004/05	2005/06
Approved Centres	27	26	27	28
No of Visits	21	13	28	41
New Centres Approved	0	0	3	3*
Approval Withdrawn	0	0	1	1
Closed	0	1	2	0
Approved Digital Tachograph Centres	-	-	-	13

* Includes one centre which was a relocation

Road Traffic Collision Reports

	2002/03	2003/04	2004/05	2005/06
Private Cars/Motorcycle	0	0	0	1
Goods Vehicles	49	33	25	36
Buses and Taxis	3	10	2	6
LPCV	0	2	0	0
MISC	1	2	2	3
Totals	53	47	29	46

Transports Internationaux Routiers

	2002/03	2003/04	2004/05	2005/06
Inspections	2	7	3	1
Certificates of Approval	2	7	3	1

Certificate of Initial Fitness

	2002/03	2003/04	2004/05	2005/06
Full Inspections	869	763	849	894
Paid Retests	172	153	42	57
Free Retests	426	348	423	519

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Appendix D

Driver Testing

Tests Conducted

Category	2002/03	2003/04	2004/05	2005/06
L Test Private Cars	41,142	47,022	41,547	57,264
L Test Motorcycles	4,331	1,887	1,837	2,094
LGV	2,071	2,115	1,892	3,135
PCV	493	470	508	536
Misc Test Categories	322	373	295	110
Totals	48,359	51,867	46,079	63,139

Theory Tests Conducted per Category and Pass Rate

2005/06	Car	Motorcycle	LGV	PCV	Total
Applications Received	45,284	2,401	2,328	633	50,646
Tests Conducted	44,117	2,328	2,264	591	49,300
% Pass Rate	72	86	73	79	
2004/05	Car	Motorcycle	LGV	PCV	Total
Applications Received	42,224	2,301	2,100	643	47,268
Tests Conducted	39,234	2,073	1,846	567	43,720
% Pass Rate	68	85	67	72	
2003/04	Car	Motorcycle	LGV	PCV	Total
Applications Received	41,717	2,847	2,150	692	47,406
Tests Conducted	37,949	2,654	1,900	623	43,126
% Pass Rate	58	73	57	66	
2002/03	Car	Motorcycle	LGV	PCV	Total
Applications Received	40,258	683	1,859	530	43,330
Tests Conducted	37,882	448	1,695	483	40,508
% Pass Rate	67	64	66	80	

Appendix E

Register of Approved Driving Instructors

ADI Register

	2002/03 No of Applications and Pass Rate %	2003/04 No of Applications and Pass Rate %	2004/05 No of Applications and Pass Rate %	2005/06 No of Applications and Pass Rate %
Theory and Hazard Perception Test	227 45%	297 40%	327 52%	459 46%
Driving Ability Test	123 56.9%	124 56.9%	279 47.3%	248 50.8%
Instructional Ability Test	119 22.2%	79 17.9%	183 27.9%	215 24.6%

ADI Register Statistics

	2002/03	2003/04	2004/05	2005/06
ADIs Registered	705	712	749	785
Male	611	617	646	679
Female	94	95	103	106
ADIs Removed from Register	43	36	36	32
Check Tests	136	121	306	366
New Registrants	43	39	73	68

Appendix F

Enforcement Section Enforcement Activities

Vehicles Checked

Enforcement officers randomly check vehicles to ensure compliance with various legislative requirements.

Vehicles Checked	2004/05	(Target)	2005/06	(Target)
Goods Vehicles	24,163	(24,100)	12,077	(11,500)
Taxis	3,375	(2,700)	3,883	(2,700)
Buses	901	(900)	512	(500)

Tachograph Charts Examined

In accordance with EU Directive 88/599/EEC the Department is required to carry out checks on these records to ensure compliance. These are checked at operators' premises and at the roadside by enforcement officers.

Charts Examined	2004/05	(Target)	2005/06	(Target)
Operators' premises	13,540	(13,000)	13,615	(13,000)
Roadside	16,047	(12,000)	13,720	(12,000)
Total	29,587	(25,000)	27,335	(25,000)

Emission Testing

Specialist equipment is used at the roadside to check emissions from vehicles fitted with either a petrol or diesel engine. Due to difficulties in transporting the petrol emission testing equipment the number of vehicles tested that were fitted with a petrol engine was limited.

Emission Test	2004/05	(Target)	2005/06	(Target)
Petrol	521	(500)	500	(500)
Diesel	2,841	(700)	4,036	(700)

Service Inspections

During the year enforcement officers carried out roadworthiness examinations of buses as the result of an unannounced visit to operator's premises.

Service Inspections	2004/05	(Target)	2005/06	(Target)
Number of Visits	37	(35)	35	(35)

Prosecution and Fines

Prosecution action is considered for more serious offences or instances where other courses of sanction would not be appropriate. During the year, DVLNI introduced measures to ensure continuous licensing. This combined with the increased use of the Automatic Number Plate Recognition equipment (ANPR) has resulted in a significant decrease in Vehicle Excise Duty (VED) evasion. As a consequence the number of vehicles found evading excise duty has reduced by approximately 60% on the previous year, resulting in a similar reduction in total penalties imposed.

	2004/05	2005/06
Prosecutions	1,382	1,600
Total penalties*	£210,605	£266,675
Warnings issued (from proceedings instituted)	22	3

* Includes figures from:	1. Prosecutions DVLNI	£450.00
	2. Mitigated Penalties	£2,600.00
	3. Tax Arrears	£0.00
	4. Fines (General)	£246,135.00
	5. Cost:	£17,489.62

Offences Detected

Goods Vehicles

	2004/05	2005/06
Checked	24,163	12,077
Overweight ¹	764	299
Vehicle Excise Duty ²	157	92
Defects ³	1,340	1,456
Tachograph/Drivers Hours ⁴	2,530	2,402
Road Freight Vehicle Licence	305	209
Goods Vehicle Test Certificate	385	292
Other Offences	293	657
Offence Totals	5,774	5,407

- Overweight** - The number of overweight offences illustrated has reduced due to changes in the collation of overweight statistics. Only statistics relating to actionable overloads were recorded during the year. (Excludes minor infringements where advice was given.)
- Vehicle Excise Duty** - During the year, DVLNI introduced measures to ensure continuous licensing. This combined with the increased use of ANPR equipment, has resulted in a significant decrease in VED evasion. As a consequence the number of vehicles found evading excise duty has reduced by approximately 60% on the previous year, resulting in a similar reduction in total penalties imposed.
- Defects** - The number of defects illustrated has reduced due to changes in the collation of statistics. Only statistics relating to actionable defects were recorded during the period 2004/05. (Excludes minor infringements where advice was given.)
- Tachograph/Driver Hours** - A greater emphasis on in-depth tachograph investigations has resulted in a higher proportion of infringements being identified even though the size of the fleet inspected has significantly reduced.

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Taxi Offences Detected

The introduction of Taxi Plating and the increased profile of the Taxi Enforcement Team (TET) has resulted in a decrease in the number of unregulated taxis encountered by enforcement officers. Media advertising highlighting the dangers associated with travelling in unregulated taxis has also contributed to the reduction.

	2004/05	2005/06
Checked	3,375	3,883
Driver's Licence (ord/PSV)	139	78
Vehicle Excise Duty	8	16
Defects	57	72
PSV Vehicle Licence	201	156
Insurance	201	112
Offence Totals	606	434

Bus Offences Detected

	2004/05	2005/06
Checked	901	512
Driver's Licence (ord/PSV)/Insurance	53	24
Vehicle Excise Duty	24	10
Defects	183	76
PSV Licence	20	19
Roads Service Licence	25	34
Total Offences	305	163

Appendix G

Made	DVTA Statutory Rules 2005/06	Operative Date
25 August 2005	Motor Vehicles (Driving Licences) (Amendment) (Fees) Regulations (NI) 2005	1 October 2005
25 August 2005	Goods Vehicles (Testing) (Fees) (Amendment) Regulations (NI) 2005	1 October 2005
25 August 2005	Motor Vehicle (Testing) (Amendment) (Fees) Regulations (NI) 2005	1 October 2005
25 August 2005	Public Service Vehicle (Licence Fees) (Amendment) Regulations (NI) 2005	1 October 2005
25 August 2005	Motor Vehicles (Construction and Use) (Amendment No 3) Regulations (NI) 2005	1 October 2005

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Appendix H

Other Activities	Target 2005/06	Actual 2005/06
Written Complaints about Booking Arrangements (% applications received)	0.15%	0.0201%
Written Complaints about Conduct of Tests (% applications received)	0.15%	0.0327%
Vehicle Test Productivity (Standard Minute Value)	430	425.62
Driver Test Productivity (Standard Minute Value)	430	430.29
Faulty Inspections	less than 0.01%	0.0172%
Response Times for Written Complaints	90% within 14 days	77.8%

Total Complaints Received (Written and Verbal)

2002/03	2003/04	2004/05	2005/06
1,037	1,243	18,331 ¹	685

¹ For industrial action alone, there were 17,247 verbal complaints. This figure does not include correspondence from public representatives (Parliamentary Questions) or claims for compensation arising from the effects of industrial action.

Training

Topic	Training Plan	Actual
Training days	3,103.5	3,284
Direct costs	£225,000	£245,093
Average training days per employee	6 days	6.9 days
Indirect costs	£130,000	£97,076
Average cost per member of staff	£710	£723.40

Appendix I

Fees

Vehicle Tests

	1 April 2004		1 October 2005	
	Full Test £	Re-test £	Full Test £	Retest £
Motor Vehicles				
Class I Motor Bicycle	20.50	13.00	22.00	14.00
Class II Motor Bicycle	20.50	13.00	22.00	14.00
Class III Light Motor Vehicle	28.00	17.50	30.50	18.50
Class IV Motor Car and Heavy Motor Car	28.00	17.50	30.50	18.50
Class V LPCV	38.50	18.50	41.50	19.50
Class VI Minibus 9-16 Seats	38.50	18.50	41.50	19.50
Class VA 13-16 Seats	50.00	18.50	53.50	19.50
Class VA LPCV 17-35 Seats	61.00	30.00	65.00	32.00
Class VA LPCV 36+ Seats	75.50	41.00	81.00	44.00
Class VIA Minibus 9-16 Seats	50.00	18.50	53.50	19.50
Single Vehicle Approval	200.00	60.00	200.00	45.00
Vehicle Identity Checks (VIC)	26.50	-	36.00	-
Goods Vehicles				
Light Goods 3500kg or less	28.00	17.50	30.50	18.50
HGV 2-axle	35.00	17.50	37.50	18.50
HGV 3-axle	45.00	17.50	48.50	18.50
HGV 4-axle	56.00	17.50	60.00	18.50
Articulated lorry 2-axle	39.00	18.50	42.00	19.50
Articulated lorry 3-axle	51.00	18.50	55.00	19.50
Trailer 1 Axle	32.50	18.50	35.00	19.50
Trailer 2 Axle	33.50	18.50	36.00	19.50
Trailer 3 Axle	34.50	18.50	37.00	19.50
Public Service Vehicles				
Omnibus Class I, II & III	63.50	18.50	83.00	19.50
Omnibus Class IA	75.00	18.50	95.00	19.50
Omnibus Class IIA	86.50	30.00	107.50	32.00
Omnibus Class IIIA	97.50	42.00	119.50	45.00
Taxis	61.50	18.50	122.00	19.50

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Driving Tests

Category	Description	1 April 2004		1 October 2005	
		Daytime £	Saturday and Evening £	Daytime £	Saturday and Evening £
A1	Light Motorcycle (75cc to 120 cc)	47.00	59.00	53.50	66.00
A	Motorcycle (over 120cc and not larger than 125cc)	47.00	59.00	53.50	66.00
B1	Tricycle/Quadricycle	47.00	59.00	53.50	66.00
B	Motor car	39.00	50.50	42.00	58.00
B+E	Motor car and trailer over 750kgs	55.00	83.00	61.00	92.00
C1	Goods vehicle 3500kgs to 7500kgs gross vehicle weight	55.00	83.00	61.00	92.00
C1+E	C1 Goods vehicle and trailer over 750kgs	55.00	83.00	61.00	92.00
C	Large goods vehicle over 3.5 tonnes	55.00	83.00	61.00	92.00
C+E	Goods vehicle and trailer over 750kgs	55.00	83.00	61.00	92.00
D1	Minibus 9-16 passenger seats	55.00	83.00	61.00	92.00
D1+E	D1 Motor vehicle and trailer over 750kgs	55.00	83.00	61.00	92.00
D	Motor vehicle with more than 8 seats	55.00	83.00	61.00	92.00
D+E	D Motor vehicle and trailer over 750kgs	55.00	83.00	61.00	92.00
F	Agricultural tractor	39.00	-	42.00	-
G	Road roller vehicle	39.00	-	42.00	-
H	Tracked vehicle	39.00	-	42.00	-
K	Mowing machine/pedestrian vehicle	39.00	-	42.00	-
P	Moped	47.00	59.00	53.50	66.00
All	Theory Tests	20.50	-	20.50	-
Extended Driving Test (after disqualification)					
	Car	78.00	-	84.00	-
	Motorcycle	94.00	-	107.00	-

Miscellaneous

	1 April 2004 £	1 October 2005 £
Duplicate Certificates	10.00	10.00
TIR (initial)	140.00	140.00
TIR (re-inspection)	70.00	70.00
Tachographs (approval)	336.00	336.00
Tachographs (annual renewals)	102.00	102.00
Accident Reports	21.00	21.00
ADI - Written Test	72.00	72.00
ADI - Test of Driving Ability	130.00	130.00
ADI - Test of Ability to Instruct	138.00	138.00
ADI - Trainee Licence	120.00	120.00
ADI - Registration/Renewal	240.00	240.00

Appendix J

Internal Audit Validation Certificate

Quality of Service Targets	Target 2005/06	Actual 2005/06
Average Waiting Times		
Vehicles	21 days	35 days
Driving	23 days	48 days
Customer Satisfaction		
Booking Arrangements	92%	84%
Test Procedures	94%	87%
Level of Compliance with Theory Test Standards	93%	94%
Financial Targets		
Standard Hour Cost	£61.41	£61.34
Aggregate Cost Efficiency	2.82%	2.50%
Return on Capital	3.50%	11.54%

In accordance with the current Government requirements the Agency's Chief Executive is required to make arrangements for the independent validation of the performance levels being reported by the Agency against its published ministerial targets.

The Agency's Internal Auditors have completed an exercise to validate the Agency's performance against its targets for 2005/06.

The target relating to the theory test service standards is subject to independent review by external consultants, and we have placed reliance on their audit work.

Opinion

On the basis of the work carried out, Internal Audit can confirm that the Agency has achieved three (3) of the eight (8) ministerial targets for 2005/06.

R Balfour

Head of Internal Audit

Appendix K

Key Performance Targets 2006/07

Vehicle Tests - average appointment waiting times	21 days
Driving Tests - average appointment waiting times	23 days
Customer satisfaction with booking arrangements (+/-2%)	92%
Customer satisfaction with test procedures (+/-2%)	94%
Level of compliance with theory test service standards	93%
Standard Hour Cost	£61.46
Aggregate Cost Efficiency (ACE) index	2.29%
Return on Capital	3.5%

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