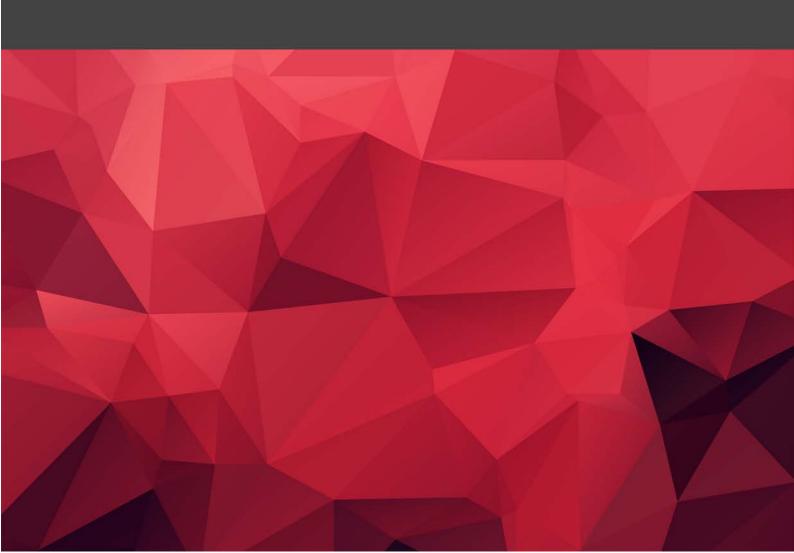WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Evaluation of the Council's Review of People Performance Management 2017 – **Carmarthenshire County Council**

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The Council has completed an effective review of people performance management and reported its findings but it has taken too long to act on the recommendations.

Summary report

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1   Internal Audit findings in 2016 highlighted concerns to Carmarthenshire County Council (the Council) about the performance and operational management arrangements for its staff in two service areas. The Council, reacting to these concerns, identified the need to review its processes to ensure correct and effective procedures were in place for managing people's performance.

2   The Council created an internal review group called the Corporate People Performance Management Review Working Group (the review group). This group of officers, drawn from several services, were asked to examine two detailed cases; put forward clear actions for improvements; and put suitable monitoring arrangements in place. The two cases were examples where failings in people management had led to employee dismissals; losses in revenue or assets; and negative publicity for the Council.

3   We assessed the effectiveness of the Council's arrangements by asking the following question: Has the Council been effective in its review of people management processes?

4   Our review examined the Council's evaluation of the two cases to see if the Council had:

- carried out an effective review of the relevant people management processes;
- looked at the case studies in detail and identified flaws and proposed learning points;
- reported openly and honesty on its findings;
- put forward clear actions for improvement with identified accountabilities; and
- put in place suitable review arrangements to check progress against the actions for improvement.

5   Between February 2017 and July 2017, we attended the meetings of the Council's internal review group and received their final report on 10 July 2017. The group presented the final report to the Council's Corporate Management Team on 10 October 2017. On 6 February 2018, we attended the meeting of the Council's People Strategy Group where the review group formally handed over the final report. The Strategy Group is responsible for the creation of a plan to act on the recommendations and for reviewing progress and assessing if the recommendations made by the review group have been addressed.

6   In this review, we concluded that the Council has completed an effective review of people performance management and reported its findings but it has taken too long to act on the recommendations. We came to this conclusion because:

- the Council has carried out a thorough and comprehensive review of its people performance management processes and developed clear and targeted recommendations; and

- over seven months has elapsed since the review concluded, but no action has yet been taken to address the report's recommendations.

Detailed report

The Council has completed an effective review of people performance management and reported its findings but it has taken too long to act on the recommendations

The Council has carried out a thorough and comprehensive review of its people management processes and developed clear and targeted recommendations

9   The Corporate People Performance Management Review Working Group established clear terms of reference in its first meeting. The terms set out what the group would do, who would be included and what the possible outcomes could look like. The Council encouraged the review group to be inquisitive, open and honest in its discussions. A strong, positive direction was given, enabling the review group to decide for itself the focus of the review work, how long it would take and how many meetings it needed. The Corporate People Management Review Working Group met for the first time on 7 February 2017.

10 The members of the group were a mix of senior managers from a wide range of front-line and support services. Throughout the review, group members were forthcoming and provided robust, practical challenge. They were comfortable proposing suggestions for improvement and recommendations.

11 The group invited extra people to attend meetings to add relevant and useful material. For example, in the first meeting, the group quickly identified the need for the Head of Internal Audit and the Lead HR Business Partner to present their detailed knowledge of the two cases being studied. This was useful as it allowed all group members to gain a full understanding of what had happened in the two cases quickly. The group then invited the Head of Internal Audit and the Lead HR Business Partner to the following meetings to provide detailed insight, add value to the discussion and propose recommendations. More documentation and information was made available to the group. For example, a report produced by an external contractor on one of the case studies provided valuable, additional insight for group members.

12 Chairing of the regular meetings of the group was good. The meetings had focused agendas, and specific records of action. Comprehensive, accurate meeting notes were circulated quickly after each meeting to all relevant parties.

13 Each meeting began with a review of the actions from the last meeting to assess progress. Meetings ended by summarising the actions identified during that meeting. Timescales and owners were assigned for each action. These steps provided clarity and accountability for all actions the group identified.

14   The group's meetings contained thorough, open and robust discussions and the environment felt safe and productive. The emphasis in the meetings was on producing a comprehensive review that identified flaws and reflected on the lessons learned and putting forward actions for improvement. The design of the actions for improvement was to lessen the chance of similar events happening again in the future.

15   The group identified a set of emerging themes from the two cases early on. They documented the identified theme, explained how that theme had come about across the two cases, and ideas for potential recommendations. This document provided structure for the group's discussions and developed as the meetings progressed and the themes became clearer.

16   The group identified that existing work was underway on some of the emerging themes as part of 'normal' Council business. So, the group added a column to the emerging themes document which listed the 'work to date' under each theme to identify what the Council was already doing. This work allowed the group to avoid suggesting action that duplicated existing work.

Over seven months has elapsed since the review concluded, but no action has yet been taken to address the report's recommendations

17   The group finished its report on 10 July 2017. However, because of meeting postponements and staff absences, the Council's Corporate Management Team did not receive the report until 10 October 2017.

18   The report put forward ten clear recommendations that had been robustly challenged and shaped by the debate during the meetings of the review group. The recommendations are shown in Exhibit 1.

Exhibit 1: summary of recommendations

The table shows the ten recommendations put forward by the Council's Corporate People Performance Management Review Working Group (the text is taken from the Council's report).

Summary of recommendations
Recommendation 1 Directors/Heads of Service undertake a desk top review of service structures, particularly within high risk customer facing areas, to identify any potential risk areas to reduce the likelihood of similar failings occurring as a result of flat structures.
Recommendation 2

Summary of recommendations
Directors/Heads of Service to undertake a desk top risk assessment of dispersed service delivery teams including agile working and remotely located teams as well as teams with a distinct identity or external/individual brand (ie Families First) to identify potential risks of disconnection from the corporate organisation.

Recommendation 3

Building on the existing review of the induction process it is recommended that 'new manager's guide' be developed to complement the new 'employee guide' currently under development. The 'new manager's guide' is to be used during induction to identify areas of training and development and is to include a checklist for managers signposting them to the relevant technical and people management information, tools and support. This checklist should include but is not exclusive to:

- Technical management:
  – Financial regulations
  – Procurement rules
  – Corporate priorities
  – Code of conduct
  – Budget management
  – Performance management
  – Relevant checks and balances
  – Legal/statutory requirements
- People management:
  – Workforce planning
  – People management
  – Emotional intelligence
  – Recruitment and selection (including job profile development)
  – Appraisals and reviews
  – Induction and probation
  – Agile working
  – Declarations of interest
  – Managing change

Recommendation 3a

Ensure that managerial training needs identified at induction stage are streamlined into, and reviewed during, the appraisal process.

Recommendation 4

Introduce workforce and succession planning as a key element of the Executive Board and Heads of Service Business Plan sessions to reinforce work currently being undertaken by HR business partners and strengthen accountability.

Recommendation 5

Review the process for creating job profiles in order to increase the focus on behavioural standards/core competencies and reduce task orientated criteria. Develop clear guidelines/support for managers for creating job profiles of this nature.

Recommendation 6

Summary of recommendations
Review the appraisal process to focus on behaviours and core competencies and develop a suite of tools to support managers to flexibly implement appraisal principles within different structures and service profiles.
Recommendation 7
In line with recommendations of the Internal Audit Review of Declaration of Interests, Gifts and Hospitality 2017, the guidance on declarations of interest should be reviewed and, if appropriate, updated. The use of meta compliance and/or Resource Link should be explored as a means of ensuring the necessary awareness of the requirements with managers and staff.
Recommendation 8
All internal audit recommendations to be monitored via PIMS, subject to successful system testing.
Recommendation 9
A risk register to be developed by the People Strategy Group based upon the recommendations made in the report.

19   Not all the recommendations contained owners or time frames but the group intended to pass the report to the Council's People Strategy Group to produce a detailed action plan. The final report states the recommendations will be submitted to the People Strategy Group to:

- develop an action plan to achieve each of the recommendations;
- upload the actions within the action plan to the Council's Performance Information Management System to monitor progress;
- report on the progress of these actions on a quarterly basis; and
- develop a risk register for the recommendations.

20   We agreed with the Council that the report's recommendations needed urgent action. But it has taken seven months to progress the report to the action planning stage. Despite finishing the report on 10 July 2017 and presenting it to Corporate Management Team on 10 October 2017, the report was not handed over to the Council's People Strategy Group until 6 February 2018.

21   The Council's action plan is still outstanding. A delay in taking action against the recommendations may mean that those failings identified in the two review cases could be repeated. However, the Council has added the action 'to monitor and evaluate recommendations made by the People Performance Review Working Group' to its Governance Issues Action Plan. This is part of the Council's Annual Governance Statement and shows the importance the Council is placing on this work.

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