



Cairngorms National Park Authority

Internal Audit Report 2022/23

Performance Management

July 2022



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Executive Summary

Conclusion

We have confirmed that Cairngorms National Park Authority (CNPA) has a defined performance management approach that includes reporting to the Board and Performance Committee on the National Park Partnership Plan, strategic/operational objectives and major projects/programmes.

We noted however that the majority of supporting key performance indicators are activity rather than outcome focused, thus limiting their usefulness as a performance measure by not clearly showing how their delivery would contribute towards the achievement of strategic/operational objectives and the National Park Partnership Plan.

We also found that staff were not using the most up to date workplans with links to the corporate plan and that workplans were not sufficiently measurable or timebound. We note however, that management have identified these issues and were taking steps to address these during fieldwork.

We have also identified opportunities to improve operational management reporting, which is currently ad hoc, and we found does not provide senior managers with sufficient oversight of progress, risks and issues. We endorse the ongoing work by management to develop a dashboard to help with reporting at this and Board/Committee level.

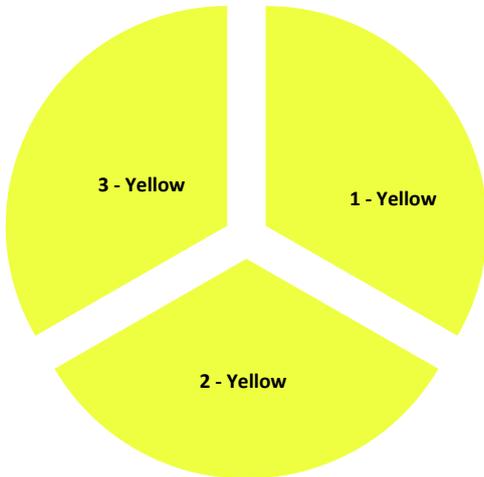
Background and scope

In order to demonstrate progress against strategic and operational plan outcomes and priorities, CNPA must have a sound performance management framework in place. This framework must include accurate data collection, reporting and scrutiny.

In accordance with the 2022/23 Internal Audit Plan, we reviewed the performance management framework. The review considered the effectiveness of arrangements for the monitoring of the CNPA National Park Partnership Plan 2017-2022 and Corporate Plan 2018-2022, to inform the performance management framework in place for the 2022-2027 plans.

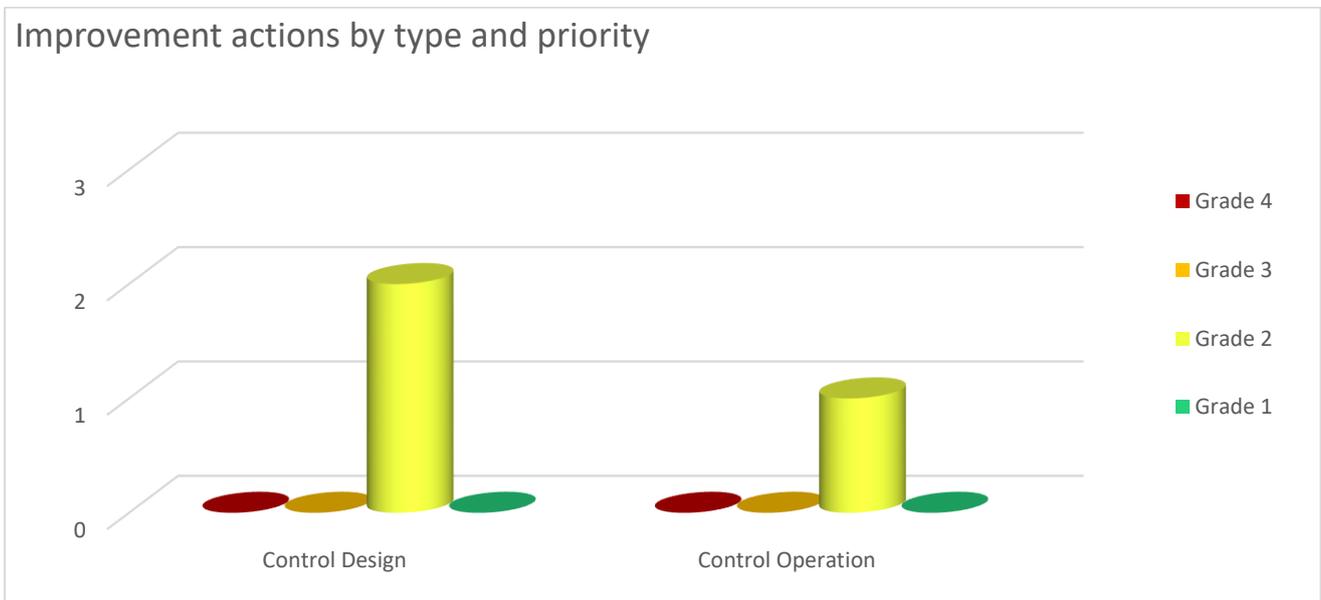
Control assessment

- 1. There is a framework in place that details the performance management arrangements and is linked to the delivery of the organisation’s strategic objectives.



- 2. There is an appropriate mix of qualitative and quantitative performance indicators for all departments, functional areas and projects, contributing to the objectives.
- 3. Performance management reports are produced regularly for management and Board scrutiny, which provide information on actual performance against targets.

Improvement actions by type and priority



Three improvement actions and one advisory action have been identified from this review, two of which relate to the design of controls in place. See Appendix A for definitions of colour coding.

Key findings

Good practice

- There is an agreed suite of measures and milestones in place for the National Park Partnership Plan and the CNPA Corporate Plan, which have some overlap in performance measures.
- The measures and milestones are reported to and approved by the Board annually as part of the Business Planning and Performance Management process.
- We confirmed that the measures in place cover all operational areas within the organisation.
- On a six-monthly basis the Board receives reports on progress towards the outcomes, including an update on all agreed milestones and measures.
- Our testing confirmed the Performance Committee receives regular reports on all major/projects and programmes that contribute to the corporate plan.

Areas for improvement

We have identified a number of areas for improvement which, if addressed, would strengthen CNPA's control framework. These include:

- Ensuring the new corporate plan is supported by an appropriate mix of qualitative and quantitative key performance indicators.
- Ensuring staff workplans are of sufficient quality to support effective delivery of corporate plan measures.
- Developing effective reporting tools to support effective reporting on performance to both senior management and the Board/Committee structure.

These are further discussed in the Management Action Plan below.

Impact on risk register

The CNPA corporate risk register (dated May 2022) included the following risks relevant to this review:

- A21: Reputation: The Authority is not perceived to be appropriately addressing the potential for conflict between four statutory aims.

The findings from this review do not raise significant concerns around the effectiveness of controls in place to manage this risk.

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

Management Action Plan

Control Objective 1: There is a framework in place that details the performance management arrangements and is linked to the delivery of the organisation's strategic objectives.



1.1 Operational management reporting

At a corporate level, there is a structured approach to reporting progress against operational objectives and key performance indicators to the Board (six monthly) and Performance Committee (quarterly).

We found however that the approach to operational reporting is more ad hoc, with a lack of clarity over the frequency and expected content. Our discussions with senior management highlighted that they are aware of this issue and have recognised the need to improve reporting on objectives operationally. In particular management has identified the need to have real time information available on ongoing activities that impact the delivery of the corporate objectives.

A reporting dashboard is currently under development to aid management with this (as per MAP 3.1).

Risk

There is a risk that senior managers are not sufficiently sighted on progress against strategic objectives to take timely and relevant action, which could result in objectives and targets not being addressed.

Recommendation

We support management's approach to developing a dashboard to support more frequent scrutiny and challenge by senior management. This should be implemented as soon as possible along with an agreed reporting structure, to ensure management receive sufficiently detailed updates in a timely manner.

Management Action

Grade 2
(Design)

Recommendation agreed. We will seek to develop a performance dashboard commencing with the initiation of reporting on the National Park Partnership Plan 2022 to 2027 and Corporate Plan 2023 to 2027 outcomes. Initial development of this model planned by December 2022

Action owner: Governance, Data and Reporting Manager

Due date: End December 2022

Control Objective 2: There is an appropriate mix of qualitative and quantitative performance indicators for all departments, functional areas and projects, contributing to the objectives.



Yellow

2.1 Outcomes

We confirmed that there are an appropriate range of objectives for each of the corporate outcomes outlined within the National Park Partnership Plan and the Corporate Plan. These are supported by Key Performance Indicators (KPIs). In general, we found the objectives, KPIs and associated milestones to be sufficiently well described and assigned to a specific outcome.

However, we identified opportunities to improve the quality and usefulness of the information thereby supporting effective decision making. We found that outcome milestones and measures were almost exclusively output focused and the link to the outcome was implied in a number of cases rather than explicitly detailed. For example, measure 'Reduction in deer density across deer management groups towards 10 per km² or less', provides only a description of the activity being undertaken rather than outlining the impact of the reduction.

Due to the scale and scope of the National Park Partnership Plan the measures include a number of outcome focused targets/indicators, with measurement using surveys, active participation etc. There is the opportunity to ensure the new Corporate Plan measures duplicate or link to a greater number of the National Park Partnership Plan measures, streamlining the internal performance measurement and reporting processes.

Risk

There is a risk that the absence of measures/key performance indicators linked to organisational and National Park Partnership Plan outcomes may impair efficient and effective performance management and hamper the achievement of objectives.

Recommendation

Whilst developing the new corporate plan, management should ensure that this is supported by a sufficient mix of qualitative and quantitative measures and indicators that clearly define the proposed outcome of the activities being undertaken. In addition, management should look to increase the links to the National Park Partnership Plan, streamlining measurement and reporting processes.

Management Action

Grade 2
(Design)

Agreed. Many of our current quantitative measures have implicit outcomes through their direct linkage to the objective. For example, with reference to the item illustrated in the report, the quantitative measure around deer density carried an implicit expectation that intended outcomes around habitat improvement, peatland restoration and forestry enhancement are achieved as deer density numbers come closer to target. We will seek to set out more explicit linkages between activity and expected outcome of that activity in future performance management systems, while seeking an enhanced balance between quantitative and qualitative measures.

Action owner: Governance, Data and Reporting Manager

Due date: End March 2023

2.2 Staff workplans

CNPA staff have workplans in place that detail the work being undertaken by individuals throughout the year and the objectives they are working towards. A new template was introduced for 2021/22 that contained a requirement to include clear links to the delivery of the Corporate Outcomes.

We tested a sample of seven workplans and found that five of the seven workplans reviewed were not on the new template, therefore their workplans did not include an explicit link to the Corporate Outcomes, milestones and measures (as is included within the new template). We also noted that in five of the seven workplans, staff member's objectives were not consistently specific, measurable and timebound.

Management noted that working from home created technological challenges and this had led to some staff using existing rather than new templates and planned to address this as staff returned to full or partial office working.

Risk

There is a risk that performance is not adequately linked to the corporate plan thereby impacting on the effectiveness of delivery.

Recommendation

In addition to management's planned action to address the template issues, we recommend that further guidance is provided to staff to ensure that staff and line managers are aware of their role in providing sufficiently specific, measurable and timebound objectives.

Management Action

Grade 2
(Operation)

Agreed. We will reiterate the requirement for specific, measurable and timebound objectives in staff workplans as part of our ongoing emphasis on the deployment of the Performance Development Conversation process.

Action owner: Head of Organisational Development

Due date: End December 2022

Control Objective 3: Performance management reports are produced regularly for management and Board scrutiny, which provide information on actual performance against targets.



3.1 Dashboard

As highlighted in MAP 1.1 there are identified issues in the oversight, reporting and scrutiny of operational objectives and outcomes, which could be better supported by a 'real-time' approach to reporting. A dashboard is currently under development to provide more real time information for management on performance with the aim of identifying/ investigating and taking mitigating actions earlier and in between periods of reporting to the Governance structure. These reports will also be used to support more streamlined reporting to the Board and Committees.

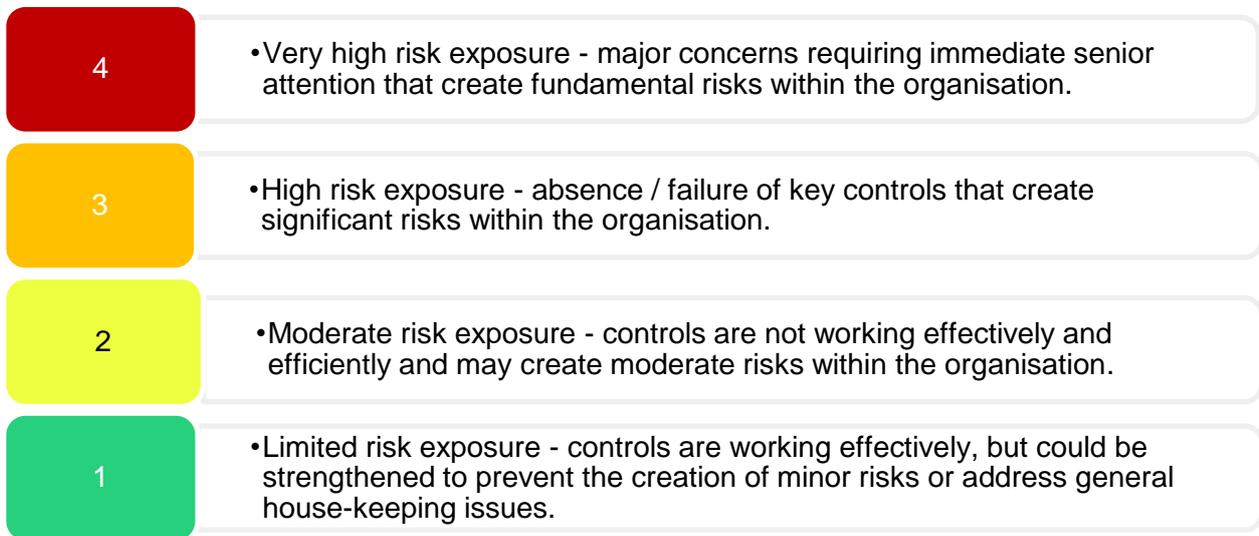
We have assessed this control objective as yellow to highlight the link to the risk as identified in MAP 1.1.

Appendix A – Definitions

Control assessments



Management action grades



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