

**BARROW BOROUGH COUNCIL**  
**INTERNAL AUDIT FINAL REPORT 21-09**  
**PERFORMANCE MANAGEMENT**

## **EXECUTIVE SUMMARY**

### **Introduction**

The Chartered Institute of Public Finance and Accountancy defines performance management as “the principal way in which organisations are held to account for their use of resources and the quality of the services they provide.” By measuring its performance, the Council can demonstrate how well it is delivering its key objectives and achieving Value for Money; and can use the data gathered to inform decision-making and drive improvements. Performance management is therefore a key tool to ensure the Council is functioning effectively, efficiently and economically.

The Council introduced its latest Performance Management Framework in 2018 to support delivery of the Council Plan 2017–2020. The Framework sets out how performance against the Plan will be measured, as well as establishing a number of indicators to measure delivery of key services. Progress against the current Council Plan (2020–2024) and post-Covid recovery ‘Growing Forward’ plan is measured by the ‘Recovery Tracker’, with limited performance indicators reported to Executive Committee on a quarterly basis.

### **Audit Objectives**

An audit of this system forms part of the agreed 2021/22 programme. Audit work included a control evaluation of the system design. Details of the audit methodology are provided in Appendix 1.

<b>Key Points</b>
<b>Restricted Assurance</b>
<b>5 major issues</b>
<b>4 important issues</b>

### **Audit Conclusion – *Restricted Assurance***

As a result of the audit we have concluded that there are significant weaknesses in the system of control, which put the system objectives at risk.

Internal Audit have made six Priority 1 recommendations where the Council:

- The Council should review its Performance Framework and associated procedures to cover the monitoring and management of performance across all levels of Council, and clearly define roles and responsibilities of staff and Members within a revised Framework;
- clearly defines its corporate objectives to allow measurable targets to be set and assigns objectives to responsible managers;
- links its published objectives to measurable targets that promote Value for Money and defines and published, or reports openly to Members, those targets alongside service targets at the beginning of the relevant term;

- reviews its systems to ensure that they support the production of reliable performance information; and
- compiles regular reports of performance information to be presented to Members and made available to the public.

In addition, Internal Audit have made three Priority 2 recommendations, that the Council:

- compiles an annual report covering all aspects of Council performance;
- reviews its performance management and related procedures to embed the Plan—Deliver—Review—Revise cycle and ensure that performance information informs decision making;
- provides regular training regarding Performance Management for all staff and Members; and
- shares relevant, regular performance data in-house across departments via a central system.

### **Management Response**

A constructive management response was received from the Director of Resources.

### **Acknowledgement**

Internal Audit would like to thank staff for their co-operation and assistance during the review.