

GLASGOW CITY COUNCIL INTERNAL AUDIT SECTION

COMMITTEE SUMMARY

Title of the Audit: Corporate Review – Performance Management

1. Introduction

1.1 As part of the agreed 2020/21 Annual Internal Audit Plan we have carried out a review of Performance Management arrangements across all Council services.

1.2 Managing performance is important for governance and accountability. It helps the Council to achieve Best Value and can help to demonstrate that it is delivering efficient and effective services. Having effective performance management arrangements provides an important mechanism for scrutinising performance, identifying potential areas for improvement and in driving decision making.

1.3 The scope of the audit was to gain assurance that appropriate performance management arrangements were in place within each service. This included:

- Arrangements in place for the monitoring and reporting of service performance;
- Performance targets in place within the services are linked to strategic and service objectives;
- The process within services for the review and updating of indicators and targets;
- Arrangements in place within the services to ensure that performance information being presented is robust, validated, and reported in a consistent manner;
- Review and challenge of performance within services;
- Action is taken by services where targets are not being met and that the roles and responsibilities for this are clear and understood; and
- Arrangements in place within services to benchmark performance.

1.4 The audit included a review of the performance management arrangements in place within Financial Services (FS), Education Services (EDS), Chief Executives Department (CED), Development and Regeneration Services (DRS) and Neighbourhoods and Sustainability Services (NS). The findings reflect the arrangements in place prior to the Council family review which established the new Neighbourhoods, Regeneration and Sustainability Services (NRS). As many of the performance management arrangements with Social Work Services (SWS) are within the remit of the Glasgow City Health and Social Care Partnership (HSCP), for SWS, we limited our scope to the review of a sample of key statistical annual returns submitted by the service.

1.5 The main mechanisms for performance reporting are through the Annual Service Plan and Improvement Reports (ASPIR) and annual Operational Performance Reports. However, the production of the ASPIR for 2020/21 was delayed due to the COVID-19 pandemic. Consequently, our review focused on the most recently published performance data for each of the services concerned. We also acknowledge that some of the evidence requested during the audit was inaccessible due to the working arrangements implemented as a result of the pandemic.

2. Audit Opinion

2.1 Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and ten recommendations that management should address.

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3. Main Findings

3.1 A number of key controls are in place and generally operating effectively. We found that a suite of key performance indicators (KPIs) have been identified for all services, and, in some cases, we found evidence that the KPIs had been formally approved by senior management.

3.2 We also confirmed that, in some services, KPIs are clearly linked to the achievement of strategic plan commitments or other service objectives. During the audit we reviewed a sample of twenty-five KPI's across the services noted, and we found that targets were in place for all indicators in the sample and, in some services, we found the targets set to be reasonable when compared to prior year outcomes. We found that processes are in place to regularly review and update KPIs and associated targets within most of the services reviewed.

3.3 For the sample of KPI's reviewed, we identified that processes for the collection of performance information and the calculation of indicator figures were in place within all services. Adequate arrangements for benchmarking performance were also found to be in place within all services.

3.4 However, our audit testing identified some weaknesses in existing controls and some areas for improvement. In particular we noted:

- There is currently no central Performance Management Framework to set out the approach to be adopted across all Council Services. Consequently, we found that the arrangements to monitor performance on an ongoing basis varied extensively between services;

- Procedure notes are not in place for a number of indicators/statistical returns across all services;
- KPIs had not been formally approved by senior management in some services;
- We found no formal link between the KPIs being monitored and strategic/operational objectives in some services;
- CED were unable to demonstrate that some indicators we sampled had been subject to regular review/revision to ensure that they remained fit-for-purpose and reflective of strategic/operational objectives or current operational practice;
- In some services we found that targets were set at the same level, or below the level of performance achieved in previous periods. In some services we also found the rationale behind the target setting process to be unclear;
- We were unable to fully substantiate some reported figures due to a lack of supporting evidence. We also identified a total of three errors in calculations which resulted in overstatements of actual performance;
- We identified that the initial submission for one SWS statistical return contained a material error which required the report to be revised and reissued by a third-party organisation.

3.5 An action plan is provided at section four outlining our observations, risks and recommendations. We have made ten recommendations for improvement. The priority of each recommendation is:

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Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	8
Low	Lower level controls absent, not being operated as designed or could be improved.	2
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

- 3.6 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.7 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.8 It is recommended that the Head of Audit and Inspection submits a further report to Committee on the implementation of the actions contained in the attached Action Plan.

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4. Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Arrangements are in place for the monitoring and reporting of service performance				
1	<p>Through our discussions with officers we found that arrangements to monitor performance on an ongoing basis varied extensively between services.</p> <p>We noted that there is currently no central Performance Management Framework which sets out the approach for performance management to be adopted across all Council services.</p> <p>This increases the risk that performance management information across services is not directly comparable and that there is a lack of consistency in the approaches taken by services.</p>	<p>Management in all services should liaise with Strategic Policy and Planning (SPP) to investigate the possibility of developing and implementing a central Performance Management Framework.</p>	Medium	<p>Responses:</p> <p>Corporate: Accepted.</p> <p>This will be considered by the Strategy and Performance Working Group and corporate guidance will be produced to address the findings within this report and other relevant matters, thus ensuring clear ownership, roles and responsibilities and standardised controls to be applied consistently across all Services.</p> <p>Officer Responsible for Implementation: Service representatives on the Working Group.</p> <p>Timescale for implementation: August 2021 for consideration by the Working Group.</p>

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				February 2022 for implementation of corporate guidance for the 2022/23 PMF cycle.
2	<p>We were informed that performance information within CED is reviewed on an ongoing basis to ensure that indicators remain fit for purpose. However, during our sample testing, we found that for 3 of the 5 indicators reviewed for CED there was no evidence to substantiate that the indicator had been subject to review, and in one case we found the indicator was no longer reflective of current operational practice.</p> <p>We were also unable to evidence that performance indicators had been formally approved by Senior Management prior to the reporting year in some services.</p> <p>Without a process of review and formal approval being in place, there is an increased risk that inappropriate performance measures are being monitored by the services.</p>	<p>CED Management should review the current arrangements in place to ensure that performance information being reported is subject to regular review and update and remains fit for purpose. Any required amendments should then be formally implemented and communicated to the relevant officers.</p> <p>Service Management should also ensure that formal approval of the suite of key performance indicators can be demonstrated.</p>	Medium	<p>Responses:</p> <p>Corporate: Accepted.</p> <p>The process for regular review, updating and approval of indicators will be included in the guidance to be developed at Recommendation 1.</p> <p>Officer Responsible for Implementation:</p> <p>Corporate: Service representatives on the Working Group.</p> <p>Timescale for implementation:</p> <p>Corporate: August 2021 for consideration by the Working Group.</p> <p>February 2022 for implementation of corporate guidance for the</p>

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				2022/23 PMF cycle.
Key Control: Service performance targets in place are linked to strategic and service objectives				
3	<p>For DRS and NS, we found that there was no formal link between reported performance indicators and the service's strategic plan commitments or operational service objectives.</p> <p>This increases the risk that the performance information being monitored does not contribute towards the achievement of service objectives or the wider strategic priorities of the Council.</p>	<p>NRS Management should ensure arrangements are in place to demonstrate the link between the performance information being reported and service and strategic objectives.</p>	Medium	<p>Responses:</p> <p>NRS: Indicators will be aligned to the Strategic Plan Commitments and Service Priorities where deemed appropriate.</p> <p>Officer Responsible for Implementation: Performance Manager</p> <p>Timescale for implementation: October 2021</p>
Key Control: Arrangements are in place within services to review and agree performance indicators regularly to ensure they remain reflective of strategic objectives and are fit for purpose				
4	<p>For the indicators reviewed within CED and FS, we found evidence to demonstrate that some targets were set at the same level or below performance achieved in previous years. Although we</p>	<p>CED and FS Management should ensure that the target setting process drive improvements in service performance.</p> <p>Where future targets being set are at a level</p>	Medium	<p>Responses:</p> <p>Corporate: Accepted. The need for record keeping in relation to target setting</p>

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	<p>acknowledge that there can be operational reasons for this, we found that the rationale behind these targets was unclear. Within DRS we found that the rationale behind the target setting process was not clearly documented for one KPI being reviewed.</p> <p>This increases the risk that services will not achieve best value or continuous improvement in the delivery of their services.</p>	<p>below the performance achieved in previous years, management should ensure that robust record keeping is in place to demonstrate the reasons for this. NRS management should ensure that a clear audit trail of decisions made in relation to targets is maintained.</p>		<p>will be included in the guidance to be developed at Recommendation 1.</p> <p>Officers Responsible for Implementation:</p> <p>Corporate: Service representatives on the Working Group.</p> <p>Timescale for implementation:</p> <p>Corporate: August 2021 for consideration by the Working Group.</p> <p>February 2022 for implementation of corporate guidance for the 2022/23 PMF cycle.</p>
<p>Key Control: Arrangements are in place within services to ensure that performance information being reported is robust, validated and reported in a consistent manner</p>				
5	<p>As a result of our sample testing, we identified cases where internal documented procedures or process notes were not in place which explain how to calculate performance indicator information in all services. We also noted</p>	<p>Management from all services should review the current suite of key performance indicators to determine where documented procedures or process notes are required.</p> <p>Following review, management from all services</p>	Medium	<p>Responses:</p> <p>Corporate: Accepted.</p> <p>The need for record keeping in</p>

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	<p>that no documented procedures are currently in place for 2 of the 3 Social Work statistical returns reviewed.</p> <p>While we appreciate that some indicators consist of figures lifted directly from system reports, others involve complex numerical calculations and require use of professional judgement.</p> <p>Without formal guidance, there is an increased risk that agreed processes are not followed or that indicators are calculated in an inconsistent manner.</p>	<p>should ensure that procedure notes are developed for all areas where this has been identified as being appropriate.</p>		<p>relation to target setting will be included in the guidance to be developed at Recommendation 1.</p> <p>SWS: Accepted.</p> <p>With regards to the national statistical returns made by Social Work, action will be taken to ensure that documented operational procedures are in place for all returns.</p> <p>Documented procedures are in place in respect to all KPIs used within the IJB Quarterly Performance Report and have been the subject of a previous audit which has been responded to.</p> <p>Officers Responsible for Implementation:</p> <p>Corporate: Service representatives on the Working Group.</p> <p>SWS:</p>

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				<p>Performance Planning Manager</p> <p>Timescale for implementation:</p> <p>Corporate: August 2021 for consideration by the Working Group.</p> <p>February 2022 for implementation of corporate guidance for the 2022/23 PMF cycle.</p> <p>SWS: April 2022 in line with submission schedules over 2021/22</p>
6	<p>We were unable to substantiate some of the reported figures being reviewed as an audit trail had not been retained by the services to allow a full validation of the figures being reported.</p> <p>Without retention of a full audit trail there is an increased risk that performance information being reported is inaccurate or misleading.</p>	<p>Management within FS, NRS, and CED should ensure that source data and other evidence necessary to support the calculation of performance measures is retained in support of the figures being reported.</p>	Medium	<p>Responses:</p> <p>Corporate: This will be included in the guidance to be developed at Recommendation 1.</p> <p>In CED, supporting evidence is available but was not accessible at the time of the audit due to staff working from home.</p>

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				<p>Officer Responsible for Implementation:</p> <p>Corporate: Service representatives on the Working Group.</p> <p>Timescale for implementation:</p> <p>Corporate: August 2021 for consideration by the Working Group.</p> <p>February 2022 for implementation of corporate guidance for the 2022/23 PMF cycle.</p>
7	<p>For the sample of 25 indicators reviewed across CED, FS, EDS, DRS and NS, and for the statistical returns reviewed in SWS, we identified multiple cases where a review and authorisation process prior to reporting was either not in place or could not be evidenced.</p> <p>Through our sample testing we identified a total of three errors in calculations made by officers. We also established that the original submission for one SWS statistical return contained a material error</p>	<p>Management in the relevant services should ensure that, where considered appropriate, performance figures being reported are subject to review and approval by a secondary officer prior to inclusion in performance reports. An audit trail of the approval should be retained in order to demonstrate this.</p> <p>Management in the relevant services should review arrangements that are in place for the collection, collation and calculation of performance indicator information and statistical returns to ensure that arrangements are robust,</p>	Medium	<p>Responses:</p> <p>Corporate: Accepted. This will be included in the guidance to be developed at Recommendation 1.</p> <p>In CED, supporting evidence is available but was not accessible at the time of the audit due to staff working from home.</p> <p>SWS:</p>

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	<p>which required the submission to be revised at a later date, although this error had been identified and corrected by the service prior to the audit being undertaken.</p> <p>Without a process for review and authorisation, there is an increased risk that errors are not identified and corrected prior to reporting and that decision making will consequently be based on inaccurate or misleading information.</p>	<p>and data reported is accurate.</p>		<p>Action will be taken to ensure that all national social work returns submitted are subject to review and approval by Business Intelligence and Care Group Service Managers.</p> <p>The arrangements for the collection, collation and calculation of performance indicator information have been the subject of a previous audit which has been responded to.</p> <p>Officers Responsible for Implementation:</p> <p>Corporate: Service representatives on the Working Group.</p> <p>SWS: Performance Planning Manager, Glasgow HSCP</p> <p>Timescale for implementation:</p> <p>Corporate: August 2021 for consideration by the Working Group.</p>

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				<p>February 2022 for implementation of corporate guidance for the 2022/23 PMF cycle.</p> <p>SWS: June 2021</p>
<p>Key control: Arrangements are in place to ensure that performance against targets is subject to independent review and challenge, and ensure that appropriate action is taken by services where targets are not being met</p>				
<p>8</p>	<p>Through discussions with officers within CED, we established that arrangements for the collection of performance data were suspended for some service areas. We noted that there had been no regular quarterly performance reports presented to the CED SMT during 2020/21, as a result of the COVID-19 pandemic.</p> <p>For CED, DRS and EDS we also found that scrutiny of performance by senior management and the proposed remedial actions are not formally documented.</p> <p>There is therefore an increased risk that decision making may be made based on incomplete performance information and that appropriate remedial actions are not identified, implemented and followed up by services where performance is falling</p>	<p>CED management should ensure that where services continue to be delivered that there are measures put in place to ensure that performance data is collected and reported despite disruption to services. Arrangements should be put in place to ensure that performance monitoring reports continue to be regularly presented for scrutiny to the SMT.</p> <p>CED, NRS and EDS management should ensure that proposed remedial actions identified to address performance concerns are formally documented and logged, including the officers responsible for implementation of the actions. Thereafter, progress towards implementation of the agreed actions should be monitored by management on a regular basis.</p>	<p>Medium</p>	<p>Responses:</p> <p>CED: Accepted. The CV19 response was an extraordinary period and the Service prioritised critical functions and resources. Additionally, some officers were unable to work from home.</p> <p>As part of the Service's incident management command and control structure, oversight of activities and performance across the Service was maintained. The SMT has reconvened and performance information will continue to be presented in the usual way.</p> <p>NRS:</p>

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	behind target.			<p>Accepted. The scrutiny for DRS performance will be superseded as the performance management arrangements will be adopted in line with previous NS arrangements for performance scrutiny.</p> <p>EDS Response: Accepted.</p> <p>EDS have continued throughout the pandemic to collect and report on all performance measures as per EDS Performance Framework.</p> <p>Officer Responsible for Implementation:</p> <p>CED: Principal Officer, Strategic Policy and Planning.</p> <p>NRS: Performance Manager</p> <p>EDS: Support Services Manager</p> <p>Timescale for implementation:</p>

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				Corporate: August 2021
Key Control: Arrangements are in place within services to report performance information				
9	<p>For one FS indicator, we identified a difference in the figure being reported through the ASPIR and the figure reported to the Scottish Government which resulted in an inaccurate figure being reported through performance monitoring reports in the following year. This issue arose due to a timing issue with the Council Tax system.</p> <p>As a result, there is a risk that prior year performance data is not directly comparable to performance levels being achieved in the current year, which may impact decision making.</p>	<p>Where the results of an indicator may change as a result of timing issues, the service should consider adding a caveat to reported information to make it clear that the data may be subject to change.</p> <p>Management should also consider whether it is appropriate to update prior year figures in performance monitoring reports to reflect known changes that arise as a result of timing differences.</p>	Low	<p>Response:</p> <p>Corporate: Accepted.</p> <p>Use of caveats will be included in the guidance to be developed at Recommendation 1.</p> <p>Officer Responsible for Implementation:</p> <p>Corporate: Service representatives on the Working Group.</p> <p>Timescale for implementation:</p> <p>Corporate: August 2021 for consideration by the Working Group.</p> <p>February 2022 for implementation of corporate guidance for the</p>

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				2022/23 PMF cycle.
10	<p>For EDS, we found that the most recent ASPIR (2019/20) had not been uploaded to the website and therefore could not be accessed by members of the public.</p> <p>Consequently, there is an increased risk that service performance is not being communicated to stakeholders.</p>	<p>EDS management should ensure that the ASPIR for 2019/20 is uploaded to the Council website.</p> <p>Thereafter, management should ensure that arrangements are in place to ensure that future ASPIRs are uploaded to the website in a timely manner as and when a new version of the report is published.</p>	Low	<p>Response:</p> <p>CED and EDS: Accepted.</p> <p>CED and EDS will ensure that final ASPIRs are uploaded immediately upon completion of the Committee and approval process. A reminder to publish ASPIRs on the Council website will be included in the guidance to be developed at Recommendation 1.</p> <p>Officer Responsible for Implementation: Principal Officer, Strategic Policy and Planning, CED and Support Services Manager, EDS.</p> <p>Timescale for implementation: Complete</p>