

Meeting	Audit, Risk and Assurance Committee
Date	5 May 2021
Location	By video conference
Title of Paper	Performance Management Internal Audit Report
Presented By	Gary Devlin, Partner, Azets
Recommendation to Members	For Discussion
Appendix Attached	Internal Audit Report – Performance Management

PURPOSE

This paper presents our final report on the review of Performance Management.

The paper is presented for the Audit, Risk and Assurance Committee to consider the report, findings and management responses.

The paper is submitted for discussion.

1. BACKGROUND

- 1.1 The Scottish Police Authority must have a robust performance management and reporting framework in place to monitor achievement of its strategic aims and objectives. Police Scotland is responsible for producing an Annual Police Plan (APP) that sets out the arrangements to deliver against the Strategic Police Plan. SPA has a responsibility to hold the Chief Constable to account for delivery against the Strategic Plan and scrutiny of Police Scotland's quarterly performance reports is a key mechanism supporting effective scrutiny and accountability.
- 1.2 Police Scotland's performance reports are based on 176 mainly quantitative management information indicators, extracted from 26 different management information systems, including the Source for Evidence Based Policing (SEB-P) administered by the Demand and Productivity Unit. These indicators, in conjunction with contextual and narrative information obtained in consultation with operational areas, are used in the determination of 44 Measures of Progress agreed with the SPA.
- 1.3 Police Scotland developed a new Policing Performance Framework for the period 2020/21, which was overseen by the Policing Performance Committee (PPC) and approved by the SPA Board. Our review has considered the new arrangements being put in place, as opposed to legacy performance management and reporting mechanisms.
- 1.4 We have reviewed the arrangements to monitor progress against the delivery of Police Scotland's Strategic Plan outcomes, Annual Police Plan and Local Police Plans. This includes an assessment of the arrangements for timeliness, robustness of management information, and impact measures, including a detailed review of a sample of specific KPIs.

2. FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 SPA and Police Scotland have agreed a Performance Framework that defines a reporting structure and set of management information that is adequate to support scrutiny of Police Scotland's performance.
- 2.2 However, the arrangements within Police Scotland for the collation and analysis of performance information are still maturing. We

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have recommended a number of measures which would provide additional assurance over the quality of data on which performance reporting is based, and support the ability of both Police Scotland and the SPA to more effectively scrutinise Police Scotland performance and the effectiveness of management action.

3. FINANCIAL IMPLICATIONS

- 3.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

4. PERSONNEL IMPLICATIONS

- 4.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

5. LEGAL IMPLICATIONS

- 5.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

6. REPUTATIONAL IMPLICATIONS

- 6.1 The Internal Audit Report considers matters pertaining to the reporting of the performance of the Police Service of Scotland as a whole, which has the potential to impact upon the reputation of Police Scotland. Committee members should consider this section when considering the overall implications of our findings.

7. SOCIAL IMPLICATIONS

- 7.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

8. COMMUNITY IMPACT

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8.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

9. EQUALITIES IMPLICATIONS

9.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

10. ENVIRONMENT IMPLICATIONS

10.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

RECOMMENDATIONS

Members are requested to discuss the report.

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Audit Risk and Assurance Committee
Performance Management
5 May 2021

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Scottish Police Authority

Internal Audit Report 2020/21

Performance Management

January 2021



Scottish Police Authority

Internal Audit Report 2020/21

Performance Management

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Executive Summary

Conclusion

SPA and Police Scotland have agreed a Performance Framework that defines a reporting structure and set of management information that is adequate to support scrutiny of Police Scotland's performance.

However, the arrangements within Police Scotland for the collation and analysis of performance information are still maturing. We have recommended a number of measures which would provide additional assurance over the quality of data on which performance reporting is based, and support the ability of both Police Scotland and the SPA to more effectively scrutinise Police Scotland performance and the effectiveness of management action.

Background and scope

The Scottish Police Authority must have a robust performance management and reporting framework in place to monitor achievement of its strategic aims and objectives. Police Scotland is responsible for producing an Annual Police Plan (APP) that sets out the arrangements to deliver against the Strategic Police Plan. SPA has a responsibility to hold the Chief Constable to account for delivery against the Strategic Plan and scrutiny of Police Scotland's quarterly performance reports is a key mechanism supporting effective scrutiny and accountability.

Police Scotland's performance reports are based on 176 mainly quantitative management information indicators, extracted from 26 different management information systems, including the Source for Evidence Based Policing (SEB-P) administered by the Demand and Productivity Unit. These indicators, in conjunction with contextual and narrative information obtained in consultation with operational areas, are used in the determination of 44 Measures of Progress agreed with the SPA.

Police Scotland developed a new Policing Performance Framework for the period 2020/21, which was overseen by the Policing Performance Committee (PPC) and approved by the SPA Board. Our review has considered the new arrangements being put in place, as opposed to legacy performance management and reporting mechanisms.

We have reviewed the arrangements to monitor progress against the delivery of Police Scotland's Strategic Plan outcomes, Annual Police Plan and Local Police Plans. This includes an assessment of the arrangements for timeliness, robustness of management information, and impact measures, including a detailed review of a sample of specific KPIs.

We have also reported on the extent to which the Framework is designed in accordance with best practice and meets best value principles.

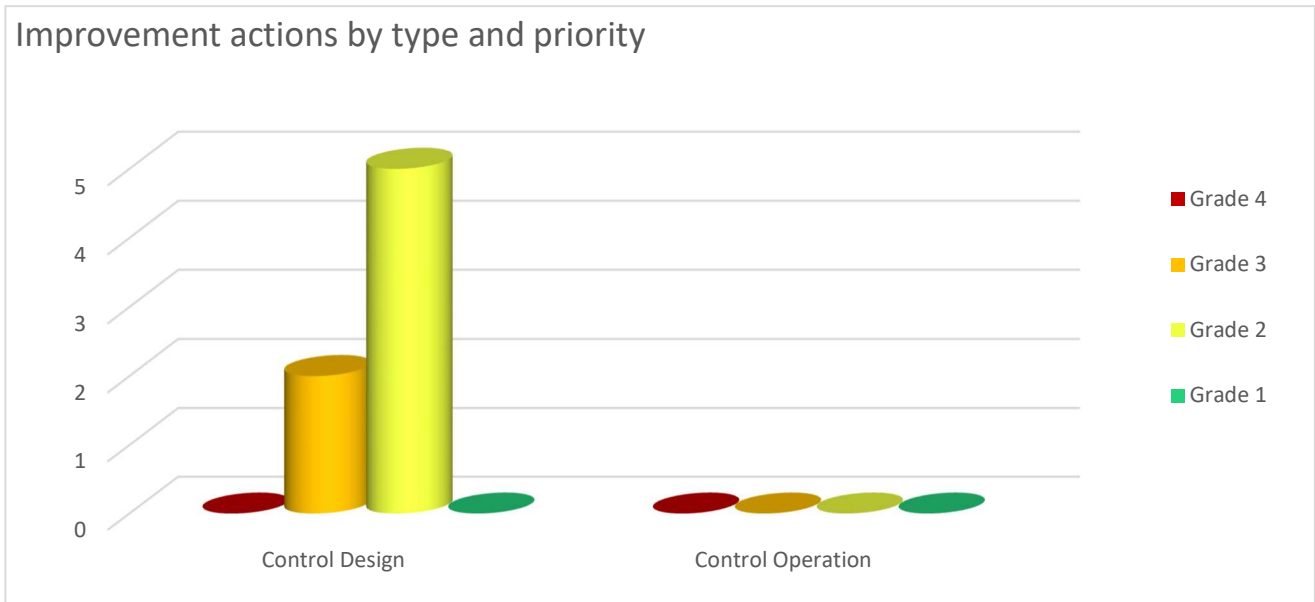
To inform our detailed planning process, we observed the discussion at the August and November 2020 PPC meetings to ensure the Committee's feedback on the new Framework was considered and observed the functioning of the committee as a scrutiny body.

Control assessment

- 1. The measures and KPIs used are relevant, aligned to the National Performance Framework and provide meaningful information to assess performance
- 2. There are effective data quality controls and processes in place to support the performance management analysis
- 3. The learnings outcome approach is taken where key stakeholders are consulted to produce insightful analysis
- 4. The performance management process is robust, meets best practice and provides performance information in a timely manner
- 5. There is suitable governance over the performance management process, with outputs appropriately scrutinised by the SPA



Improvement actions by type and priority



Seven improvement actions have been identified from this review, all of which relate to the design of controls. See Appendix A for definitions of colour coding.

Key findings

Good practice

We have gained assurance that SPA and Police Scotland's procedures reflect good practice in a number of areas:

- There is a clearly defined hierarchy of strategic planning documents, with consistency of objectives from the National Performance Framework and Policing Priorities set by the Scottish Government, through the Joint Strategy for Policing and Annual Police Plan. The objectives and outcomes set out in these high-level planning documents are clearly reflected in the Performance Management Framework agreed between SPA and Police Scotland, and underpin the selection of measures and management information used in the compilation of reporting.
- Work is progressing to develop a Data Strategy and Data Policy, applicable to Police Scotland as a whole, which incorporates existing data governance plans, data owner groups, and data quality arrangements. The Data Strategy underpins the business cases for four key strategic projects, including the development and implementation of a Force Wide Analytics Platform.
- The Demand and Productivity Unit has established a process for recording, managing, and monitoring data quality issues through the introduction of an Application Lifecycle Management (ALM) tool. This tool is used by the Analysis and Performance Unit (APU) for data that comes from the SEB-P data repository. Further work to develop the team's data management processes is being performed with the construction of data dictionaries and a Weights and Measures document that details the aggregation of data into the repository.
- In our testing, we have observed good evidence of stakeholder engagement, between both SPA and Police Scotland in the development of the Performance Framework itself, and within Police Scotland between the APU and operational policing areas. The preparation of quarterly reporting relies upon the interaction between operational areas and the APU, and the process of drafting and compiling the report includes formal engagement with the Police Scotland Executive.
- The Governance structure in relation to performance scrutiny is well defined. The SPA PPC has a clearly articulated remit and has defined and implemented the necessary arrangements to deliver against its responsibilities.

Areas for improvement

This review considered Police Scotland's arrangements for the management and quality assurance of data. We have previously raised recommendations in this regard, particularly during our 2019/20 review of Demand and Productivity, which management intends to address through the development and implementation of a Data Strategy and supporting policies. These recommendations remain outstanding but have not yet fallen due. We have not reiterated those recommendations in this report but note that this work is ongoing.

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

- Defining and agreeing a costed and resourced plan, with an appropriate timetable, for the development of an approach to benchmarking the performance of Police Scotland against peer organisations;

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- Adopting a consistent means of documenting and communicating issues of data quality and comparability, in the context of ongoing work to develop an organisation-wide Data Strategy and set of Data Policies;
- Developing a systematic approach to obtaining and documenting contextual information from business areas in the course of analysing performance information, in order to support the assessment of the effectiveness of management action;
- Documenting the technical and reporting treatment of the management information and measures of progress which underpin the performance management framework, including an assessment of the circumstances in which performance is considered satisfactory or adverse; and
- Subject to appropriate consultation between SPA and Police Scotland, revising the format of half yearly and annual reporting to provide a clearer indication as to whether activities within the annual police plan are on course to be achieved.

Best Value

Accountable Officers in Scottish public bodies, including the Scottish Police Authority, have a specific responsibility to secure Best Value. Scottish Government guidance identifies six questions about performance useful for assessing the implementation and application of Best Value. In summary, these are:

- Does Policy narrative support a performance culture?
- Are performance improvements with the greatest impact prioritised?
- Is there a shared understanding across the organisation as to how performance improvement is to be secured?
- Are measures in place to demonstrate performance improvement, adequate to meet performance goals?
- Is the organisation developing creative solutions and learning from what works?
- Does capacity and capability exist to address areas of weak performance?

We have determined that Police Scotland has maturing arrangements to gather and report on relevant performance data, analyse this data to identify performance issues, and scrutinise the action taken in response.

In particular, we have found that the performance arrangements do not link management action to its impacts on performance, as expressed in performance data and management information, in a robust way. Consequently, the ability of the organisation to identify its most significant performance issues, prioritise responses, and accordingly demonstrate that resource allocation decisions are consistent with the Best Value duty is inhibited.

We have recommended a systematic approach to the treatment of performance data and contextual information provided by operational areas which, if implemented, would enhance the ability of Police Scotland's analytical functions to challenge performance and provide greater insight into developing performance issues and the effectiveness of management action.

This is further discussed in the management action plan below.

Impact on risk register

The SPA Strategic risk register (dated August 2020) included the following risks relevant to this review:

- SPA Strat 003 SPA Accountability; SPA does not ensure Police Scotland delivers an effective modern service (risk score 8)

We have identified a number of areas for improvement which, implemented, will improve SPA's ability to effectively scrutinise and manage performance, which will enhance the organisation's ability to deliver performance improvements and thus show that it adheres to the principles of economy, efficiency, and effectiveness, and the duty of Best Value.

Acknowledgements

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

Management Action Plan

Control Objective 1: The measures and KPIs used are relevant, aligned to the National Performance Framework and provide meaningful information to assess performance



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1.1 Benchmarking

The current Performance Framework, as approved by SPA in June of 2020, makes reference to external benchmarking as an element of the performance evidence required to support scrutiny. However, the Performance Framework does not define how a benchmarking approach, or its outputs, will be used to inform performance reporting. Police Scotland and SPA are yet to develop and agree an approach to benchmarking performance in relation to peer organisations such as other Police Forces.

A short life working group has been established according to a draft Terms of Reference. This includes a specific remit to develop such an external benchmarking approach. The proposed membership includes representation from Police Scotland and SPA, as well as external representation comprising the College of Policing, National Police Chief Council, HMICS, and HMICFRS.

The group met formally for the first time in December 2020 to approve its Terms of Reference and discuss the progress of framework development and proposes to present an initial update on its work at the March 2021 meeting of the PPC.

Early work carried out by the group has sought to identify potential key themes, and a set of metrics that can be used for external benchmarking on the basis of availability and comparability across jurisdictions. However, the group has yet to agree the objectives of the framework, determine and plan the extent of research and consultation required, or determine the timescales on which it could be implemented as the basis of reporting.

Risk

In the absence of an agreed benchmarking approach, there is a risk that scrutiny of performance is not fully effective due to an inability to place policing performance in a broader context, leading to a failure to drive improvement in performance.

Recommendation

The short life working group should define its objectives and translate these into a plan of work, including a timetable, for the development of a workable benchmarking approach.

The initial priorities for the group should include:

- Defining the objectives of the benchmarking framework, and how the information gleaned from benchmarking will be used to inform performance reporting;
- Identifying suitable peer organisations or jurisdictions with which performance can be meaningfully compared, including determining the availability of relevant data and any potential contextual issues arising from differences in recording practice or local context; and

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- Producing a plan for the framework's development and implementation with specific delivery dates. This should include consideration of the review cycle for the framework, and the extent to which this will align with the periodic update of the Performance Framework.

Management Action

Grade 2
(Design)

We will implement the following changes:

- Establish a Benchmarking Practitioner Group, with membership from both Police Scotland and Scottish Police Authority. The group will report on progress to the SLWG.
- A benchmarking timeline will be developed which will set out reporting expectations for publically reporting benchmarking information in Police Scotland's Performance reports.
- Valuable benchmarking metrics will be developed alongside credible and viable benchmarking families.

Action owner: Alison Shepherd, Interim Head of APU

Due date: 31 May 2022

1.2 Data Requirements

We have reviewed the suite of management information used in the course of management reporting and determined that it provides an adequate basis on which to assess performance across the Strategic Outcomes and Priorities for Policing. However, we have not obtained evidence of any systematic attempt to identify and document those areas where performance reporting could be improved through additional management information, or changes to the method of measurement of existing management information.

A number of significant projects and programmes are underway within Police Scotland, such as the development of new Core Operating Solutions for operational policing, and the replacement of key corporate systems. While there is a channel for the APU to feed into these initiatives through the Business Intelligence Team, there is currently no standard means for the APU to identify a need for the capture of additional information and raise this to the relevant project.

Risk

There is a risk that potentially useful performance information is not captured, or opportunities to improve existing arrangements for data capture are missed, as a consequence of the lack of a systematic means of identifying and documenting information needs. This could inhibit scrutiny by obscuring detail or result in failure to identify potential performance improvements.

Recommendation

Police Scotland should consider whether the performance data that is currently available is adequate to meet performance reporting requirements at least annually. Where potential areas for improvement are identified, in the short term these should be shared with relevant business areas and projects with the aim of establishing practical arrangements to collate the required data.

The Force Wide Analytics business case sets out proposals for the implementation of a data architecture which provides a single view of organisational data. If a Force Wide Analytics solution is implemented, future iterations of the Performance Framework should be based upon this assessment of data needs.

Management Action

We will implement the following changes:

- Use the newly-created Data Catalogue (managed by the CDO team) to provide a mechanism to document the data requirements for the performance data. This will involve detailing individual data elements which make up performance, associated data standards for critical data elements, and mappings to source systems.
- This will help identify challenges in data availability and data quality
- As the Data Catalogue will also be used within the Force Wide Analytics project (and the wider Data Drives Digital programme), it will be easier to identify synergies and improvement opportunities across the wider change portfolio.

Action owner: Denis Hamill (Chief Data Officer)

Due date: 31 May 2022

Control Objective 2: There are effective data quality controls and processes in place to support the performance management analysis

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2.1 Inconsistent handling of data quality issues and caveats

In our 2019/20 review of Demand and Productivity, we found that data, including crime data which is relied upon by the APU for performance reporting, was collated from a variety of systems with no overall consistent approach to quality control. We recommended that Police Scotland formalise a Data Strategy and set of policies to address this and ensure that a consistent approach is taken to the collation of data across the organisation. This recommendation remains outstanding, and so is not repeated here.

Within the APU there is no established methodology for how PPOs should manage and raise awareness of the quality of data sources used in performance reporting.

For data accessed by the Statistics Team via the SEB-P data repository, there is an Application Lifecycle Management (ALM) tool which is used to document, manage, and monitor data quality issues. However, for data from other data sources, data quality issues may be passed onto the PPOs through caveated reports, email or through a general awareness of a system's limitations. However, these issues are not collated or recorded by the PPOs.

Whilst the APU Team is aware of the data quality themes that impact performance reporting, the process is reliant on the knowledge of the relevant PPO of specific data quality issues related to each Measure of Progress. In addition, while there is a general awareness of data quality issues that impact performance reporting within the APU team, these are not documented or recorded. This means that the APU team is unlikely to have oversight of all data quality issues that impact reporting. As a result, there are inconsistencies in the caveats of data quality within performance management reporting.

We performed a sample test across 15 of the 176 elements of Management Information, which related to 12 of the 44 SPA Measures of Progress. The following issues and inconsistencies were identified:

- 6 of 12 Measures of Progress were identified to have data quality issues affecting performance reporting. However, 3 out of these 6 Measures did not caveat the identified data quality issues. These included known data quality issues within the Collision Reporting and Sharing (CRaSH) and Vulnerable Persons Database (VPD) systems and the incompleteness of data.
- There is an expectation that reporting on Measures of Progress includes a five-year mean and the percentage change from the five-year mean. However, 4 of 12 Measures of Progress did not include data for the previous five-years and no explanation as to why was provided for 3 of these Measures.
- 3 of 12 Measures were affected by changes in the data collection or systems, however, this was not caveated when reported for 1 Measure of Progress. For the remaining two Measures, it was highlighted that a comparison either across systems or against previous year's numbers would not be valid because of the change in system or data collection technique.

Previously, there have been Technical Notes that include details of data quality issues and system limitations for each Measure in the prior Performance Framework. These are outdated and the APU Team is currently in the process of updating these.

Risk

There is a risk that inaccurate and incomplete data is being used for performance reporting. Because of the inconsistencies in the awareness and reporting of these data quality issues, there is a risk that management is not fully aware of these issues that can impact their decisions.

Recommendation

To achieve consistency in the handling and reporting of data quality issues affecting performance reporting, we recommend management implement a formal process and supporting methodology to help ensure PPOs obtain an understanding of the relevant data quality issues impacting performance reporting.

As part of this formal process, we recommend that the Technical Notes are updated for the current Performance Framework and include details of data quality and system limitations that affect data used for performance reporting. In addition, we recommend that all data quality issues known to affect performance reporting and those reported from business areas are compiled into an overarching log or register. The aim of the register is to provide oversight for the APU of what issues currently impact their reports and whether reports should be caveated. The effect of each issue on reporting should be understood and explained appropriately to allow those producing and reviewing reports to understand any limitations of the reports provided.

Management Action

Grade 2
(Design)

We will implement the following changes:

- We will document all known data quality issues relating to Performance Data into a standard Data Quality Register (managed by the CDO team). This will provide an opportunity to consistently report on data quality issues, referencing standard data definitions and data standards (taken from the Data Catalogue), and also a set of standard Data Quality dimensions, e.g. completeness, conformity, validity.
- Each Data Quality issue can then be escalated to the named Data Owner for that data element, as part of the wider Data Governance process, managed by the CDO team.
- Wider advice notes can be based on the output of that Data Quality/Governance process.

Action owner: Denis Hamill (Chief Data Officer)

Due date: 31 May 2022

Control Objective 3: The learnings outcome approach is taken where key stakeholders are consulted to produce insightful analysis

3.1 Defining and Recognising Good Performance

In preparing governance level performance reporting, APU Analysts and Planning and Performance Officers (PPOs) engage with operational policing areas to identify the factors that have influenced movements in performance data. The information and insight gleaned is used to construct the narrative elements of the reporting, which communicates Police Scotland's understanding of the performance picture, and thus contextualise operational decisions around action and prioritisation.

The Performance Framework itself uses a defined set of "Performance Questions" to relate management information to outcomes, with the aim that these aid the assessment of progress of the delivery of those outcomes.

However, neither the performance framework, nor the arrangements in place for reporting, seek to establish the intended or expected direction of travel in relation to the measures of progress that are articulated in performance reporting, or to link this to activity. The nature of the measures used means that this is not always self-evident, particularly in relation to crime data, for instance:

- While increased prevalence of crime is undesirable, increased reports of particular classes of crimes may be the intended outcome of particular initiatives, where they have been historically under-reported, or where increases are related to improved levels of trust in the Police Service more generally.
- Volumes of certain categories of crime may correlate with the levels of resource deployed to identify and pursue them, or particular operational stances on investigative tools such as Stop and Search.

The process of compiling reporting relies upon the judgement of PPOs to ensure that they have obtained sufficient, relevant contextual information. However, there is not a clearly understood or documented relationship between the information collated and reported and policing activity, meaning that this interpretation is largely judgemental. In particular, we observed that the contextual information gathered by PPOs was frequently backward looking, focussing on explaining current circumstances as opposed to examining whether the outcomes measured through performance data represent an expected or intended result. Consultation often took place after the compilation of the statistics related to the period under scrutiny rather than proactively throughout the period.

Though PPOs seek to analyse and report the data available in the context of this information, the process of compilation does not systematically seek to determine:

- Whether any movement in the measures under consideration is within the expectations of the business area;
- What activities or initiatives are being undertaken, or have taken place, within operational areas which would impact upon the measure; and
- Whether these are consistent.

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In the absence of a means of tracking this information, the ability of the PPOs to proactively set expectations and challenge operational areas on matters of performance is inhibited. We observed inconsistency in the extent to which explanation and narrative offered by operational areas was scrutinised and tested by PPOs for consistency with data and expectation.

Risk

There is a risk that, without a systematic approach to recording and analysing contextual information provided by operational areas in the light of supporting data, scrutiny of performance is not effective. The lack of distinction between performance impacts arising from action taken by Police Scotland and those arising from external factors means that it is unclear whether reported movements in key indicators or measures arise as a consequence of police activity, leading to a failure to drive improvement in performance and the achievement of Strategic Outcomes.

Recommendation

Police Scotland should develop a documented, systematic approach to analysing data and engaging with business areas. The approach should establish a performance baseline and seek to measure the impact of management action upon that baseline, accounting for external factors. We recommend that the APU:

- Define and document, in consultation with the business areas under scrutiny, the factors expected to influence the performance measures that are relevant to that area - this should include both external factors that would be expected to impact upon performance measures, and the expected impact of Police Scotland's activity;
- Define and document the reporting treatment of the indicators that contribute towards the applicable measures of progress, including its presentation and the relevant comparators (e.g. against prior year, five year trend, etc);
- For each upcoming reporting period, identify and document the activity being undertaken in each business area, and the effect upon performance that it is intended to have; and
- For each reporting period, consider the actual movement in performance data and assess whether this is consistent with the previously established expectation.

The Performance Questions articulated within the Performance Framework could provide the basis of such an approach. This nature of the information recorded to support this assessment will, by necessity, differ depending upon the area under review.

Management Action

We will implement the following changes:

- Create a Performance Dictionary which will set out the desired direction of travel for the Management Information within the Framework.
- Identify and invest in Performance Management and Horizon Scanning training in order to formalise a consistent approach to performance analysis.

Action owner: Alison Shepherd, Interim Head of APU

Due date: 31 May 2022

Control Objective 4: The performance management process is robust, meets best practice and provides performance information in a timely manner

4.1 Half yearly reporting

The Annual Police Plan Bi-Annual Report is prepared on a half yearly basis and provides an update against the activities which have been set out within the Annual Police Plan. We have reviewed the first iteration of this report, being the half year report for the 2020/21 period and observed that:

- There is no clear distinction between activities which are time bound, such as projects, and activities that take the form of ongoing initiatives or are otherwise business as usual; and
- For time bound activities, there is no indication of expected completion dates and whether these are expected to be met, other than a RAG status updated when the activity is deemed complete.

As for quarterly performance reporting, there is no documented policy or process in relation to the preparation of this report, beyond some administrative documentation and a template return document by which business areas provide updates to the APU. As a consequence, the half yearly report in its present form is largely a report of activity that has been undertaken, as opposed to a summary of progress against the achievement of objectives and outcomes.

We note that the PPC made similar observations at the November 2020 meeting to which the half-yearly report was presented, with a management action recorded. The APU is in the process of developing its approach to the format of the half yearly report and its presentation, with the intention that the Annual report will reflect the committee's feedback.

Risk

There is a risk that scrutiny of progress against the Annual Police Plan is not effective, and that risks to its achievement are not identified, as it is not made clear to scrutiny groups whether activities are proceeding as planned or expected, and whether remedial action taken in response to developing issues is adequate and appropriate. This could result in a failure to achieve strategic outcomes and objectives.

Recommendation

Police Scotland should, in consultation with the PPC, update the form and content of the half-yearly report such that it clearly identifies the objective or outcome that the activity is intended to produce, and appropriate supporting information to evidence whether this is being achieved, or on track to be achieved as planned.

Where the activity is a change activity or project, this could make reference to appropriate project milestones. For ongoing or business as usual activities, this should be linked to performance management information, either aligned with quarterly reporting or expressed in terms of the KPIs used in the business area carrying out the activity.

Where issues have been identified which suggest there is a risk to the achievement of the expected outcome, the remedial action identified and implemented should be articulated with an appropriate timescale.

In line with MAP 4.2, the overall approach to drafting the report, and the policy as regards the information it is necessary to obtain and include within the report, should be documented.

Management Action

Grade 3
(Design)

We will implement the following changes:

- Define key milestones and expected reporting periods for each of the Activities detailed in the Annual Police Plan.
- Engage with stakeholders at the beginning of the performance year to set expectations for the reporting of progress towards Activities.
- Enhance how Police Scotland visually represent progress towards Activities e.g. progress bar.

Action owner: Alison Shepherd, Interim Head of APU

Due date: 31 May 2022

4.2 Reporting Policy

The core quarterly performance reports presented to the SPA PPC are complex documents, which include detailed reporting against 44 measures of progress, reporting by exception against a wider set of management information from a suite of 176 indicators, and contextual information from a variety of sources. The Q1 and Q2 reports for the period 2020/21 each exceed 85 pages. In order for reports involving such a breadth of information to be meaningful and useful, it is necessary for the information to be presented in such a way that the significance of the issues raised is clearly explained, and the most significant conclusions highlighted.

At a high level, the format and content of performance reporting has been the subject of discussion and agreement between the SPA PPC and the APU. The Performance Framework sets out in detail the data to be collated and included within reports, as well as defining their frequency and timetabling, however the Framework does not outline an approach to summarisation or presentation.

For quarter 2, the format of the Performance Report was updated at the request of the Committee to include an executive summary which identifies matters of high priority, along with a summary of the factors giving rise to them and the Police Scotland response. However, the matters for inclusion within this section are determined judgementally rather than through the application of any defined methodology or set of principles.

We have obtained and reviewed the process documentation in place relating to the preparation of quarterly and half yearly reports, however these largely relate to matters of timetabling and approval. There is no documented approach to prioritisation and emphasis of the matters set out within reports, and in particular, no defined approach to the selection of matters for inclusion in the executive summary. We observed some evidence of the use of formal exception reporting, in that the data produced by the APU Statistics Unit includes an assessment of whether any movement in management information indicators falls within a statistical confidence interval based upon long term trends, however this does not apply to all data contributing to the measures of progress, and we could not evidence how this information is applied to inform the content of the report.

Risk

Without a defined approach to emphasis and prioritisation, there is a risk that the executive summary does not consistently or fairly reflect the matters of greatest significance, which may inhibit scrutiny or lead to decision making that is incoherent, resulting in a failure to address developing issues and achieve strategic outcomes.

Recommendation

The APU should define a policy or set of principles that underpins its approach to the identification of the highest priority matters. This should include:

- The approach to the use of exception reporting, including the circumstances in which indicators outwith the core measures of progress will be reported; and
- The methodology for the identification and presentation of issues of significance identified within performance reporting.

As the preparation of performance reporting will always involve a degree of judgement, we recommend a principles-based approach to developing such a policy. The policy should be conceived as a tool to inform and support decision making, as opposed to a prescriptive set of rules, or scoring system. Once implemented, the policy should remain under review in response to feedback.

Management Action

We will implement the following changes:

- The Performance Framework will include a description of how we determine our highest priority areas whether this is through formal exception reporting or professional judgement.

Action owner: Alison Shepherd, Interim Head of APU

Due date: 31 May 2022

4.3 Reporting Timescales

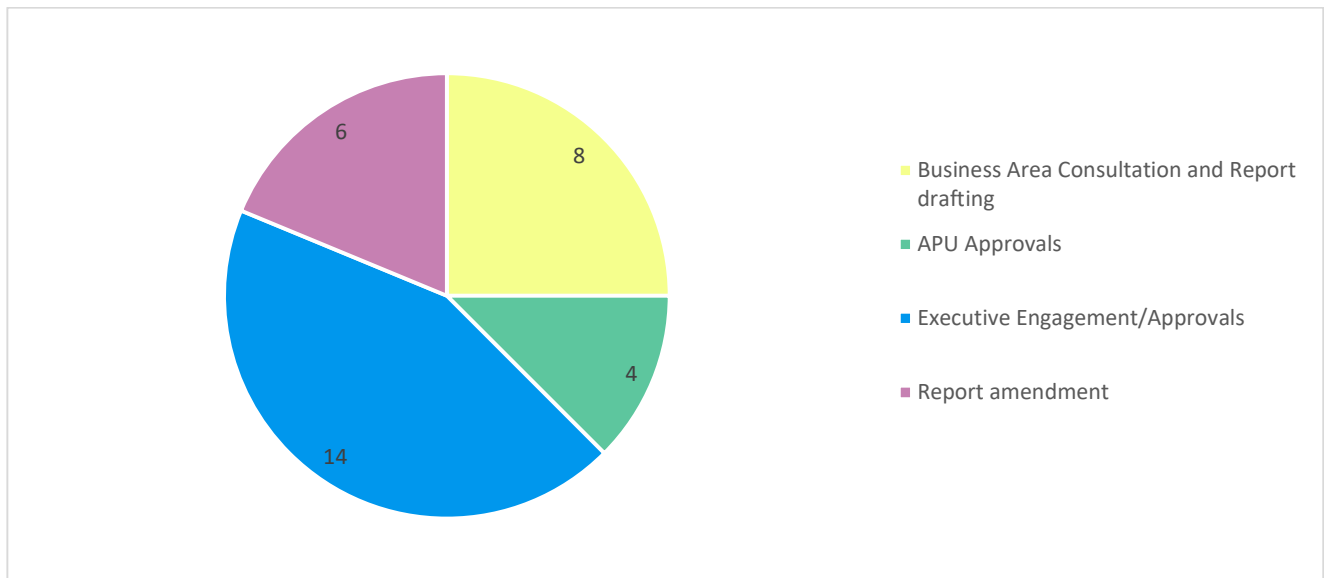
Reporting processes necessarily involve striking a balance between timeliness of presentation and the depth of analysis it is possible to undertake. The timing of PPC meetings is such that they tend to fall during the second month of each quarter of Police Scotland's Financial Year. The timing of reports is such that the report pertaining to each quarter is received and scrutinised at the next meeting of the PPC following a quarter end.

We obtained the procedural documentation from the APU which sets out the key milestones in the process of drafting quarterly reports. We have broken down the time available for a number of tasks, comprising:

- Consulting with operational business areas and drafting the report;
- Obtaining approval for the draft report within the APU;
- Engagement with the Force Executive once a draft is prepared; and
- Amendment to the draft in response to feedback.

The APU has only the time available between the period end and the deadline for submission of PPC papers in which to prepare the report. For the Q1 report, this is 45 calendar days, or 32 working days. The time in which analysis can be performed is restricted by the initial availability of data, the need for an approval process within the APU itself, and the need to engage with the Force Executive in order to achieve consensus that the information reported is complete, accurate, and fairly reflective of performance.

As an example, we have summarised the division of available time for the preparation of the Q1 report in terms of working days below:



Specific timing varies with the timing of quarter ends and the PPC meeting schedule. For Q2, the timescale from the quarter end to the PPC papers deadline was 35 calendar days, or 24 working days. The proportion of time available for consultation and drafting of the report was similar at 6 working days (25% of time available).

A practical consequence of the timescales involved is that the APU must prepare an initial draft of the quarterly report within a very short period. As a consequence, the time available for the APU to engage with operational business areas and perform meaningful analysis upon available data is restricted.

Risk

There is a risk that the reporting timescales applied for quarterly performance inhibits meaningful analysis, resulting in the preparation of reports that are merely descriptive as opposed to insightful. This could lead to failures of scrutiny as a consequence of inadequate analysis, and the failure to achieve strategic outcomes or objectives.

Recommendation

Police Scotland should discuss the reporting timescales both internally, and with the PPC. In particular, consideration should be given to:

- Rebalancing the amount of time spent on engagement with operational and executive areas within Police Scotland; and
- The alignment of the Committee meeting dates with the periods reported.

At MAP 3.1, we have also recommended that the performance picture be kept under review throughout the period under scrutiny, and that an approach be developed to producing and documenting a forward-looking expectation for performance outcomes. Increased proactivity in this regard could also relieve reporting time pressure by ensuring that the context for the interpretation of performance data is already established at the point at which the data becomes available.

Management Action

Grade 2
(Design)

We will implement the following changes:

- Refine the engagement calendar, conducting more precise engagement sessions over a shorter period of time.
- Seek a review of committee meeting dates.

Action owner: Alison Shepherd, Interim Head of APU

Due date: 31 May 2022

Control Objective 5: There is suitable governance over the performance management process, with outputs appropriately scrutinised by the SPA



No weaknesses identified

We have reviewed the process of oversight for the preparation and approval of governance level performance reporting within Police Scotland, and the operation of the SPA PPC in providing scrutiny.

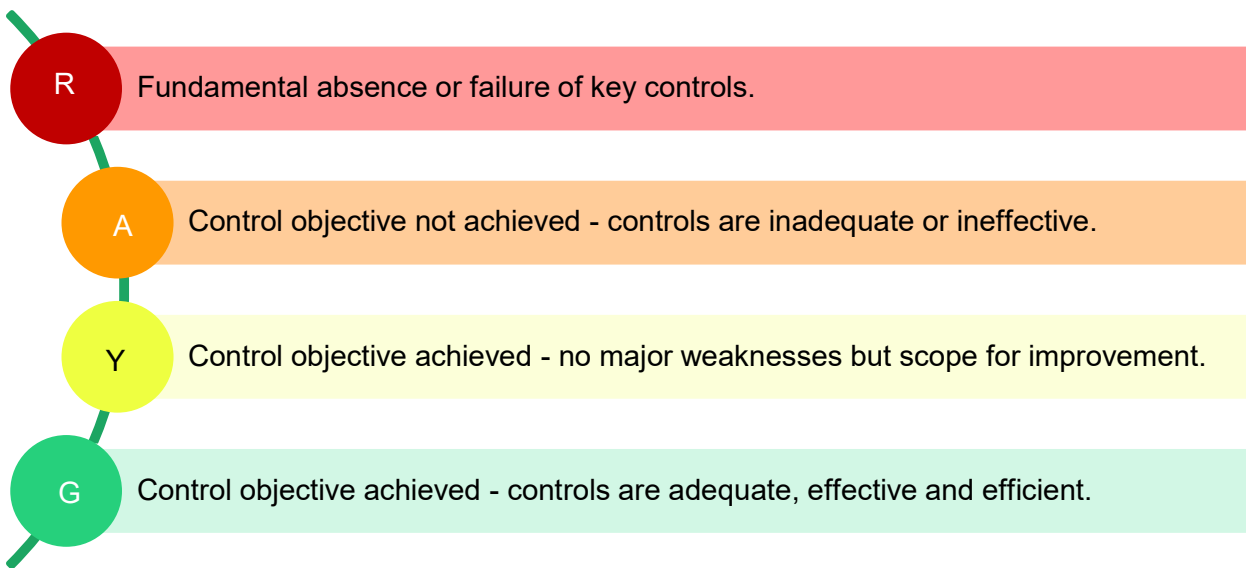
Within Police Scotland, performance reporting is prepared under the supervision of the Director of Strategy and Analysis, with scrutiny and approval through engagement with the Force Executive, culminating in formal discussion and approval at the Strategic Operational Performance Board. We have reviewed the operation of these arrangements and found no issues, subject to our comments on the timescales involved at MAP 4.3.

The PPC is convened as a board committee of the SPA according to terms of reference set out in the SPA Governance Framework, which was last updated in March of 2020. We have reviewed the Committee's remit and confirmed that it receives performance reporting consistent with its role.

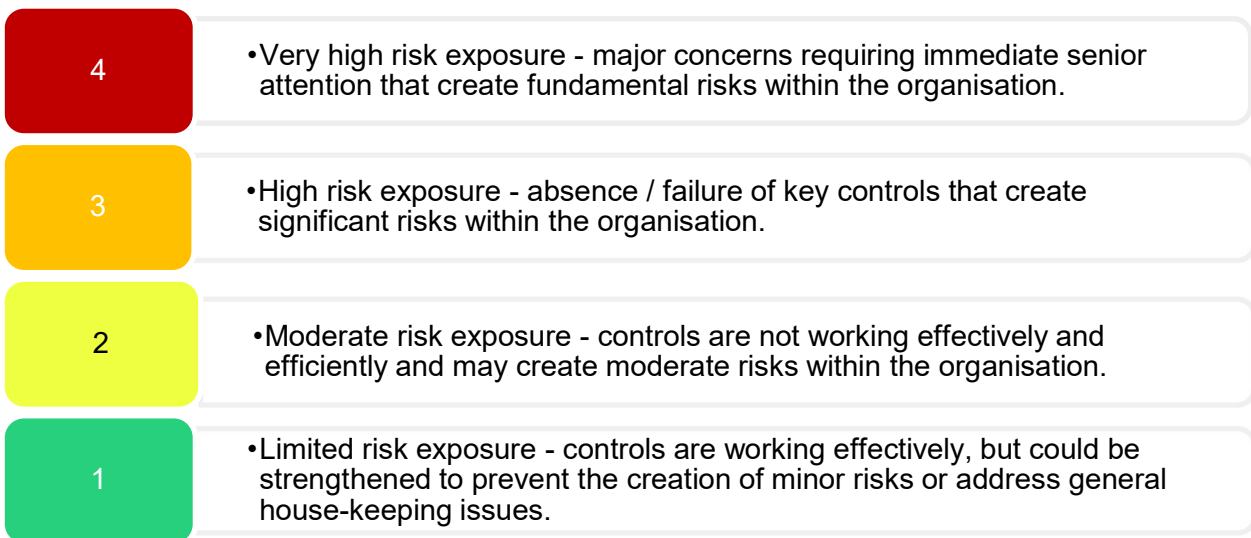
We have assessed the operation of the Committee through attendance and observation at the meetings at which it received the Q1 and Q2 quarterly performance reports, the half yearly progress report, and ad-hoc reports requested by Committee members in response to the identification of specific issues. Our review has found that where issues are identified, the Committee determines the action required, and these actions are recorded and followed up at subsequent meetings.

Appendix A – Definitions

Control assessments



Management action grades



Appendix B – Summary of management actions

Action No.	Recommendation	Management Response	Grade	Action Owner	Due Date
1.1	<p>The short life working group should define its objectives and translate these into a plan of work, including a timetable, for the development of a workable benchmarking approach.</p> <p>The initial priorities for the group should include:</p> <ul style="list-style-type: none"> Defining the objectives of the benchmarking framework, and how the information gleaned from benchmarking will be used to inform performance reporting; Identifying suitable peer organisations or jurisdictions with which performance can be meaningfully compared, including determining the availability of relevant data and any potential contextual issues arising from differences in recording practice or local context; and Producing a plan for the framework's development and implementation with specific delivery dates. This should include consideration of the review cycle for the framework, and the extent to which this will align with the periodic update of the Performance Framework. 	<p>We will implement the following changes:</p> <ul style="list-style-type: none"> Establish a Benchmarking Practitioner Group, with membership from both Police Scotland and Scottish Police Authority. The group will report on progress to the SLWG. A benchmarking timeline will be developed which will set out reporting expectations for publically reporting benchmarking information in Police Scotland's Performance reports. Valuable benchmarking metrics will be developed alongside credible and viable benchmarking families. 	2	Alison Shepherd, Interim Head of APU	31 May 2022

<p>1.2</p>	<p>Police Scotland should consider whether the performance data that is currently available is adequate to meet performance reporting requirements at least annually. Where potential areas for improvement are identified, in the short term these should be shared with relevant business areas and projects with the aim of establishing practical arrangements to collate the required data.</p> <p>The Force Wide Analytics business case sets out proposals for the implementation of a data architecture which provides a single view of organisational data. If a Force Wide Analytics solution is implemented, future iterations of the Performance Framework should be based upon this assessment of data needs.</p>	<p>We will implement the following changes:</p> <ul style="list-style-type: none"> • Use the newly-created Data Catalogue (managed by the CDO team) to provide a mechanism to document the data requirements for the performance data. This will involve detailing individual data elements which make up performance, associated data standards for critical data elements, and mappings to source systems. • This will help identify challenges in data availability and data quality • As the Data Catalogue will also be used within the Force Wide Analytics project (and the wider Data Drives Digital programme), it will be easier to identify synergies and improvement opportunities across the wider change portfolio. 	<p>2</p>	<p>Denis Hamill (Chief Data Officer)</p>	<p>31 May 2022</p>
<p>2.1</p>	<p>To achieve consistency in the handling and reporting of data quality issues affecting performance reporting, we recommend management implement a formal process and supporting methodology to help ensure PPOs obtain an understanding of the relevant data quality issues impacting performance reporting.</p> <p>As part of this formal process, we recommend that the Technical Notes are updated for the current Performance Framework and include details of data quality and system limitations that affect data used for performance reporting. In addition, we recommend that all data</p>	<p>We will implement the following changes:</p> <ul style="list-style-type: none"> • We will document all known data quality issues relating to Performance Data into a standard Data Quality Register (managed by the CDO team). This will provide an opportunity to consistently report on data quality issues, referencing standard data definitions and data standards (taken from the Data Catalogue), and also a set of standard Data Quality dimensions, e.g. completeness, conformity, validity. • Each Data Quality issue can them be escalated to the named Data 	<p>2</p>	<p>Denis Hamill (Chief Data Officer)</p>	<p>31 May 2022</p>

	<p>quality issues known to affect performance reporting and those reported from business areas are compiled into an overarching log or register. The aim of the register is to provide oversight for the APU of what issues currently impact their reports and whether reports should be caveated. The effect of each issue on reporting should be understood and explained appropriately to allow those producing and reviewing reports to understand any limitations of the reports provided.</p>	<p>Owner for that data element, as part of the wider Data Governance process, managed by the CDO team.</p> <ul style="list-style-type: none"> Wider advice notes can be based on the output of that Data Quality/Governance process. 			
<p>3.1</p>	<p>Police Scotland should develop a documented, systematic approach to analysing data and engaging with business areas. The approach should establish a performance baseline and seek to measure the impact of management action upon that baseline, accounting for external factors. We recommend that the APU:</p> <ul style="list-style-type: none"> Define and document, in consultation with the business areas under scrutiny, the factors expected to influence the performance measures that are relevant to that area - this should include both external factors that would be expected to impact upon performance measures, and the expected impact of Police Scotland's activity; Define and document the reporting treatment of the indicators that contribute towards the applicable measures of progress, including its presentation and 	<p>We will implement the following changes:</p> <ul style="list-style-type: none"> Create a Performance Dictionary which will set out the desired direction of travel for the Management Information within the Framework. Identify and invest in Performance Management and Horizon Scanning training in order to formalise a consistent approach to performance analysis. 	<p>3</p>	<p>Alison Shepherd, Interim Head of APU</p>	<p>31 May 2022</p>

the relevant comparators (e.g. against prior year, five year trend, etc);

- For each upcoming reporting period, identify and document the activity being undertaken in each business area, and the effect upon performance that it is intended to have; and
- For each reporting period, consider the actual movement in performance data and assess whether this is consistent with the previously established expectation.

The Performance Questions articulated within the Performance Framework could provide the basis of such an approach. This nature of the information recorded to support this assessment will, by necessity, differ depending upon the area under review.

<p>4.1</p>	<p>Police Scotland should, in consultation with the PPC, update the form and content of the half-yearly report such that it clearly identifies the objective or outcome that the activity is intended to produce, and appropriate supporting information to evidence whether this is being achieved, or on track to be achieved as planned.</p> <p>Where the activity is a change activity or project, this could make reference to appropriate project milestones. For ongoing or business as usual activities, this should be linked to performance management information, either aligned with quarterly reporting or expressed in</p>	<p>We will implement the following changes:</p> <ul style="list-style-type: none"> • Define key milestones and expected reporting periods for each of the Activities detailed in the Annual Police Plan. • Engage with stakeholders at the beginning of the performance year to set expectations for the reporting of progress towards Activities. • Enhance how Police Scotland visually represent progress towards Activities e.g. progress bar. 	<p>3</p>	<p>Alison Shepherd, Interim Head of APU</p>	<p>31 May 2022</p>
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	<p>terms of the KPIs used in the business area carrying out the activity.</p> <p>Where issues have been identified which suggest there is a risk to the achievement of the expected outcome, the remedial action identified and implemented should be articulated with an appropriate timescale.</p> <p>In line with MAP 4.2, the overall approach to drafting the report, and the policy as regards the information it is necessary to obtain and include within the report, should be documented.</p>				
<p>4.2</p>	<p>The APU should define a policy or set of principles that underpins its approach to the identification of the highest priority matters. This should include:</p> <ul style="list-style-type: none"> • The approach to the use of exception reporting, including the circumstances in which indicators outwith the core measures of progress will be reported; and • The methodology for the identification and presentation of issues of significance identified within performance reporting. <p>As the preparation of performance reporting will always involve a degree of judgement, we recommend a principles-based approach to developing such a policy. The policy should be conceived as a tool to inform and support decision making, as opposed to a prescriptive set of rules, or scoring system. Once implemented, the policy should remain under review in response to feedback.</p>	<p>We will implement the following changes:</p> <ul style="list-style-type: none"> • The Performance Framework will include a description of how we determine our highest priority areas whether this is through formal exception reporting or professional judgement. 	<p>2</p>	<p>Alison Shepherd, Interim Head of APU</p>	<p>31 May 2022</p>

<p>4.3</p>	<p>Police Scotland should discuss the reporting timescales both internally, and with the PPC. In particular, consideration should be given to:</p> <ul style="list-style-type: none">• Rebalancing the amount of time spent on engagement with operational and executive areas within Police Scotland; and• The alignment of the Committee meeting dates with the periods reported. <p>At MAP 3.1, we have also recommended that the performance picture be kept under review throughout the period under scrutiny, and that an approach be developed to producing and documenting a forward-looking expectation for performance outcomes. Increased proactivity in this regard could also relieve reporting time pressure by ensuring that the context for the interpretation of performance data is already established at the point at which the data becomes available.</p>	<p>We will implement the following changes:</p> <ul style="list-style-type: none">• Refine the engagement calendar, conducting more precise engagement sessions over a shorter period of time.• Seek a review of committee meeting dates.	<p>2</p>	<p>Alison Shepherd, Interim Head of APU</p>	<p>31 May 2022</p>
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