



# **Audit (Monitoring of Audit Investigations) Sub Committee**

## **2 February 2015**

<b>Report Title</b>	Internal Audit Report – Performance Appraisal Scheme	
<b>Cabinet Member with Lead Responsibility</b>	Councillor Paul Sweet Governance and Performance	
<b>Accountable Strategic Director</b>	Keith Ireland Managing Director	
<b>Wards affected</b>	All	
<b>Originating service</b>	Audit	
<b>Accountable employee(s)</b>	Peter Farrow Tel Email	Head of Audit 01902 554460 peter.farrow@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>		

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### **Recommendation(s) for noting:**

The Audit (Monitoring of Audit Investigations) Sub Committee is asked to note:

The on-going progress made the organisation is making in implementing the agreed actions from the internal audit report on the Council's Performance Appraisal Scheme.

## **1.0 Purpose**

- 1.1 The purpose of this report is to update the Audit (Monitoring of Audit Investigations) Sub Committee on the work undertaken to improve the performance around the uptake of appraisals following a recent internal audit review.

## **2.0 Background**

- 2.1 The Council's performance appraisal scheme has recently been subject to an internal audit review which found that the completion rate for appraisals was very low. The report also identified a number of issues that may have contributed to the low take up.

## **3.0 Progress**

- 3.1 This report gives an update on the progress made in implementing the agreed actions from the recent internal audit report on the Council's Performance Appraisal Scheme.
- 3.2 The take up figures have now been rebased so that they reflect the percentage of appraisals against a base line of in-scope employees; out of scope posts (e.g. casuals, new starters in first six months) have now been removed from the appraisals report. This presents more accurate percentage completed figures which relate to how many posts are eligible for an appraisal in each directorate rather than how many employees there are per se in each directorate.

## **4.0 Financial implications**

- 4.1 There are no financial implications arising from the recommendation in this report [GE/07102014/W].

## **5.0 Legal implications**

- 5.1 There are no direct legal implications arising from the recommendation in this report [RB/07102014/Z].

## **6.0 Equalities implications**

- 6.1 There are no direct equal opportunities implications arising from this report.

## **7.0 Environmental implications**

- 7.1 There are no direct environmental implications arising from this report.

## **8.0 Human resources implications**

- 8.1 There are no direct human resources implications arising from this report.

## **9.0 Corporate landlord implications**

- 9.1 There are no corporate landlord implications arising from the recommendations in this report

## **10.0 Schedule of background papers**

- 10.1 Internal audit report – Performance Appraisal Scheme.

## Staff Appraisals – update @ January 2015

Directorate	Approximate Appraisals completed @ 12 January 2015	Approximate (in- scope) Employee Count @ 12 January 2015	Take up %
Community / People	851	1556	54.7
Delivery / Corporate	1437	2059	69.8
Education and Enterprise / Place	352	596	59.0
Office of the Chief Executive/ Corporate	24	45	53.3
West Midlands Pension Fund	95	111	85.5
<b>Total</b>	<b>2759</b>	<b>4367</b>	<b>63.2</b>

## Audit Report – agreed actions update

No	Action to address issues	Responsibility	Target date	Update @ January 2015
3.1	All managers should be regularly reminded through a number of channels, of the need to carry out, and log regular performance appraisals in line with the requirements of the Council's policy.	HR / Communications	31/10/2014	A communications plan is in place to provide updates through City People in October. Briefings to management teams are taking place through October on recording and logging appraisals

No	Action to address issues	Responsibility	Target date	Update @ January 2015
	<p>The number of appraisals undertaken against performance targets should be monitored at regular intervals by each directorate's management team, and corporately by the Strategic Executive Board (SEB).</p> <p>Formal intervention should be taken in areas of continued non-compliance.</p>	<p>HR (Establishment officer)</p> <p>Directors/ Assistant Directors</p>	<p>Completed - ongoing</p> <p>Completed - ongoing</p>	<p>A report is provided at the end of each month highlighting the number of appraisals completed and recorded for the whole Council, broken down by service areas. Report issued to SEB and directorates.</p>
3.2	<p>The corporate performance measure “% of appraisals completed” should be clearly defined and a data quality review undertaken to ensure the validity of the data provided within the corporate performance report.</p> <p>Following such a review, any required clarification to the performance appraisal policy, particularly around the comments made in this report and the subsequent impact they have on determining and measuring performance, should be addressed.</p>	<p>Policy Team (Policy Officer)/ HR (Establishment officer)</p>	<p>31/10/2014 - completed</p>	<p>The establishment database has changed from mainframe to Agresso to ensure greater accuracy.</p> <p>Meetings have taken place with all Directors and Heads of Services to cleanse the Agresso establishment data to ensure accuracy.</p> <p>Jobs across the council that are not required for the appraisal process have been cleansed from reports (e.g. casuals, new starters in first 6 months) to ensure more accurate performance measures.</p> <p>The reporting tool has been simplified.</p>

No	Action to address issues	Responsibility	Target date	Update @ January 2015
3.3	Managers who have failed to carry out appraisals, or feel they have a lack of awareness of what is required, should be encouraged to engage in the various training/policy raising opportunities available to them.	Senior managers  HR/Workforce Development	ongoing	Senior managers should be setting standards and targets for appraisals for their direct reports.  Appraisals policy and learning resources are advertised and signposted through HR Intranet and City People.  125 attendees at Appraisal based skills gyms since April 1 2014 – these include: Preparing for Your Appraisal; Setting Smarter Objectives; Performance Appraisal Process Training; Managing Different People; Delivering Objective Feedback
3.4	The profiling of the corporate performance measure target should be reviewed to ensure that it is both realistic and achievable.	Policy Team (Policy Officer)	November 2014	The appraisal indicator has been amended to a rolling (within year) % of employees who have an up to date appraisal, therefore the target would be 100%.
3.5	Accurate and up to date structural charts with clear lines of accountability should be maintained to identify responsibility for the completion of performance appraisals (including agency/interim/ consultancy staff). All such accountability should be kept within reasonable and manageable limits.	HR (Establishment officer)/ HR System Specialist	Completed - ongoing	Changing the establishment database from mainframe to Agresso and data cleansing has ensured greater accuracy.  Will require ongoing amendment to reflect restructuring.

No	Action to address issues	Responsibility	Target date	Update @ January 2015
3.6	<p>A more pro-active promotion of the performance appraisal scheme should be undertaken through mechanisms such as the intranet/Agresso/payslip messages.</p> <p>Further promotion activities should also be investigated at a local/directorate level</p>	<p>HR / Communications</p> <p>Directors/ Assistant Directors</p>	Ongoing	See 3.1.
3.7	Managers carrying out appraisals should be reminded of the need to follow the official guidance, and fully complete the formal documentation (including the work plan).	Senior managers	Ongoing	Appraisal learning modules and support available through the Learning Hub and new training now available on completing the personal development plan.