Executive Summary (Draft)

SWAP
SOUTH WEST AUDIT PARTNERSHIP
Delivering Audit Excellence

Wiltshire Council
Combined Assurance (Healthy Organisation) Performance Management Theme

1.0 Introduction

The purpose of combined assurance is to provide an insight to Senior Management and the Audit Committee on assurance across all critical activities and key risks of the Council, and identify areas that we believe assurance or process could be improved. Working closely with Management and using the Healthy Organisation eight Key Lines of Enquiry (or themes), we have looked for gaps in assurance to help us identify potential areas for improvement. This undertaking has involved gathering and analysing assurance information within the Council's control environment that:

- takes what we have been told on trust, and
- encourages accountability with those responsible for managing their services (see Figure 1 below).

The outcome is presented as a series of joint reports culminating in an agreed Improvement Plan which may result in further internal audit work or action taken by management itself.

Figure 1

The Institute of Internal Audit issued a report entitled "the three lines of defence in effective risk management and control". This provides a helpful model for clarifying response at both an operational and strategic level:
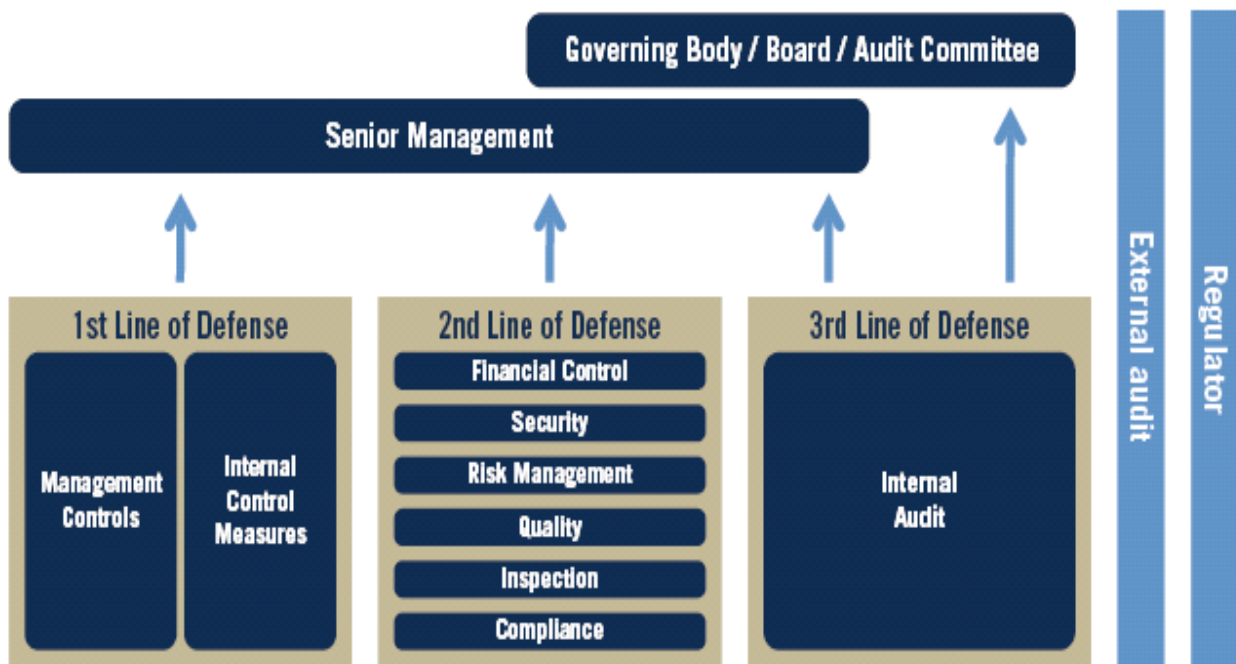
Within this model, management control is seen as the first line of defence, the various risk control and compliance over-sight functions established by management act as the second line of defence (for instance, risk registers), whilst the third is provided by independent assurance. Senior management and elected members sit above the model, with a key role

and accountability for setting organisational objectives and defining strategies, and at the same time providing active scrutiny and challenge to achieve assurance.

2.0 Background

Wiltshire Council serves a community of approximately 474,300 people and employs around 6,400 officers, not including those staff employed in schools. It was created in 2009 from the former County Council and four district councils and, as a unitary body, it has been able to rationalise the combined estate into three administrative hubs, consolidate its services and, as detailed in its Business Plan (2013 – 2017), these initiatives have helped towards realising savings of £120 million at a time of public sector austerity. Each year it is responsible for providing 354 services to the community which is funded by an annual budget of approximately £900 million (gross).

The organisation is led by a leadership model that replaced the Chief Executive role with a team of three Corporate Directors, who comprise the Corporate Leadership Team (CLT) supported by a team of thirteen Associate Directors. The Council sets the budget and policy framework. Within this framework policy development is the responsibility of the Leader of the Council together with the Cabinet whilst the CLT is responsible for delivering this policy. This approach ensures that the dividing line between the officer and political roles does not blur.

The Council's vision is clearly articulated in its Business Plan (2013-17) as '*to create stronger and more resilient communities*' which is supported by three corporate objectives:
- To protect those who are most vulnerable.
- To boost the local economy thereby creating and safeguarding jobs.
- To support and empower communities to do more for themselves.

The organisation's view is that resilient communities are less dependent upon public services. For this reason, there has been considerable activity towards engaging with the community to enable the Council to devolve some services and decision making to those in receipt of these services. To this end, it has established eighteen Area Boards comprising representatives from the community, Local Councillors, officers as well as local bodies including the Police and the local NHS. In turn, these boards will be served via a network of campuses and at this time, campuses are being established in Corsham, Melksham, Tisbury, Pewsey, Calne, Cricklade and Salisbury.

The challenge for the organisation's services is to demonstrate how their decisions support the Council's vision and objectives as specified in its Business Plan, which is currently subject to review.

3.0 Executive Summary

As detailed in its Business Plan (2013-2017), the Council recognises the need to realign £100m to deliver priorities in response to the £120m reduction in funding. This has demanded sound business decisions that withstand public scrutiny and to support this, the Council's strategies, policies and procedures supporting all eight themes must be fit for purpose and be consistently applied. The role for SWAP is to provide assurance on these matters otherwise services may not perform as expected, or fail to manage their finances effectively which could mean that the Council does not realise all expected efficiencies arising from any corporate led initiatives. In short it may lose money because of inefficiency and waste at a time when there is precious little in its reserves.

This brief report summarises the outcome of that relating to the Performance Management theme of the Healthy Organisation eight Key Lines of Enquiry (or themes). The Improvement Plan at the end of this report provides a potential list of audits for this and we are grateful for the feedback received to date on this review and the appropriateness of these suggested audits.

Finally, the success of Healthy Organisation will depend good effective communication between officers, Members and internal audit and we would like to express our thanks to all officers who have participated in the review to date. On receiving feedback, it has become evident that stronger communication is required to support this collaboration with officers at all levels of the organisation. We look forward to attending CLT and the Assurance Group to enable us to develop these links.
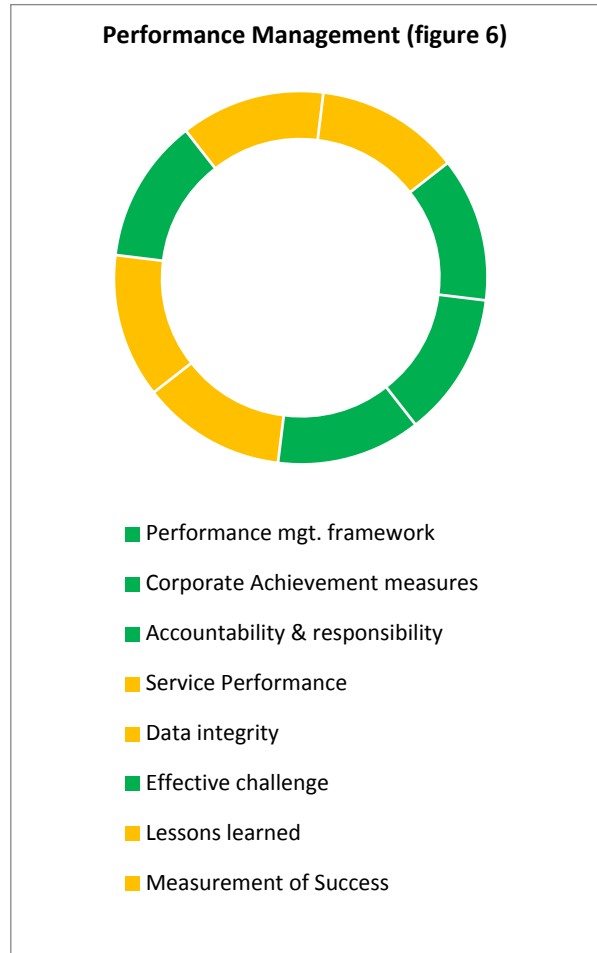
4.0 Performance Management	

Performance management is an essential element of the governance framework which provides a transparent platform upon which the Council is accountable to its citizens and service users for the effectiveness of its service provision and delivery of its published objectives. To be effective, the performance management framework needs to provide accurate and timely information to facilitate informed and transparent decision making and prompt corrective actions where service delivery strategies appear not to be achieving their intended outcomes.

Our overall conclusion is depicted in the Assurance Wheel below with areas of strength and weaknesses are summarised as follows.

R/A/G Rating Key:
RED   *(Low Assurance / High Risk)*
AMBER   *(Medium Assurance /Medium Risk)*
GREEN   *(High Assurance / Low Risk)*

Performance Management (figure 6)

- ■ Performance mgt. framework
- ■ Corporate Achievement measures
- ■ Accountability & responsibility
- ■ Service Performance
- ■ Data integrity
- ■ Effective challenge
- ■ Lessons learned
- ■ Measurement of Success

Areas of strength:
- Use of Citizen's Dashboard and Performance Management Website to communicate corporate acceptance of the Business Plan's outcomes along with key published measures.

- Corporate priority performance measures have been captured and the framework appropriately measures performance of these against key elements of the Service Plans.

- The revised framework of measures and reporting has been well received by Cabinet and CLT. It has provided performance information for 2014/15 (Q4) and Q1 & Q2 2015/16.

- Responsibilities for monitoring and signing off performance outturn reporting have been identified to support the new framework. This will support transparency and future accountability.

Areas for Improvement:

- To enhance corporate oversight of Performance the council could consider establishing a single repository for performance information.

- It is recognised that service managers will have responsibility for the performance of their respective services and that this may be integrated with requirements from central Government. It will therefore be important that consideration is given to how officers capture this data in a consistent way to ensure effective decision making.

- SWAP's Health Organisation KLOE will test the adequacy of links between the Services (i.e. Service Delivery Plans); Corporate Support (via performance and the new risk management framework); the Programme Office (activity) and financial services to support organisational change.

- Area Boards are provided with a range of information and data related to their individual communities to support development of local strategies, funding applications or assisting local decision making. SWAP will ascertain how well this has been embedded and effectively used.

- Benefits realisation management arrangements need to identify whether efficiencies driving forward projects are subsequently owned, measured and reported back following implementation.

- SWAP will regularly review the effectiveness of the measures and reporting framework described above to provide assurance to senior officers on compliance.

Improvement Plan

AREA	Details	Agreed Action	Owner	Date for Action
Performance Management	Examine how performance information is captured at individual service level and fed back to strategic decision makers. Look for consistency in approach via service health checks and consider the benefits of a single repository			
Performance Management	Examine arrangements in place to ensure that performance information is used to inform future policy, strategy and key service delivery initiatives.			
Performance Management	Corporate performance measurements in providing a true indication of success against the Council's Business Plan.			
Performance Management	Consider how well the data being provided to CAB's has been embedded at a local level and how it is used to support delivery of services locally.			
Performance Management	Benefits Realisation Management assess whether efficiencies driving forward projects are subsequently owned, measured and reported back following implementation.			