Swindon Internal Audit Services

Performance and Risk Management

November 2017

Final

Contents and Distribution

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Report Distribution – Final Report issued on 9th November 2017 to:

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Executive Summary

Background and Context

The Director of Organisational Excellence, Performance and Communications is responsible for developing the corporate performance and risk management frameworks within the Council. The Corporate Planning Lead has integrated the reporting of performance and risk to develop insight into emerging issues. Quarterly summary performance and risk reports are produced for Corporate Management team and Members

As part of the Council's annual business planning process, all departments are required to set departmental objectives in line with corporate objectives, and to nominate a suite of performance indicators to be produced and reviewed locally to measure progress against these objectives and outcomes. Guidance has been provided to departments to help develop the most appropriate set of indicators to measure performance that has the most impact on achievement of corporate objectives. For several years, ongoing performance management arrangements at a directorate or service level have been at the discretion of relevant senior management teams. However, the business planning process for 2017/18 was underway at the start of this review and by the close of the review, Heads of Service have now put together scorecards containing key performance measures for their service areas. These will be presented and discussed at both departmental management teams and quarterly at Corporate Management Team meetings.

Risk management is implicitly linked to performance management, including helping an organisation develop awareness and an understanding of emerging issues. As a result, Risk and Performance Management has been reviewed together.

Audit Opinion

The impact and materiality of Performance and Risk Management is considered **high** and combined with the Auditor's opinion that **satisfactory** arrangements are in place, gives an overall risk assessment to the Council of **'moderate'**. This is due to the considerable amount of work undertaken by People, Performance and Engagement staff and service managers to put performance scorecards in place for the organisation. Heads of Service and Corporate Management Team will now need to champion performance and risk management at a directorate and service level, to ensure required processes embed in the organisation and the benefit of performance and risk management is delivered.

Key Messages

There have been a number of areas of development and improvement in Performance and Risk processes over the last 12 – 18 months. The Council has published its corporate plan and there is now much greater clarity in its priorities and objectives. Each priority has a set of measures by which successful delivery is appraised.

The Corporate Planning Lead has supported service areas to develop business plans and performance measures to support achievement of corporate priorities.

Corporate Management Team (CMT) now regularly receive an integrated Performance and Risk report. There is an increased focus at CMT on performance and risk. There is also emerging evidence of performance and risk information starting to be used to influence decision making and contribute to corporate governance and oversight. “Corporate health” indicators are also in place. Members are starting to receive the Corporate Risk register at Leader’s Advisory Group (LAG) and a successful session has been held between CMT and LAG to provide a status update and agree areas of focus for the Council’s priorities and pledges.

A corporate risk register is in place, which is reviewed regularly by the Council’s Corporate Management Team. Processes to produce risk registers at a Head of Service level have also been developed and these are updated quarterly. The Corporate Planning Lead uses these updated risk registers, performance information from service areas and the Data Intelligence Team and meetings with Heads of Service to produce the quarterly performance and risk reports for the Corporate Management Team. An update of the Corporate Risk register is presented at least annually to Audit Committee and has recently started being presented at Leader’s Advisory Group.

An externally facing Swindon Borough Council Performance Dashboard has been implemented, providing data and information to the public, Members and staff, to communicate progress against the Council's Vision, Priorities and Pledges.

Over the past year there have been some good examples of directorates integrating performance and risk reporting (Children and Adults) and also producing scorecards of management information to help manage service delivery and improve efficiency and effectiveness (Streetsmart services). The business planning process for 2017/18 has required scorecards to be developed by all Heads of Service, to ensure key performance measures for service areas are captured and reviewed. The process to produce these scorecards was being carried out while the audit was being undertaken, but scorecards of measures are now in place for the majority of areas required and have been used successfully at Corporate Management Team to inform discussions on financial sustainability.

A performance framework document has been produced, which includes how performance management should integrate with risk in the Council, but it is not easy to locate, for managers to refer to.

Programme and project performance and risk management arrangements for the Council’s change programmes are being developed by the Head of Transformation. Outside of the change programmes, performance arrangements for programmes and projects are determined at the discretion of individual management teams.

However, there are number of areas where there are still opportunities to develop processes and increase the Council’s maturity in relation to performance and risk.

The regular integrated review of performance and risk at CMT and LAG level is a relatively new practice and is still developing.

Below Corporate Management team there has been inconsistent culture and practice in relation to using performance and risk information. In some areas, there has been a very positive culture and routine reporting of performance measures against targets and management information at management meetings, along with discussion and amendment of risk registers. In other areas, performance measures and risk registers have not been reported at directorate management meetings. There are a number of reasons for this, including the need to define the performance and risk information needed to be reported at some management teams and the need to develop processes to support this. There has been variable practice across service areas and teams in relation to business plans, performance indicators and risk registers. In some cases performance indicators listed in business plans for 2016/17 have not shown sufficient alignment to business plan objectives and corporate plan objectives.

However, performance culture appears to be improving, as evidenced by the ongoing development of performance scorecards for each of the Council's directorates. Heads of Service and Corporate Management Team will now need to champion performance and risk management at a directorate and service level, to ensure required processes embed in the organisation and the benefit of performance and risk management is delivered.

There are no standards or guidance to determine how performance and risk management should be applied to the Council's partnerships and issues have been identified in relation to a lack of transparent reporting, or lack of KPIs to govern these.

Savings/increased revenue opportunities

The following areas have been identified as opportunities for savings or increased revenue:

- If the Council brings provision of the externally facing performance dashboard in house, savings of up to £24,000 per annum could be delivered, dependant on any costs incurred in developing a replacement site.

Risk Areas Examined and Findings

In accordance with best practice, a risk-based approach was adopted that identified the key risks to the business objectives and those mitigating actions/controls that should be in place. The auditor then assessed the effectiveness of the mitigating controls through examination of relevant documents, procedures and detailed testing.

The key risks to the achievement of the business objectives were discussed and agreed with the Director: Organisational Excellence, Performance and Communications and, the Corporate Planning Lead before the commencement of the audit. The table below summarises the Risk Areas examined during the review and provides an assessment of the adequacy of controls in place for each area of risk examined:

Risk Area Examined and Findings	*Audit Conclusion*
Risk: Performance and Risk Framework • There is inconsistent practice across the Authority in relation to performance and risk management. The Council has a Performance framework that identifies the relationship between performance and risk management. However, this is very difficult to locate and it is not clear officers are aware of its existence. It will need to be reviewed to record the emerging practices in relation to Member involvement in the risk management process. • The Council's intranet does include a page on managing risk. There is also guidance in relation to risk assessment of business plans as part of the business planning guidance. Although this includes useful guidance in relation to how to identify, appraise and record risks, it refers to structures and practices that are no longer in place, e.g. quarterly pillar risk management reviews. This guidance also does not cover arrangements for programmes, projects and partnership risk arrangements. • There is no guidance on the Council's intranet in relation to performance management processes that should be in place below a review of performance at Corporate Management Team level. However, there is guidance on selecting performance measures included as part of the business planning section. • Information regarding updated performance and risk process has been shared verbally with managers. This now needs to be documented and published, for further visibility.	**Satisfactory**
Risk: Governance • Since the 2015/16 Internal Audit reviews of Performance and Risk Management progress has been made in a number of areas relating to performance and risk. The Council is at an early stage of re-designing and developing arrangements for performance and risk. • In terms of improvements the Council has published its corporate plan since the previous Internal Audit reviews and there is much greater clarity on its priorities and objectives. Each priority has a set of measures by which successful delivery is appraised.	**Significant improvements required**

- An internally and externally facing dashboard has been implemented which updates the status of these measures and provides commentary on performance. For the first time, this information is available to all Council staff, Members, the public and other stakeholders and significant work goes into its production to ensure an up to date report of the status of the promises is communicated through the dashboard.
- There is an increased focus at CMT on performance and risk. CMT members value the integrated performance and risk reports pulled together by the Corporate Planning Lead and there is evidence of performance and risk information starting to be used to influence decision making and contribute corporate governance and oversight.
- Corporate health indicators are also being presented at this level.
- There have also been some good examples of directorates integrating performance and risk reporting in 2016/17 (Children and Adults) and producing a dashboard/scorecard of management information to help manage service delivery and improve efficiency and effectiveness (e.g. Streetsmart services). At the start of the audit, performance scorecards for all Council directorates were being produced, with requirements for Directors to present these at Corporate Management Team and also at a directorate level in 2017/18.
- Programme and project performance and risk management arrangements for change programmes are being developed by the Head of Transformation and proposed processes address a number of Internal Audit recommendations previously made in these areas. However, there are number of areas where there are still opportunities to develop processes and increase maturity in relation to performance and risk:
  - The integrated scrutiny of performance and risk at CMT level is relatively new and is still developing. All CMT members felt that the use of information and the maturity of discussion in relation to it could improve. Specifically, officers felt that a collective understanding of the corporate significance of risks and the corporate impact of other member's risks was not always in place. Opinions were given that increasing conversations around risk were welcomed, but not always very refined, for example it was felt that a collective understanding of the corporate significance of risks and the significance and corporate impact of other member's risks was not always evident that the detail in discussion was sometimes not in place.
  - At a Member level, CMT felt that there has been limited collective ownership and consideration of organisational performance and risks at this level, although portfolio holders are very aware of performance and risk within their respective areas. A key step forward in this area is the recent presentation of the Corporate Risk Register to LAG. Recent sessions between LAG and CMT have also now been held where progress against pledges have been discussed and prioritised deliverables by May 2018 have been identified.
  - Below Corporate Management Team, there has been inconsistent culture and practice in relation to using performance and risk information in 2016/17. Some senior management teams in departments have used and reviewed regular and detailed performance and risk reports, and ask performance teams for ad-hoc information on specific subjects to gain insight into areas of review. There is evidence in some areas of joined up consideration of performance and risk and a sustained focus on areas requiring improvement (Children and Adults).

▪ Other management teams have not used and reviewed regular performance and risk information routinely or to this level (e.g. Communities and Housing, Economy, Growth and Skills and Resources), although there are examples of these areas using data and evidence to produce strategy (e.g. the current draft economic strategy). ▪ There is variable practice in service areas and teams in relation to the use of performance and management information to direct and control services and for continuous service improvement. Some teams have well defined performance measures in business plans and reporting is escalated up to senior management teams of relevant issues. In others, performance information does not exist, or measures and reporting requires development to truly identify and present key issues for management attention. However, with the production of performance scorecards for 2017/18, performance culture appears to be improving. Heads of Service and Corporate Management Team will now need to champion performance and risk management at a directorate and service level, to ensure required processes embed in the organisation and the benefit of performance and risk management is delivered. ▪ The requirement to use the new programme and project performance and risk methodology that is being developed by the Head of Transformation will not apply to the programmes and projects that are not part of the change programmes. It would be beneficial for the Head of Transformation and Corporate Planning Lead to ensure that change programme, project performance and risk reporting are aligned to corporate performance, risk approaches and reporting cycles. ▪ Reporting and management arrangements for these programmes and projects will be at the discretion of the Council's departmental management teams, who currently demonstrate variable approaches to performance and risk management. ▪ There are no standards or guidance to determine how performance and risk management should be applied to the Council's partnerships. Previous Internal Audit reviews have determined that a variable approach has been taken, that has not given sufficient insight into organisations that the Council provides with significant funding, to deliver mission critical services. Although the number of significant partnerships and arms-length companies has reduced since these earlier reviews were undertaken, these issues have been evident in current partnerships, for example Forward Swindon Limited.	
Risk: Performance Management • A number of performance indicators in business plans have not shown sufficient alignment to business plan objectives and corporate plan objectives in 2016/17. • In a number of cases indicators and targets were not SMART and did not focus on outcomes. PI's did not measure key aspects of performance of services in some cases reviewed or did not exist in other areas. For some departments, performance information has not been in place for some time (e.g. a number of service areas within Resources). • By the end of the audit, the Council has now produced performance scorecards for 2017/18. Work will now be	**Satisfactory**

required to ensure performance and risk management is embedded at all levels of the Council and that measures and reporting are used appropriately to support service and pledge/promise delivery. • Although there was a significant improvement in full appraisals carried out by the Council (more than 70%), mid-year reviews only demonstrated just over 40% compliance. • Setting individual objectives and review of values and behaviours is a key part of the Council's performance management process. Without a robust appraisal process in place, a key element of the performance management process is missing. • There are also some good examples of involving service users in performance management, however the Council's approach to this is not co-ordinated and this practice is not in place across all service areas. • There is still a lack of a defined corporate benefits realisation management methodology, leading to inconsistent or no application of these techniques to programmes and projects.	
Risk: Risk Management • A Corporate Risk Register is in place and the register is now supported by a suite of risk registers at a Heads of Service level. • It is not clear that all significant legal and compliance risks are being captured on departmental risk registers. For example, meeting the updated General Data Protection Regulations requirements will be challenging and require significant joined up working and resource to implement. Penalties for non-compliance will be severe and increased enforcement is expected. GDPR is not on the Legal or ICT risk registers. • There is not a report to Corporate Management Team during the year on the effectiveness of risk management arrangements. However, the Head of Internal Audit is required to include an opinion on an annual basis, which is reported to Audit Committee. • A review of reports to Cabinet on key decisions identified that risk sections often lack detail. • Corporate Directors interviewed felt that reports to Members did not always spell out risks and potential consequences of proposals clearly enough. This is becoming increasingly relevant as a number of decisions require the Council to deliver services with reducing resources and this will have an impact on the ability to deliver services to the same level.	**Satisfactory**

Overall Opinion

Materiality and Impact: **High**. The performance and risk management process is fundamental to ensuring successful delivery of the Council's priorities and services, funded by a £136m per annum budget. Materiality is therefore high. Without effective risk and performance management processes, the Council is unlikely to successfully deliver its priorities and pledges and improve service delivery. Impact is therefore high.

Opinion on system controls: **Satisfactory** (see Appendix A) i.e. the auditor completing the review concluded that existing procedures needed to be improved to ensure that they are fully reliable. A number of significant recommendations have been made to improve missing or failing controls.

Overall Assessment of Risk: the auditor completing the review concluded that most of the significant controls are in place and operating satisfactorily although some non-compliance was identified and therefore there is scope for improvement.

		MATERIALITY AND IMPACT		
SYSTEM CONTROL		High	Medium	Low
1	High standard	Moderate	Minimal	Minimal
2	Satisfactory	Moderate	Moderate	Minimal
3	Significant improvements required	Of concern	Moderate	Moderate
4	Fundamental weaknesses identified	Significant	Of concern	Moderate

Action Plan

The purpose of this action plan is to provide a summary of the matters arising during the audit of Performance and Risk Management, together with the recommendations to mitigate risks, the manager's response to the recommendations, along with the officer responsible and timescale for implementation. In order for you to identify the most significant matters arising, which affect the reliance that can be placed on the controls reviewed, the recommendations have been prioritised.

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
1	***Risk: Performance and Risk Framework***			
1.1	The Council has a Performance Framework in place that identifies the relationship between performance and risk management. However, this is very difficult for officers to locate and it is not clear officers are aware of its existence. The framework will need to be reviewed to reflect organisational changes and also to record the emerging practices in relation to Member involvement in the risk management process. There is no guidance on the Council's intranet in relation to performance management although there is guidance on selecting performance measures included as part of the business planning section. There is a section on managing risk on the intranet. Although this includes useful guidance in relation to how to identify, appraise and record risks, it refers to structures and practices that are no longer in place, e.g. quarterly pillar level risk management reviews. There is also guidance in relation to risk assessment of business plans as part of the business planning guidance.	The performance framework should be reviewed to ensure that it reflects changes to the structure of the organisation and also the Member responsibilities and practices that are starting to be put in place. The framework should incorporate the business planning cycle and how performance and risk should be delivered when working in partnership. It should also identify requirements for programme and project management in relation to performance and risk, as well as Council partnerships. The framework should also link to any future guidance produced in relation to benefits management. **Priority: Medium**	Corporate Planning Lead December 2017 Corporate Planning Lead March 2018	Agreed. However, the work relating to partnerships will take longer to develop.

Swindon Internal Audit Services: Performance and Risk Management

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
2	***Risk: Governance***			
2.1	Performance and Risk related information is now presented regularly (quarterly) at Corporate Management Team. Corporate Management Team members spoken to during the audit review valued the information presented and found it a useful view on corporate priorities and key risks. There is evidence of performance information being used at this level to identify risks to corporate objectives, with Corporate Management Team commissioning further research for in depth analysis at a future session to identify appropriate actions to mitigate risks (e.g. Housing Growth Targets). However, the scrutiny of performance and risk at this level is relatively new and is still developing. All CMT members felt that the use of information and the maturity of discussion in relation to it could improve. Specifically, it was felt that a collective understanding of the corporate significance of risks and the significance and corporate impact of other member's risks was not always evident. There was still a sense that conversations around risk were not very refined and the detail in relation to the discussion was sometimes missing. More collective ownership of organisational performance and risk was stated as necessary by those interviewed.	Roles and responsibilities of Corporate Management Team should be incorporated into the Performance and Risk Framework. Corporate Management Team should continue to develop the discussion of performance and risk during the quarterly performance and risk sessions. Alongside collective consideration of corporate performance and risks, Corporate Management Team should develop other board related practices and roles, including oversight of compliance with required processes within departments and ensuring that the progress of mitigating actions are reviewed and challenged for effectiveness. The support for the performance and risk management process at CMT level should be cascaded to departmental management teams, to ensure consistent, robust processes for performance and risk are in place below board level. **Priority: Medium**	Corporate Planning Lead in conjunction with Corporate Management Team March 2018	Agreed. The Corporate Planning Lead Team will put together a session for Corporate Management Team to progress this.

Swindon Internal Audit Services: Performance and Risk Management

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
2	***Risk: Governance***			
2.2	The performance dashboard is available to Members. CMT Directors have stated that individual portfolio holders are very aware of performance and risk in their own areas, reinforced through regular 1:1 sessions. However, CMT officers has stated that in their opinion there has been limited collective ownership and consideration of organisational performance and risks at this level. LAG does not receive performance and risk reports on corporate programmes or projects, but a recent session has been held to review progress on priorities and pledges and identify priorities for delivery. The Corporate Risk Register has also just been presented to LAG for the first time.	Roles and responsibilities of Cabinet and the Leaders Advisory Group should be incorporated into the Performance and Risk Framework. Regular sessions on performance and risk with Cabinet or the Leader's Advisory Group, including reporting on the Council's portfolio of programmes and projects should take place. LAG and Cabinet should challenge the Corporate Management Team in relation to corporate risks and performance and provide appropriate oversight that performance and risk is being adequately managed. **Priority: Medium**	Corporate Planning Lead in conjunction with Corporate Management Team March 2018	Agreed. The Corporate Planning Lead Team will put together a session for Corporate Management Team to progress this.

Swindon Internal Audit Services: Performance and Risk Management

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
2	***Risk: Governance***			
2.3	Below Corporate Management team, there has been inconsistent culture and practice in relation to using performance and risk information. Some senior management teams in departments have received regular and detailed performance and risk reports, and ask performance teams for ad-hoc information on specific subjects to gain insight into areas of review. There has been evidence in some areas of joined up consideration of performance and risk and sustained focus on areas requiring improvement (Children and Adults). However, in other management teams performance information and risk registers have not been tabled for discussion regularly, or at all in some cases, while performance measures that are most useful and/or the format of their presentation have been reviewed. Instead approaches have been taken where updates have been given on specific items, or managers have been asked to raise their key concerns with delivery for discussion. The business planning process for 2017/18 has required scorecards to be developed by all Heads of Service, to ensure key performance measures for service areas are captured and reviewed. The process to produce these scorecards was being carried out while the audit was being undertaken, but it is understood that scorecards of measures are now in place for the majority of areas required. Therefore, progress has been made in developing a performance and risk management culture in the Council, but this remains at an early stage in some areas and will require support to develop.	There should be commitment from Corporate and wider management teams to ensure consistent practice is put in place in management teams and departments relating to performance and risk. Performance and risk should be considered and used at all appropriate levels of the organisation and the Council's senior management cohort should work to embed a culture that embraces performance and risk as tools of organisational control and improvement. **Priority: High**	Corporate Planning Lead in conjunction with Corporate Management Team March 2018	Agreed. The Corporate Planning Lead Team will put together a session for Corporate Management Team to progress this.

Swindon Internal Audit Services: Performance and Risk Management

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
2	***Risk: Governance***			
2.4	The Head of Transformation has produced an overall methodology for programme and project management to apply to the Swindon Programme. This includes processes that are in line with Managing Successful Programmes (MSP) and Prince 2 good practice and will includes arrangements for status reporting. However, it is understood that the requirement to use this methodology will not be mandatory for the programmes and projects that are not part of the Swindon Programme. Reporting and management arrangements for these programmes and projects will be at the discretion of the Council's departmental management teams, who currently demonstrate variable practice in relation to performance and risk. There will need to be joining up of risk management processes across programmes and projects to ensure they are complaint and aligned with corporate processes. In addition, the recent consultancy work undertaken by EY has identified that the transformation programme is disconnected from the stated corporate priorities, which are subject to corporate monitoring and review.	The Council should apply the standard programme and project management approach to Council programmes and projects of sufficient size and complexity. The approach for programme and project risk management should align to the Council's corporate processes for risk, including to the reporting cycle. The Council should introduce a portfolio style approach to managing all its programmes and projects to ensure that limited resources are applied to programmes and projects effectively. It should also ensure that status of the programme and project portfolio is reported corporately, so there can be effective senior management and Member oversight of the Council's programmes and projects and how resources are allocated. Transformation programme and corporate plan outcomes should be aligned. Appropriate objectives, outcomes and performance measures should be cascaded through the organisation to help deliver these. **Priority: High**	Head of Corporate Programmes and Innovation March 2018	Agreed - Governance is in place to oversee all elements of the programme. Swindon Programme Board will sit within CMT on a monthly basis. Benefits realisation management explicitly built into governance process- being developed further to provide robust governance of the Swindon Programme. Programme principles have been designed and agreed with CMT following initial design work undertaken in partnership with EY. Structural principles of PMO have been agreed with CMT and financial resources are currently sufficient to deliver however some key recruitments are needed. Programme design and principles agreed by CMT with follow up engagement with EMT. Full corporate staff engagement has been delivered through a series a briefings sessions and further communications activity will continue during the programme period. The Swindon Programme is being put in place. Priority

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
				areas particularly where there are performance challenges will be robustly supported. These areas will be prioritised as a part of the mobilisation process within the programme. Work to align the programme and delivery of the Council's pledges and priorities will be driven through the 2018/19 business planning process.

Swindon Internal Audit Services: Performance and Risk Management

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
2	***Risk: Governance***			
2.5	There are no standards or guidance to determine how performance and risk management should be applied to the Council's partnerships. Previous Internal Audit reviews have determined that a variable approach has been taken, that has not given sufficient insight into organisations that the Council provides with significant funding, to deliver mission critical services. Officers spoken with during this review highlighted the following as an example of difficulties in partnership risk management, in relation to Forward Swindon Limited: • High-level progress reports with a lack of detail on status of delivery. • A lack of agreed milestones to appraise delivery against. • Redefinition of projects, with pledges incorporated into larger projects making visibility of status difficult to determine. • A lack of meaningful risk and issue reporting. It is understood that performance reporting from Forward Swindon has improved since completion of the audit review, but there remains a lack of guidance and standards in relation to partnership management, for both wholly owned subsidiaries and completely external bodies.	The Performance and Risk Framework should include a section on the standards and processes expected for performance and risk management for Council partnerships. Contractual agreements with partners should ensure that this methodology must be applied and reporting should feed into the Council's overall performance and risk management process. **Priority: Medium**	Corporate Planning Lead March 2018	Agreed. However this would have to fit in with already agreed governance structures which will need careful consideration and a realistic timescale to reflect this.

Swindon Internal Audit Services: Performance and Risk Management

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
3	***Risk: Performance Management***			
3.1	In line with findings of the recent Internal Audit review of Corporate Reporting, the Council has a number of opportunities to enhance its capability to analyse data and present information to stakeholders. The Council is at the very early stages of putting together scorecards for performance, to bring together the key information that a manager needs to monitor and deliver their service. The corporate dashboard that is used to report on the Council's priorities has improved visibility of the status of the Council's corporate objectives. However, this provision (through Socrata) costs approximately £24,000 a year and it is not clear that a similar facility cannot be provided in-house, for less that delivers the same functionality. However, when the Council's data maturity develops further, this type of solution for opening up information to external parties may prove beneficial.	A corporately sponsored project to roll-out management information scorecards to officers and Members should be considered. Resources for development should be co-ordinated and targeted to the areas of most benefit and an agile, iterative approach should be taken to ensure development meets stakeholder needs. The Council should review the benefits delivered from the Socrata solution, the costs incurred and determine whether the Council is currently capable of using Socrata to its full potential. **Priority: Medium**	Corporate Planning Lead in conjunction with Heads of Service March 2018	Agreed, in progress.
3.2	Although there was a significant improvement in full appraisals carried out by the Council (more than 70%), mid-year reviews only demonstrated just over 40% compliance. Setting individual objectives and review of values and behaviours is a key part of the Council's performance management process. Without the appraisal process in place, a key element of the performance management process is not in place.	The Council should continue to attempt to embed the appraisal process. Appraisals should be carried out regularly for all staff, in a meaningful way and focus on values and behaviours as much as more tangible work-based goals. The Council should ensure there is sufficient follow-up on appraisals and objectives set as part of business as usual management activities, for example through regular discussions at staff 1:1s. **Priority: High**	Director: Organisational Excellence, Performance and Communications March 2018	Agreed - Action will belong to Director of HR &OD in the future.

Swindon Internal Audit Services: Performance and Risk Management

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
3	***Risk: Performance Management***			
3.3	Work has been carried out by the Head of Transformation to put develop processes and documentation for benefits realisation management to support the Swindon Programme. However, for programmes and projects that sit outside of the Swindon Programme, there is still not a defined corporate benefits realisation management methodology, leading to no (or an inconsistent) application of these techniques to other programmes and projects.	The Council should continue to develop a The Council should continue to develop a consistent corporate benefits realisation management process for the Council, including programmes and projects that sit outside of the Swindon Programme. **Priority: High**	Head of Corporate Programmes and Innovation March 2018	Agreed - A Benefits Realisation Manager will be employed as part of the Programme Management Office to develop and implement a benefits realisation framework and to oversee delivery of the benefits associated with the programme.
4	***Risk: Risk Management***			
4.1	CMT members interviewed felt that reports to Cabinet do not always identify risks and potential consequences of proposals being made clearly and transparently enough. A review of a sample of Cabinet reports confirmed this was the case, with a number of general statements made that any risks arising would be managed during the implementation phase of any proposals. This issues is becoming increasing important as a number of decisions require the Council to deliver services with reducing resources and this will have an impact on the ability to deliver services to the same level.	All key decisions submitted to Cabinet should be supported by a full risk assessment, using the Council's agreed methodology. The risks and impacts of the decision should be clearly identified, as well as the benefits and opportunities. **Priority: High**	Corporate Planning Lead in conjunction with Heads of Service March 2018	Agreed.

Ref.	Finding	Recommendation	Responsible Officer and Timescale	Management Response
4	***Risk: Risk Management***			
4.2	Since the 2015/16 internal audit review, a number of risk management processes have been developed. The Corporate risk register has been greatly improved and is presented and discussed regularly at Corporate Management Team. It is understood that further improvements are also planned. There are also now risk registers produced at a heads of service level and these are updated and sent to the Corporate Planning Lead quarterly, to feed into quarterly corporate reporting. Programme and project risk management arrangements are being addressed by the Head of Transformation, with recommendations made in AP2.4. However, a number of recommendations made have not been completely addressed. Some legal and compliance risks have not been captured on risk registers. In particular, meeting the updated General Data Protection Regulations requirements will be challenging and require significant joined up working and resource to implement. Penalties for non-compliance will be severe and increased enforcement is expected. GDPR is not on the Legal or ICT risk registers. However, other legal and compliance risks are captured on the Director of Law and Democratic Services risk register. There is not a report to Corporate Management Team during the year on the effectiveness of risk management arrangements, but ongoing discussions are held with CMT on areas for development of processes. Significant findings from the annual Risk Management Internal Audit are presented at the Council's Audit Committee.	Each service area should ensure that their Business Plan includes and details any statutory, or compliance roles and responsibilities which they have. Any emerging compliance risks or issues raised should be captured in the relevant risk register(s) and where necessary escalated to the directorate or Corporate risk registers. The Corporate Planning Lead should evaluate providing an annual or half yearly assurance to the Corporate Management Team on the effectiveness of risk management arrangements including the management of significant risks. **Priority: Medium**	Corporate Planning Lead in conjunction with Heads of Service March 2018	Agreed, but this would benefit from being reviewed alongside business continuity requirements and arrangements.

APPENDIX A

Standard Audit Opinions	Standard Audit Opinion System Control
The audit opinion is based on two different criteria the first is materiality of the system and its impact on the Council if there was a system failure. This has been split into High, Medium or Low. The second criteria is the standard of control found within the system audited. This has been categorised into 4 different levels i.e. high; satisfactory; significant improvements required and fundamental weaknesses identified. Each of these categories has a standard opinion (see below). The combination of these two factors gives an overall risk assessment to the Council of one of four scores i.e. significant, of concern, moderate or minimal (see Overall Opinion section in the main report).	**Audit Opinion 1. *High standard*** The auditor completing the review concluded the significant controls are in place and operating effectively and only minor recommendations have been made
	Audit Opinion 2. Satisfactory standard ***The auditor completing the review concluded that most of the significant controls are in place and operating satisfactorily although some non-compliance was identified and therefore there is scope for improvement.***
	Audit Opinion 3. *Significant improvements required* The auditor completing the review concluded that existing procedures needed to be improved to ensure that they are fully reliable. A number of significant recommendations have been made to improve missing or failing controls.
	Audit Opinion 4. *Fundamental weaknesses identified* The auditor completing the review concluded that the matters arising from the review are sufficiently significant to place doubt on the reliability of the procedures reviewed. Implementation of the recommendations made is a priority to ensure that reliance can be placed on the system.

Acknowledgements

Internal Audit would like to acknowledge and thank the following Officers who contributed to the review:

Name	Job Title
Carmel Burton	Corporate Planning Lead
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