CROYDON

Final Internal Audit Report

Performance Management & Data Quality - Children's Services

December 2022

Distribution:

Interim Corporate Director Children, Young People & Education

Director Quality, Commissioning and Performance Improvement (Deputy DCS)

Interim Assistant Chief Executive

Director of Policy Programmes and Performance

Head of Performance & Business Improvement

Head of Business Intelligence and Performance

Corporate Director of Resources & S151 Officer

Assurance Level	Issues Identified	
Substantial	Priority 1	0
	Priority 2	2
	Priority 3	1

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1. Introduction

1.1. Accurate performance management information is essential throughout organisations to help ensure that appropriate and effective decisions are taken. Equally, appropriate structures and reporting lines are important to ensure that those decisions are taken by the appropriate individuals.

1.2. The performance of the Children's Services function at the London Borough of Croydon (Council) is challenged and reported on by a number of boards and committees including:

- The Children and Young People Scrutiny Committee (closed down in May 2022);

- The Children's Continuous Improvement Board (established July 2022 following closure of the above);

- Children, Young People, and Education Performance and Practice Board;

- The Corporate Parenting Panel;

- The Practice, Improvement, and Innovation Board; and

- The Children's' Services Leadership Team.

1.3. There are currently 152 Key Performance Indicators (KPIs) in relation to Children's Services that the Council tracks across 15 different categories, which include but are not limited to the following:

- Percentage of cases closed due to family not requiring service;

- Percentage of assessments completed within 45 working days;

- Percentage of care leavers in employment, education, and training (19-21 year olds);

- Percentage of children who had their supervision completed within timescales, and

- Percentage of children subject to Child Protection Plans for whom a visit has taken place within timescales.

1.4. The underlying data is stored in a data warehouse, and individual reports are run from Business Objects (a SAP business intelligence suite for data reporting, visualization and sharing) and exported into Microsoft Excel. The data is then formatted into a monthly dashboard which is shared to SharePoint, alongside the underlying data so that staff and the wider service can view performance.

1.5. The Council reports on performance within the monthly dashboards using a Red, Amber, Green system (RAG) which is matched according to each month's performance against the agreed upon yearly target.

1.6. Whilst we reviewed the KPIs and reporting methods, our work was limited to reviewing what these comprised of and how they were reported against. Our

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opinion does not consider the process for checking the accuracy of the reporting and we have not tested the completeness and accuracy of information reported.

1.7. Whilst our review and testing were performed remotely, we have been able to obtain all relevant documents required to complete the review.

1.8. The audit was undertaken as part of the agreed Internal Audit Plan for 2022/23. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

2. **Key Issues**

Priority 2 Issues
There was no internal policy or guidance in relation to Performance Management and Data Quality in place at the Council. **(Issue 1)**
There was not a sufficient number of KPIs in place and measured in relation to the 'Workforce', as advised within published government guidance. **(Issue 2)**

The Priority 3 issue is included under item 4 below.

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3. Actions and Key Findings/Rationale

Control Area 1: Regulatory, Organisational and Management requirements

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 1
2	To produce and disseminate a corporate Croydon Performance Management policy.	**Expected Control** An effective Performance Management and Data Quality policy or equivalent is in place and reviewed periodically. This provides a way to communicate and apply consistent standards and practices within the Council's operations. It should outline timeframes for publishing performance reports, regularity of reporting, and the roles and responsibilities of the officers involved in the process. **Finding/Issue** Management confirmed that there is currently no policy or procedural guidance that covers Performance Management and Data Quality. The Council therefore relies on published government legislation and guidance, as well as benchmarking against national statistics and neighbouring local authorities to determine the data that should be tracked. In addition, there is no formal guidance setting out how often reports should be published, what the process should entail, nor the data validation procedures.

Responsible Officer	Deadline	**Risk**
Head of Business Intelligence & Performance	March 2023	Where there is not a formal policy or set of procedural guidance in place, there is a risk that staff may not adhere to the performance management and data quality process or that they do not understand their roles and responsibilities.

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Control Area 2: Performance Management Framework;

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 2
2	Additional Workforce Data to be included in the Performance Dashboard (social worker turnover, sickness absence, & % agency). This will be aligned with Workforce Dashboard, allowing for drilling down into divisional & team levels when required.	**Expected Control** The Council assesses the performance of their child protection and safeguarding services by monitoring KPIs that are aligned to government published guidance. **Finding/Issue** The Children's Safeguarding Performance Information Framework, published in 2015, provides an outline of the key nationally collected data that is broken down into five themes: 1. Outcomes for children and young people and their families; 2. Child Protection Activity; 3. Quality and timeliness of decision making; 4. Quality of child protection plans; and 5. Workforce. Through analysis of the 152 KPIs in relation to Children's Services that the Council is currently tracking, we confirmed a range of KPIs were being tracked in relation to the first four themes set out in the guidance. However, only one KPI is measured and is in place in relation to the 'Workforce' theme (vacancy rate of social workers). Four other suggested KPIs are not currently measured, namely: turnover rate of social workers; sickness absence of social workers; percentage of agency workers; and number of social workers.

Responsible Officer	Deadline	
Head of HR / Head of Performance & Business	March 2023	**Risk** Where the breadth of performance analysis does not sufficiently cover the local workforce as set out in the Children's Safeguarding Performance Information

		Framework, there is risk that the Council may not identify problems in the stability of their workforce in a timely manner which could weaken the wider local child safeguarding system.

4. Priority 3 Issue

Agreed action	Findings
Control Area 4: Probity of System Based Data **Action proposed by management:** Review & update quality assurance and sign off process for performance dashboards (& other relevant data reports) to mitigate risk of errors **Responsible Officer** Performance & Strategic Intelligence Manager	**Expected Control** Each KPI should be assigned a RAG rating accurately reflecting performance against its yearly target. **Issue/Finding** A sample of 10 KPIs (from the Council's 152 Children's Services KPIs) was selected for testing which was carried out via a screensharing exercise with a member of the data team. Through reviewing the monthly dashboard reports, it was identified that one of the KPIs tested (AD 8 which measures the average time between a child entering care and moving in with the adoptive family for children who have been adopted) was assigned a Red RAG rating in the April 2022 dashboard. This would indicate that it was falling considerably below target, whereas it had surpassed its yearly target and accordingly should have been rated Green. However, it should be noted that in the monthly dashboards following (May, June, and July 2022), this mistake had been identified and rectified. **Risk** Where performance is misstated, there is a risk that decisions related to under or over performance in the KPI area are made incorrectly.

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AUDIT TERMS OF REFERENCE

Performance Management & Data Quality

1. INTRODUCTION

1.1 Accurate performance management information is essential throughout the Council to help ensure that appropriate and effective decisions are taken. Equally the appropriate structures and reporting lines are essential to ensure that those decisions are taken by the appropriate individuals.

1.2 The performance of the Children's Services function at Croydon is challenged and reported on by the Children and Young People Scrutiny Committee which meets at least every three months.

1.3 The Scrutiny Committee has a wide range of Key Performance Indicators that it tracks, and they include but are not limited to the following:

1.3.1 Percentage of cases closed due to family not requiring service;

1.3.2 Percentage of assessments completed within 45 working days;

1.3.3 Percentage of care leavers in employment, education, and training (19-21 year olds);

1.3.4 Percentage of children who had their supervision and completed within timescales, and

1.3.5 Percentage of children subject to Child Protection Plans for whom a visit has taken place within timescales.

1.4 The Scrutiny Committee at Croydon also report on and track education performance, Home Education, Children Safeguarding, as well as updates from individual councillors on the performance of services within their portfolios.

1.5 This audit is part of the agreed Internal Audit Plan for 2022/23.

2. OBJECTIVES AND METHOD

2.1 The overall audit objective is to provide an objective independent opinion on the adequacy and effectiveness of controls / processes.

2.2 The audit will for each controls / process being considered:

- Walkthrough the processes to consider the key controls;

- Conduct sample testing of the identified key controls, and

- Report on these accordingly.

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3.   SCOPE

3.1   This audit included the following areas (and issues raised):

Control Areas/Risks	Issues Raised		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Legislative, Organisational and Management Requirements	0	1	0
Performance Management Framework	0	1	0
Manual Intervention in Systems Based Data	0	0	0
Probity of Systems Based Data	0	0	1
Management Oversight and Reporting	0	0	0
Total	**0**	**2**	**1**

Definitions for Audit Opinions and Identified Issues

In order to assist management in using our reports:

We categorise our **audit assurance opinion** according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

🟢	Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are constantly applied.
🟡	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance of the controls which may put this achievement at risk.
🟠	Limited Assurance	There are significant weaknesses in key areas of system controls and non-compliance that puts achieving the system objectives at risk,
🔴	No Assurance	Controls are non-existent or extremely weak, leaving the system open to the high risk of error, abuse and reputational damage.

Priorities assigned to identified issues are based on the following criteria:

Priority 1 (High)	Fundamental control weaknesses that require immediate attention by management to action and mitigate significant exposure to risk.
Priority 2 (Medium)	Control weakness that still represent an exposure to risk and need to be addressed within a reasonable period.
Priority 3 (Low)	Although control weaknesses are considered to be relatively minor and low risk, still provides an opportunity for improvement. May also apply to areas considered to be of best practice that can improve for example the value for money of the review area.

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Appendix 3

Statement of Responsibility

We take responsibility to the London Borough of Croydon for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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