



Internal Audit

FINAL

Dacorum Borough Council

Assurance Review of Performance Management

2023/24

September 2024

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

To confirm whether appropriate consistent and measured controls are in place that consider the way in which key performance data is collated to inform effective decision making, taking in to account the accuracy, integrity and consistency of data.

SCOPE

The review considered the way in which key performance data is collated to inform effective decision making, taking in to account the accuracy, integrity and consistency of data.

KEY STRATEGIC FINDINGS



No policies or procedures were evidenced in regards to Performance Management.



No process in place to check the validity of raw data sent across.

GOOD PRACTICE IDENTIFIED



KPIs are set and monitored and reported monthly, and with a process manual in place for how to use the InPhase software which tracks KPI data.

ACTION POINTS

Urgent	Important	Routine	Operational
0	3	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	No written policies and procedures in regards to Performance Management were available for review, this was confirmed by the Corporate Performance Management Lead Officer and Head of Transformation. This includes the verification of raw data, how data is processed, how often managers are informed of the data, Performance Management Team Staff Hierarchy.	Introduction of written policies and procedures for the Performance Management department to be drafted and approved as soon as possible, to establish a coherent and effective process.	2	<p><i>We have recently developed a performance management Handbook which explains performance management at Dacorum including the different types of measures used and the process of updating and reporting on these measures.</i></p> <p><i>We regularly run drop-in sessions for all officer involved in performance updating to further communicate the process and governance of performance management.</i></p> <p><i>1:1 training and information session are also always available to all officers and managers on performance management, and this includes the process itself.</i></p>	31/03/2024	Corporate Performance Management Lead Officer

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Whilst there is evidence from email correspondence between Corporate Performance Management Lead Officer (CPMLO) and department members in regards to data outliers received in reports, there is no process currently in place where the raw data that is within these reports is verified at source. Upon requesting a walkthrough of how raw data is verified, the CPMLO was unable to show evidence of this themselves, furthermore they were unable to show how the individual departments reports are taken from show that the source data is checked prior to reports being sent across.	Implement a process where the raw data that is cited within reports sent to the CPMLO is verified at source, not just have the data on the spreadsheet analysed for discrepancies.	2	<p>We are currently reviewing how we use our Performance Management System and establishing requirements for the future which will determine what system we use going forward. One key requirement is to automate data collection from source systems which will ensure validity of data being assessed for performance management. Following the finalisation of requirements and evaluation of systems, a decision on what system is used for performance management will be due in October 2024.</p> <p>In the meantime, to mitigate against potential inaccurate data, performance reports are presented to directorate specific performance clinics where Corporate and Strategic leaders review performance ahead of the report being submitted to SLT and Members. This provides an extra layer of quality control checking and scrutiny by those with more knowledge of the services. Therefore, actions can be implemented following these clinics for datasets to be checked if unusual performance data is presented.</p>	01/04/2025	Corporate Performance Management Lead Officer

PRIORITY GRADINGS

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	The Corporate Performance Management Lead Officer (CPMLO) was unable to interpret the sample data sent across for missed bin collections, the data provided was not clear as to what each figure meant. This demonstrates more evidence that the raw data collected from the Performance Management Team is not verified at source.	Ensure that staff are fully conversant in understanding the data that is sent across to them from various departments, this will ensure that not only can data anomalies can be identified, but also be able to trace it back to its source to understand the data fully.	2	<i>As part of the requirements building for the performance management system, The CPMLO needed to understand and map the systems and sources that are used in collecting performance management data. A data information form was sent to services asking what data was collected, whether this was collecting internally or via external source or system and then what exact system or other storage was used. This has been collated by the CPMLO and mapped to understand what systems are used in performance data collection. This has not only helped in the development of the requirements for a performance management system but also has allowed the CPMLO to trace the data back to the source and ensure greater assurance and understanding of the data collection process. This risk will be addressed further once a decision on the performance management system is agreed.</i>	01/04/2025	Corporate Performance Management Lead Officer

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No OEM findings evidenced.				

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in Place	1	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Out of Scope	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in Place	2, & 3	-

Other Findings

No other findings evidenced



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	Out of Scope	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Out of Scope	-	-

Other Findings



Agreed KPI's are evidenced and there is evidence documented that these are monitored monthly. Alongside this is a training guide detailing how to use the InPhase software, which the Performance Management Team use to document and add any comments to the data.

Scope and Limitations of the Review

- The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

- The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

- The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

- The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

- We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

- The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	14 th August 2023	14 th September 2023
Draft Report:	5 th February 2024	6 th September 2024
Final Report:	13 th September 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	Performance Management		
Type of Review:	Assurance	Audit Lead:	MB Auditor

Outline scope (per Annual Plan):	The review will consider the way in which key performance data is collated to inform effective decision making, taking in to account the accuracy, integrity and consistency of data.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	20th November 2023	Exit Meeting Date:	4th January 2024	Exit Meeting to be held with:	Corporate Performance Management lead Officer
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N