Causeway Coast and Glens Borough Council

Internal Audit Report
Performance Improvement

MOORE

INTERNAL AUDIT REPORT

Performance Improvement

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Distribution:	Audit Committee Chief Executive Head of Performance Director of Corporate Services

All matters contained in this report came to our attention while conducting normal internal audit work. Whilst we are able to provide an overall level of assurance based on our audit work, unlike a special investigation, this work will not necessarily reveal every issue that may exist in the Council's internal control system.

Executive Summary

This report summarises the findings arising from a review of the management of a sample of projects within the Council's Performance Improvement Plan 2018/19 which was allocated 7 days.

The Council's Performance Improvement Plan for 2018/19 was approved by Council in June 2018. The Plan contains improvement projects which will help to meet the Council's Performance Improvement Objectives for 2018/19.

The main conclusion drawn from this review is that there is an inconsistent approach to project management for those performance improvement projects sampled for testing.

One Priority 2 recommendation and **Four Priority 3 recommendations** on ways to address this are set out in Appendix III.

Based on our audit testing we are able to provide the following overall level of assurance:

Satisfactory	Overall, there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

Objective

The performance measures contained within the Corporate Performance Improvement Plan can assist the Council to assess how the various objectives and projects enhance and contribute to achieving the outcomes established as targets within the Community Plan. The thematic linkages are set out in the table below.

Thematic Linkages

Community Planning Theme	Performance Improvement Objective	Council 2015-19 Strategy Themes
A sustainable accessible environment	Improve local area sustainability	Innovation and Transformation Protecting and Enhancing Our Environments and Assets
A thriving economy	Assist to diversify the local economy	Accelerating Our Economy and Contributing to Prosperity
A healthy safe community	Increase physical activity levels of residents	Resilient, Healthy and Engaged Communities

| Improve operational efficiency | Leader and Champion |

The Corporate Performance Improvement Plan contains projects in three sections as follows:

- Part 1 Projects carried over from 2017/18
- Part 2 New projects introduced in 2018/19
- Part 3 Statutory targets set by the Central Government for 2018/19

The areas for inclusion in the scope of the audit were determined through discussion with management. The chief objective being to ensure that an appropriate project management process was in place. To do this we:

- Reviewed progress being reported to date within a sample of individual Performance Improvement projects contained in the Performance Improvement Plan 2018/19
- Reviewed the project management process for this sample of projects in the Council's Performance Improvement Plan

The scope of this review did not cover the wider Performance Improvement Framework e.g. development of the Performance Improvement Plan, the consultation process etc.

The detailed findings of the review of the sample projects selected are explained in section 5 of this report.

Background

Performance Improvement is a new requirement for Councils. Councils are required under the Local Government (Northern Ireland) Act 2014 to gather information to assess improvements in their services and to issue a report annually on their performance against indicators which they have either set themselves or that have been set by Central Government Departments.

For each financial year the Council must set itself improvement objectives for improving the exercise of its functions. Each improvement objective must bring about improvement in one or more of the specified aspects of improvement (Strategic Effectiveness, Service Quality, Service Availability, Fairness, Sustainability, Efficiency and Innovation). Under these requirements, the Council has a role to ensure that arrangements for the collation of performance evidence, good governance and progress reporting are in place.

The Council has developed a Corporate Strategy 2015/19 that contains the priority themes and objectives for the next four years. The Council is also the lead partner in the Community Plan which sets out a long-term vision and plan for the Causeway Coast and Glens Borough area and all its citizens based on thorough analysis of needs, priorities and opportunities to address them. The annual Performance Improvement Plan contains

key objectives and deliverables for any particular financial year which are determined by the priorities within both the Council's Corporate Plan and Community Plan. The Performance Improvement Plan objectives will have performance targets agreed annually by the Council. The Performance Improvement Plan also includes other statutory performance indicators set by Central Government Departments. The Council must collate information to measure its ongoing performance against all the targets set. Following an annual review of performance, performed by the Local Government Auditor, Council publicise the results and use these to assist in setting objectives for the next financial year.

Scope and Approach

For this assignment we looked in detail at 4 performance improvement projects which were selected using the following criteria:
- 1 project from 2017/18 which was not completed but which was not carried over into 2018/19
- 3 projects which were new in 2018/19 -
  - 1 project with Amber progress (as per the progress on projects reported by the Performance and Transformation Officer to Corporate Policy and Resources Committee 16th October 2018)
  - 1 project with Green progress (as per the progress on projects reported by the Performance and Transformation Officer to Corporate Policy and Resources Committee 16th October 2018)
  - 1 project where no progress information was provided to the Performance and Transformation Officer (as per the progress on projects reported by the Performance and Transformation Officer to Corporate Policy and Resources Committee 16th October 2018)

In discussion with the Council's Performance and Transformation Officer four of the performance projects were selected for a detailed review of project management arrangements. These were:

- To develop Greenways and Walking trails across the Borough
- Run efficient operations to maximise profit whilst retaining high levels of customer service in holiday and leisure parks
- Participation levels at the new Dungiven Sports Centre
- Introduce an efficient and effective customer engagement process (from 2017/18)

Internal Audit sought to obtain evidence of the operation of the key elements of a Project Management process for the sample of projects selected. To determine this the following we considered the following:

1. Was an appropriate Performance Project Plan in place?

2. Were risks identified and reviewed on an ongoing basis?

3. Were resources identified and put in place to deliver the project; and supported by ongoing budget monitoring and reporting?

4. What process was in place to support tracking and monitoring of project targets and KPIs?

5. What documentation was available to evidence project progress and reporting to Committee?

Our review fieldwork then comprised:

- Discussions with key staff
- Review of key reports and documents provided as evidence of the project management process
- Review of Committee and Council minutes

The table below shows the staff consulted with and we would like to thank them for their assistance and co-operation.

Job title
Director of Corporate Services
Head of Sport and Wellbeing
Holiday and Leisure Parks Manager
Coast and Countryside Officer
Sport & Wellbeing Development Manager
Performance and Transformation Officer

Summary of Findings

1.1 Advances in Performance Improvement Arrangements

From our discussions with staff and a review of the sample of projects we found the following advancements in relation to the performance improvement arrangements (since the 2017/18 review took place):

- A new Performance and Transformation Officer has been appointed to the Performance Improvement Team.
- This has allowed Council to develop a dashboard reporting system for reporting progress against performance improvement projects to Council Committee on a quarterly basis.
- A schedule for reporting to Council Committees has been developed (see Appendix 1)
- Our review of the minutes of the Corporate Policy and Resources Committee and the Audit Committee verified that a report of progress was presented to these Committees on the following dates:
    - Corporate Policy and Resources Committee; 16th October 2018 and 19th February 2018
    - Audit Committee 12th December 2018

1.2 Performance Improvement Governance

As noted above a new schedule of reporting progress to Council Committee has been established in 2018/19. Audit reviewed the reports provided to the Committees and the following observations were made in relation to the 3 projects which we reviewed in detail:
- For the **Participation at the new Dungiven Sports Centre** it was noted
    - that in the report 16th October it was stated that "Verified update will be provided to committee in November via the Performance Dashboard."
    - There was no reference to this project in the 19th February 2019 report
- For the **Greenways and Walking Trails** project progress was provided in progress reports however it was quite general and did not mention the deadlines in relation to the specific targets contained in the Performance Improvement Plan
- For **Customer Services in Holiday and Leisure Parks** the progress report does refer to the two specific targets for occupancy levels and increase in income generation:
    - The report of 19th February 2019 stated discussed progress against the two targets, although the total income increase was not expressed in % terms to allow a direct comparison with the original target
    - In the report dated 16th October 2018 the percentage increase in occupancy levels was reported but this was not compared to the original target. The following statement was made regarding the income "strong returns on sales has resulted in a positive increase in income". The actual

sales figure was not reported, and no comparison was made to the original income target.

1.3 Performance Improvement - Project Management

Our review of the three 2018/19 projects selected for more detailed scrutiny revealed the following project management issues:

- The performance targets did not have a specific project plan or budget in place. Each of the projects assessed have links to individual services programmes and budgets since they were scheduled to take place prior to their inclusion within the performance improvement plan.
    - o There is no specific plan for **Customer Services in Holiday and Leisure Parks**, however there is budget guidance that aligns to the Tourism & Recreation Business Plan and a development plan is currently being developed for 2 out of the 6 parks.
    - o For the **Greenways and Walking Trails Project** there are 2 feasibility plans; one of the greenways is a joint project between CCAGBC and Mid & East Antrim BC and as at 17/12/18 both councils still needed to sign off on the project.
    - o For **Participation levels at the new Dungiven Sports Centre**; there is no specific plan linked to this project and the associated targets of increased participation rates. The sports centre budget is included within the Tourism & Recreation Business Plan; but no specific budget has been identified for the associated targets of increased participation rates. It should be noted that the Sports Centre is a brand-new facility and has attracted higher than targeted numbers of users and has also operated below the budgeted amount for 2018/19 so far
- Audit was advised that for each of these projects the risks would be identified as part of any proposals for capital spend or as part of securing funding. However, in the absence of a specific project plan we are unable to verify if risks identified were being managed via any project risk register.
    - o **Greenways and Walking Trails**; risks identified for this project were: securing access as the routes are currently through private land ownership and securing funding
    - o **Customer Services in Holidays and Leisure Parks**; Audit was advised "the main risk is the possible failure to invest enough in infrastructure in order to ensure that the attractiveness of the offering to the customer is maintained and improved over time."
    - o **Participation levels at new Dungiven Sports Centre**; a detailed Business Case and Economic Appraisal were developed at the time that the Dungiven Sports Centre was conceptualised and these documents considered the key risks at that time. A risk register was included (section 11) within the economic appraisal. The ongoing risks relate to lack of community support and uptake; facility management; ongoing maintenance and health and safety.
- There was evidence of ongoing monitoring of all three projects reviewed in different manners and to varying degrees:

- o **Greenways and Walking Trails** – there is regular reporting to the Head of tourism & recreation and there are also regular update reports provided to the Leisure & Development Committee. Audit reviewed the minutes of the Leisure and Development Committee minutes and noted that reports were taken to Committee in relation to greenways and walking trails regularly during 2018/19;10th April 2018, 11th September 2018, 13th November 2018 and 12th February 2019.
  - o Audit was advised that for the **Customer Services in Holiday and Leisure Parks** formal reports are provided to Leisure & Development Committee with updates. A review of the Leisure and Development Committee minutes revealed that reports providing information on income generation and occupancy rates was provided to Committee on the following dates in 2017/18; 13th March 2018, 11th September 2018, and 11th December 2018.
  - o Audit reviewed the Leisure and Development Committee minutes for the period March 2018-February 2019 and found no specific reporting of progress against the project for **Participation levels at Dungiven Sports Centre**. (It was noted that at the 13th November 2018 Leisure and Development Committee meeting; that during a discussion on the future of leisure centre services elected members had requested details of the current financial position of the Dungiven Sports Pavilion). Audit was advised that a standardised approach to collection of sport participation data across the borough was not initially in place; and that Sport NI had some specific requirements in terms of targets. As a result, progress in terms of participation rates could not be properly verified for reporting until March 2019. When reviewing the progress report provided in March 2019 audit noted that there does not appear to be an agreed definition of how to measure the key target "increased participation rates".
- Audit also reviewed one project **(Introduce an Efficient and Effective Customer Engagement Process)** which had been listed in 2017/18 but not completed and not brought forward into 2018/19:
  - o Audit has been advised that the project to introduce an efficient and effective customer engagement process had begun in 2017/18 but was put to one side due to a lack of resources
  - o Audit noted that as part of the project the Council had developed a Communication Strategy and draft Customer Services Charter and held a first meeting of the Communications Liaison Group.
  - o The reasons for not continuing with this project have not been explained in the Performance Improvement Plan 2018/19 or the Self-Assessment Report for 2017/18.

Conclusions and Recommendations

The findings indicate an inconsistent approach to project management for those projects which have been selected for inclusion the performance improvement plan. Based on this the key recommendation resulting from this review the following Priority 2:

1. Documented procedures should be developed and provided to management and officers who are responsible for managing projects and should cover:

   - Project conception – explaining how the project has arisen from Council's self-improvement objectives and considering is the project feasible and explaining what value it brings to Council
   - Project planning – risk analysis; budget-source of funds and expenditure plan; human resources needed; work schedule; developing KPIs;
   - Project execution – monitoring progress (in line with the schedule developed by the Performance and Transformation Officer); project cost and performance tracking; are objectives being met?
   - Project close - evaluation

Some additional Priority 3 operational recommendations are as follows:

2. During the planning of a project the KPIs need to be carefully defined and agreed amongst all stakeholders. When defining KPIs the availability of appropriate data for future reporting against targets and the defining of the base target must be properly considered. (see section 5.3)

3. Project managers must provide progress reports as required and in the correct format to the Performance and Transformation Officer (see section 5.2)

4. The information provided by the project managers to the Performance and Transformation Officer for the performance improvement progress reports prepared for committee, should always include details of progress against the specific targets (from the Performance Improvement Plan) to allow a direct comparison with the original target (see section 5.2)

5. When any project is not complete and/or postponed this should be clearly explained in the Self-Assessment Report and the following year's Performance Improvement Plan (in the section where any projects are rolled forward from the previous year). (see section 5.3)

Management Responses to these Recommendations are included at Appendix III.

Appendix 1 - Performance Improvement - Key Actions and Milestones – Planned Dates

Key

Performance Dashboard	2018/19 Performance Improvement Plan
2019/20 Performance Improvement Plan	Performance Improvement Policy

Key Document	Committee / Milestone	Date
2018/19 Performance Improvement Plan	Performance Update to CP&R Committee	16 October 2018
201^8/$_1$9 Performance Improvement Plan	Performance Update to Full Council	23 October 2018
2019/20 Performance Improvement Plan	Development and Consultation on draft Performance Objectives for 2019/20	Oct/Nov/Dec 2018
Performance Dashboard	CP&R Committee Update	20 November 2018
Performance Dashboard	Full Council Update	27 November 2018
2018/19 Performance Improvement Plan	Scrutiny Update to Audit Committee	12 December 2018
2019/20 Performance Improvement Plan	Performance Improvement Objectives Workshop for Councillors	10 January 2019
201^9/$_2$0 Performance Improvement Plan	Draft Performance Objectives for 2019/20 CP&R Committee	January 2019

2019/20 Performance Improvement Plan	Draft Performance Objectives for 2019/20 Full Council	January 2019
2018/19 Performance Improvement Plan	Performance Update to CP&R Committee	January 2019
2018/19 Performance Improvement Plan	Performance Update to Full Council	January 2019
Performance Dashboard	CP&R Committee Update	February 2019
Performance Dashboard	Full Council Update	February 2019

2019/20 Performance Improvement Plan	Service & Directorate Business Plans approved at Council	March /April 2019
2018/19 Performance Improvement Plan	Scrutiny Update to Audit Committee	March 2019
Performance Improvement Policy	Annual Review to CP&R Committee	March 2019
Performance Improvement Policy	Annual Review to Full Council	March 2019
2019/20 Performance Improvement Plan	Final Plan CP&R Committee	April 2019
2019/20 Performance Improvement Plan	Final Plan to Full Council	April 2019
2018/19 Performance Improvement Plan	Performance Update to CP&R Committee	April 2019
2018/19 Performance Improvement Plan	Performance Update to Full Council	April 2019
Performance Dashboard	CP&R Committee Update	May 2019
Performance Dashboard	Full Council Update	May 2019
2018/19 Performance Improvement Plan	Scrutiny Update to Audit Committee	June 2019
Performance Dashboard	CP&R Committee Update	August 2019

Performance Dashboard	Full Council Update	August 2019
2019/20 Performance Improvement Plan	Performance Update to CP&R Committee	August 2019
2019/20 Performance Improvement Plan	Performance Update to Full Council	August 2019
2018/19 Performance Improvement Plan	Final Performance Report scrutiny at Audit Committee	September 2019
2018/19 Performance Improvement Plan	Final Performance Report CP&R Committee	September 2019
2018/19 Performance Improvement Plan	Final Performance Report Full Council	September 2019

Appendix II: Definition of Assurance Ratings and Hierarchy of Findings

Satisfactory Assurance
Evaluation opinion: Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

Limited Assurance
Evaluation opinion: There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.

Unacceptable Assurance
Evaluation opinion: The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Hierarchy of Findings

This audit report records only the main findings. As a guide to management and to reflect current thinking on risk management we have categorised our recommendations according to the perceived level of risk. The categories are as follows:

Priority 1: Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.

Priority 2: Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.

Priority 3: Failure to implement the recommendation could lead to an increased risk exposure.

Appendix III: Table of Recommendations and Management Responses

Recommendation	Priority Rating	Management Response	Implementation Date & Responsible Officer
1. Documented procedures should be developed and provided to management and officers who are responsible for managing projects and should cover: • Project conception – explaining how the project has arisen from Council's self-improvement objectives and considering is the project feasible and explaining what value it brings to Council • Project planning – risk analysis; budget-source of funds and expenditure plan; human resources needed; work schedule; developing KPIs; • Project execution – monitoring progress (in line with the schedule developed by the Performance and Transformation Officer); project cost and performance tracking; are objectives being met? • Project close – evaluation	2	Recommendation accepted Council has continued to work on its approach to the rational and procedures in terms of conception of improvement objectives and the related improvement works. Please see the following attached documents for more info on this in relation to the 2019/20 Performance Improvement Plan: - **Why was each Improvement Objective Chosen?** - **Senior Officer Engagement – Performance Improvement** - **Extract from Performance Improvement Plan 2019/20, p4-6** Council has been working to provide more detailed information about each stage of the performance improvement related work. Each 2019/20 Improvement Objective is now being reported against using the following headings: 1. How did we perform against these outputs in 2019/20? 2. How did we perform against these outcomes in 2019/20? 3. Explanation of performance and how this contributes to the achievement of the Performance Improvement Objective 4. Risks identified and mitigated 5. How was progress against this Improvement Objective reported on during the year? 6. Next steps?	Roll out of Perform Software application to be completed by end Dec 2020, led by Performance Team. Increased and formalised reporting to Committee led by each Director, reporting an update report against targets by end Jan 2021. Performance Team responsible for reporting through Self Assessments by September 2020, and September 2021

Recommendation	Priority Rating	Management Response	Implementation Date & Responsible Officer
		Progress monitoring and the standardisation of reporting continues to be an area in which Council can improve, but there is evidence of ongoing improvement through the following:	
		The formal reporting takes place to committee either centrally through the Performance Team as part of a wider and regular update on the 2019/20 Performance Improvement Plan or by the departments themselves to their respective Committees. Council in 2019/20 has been trying to move more towards direct reporting from the Directorate sad Services themselves, and this will continue with the help of the new Performance Management Software (Perform) and the APSE process.	
		In terms of monitoring and the standardisation of reporting, Council continues to develop its data collection system and indeed it remains an area for improvement work. Council's Senior Management Team and ICT consulted with colleagues and peers across other Councils and organisations when planning how best to address this. Councils' own Digital Services Team have created, built and developed new Performance Management Software named "Perform" for Council which will be used to assist in the monitoring and reporting of progress against Business Plans, APSE indicators and the Performance Improvement Objectives. The key performance indicators and improvement actions from each Business Plan will be used to populate the digital platforms created, and accessibility for staff and elected members can be granted at whatever stage is deemed necessary and appropriate. Relevant Service level colleagues will be issued with email prompts to ensure that they submit performance related updates for their quarterly reports. All colleagues will be able to use the Perform software to provide their updates in the same fashion, using the same	

Recommendation	Priority Rating	Management Response	Implementation Date & Responsible Officer
		pre-prescribed template. Furthermore, dashboard reporting facilitated by Perform against all these indicators across Council will look and feel the same regardless of the area of work.	
2. During the planning of a project the KPIs need to be carefully defined and agreed amongst all stakeholders. When defining KPIs the availability of appropriate data for future reporting against targets and the defining of the base target must be properly considered. (see section 5.3)	3	Recommendation accepted

Each Director responsible for ensuring that the content of his/her Directorate's Business Plans are populated with measurable outcomes, based on data and clear rationales.

This has been an important area of improvement for Council. As evidenced within the self-assessment document the details provided against performance of the Improvement Objectives p10-27, the statutory indicators p28-39, the self-imposed indicators p40-41 and the benchmarking indicators p44-46 all set out benchmarks, clear improvement outputs and measurable improvement outcomes.

I also refer you to the response to Recommendation 1 above which sets out Council's progress in terms of defining KPIs within the 2019/20 Performance Improvement Plan. | Council Directors, ongoing. |
| 3. Project managers must provide progress reports as required and in the correct format to the Performance and Transformation Officer (see section 5.2) | 3 | Recommendation accepted

Council's ambition remains that each Service area has the central responsibility for reporting against their own indicators, to their own Committees.

Please refer to the response to recommendation 1 above: | Roll out of Perform Software application to be completed by end Dec 2020, led by Performance Team.

Increased and formalised reporting to Committee led by each Director, reporting |

Recommendation	Priority Rating	Management Response	Implementation Date & Responsible Officer
		In terms of monitoring and the standardisation of reporting, Council continues to develop its data collection system and indeed it remains an area for improvement work. Council's Senior Management Team and ICT consulted with colleagues and peers across other Councils and organisations when planning how best to address this. Councils' own Digital Services Team have created, built and developed new Performance Management Software named "Perform" for Council which will be used to assist in the monitoring and reporting of progress against Business Plans, APSE indicators and the Performance Improvement Objectives. The key performance indicators and improvement actions from each Business Plan will be used to populate the digital platforms created, and accessibility for staff and elected members can be granted at whatever stage is deemed necessary and appropriate. Relevant Service level colleagues will be issued with email prompts to ensure that they submit performance related updates for their quarterly reports. All colleagues will be able to use the Perform software to provide their updates in the same fashion, using the same pre-prescribed template. Furthermore, dashboard reporting facilitated by Perform against all these indicators across Council will look and feel the same regardless of the area of work.	an update report against targets by end Jan 2021.
4. The information provided by the project managers to the Performance and Transformation Officer for the performance improvement progress reports prepared for committee, should always include details of progress against the specific targets (from the Performance Improvement Plan) to allow a direct comparison with the original target (see section 5.2)	3	Recommendation accepted Please see responses above	Roll out of Perform Software application to be completed by end Dec 2020, led by Performance Team. Increased and formalised reporting to Committee led by each Director, reporting

Recommendation	Priority Rating	Management Response	Implementation Date & Responsible Officer
			an update report against targets by end Jan 2021.
5. When any project is not complete and/or postponed this should be clearly explained in the Self-Assessment Report and the following year's Performance Improvement Plan (in the section where any projects are rolled forward from the previous year). (see section 5.3)	3	Recommendation accepted. Work on this has continued and Council's Self-Assessment document 2018/19, now includes a section entitled "Projects Carried over from 2017 /18 Performance Improvement Plan." In the 2019/20 Self-Assessment document each Improvement Objective is reported against using 6 headings, the following 3 of which were used to give clarity in this area: **3. Explanation of performance and how this contributes to the achievement of the Performance Improvement Objective** **4. Risks identified and mitigated** **6. Next steps?** The above reporting headings will remain in place and used for future Performance Improvement Plans	Performance Team responsible for reporting through Self Assessments by September 2020, and September 2021