Performance Management

Peak District National Park Authority

Internal Audit Report 2017/18

Business Unit: Peak District National Park Authority
Responsible Officer: Director of Corporate Strategy and Development
Service Manager: Head of Human Resources
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Status: Final
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	P1	P2	P3
Actions	0	0	0
Overall Audit Opinion	Substantial Assurance		

Summary and Overall Conclusions

Introduction

The Joint Performance and Achievement Review (JPAR) process is a means used by the Authority to enhance employee engagement in the workplace. It is a tool to facilitate an open discussion about an employee's past performance, in order to consider strengths and identify any areas for development, and to identify any problems or constraints with a view to finding solutions.

The process itself is reviewed regularly, taking on any feedback received through the staff survey. Previously, it has been expected that JPARs will be completed during the months of April, May and June. However this is the busiest time of year and this has potentially had an impact on the a return rate of just 52% by the end of June this year, which is considered unacceptable for a mandatory process. Moving forward, the process will be carried out in November, December and January, in order to address this issue.

There is also the possibility that the poor return rate is partially due to lack of engagement by both staff and managers. The latest Investors in People (IIP) report identified several areas relating to the JPAR process, in particular ensuring there is a connection between JPARs and the both the service and corporate plans - the idea of a golden thread running though all of these has been introduced in order that employees can see how their role fits into the overall objectives of the Authority, and how learning and development can be captured and evaluated in order to support this.

Another area that was identified is the need to establish exactly what a PDNPA manager 'looks like' i.e. what the qualities, competencies and attributes of an effective manager should be, and how managers can be supported in order to adequately carry out their role.

Objectives and Scope of the Audit

The purpose of this audit is to provide assurance to management that procedures and controls within the system will ensure that:

- appropriate preparation is carried out for the JPAR process
- JPARs are completed fully, within prescribed timescales
- managers feel adequately supported to carry out their role fully

Key Findings

In early 2016 it was agreed that JPAR completion was to become an operational performance indicator and should not be 'owned' by HR. HR are now only responsible for collating statistics and providing them to the Senior Leadership Team and also at the relevant quarterly Performance Review meeting which all Heads of Service attend. From the Staff Survey 2014 there was a comment that the JPAR process was seen as a 'bean counting exercise for HR' which was one of the main drivers for giving accountability to operational managers.

There is very clear guidance on how managers should prepare for the JPAR in the briefing note that was issued, including a six point plan which clearly states how much notice should be provided to staff and what they should be provided with in order to prepare. From the completed JPAR's tested all had been arranged in plenty of time to allow preparation for both the manager and the officer, and the relevant documentation had been sent to staff in order for them to complete it in advance.

JPARs are required to be carried out between April and June - this is changing moving forwards but the process for the current year has recently been completed. An email was sent to all staff on 05 February, reminding staff that the JPAR 'season' was coming up, and another on 27 June reminding all staff to have completed and returned to HR by 30 June. The timescale for completing the JPARs is very clearly stated in the briefing note that has been provided to all managers, and training was notified to all managers on 07 April. The response rates as at 31/7/17 were:

Overall: 52% of expected JPARs received by HR
Corporate Strategy and Development: 95% of expected JPARs received by HR
Management Team: 0% of expected JPARs received by HR
Conservation & Planning: 45% of expected JPARs received by HR
Commercial Development and Outreach: 29% of expected JPARs received by HR

100% of management team has now been returned, and the Chief Executive has confirmed that the JPAR meetings had taken place some time prior to the completed forms being returned to HR and that all Directors were aware of their own objectives prior to carrying out JPARs for their own staff. The return rate for Commercial Development and Outreach and Conservation and Planning is low, however there has been significant upheaval due to restructure in some of the service areas.

Directors have responsibility for checking compliance with policy and the completion of JPAR's. It was agreed that a 10% check would be carried out by each Director and the Chief Executive Officer. Each of the Directors has access to their staff's JPARs electronically, and the CEO has access to all. No confirmation of the reviews actually taking place or feedback on the content has been provided to the Head of HR.

One Director has confirmed that he did carry out a check, and any issues were reported directly back to the relevant Head of Service or team manager. He looked particularly at the objectives to ensure that were effectively SMART in nature and at the development/training plans. Another has stated that he uses the formal JPAR process and both team meetings and 1-2-1 meetings to review the JPARs. Although both of these approaches go some way to addressing the issues around completion of the JPAR forms, a more formal record of the checks and resulting discussion would be advisable in order to provide better assurance. The Chief Executive has confirmed that review of the JPARs was discussed at the Quarter 2 performance monitoring meeting as part of the People Matters Action Plan, and two actions have been identified for all Heads of Service and Directors, which are to:
- discuss and progress the actions with their teams
- report back on the progress with the action as part of the Q3 performance review

The People Matter Action Plan will be monitored on a regular basis throughout the year:
- at the joint meetings of SLT with Staff Committee and Unison
- as part of the Chief Executive's JPAR 1:1 meetings with Directors, at these she asks if the review has been undertaken. If the review by Directors was formally recorded, this would provide evidence to show progress with this action.

Therefore whilst the completion rate during the year is disappointingly low in some service areas, there have been some mitigating factors. The review process in place has identified the issues, and an action plan is in place to make improvements moving forward.

A sample of 5 JPARs was selected specifically from the service areas that had a low return rate, in order to see whether there were any patterns emerging that would suggest a lack of engagement. Only four of the five areas had carried out JPARs for staff. All four managers who had carried out JPARs felt they had received adequate training and the briefing note provides very comprehensive instructions on how to carry out an effective JPAR, however, there were areas on all four of the JPAR forms that were not completed fully. This includes the workforce planning section being incomplete on one, and timescales for objectives not included on the majority. There was little linkage of individual objectives to service and corporate plans which was a direct recommendation from the recent IIP report. From discussion, this may be because while managers try to engage their staff, they are not always willing which leads to the appraisal process being seen as a tick box exercise which does not achieve real results. This seems to be partly a result of the competency framework, where there is a view that they are inconsistently applied and their purpose is not well understood.

It was also noted that there was no negative performance referred to in any of the JPAR forms reviewed. This may well be a correct view of those particular individuals, but it has been mentioned by HR that this is an area where managers seem reluctant to comment. There is guidance available on performance management, but it is currently woven throughout the general disciplinary policy. Work is underway to make it a separate, clear document to see if this helps manage poor performance better going forwards. These issues should be addressed by the monitoring of the People Matters Actions Plan throughout the year.

There are also differing views on the level of support that managers are seen to receive, which appears to relate directly to the level of management within the Authority. Based upon the sample reviewed Team managers have reported particular issues in terms of fitting in the JPAR process around the normal day to day workloads. An idea that has been mentioned by one manager is some form of induction training and an induction pack which summarises the Authority's procedures and timetable for key information and procedures that managers need to be aware of (e.g. financial procedures, key policy documents, JPAR process, corporate planning process, consultation arrangements etc.), and which could be used as a reference document. Some of this will be covered by Standing Orders, but not all, and sometimes it is not clear when SO need to be referred to. This may help with time management to a certain degree.

Overall Conclusions

The arrangements for managing risk were good with few weaknesses identified. An effective control environment is in operation, but there is scope for further improvement in the areas identified. Our overall opinion of the controls within the system at the time of the audit was that they provided **Substantial Assurance.**

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Annex 1

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Audit Opinions and Priorities for Actions

Audit Opinions	
Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on 5 grades of opinion, as set out below.	
Opinion	**Assessment of internal control**
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

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Priorities for Actions	
Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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