

SCOTTISH POLICE
AUTHORITY

Meeting	SPA Audit Committee
Date	11 September 2018
Location	Pacific Quay, Glasgow
Title of Paper	Internal Audit HR Performance Reporting Report
Item Number	4.2
Presented By	Elizabeth Young, Director, Scott-Moncrieff
Recommendation to Members	Members are requested to note the report.
Appendix Attached	Internal Audit HR Performance Reporting Report

PURPOSE

The Audit Committee considered our review of the HR Performance Reporting at its previous meeting on 24 July 2018. The report was not approved as clarifications to the management actions were required.

The paper is re-presented for the Audit Committee to consider the revised management responses.

The paper is submitted for noting.

1. BACKGROUND

- 1.1 Scope is a key HR system for the management of human resources as well as providing data for use in financial reporting, monitoring and decision making. Given the importance of the personal data being managed on Scope and its numerous interfaces; the system's reliability, and the environment in which it operates, are key to underpinning effective operations within both PS and SPA. The implementation of the single national Scope system occurred in August 2014. Prior to this all legacy forces were using their own Scope or HR systems. There were a number of issues that have had to be resolved after the eight forces joined together to make the Scope system more effective, including standardisation of HR procedures and process across the organisation. A draft performance report has also been developed for reporting and monitoring HR data from the Scope system.

We assessed the extent to which the draft HR performance report enables PS and SPA to completely, accurately and timeously monitor its performance on a range of HR measures. We have also reviewed the data collection and data quality controls in place and explored the extent of data held within Scope to identify further opportunities to develop reporting.

2. FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 The report notes that Police Scotland's HR Performance Management Reporting controls procedures reflect good practice in a number of areas including:
- The National Scope Management team has recently reviewed the Scope development process and has implemented a more robust system of requests, a scoring matrix and a formal approval forum to ensure that an evidence-based pragmatic approach is taken to dealing with the development of Scope;
 - Regular reports for HR performance data are provided to the Senior Management Team, the People Committee and the SPA board with numerous layers of manual quality checks taking place prior to reporting; and

- A new HR insights report is under development which is aligned with the draft People Strategy which aims to improve management insight.

The report contains four “grade 3” (high risk exposure) and two “grade 2” (moderate risk exposure) recommendations to enhance the design and operation of the HR Performance Management Reporting controls. The findings contained within the report have been accepted with action owners and timescales for completion assigned.

Next steps: We will follow up management responses contained within the report on a periodic basis to monitor progress being made towards implementing management actions

3. FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications arising as a direct result of this report.

4. PERSONNEL IMPLICATIONS

- 4.1 There are no personnel implications associated with this report.

5. LEGAL IMPLICATIONS

- 5.1 There are no legal implications associated with this report.

6. REPUTATIONAL IMPLICATIONS

- 6.1 There are no reputational implications arising from with report.

7. SOCIAL IMPLICATIONS

- 7.1 There are no social implications directly associated with this report

8. COMMUNITY IMPACT

8.1 There are no community impact implications directly associated with this report.

9. EQUALITIES IMPLICATIONS

9.1 There are no equalities implications directly associated with this report.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no environmental implications associated with this report.

RECOMMENDATIONS

Members are requested to note the report.



Scottish Police Authority

Internal Audit Report 2017/18

HR Performance reporting – data quality and collection

March 2018



Scott-Moncrieff
business advisers and accountants

Scottish Police Authority

Internal Audit Report 2017/18

HR Performance Reporting – data quality and collection

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<i>Audit Sponsor</i>	<i>Key Contacts</i>	<i>Audit team</i>
<i>Jude Helliker, Director of People & Development</i>	<i>Peter Blair, Head of Resource Management Insp Graeme Gallie Carol King, Performance Reporting Manager, People & Development/Systems Data & MI</i>	<i>Gary Devlin, Partner Helen Berry, Head of Internal Audit Martin Langosch, Director, Data Analytics Maria Wright, Internal Audit Assistant Manager</i>

Executive Summary

Conclusion

Police Scotland has developed a national instance of the Scope HR management system, which was previously used in legacy Scottish police forces. Work to standardise data captured within the system continues and a draft HR performance management dashboard has been developed.

Our review of the processes in place to manage data input to Scope and reporting from Scope has identified that, while there are established process in place to report on a wide range of HR performance information, there is further work required in order to gain further assurance over the quality of data input to the system.

In addition, there are a number of opportunities for further development of the reporting functionality within Scope to allow more automated reporting from the system.

Background and Scope

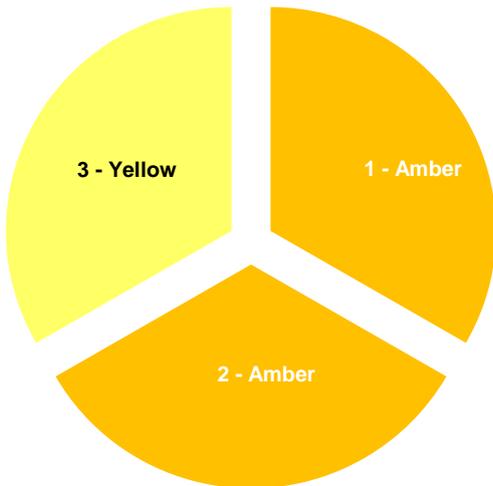
Scope is a key HR system for the management of human resources as well as providing data for use in financial reporting, monitoring and decision making. Given the importance of the personal data being managed on Scope and its numerous interfaces; the system's reliability, and the environment in which it operates, are key to underpinning effective operations within both PS and SPA. The implementation of the single national Scope system occurred in August 2014. Prior to this all legacy forces were using their own Scope or HR systems. There were a number of issues that have had to be resolved after the eight forces joined together to make the Scope system more effective, including standardisation of HR procedures and process across the organisation. A draft performance report has also been developed for reporting and monitoring HR data from the Scope system.

We have assessed the extent to which the draft HR performance report enables PS and SPA to completely, accurately and timeously monitor its performance on a range of HR measures. We have also reviewed the data collection and data quality controls in place and explored the extent of data held within Scope to identify further opportunities to develop reporting.

Acknowledgements

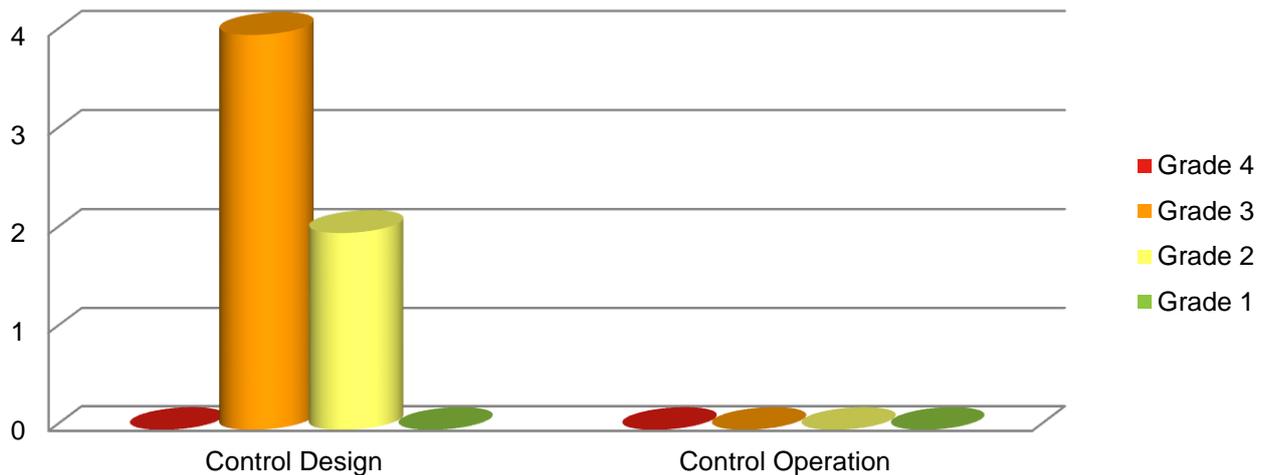
We would like to thank all staff consulted during this review for their assistance and co-operation.

Control assessment



- 1. Clear objectives have been set for the collection of data held within Scope system to ensure that it meets the needs of the organisation.
- 2. There is regular, timely and accurate reporting of HR performance data which ensures sufficient management oversight.
- 3. The format of HR performance reports support effective management scrutiny.

Improvement actions by type and priority



Six improvement actions have been identified from this review, all of which relate to the design of the controls in place.

Appendix A sets out definitions of colour coding for both control objective assessments and management actions.

Key findings

Good practice

We have identified the following areas of good practice during this review:

- The National Scope Management team has recently reviewed the Scope development process by implementing a more robust system of requests, a scoring matrix and a formal approval forum (the Scope Development Approval Group). These changes will ensure that an evidence-based, pragmatic approach is

taken to dealing with the development of Scope. The creation of the formal approval group will also ensure that progress is regularly tracked and monitored

- Regular reports for HR performance data are provided to the Senior Management Team, the People Committee and the SPA Board. We confirmed that there are different layers of manual quality checks taking place prior to HR performance reports being published.
- To develop the existing reporting of HR performance data, a new HR insights report is currently being developed to align with the draft People Strategy. This will report on key workforce management measures as well as providing a suite of HR measures aimed at improving management insight.

Areas for Improvement

We have identified the following areas for improvement, which include opportunities for development of existing process and reporting, linked to the ongoing work to develop an HR dashboard:

- The draft Matrix setting out roles and responsibilities for the quality of data within Scope has not been agreed with business areas and approved by the Executive. As a result, there is a lack of clarity about the extent to which business areas have responsibility and ownership for specific data within Scope.
- The development and use of Scope as a single source system for HR performance data across the organisation is constrained by complex system architecture, IT security requirements and a lack of awareness of potential Scope functionality outside the National Scope Management team. Management should decide whether a single source system should be implemented and whether the current constraints can be addressed in a way that would make Scope suitable for use as such a source system.
- The National Scope Management (NSM) team should refresh its Scope training needs analysis following agreement of the matrix of roles and responsibilities. The NSM team should work with the Leadership, Training and Development team to develop Scope training that will inform users about their responsibilities and increase awareness of the capabilities of the system.
- A more formal process is required to confirm business areas are taking improvement action to address identified issues in relation to data input. In addition, there are further opportunities to automate some aspects of the manual data quality assurance processes.
- There is a need for a greater level of analysis in performance commentaries for HR data. We observed some good examples of narratives within the P&D information pack however, overall, the narratives are descriptive in nature and do not adequately address the root causes of performance patterns and trends.
- The HR insights report is still in development and it is recommended that a further phase of work is carried out to develop a tactical level report and that over time, trend analysis and targets be built in to the report to better inform management of progress.

These are discussed further in the Management Action Plan.

Management Action Plan

Control Objective 1: Clear objectives have been set for the collection of data held within Scope system to ensure that it meets the needs of the organisation



Amber

1.1 Documentation of Scope data governance arrangements

As part of the development of a national instance of Scope, National Scope Management (NSM) team has been working to standardise the fields and categories within the system, to enhance future reporting capabilities. This work includes recent implementation of a procedure for the prioritisation of requests for Scope developments, which incorporates a scoring matrix and a formal approval forum (the Scope Development Approval Group). These changes will ensure that evidence based, pragmatic approach is taken in dealing with the development of Scope. The formation of the formal approval group will also ensure that progress is regularly tracked and monitored.

The Scope data is stored on a MySQL database, which is managed and supported by ICT, while data is input to the system by management and staff in business areas. Much of the input is manual, which carries inherent risks to the accuracy of the data.

We identified that there is a draft matrix that sets out the roles and responsibilities of each of these groups in relation to the completeness, accuracy and timeliness of the data within Scope. However, the matrix has not been agreed with business areas and approved and there is currently a lack of clarity about oversight of the data entered into the Scope system and where the accountability for ensuring that data is accurate and up to date in the system rests.

The central Scope User Guide provides guidance in respect of manual data entry, and automated reporting. However, the document does not make clear which business areas are responsible for which aspect of the process. We were also informed that the Entity Relationship Diagram (ERD) which is a key part of the Scope database architecture has not been updated recently.

Risks

There is a risk that unclear roles and responsibilities in relation to the data within Scope result in inaccurate, incomplete or out-of-date information being recorded within the system. This would lead to management using unreliable data to inform their decision making.

The lack of sufficient documentation of processes and technologies increases the risk that those processes will be applied inconsistently and that the quality of the data will decrease.

Recommendations

The draft Matrix that sets out roles and responsibilities of all Scope users should be agreed with business areas and signed off by the Executive. The Scope User Guide should include details of responsibilities, as agreed in the finalised Matrix.

Management Action

Management accepts this recommendation.

Management accepts that although advances have been made in terms of agreeing business ownership and responsibilities for some data, there is still a clear requirement for improvement. We will take the following action:

- The draft matrix of roles and responsibilities held by NSM will be reviewed and developed in conjunction with the relevant business areas of People Management, Divisional Business Support Units, and National Resource Deployment.
- Once complete, the matrix will be approved and signed off at an Executive level.

The agreed roles and responsibilities will then be communicated to the Organisation, and relevant Business Areas.

Action owner: Head of Resource Management **Due date:** 1 November 2018

1.2 Developing Scope internal reporting capabilities

During the course of our fieldwork, we noted examples of external software solutions being procured rather than using the functionality already available within the Scope system. For instance, there is an in-built recruitment module in Scope which has been customised for Police Scotland requirements. However, this module is not currently used due to potential IT security risks associated with the way in which the system would be accessed by potential employees and we understand that steps are underway to source an alternative solution.

Similarly, we noted that a new external reporting tool is also currently being considered for reporting Health and Safety data that is recorded within Scope. The process to extract the data from Scope for reporting is currently manually intensive but use of a data mining tool such as Business Objects could automate reporting without the need for an additional system. We understand that the potential for use of Business Objects was assessed when the legacy systems were brought together in a single instance of Scope, and the complexity of the system architecture was a key factor in discarding the Business Objects option.

We recognise that procurement of any new software will be based on an assessment of the needs of the organisation and the options available to meet those needs, within a structured business case. However, it was unclear at the time of our audit whether the development of such business cases has included consultation with the National Scope Team to understand the potential further uses of Scope.

The examples set out above demonstrate that there is potential to develop Scope to be the single source system for a wide variety of performance information across the organisation. While these examples also demonstrate that there are obstacles to the development of Scope as that single source system, it is unclear whether there has been any organisation-wide assessment of the costs and benefits of developing Scope as a single source system, including the potential impact on rich data analytics opportunities as a result of moving from data being held on one source system.

Risk

There is a risk that alternative software is being procured when the functionality already exists within the Scope system. There is also a risk that future opportunities for in-depth data analytics are missed due to the organisation moving away from a one central system approach. The creation of a new system and necessary movement of data always brings the risks of data security, consistency and accuracy.

Recommendation

Management should confirm that any exercises to procure additional software to facilitate processes previously associated with Scope include consultation with the National Scope Team to confirm the extent to which business needs could be met through Scope.

Management should assess the potential for further development of Scope to support performance reporting across the organisation. The organisation should decide whether a single system should be used to source data as far as possible, and whether Scope has the functionality to do so. This assessment should include consideration of the further work required to simplify the Scope system architecture, and limitations arising from IT Security requirements. Potential internal opportunities to develop reporting of Scope data include:

- An in-house reporting tool could be developed using a data mining tool such as the Business Objects (BOxi) tool already in use within Police Scotland for crime reporting data analysis. This approach would

also enable more real-time and dynamic performance reporting to be provided through the Scope system.

- All Scope data is available in the analytical database stored in MySQL tables. These can be queried using SQL and scripts can potentially be embedded into Excel sheets to refresh the data and show results quickly in a dashboard-style view.

Management Action

Grade 3
(Design)

Management accepts this recommendation.

Management accepts that some procurement exercises have taken place without consultation on what functionality already exists in SCoPE. We have/will take the following action:

- Controls are currently in place regarding this risk within the SCoPE development approvals process. The Head of Applications (ICT), all P&D Tier 2 Management, and Business Integration and Delivery have a standing invitation to the SCoPE Development Approvals Board.
- Senior Management will examine how this process can be supplemented with input from other potential business areas at an organisational level - such as Procurement and the Digital Transformation Team.
- Management also accepts that the organisation should decide whether a single system should be used to source data as far as possible, and whether Scope has the functionality to do so. This will be further explored.

The new Targeted Operating Model (TOM) for Corporate Services is due to be announced by the Interim Director of Business Integration and Delivery. If a decision is taken to move to a new system, then any further short-term investment to increase the reporting ability of SCoPE using such products as Business Objects will need to be assessed. Timelines for delivery of such will be considered and updated once the announcement is made to the SPA.

Action owner: Head of Resource Management **Due date:** 1 August 2018

1.3 SCOPE Training

As noted in 1.1, the National Scope Team has been working to standardise the data recorded within SCOPE. In addition, structural changes in working models mean that many managers are now responsible for completing tasks that were previously completed by support staff with in-depth knowledge of the functionality of the SCOPE system. National Scope Management has completed a training needs analysis and a central Scope User Guide is available to staff. However, there is currently no formal training offered on SCOPE, and as a result, users are not fully aware of the capabilities of the entire system and of the suite of bespoke modules available to them.

Risk

There is a risk that opportunities to further internally develop the SCOPE system are missed and that additional software is procured when the existing functionality within SCOPE could in fact, already meet business needs.

Recommendation

Following the agreement of the Matrix of responsibilities as recommended at 1.1, National Scope Management should work with Leadership Training and Development to develop formal training for SCOPE users. The training should cover the Scope roles and responsibilities of business areas as well as information about the capabilities of the system, so that future opportunities to develop the system are not missed.

Management Action

Grade 3
(Design)

Management accepts this recommendation.

Management accepts that a lack of formal training in relation to the SCoPE application can be detrimental to its use and capability. We will take the following action:

- National SCoPE Management will refresh the training needs analysis following the agreement of the matrix of responsibilities, as recommended at 1.1. This training needs analysis will then be shared with LTD in order to create and implement the required training.

National SCoPE Management did invest in the creation of a national SCoPE training database. This database has been made available to LTD and will be maintained in anticipation of the LTD rollout of training.

Action owner: Head of Resource Management & Head of LTD

Due date: 31 March 2019

Control Objective 2: There is regular, timely and accurate reporting of HR performance data which ensures sufficient management oversight

A yellow circle containing the word "Amber" in white text, indicating the risk level of the control objective.

Amber

2.1 Data Quality Checks

Data quality checks are an important component of the controls used to ensure the accuracy and completeness of management reporting. We found that while there are current data quality checks in place in relation to the reporting of HR performance data to the Senior Management Team, and the SPA People Committee and Board, many of them involve manual checking which is time-consuming and more susceptible to error.

The Performance Reporting team use excel formulae to identify anomalies in reporting. We were informed that, when investigated by the National Scope Management (NSM) team, the anomalies are often the result of data entry anomalies arising from factors such as different business areas interpreting the data input requirements inconsistently, or inaccurate / incomplete data entry.

Where issues are identified with data input, there is no process in place to confirm that action is taken to address the data input weakness and confirm that future data input does not contain repetition of the same issues.

Risk

There is a risk that data quality issues may not be detected and rectified on a timely basis, leading to inaccurate or incomplete data within management reports.

Recommendations

The Performance Reporting team and the NSM team should review current data quality checks to identify further opportunities for automating data quality checks that are currently performed manually.

In addition, the Performance Reporting team and the NSM team should develop a process for notifying business areas of anomalies identified with data input. The business areas should report back to the Performance Reporting and NSM teams about the steps taken to improve data input processes and these improvement actions should be reported to the senior management team within the performance reports.

The process should include an escalation process to manage instances where business areas do not provide details of data input improvements. The proposed process should be documented alongside the responsibilities matrix recommended at 1.1, and agreed with business areas and approved by the Executive.

Management Action

Management accepts this recommendation.

Management accepts that data errors have not always been consistently addressed by business areas when reported, and this has been hampered by a lack of understanding of roles and responsibilities.

NSM has routinely reported errors during quality assurance checking. This reporting decreased due to a lack of action from the business in addressing errors. NSM has recently re-engaged with the national Resource Deployment business area and is addressing data errors on an incremental basis.

We propose to take the following action:

- NSM will now re-engage with People Management and Business Support Units on the same basis. The P&D SMT will agree a performance framework for reporting progress and escalating any lack of improvement.

It is recognised that improvements in this area will take time to highlight, educate staff, and address. It is also recognised that this will be a continuous improvement process and will become business as usual.

Action owner: Head of Resource Management

Due date: 31 March 2019

Control Objective 3: The format of HR performance reports support effective management scrutiny

Yellow

3.1 Performance Narratives

Our review of the narratives currently provided for the HR data for the Force Corporate Performance Summary and P&D information pack identified a need for a greater level of analysis in the performance commentaries. We observed some good examples of narratives within the P&D information pack however; in general, the narratives were descriptive in nature and did not adequately address the root causes of performance patterns and trends.

Currently the report is collated by two staff members in the Performance Reporting team. There was limited involvement of operational staff in providing explanations for performance patterns and potential actions.

Risk

There is a risk that, where the narrative contained within current performance reporting does not identify the root cause of matters flagged as exceptions, performance issues will not be adequately challenged to ensure appropriate action is taken to address failing performance.

Recommendations

The documentation of roles and responsibilities recommended at 1.1 should include consideration of the respective responsibilities of the Performance Reporting team and operational management in relation to the provision of performance narrative within management reporting.

The Performance Reporting team should provide guidance for those who are providing performance narratives to ensure that they adequately address the root causes of performance issues.

Management Action

Management accepts this recommendation.

Management accepts that until recently the narratives around P&D reporting have been limited and the focus was on reporting data.

We will take the following action:

- The P&D Performance Manager has been investigating formats and levels of narrative that can enhance the current reporting. This is being carried out in consultation with the P&D SMT; and the current restructure of P&D is taking into account how this can be resourced and supported.

Once roles and responsibilities have been documented and resources are in place to support the production of insightful data narratives, it is expected that a marked improvement will be evidenced.

Action owner: Head of Resource Management

Due date: 31 March 2019

3.2 Development of P&D dashboard

HR data is currently reported at a number of levels throughout the organisation, including the Senior Management Team, the People Committee and the SPA Board. To further develop this existing report, a new P&D dashboard is currently being developed, which includes all previously reported HR indicators plus additional HR management information. This strategic level report is being developed in consultation with senior management, including the process for collating the narratives for the report. The intention is that the draft report will be sent out to leads and they will be asked for comments. A scoping exercise is taking place to engage all business partners to work out the best approach to this. The finalised version of the P&D dashboard that will be reported to the People Committee will be approved by the Director of P&D.

At the time of this audit, the draft report was still very much in the development stage and work was ongoing to explore whether it will be possible to report on all of the proposed 'illustrative' indicators. For example, the business requirements were still being identified in relation to the absence and stress related absence data. There is sufficient base data in SCOPE to report on this using the categories already in the system or the categories could be amended to fit the specific reporting needs. Further work is required to confirm the accuracy and reliability of the data before the HR insights report is finalised.

We reviewed the draft P&D dashboard to consider further opportunities for development of this reporting tool and noted the following opportunities:

- The insights report will not be available electronically for the Senior Management Team to interrogate and it will be provided as a static performance report circulated by email. In terms of reporting levels, the current draft report has been developed at strategic level only. There is an opportunity to develop the report as a dynamic tool that would provide access to live data, with the ability to drill down to operational management level.
- On reviewing the draft HR insights report, we identified a lack of longer term trend data to allow for comparison and analysis. A small number of the measures will be reported using quarterly comparisons, however very few had any comparison with the previous year(s) and none referred to a 3 or 5 year average figure or used visual tools such as RAG/ traffic lighting to highlight performance trends.
- We were informed that there are no current plans to incorporate reporting against targets to the data other than for the workforce data which will be aligned to the budgeted establishment.

Risk

There is a risk that, opportunities for developing and improving HR performance are not achieved once the Insights report is fully developed, resulting in missed opportunities to drive improved performance across a range of HR performance measures.

Recommendations

Management should investigate ways of building trend analysis and comparison against targets into the HR insights dashboard report to better support management scrutiny of the data and to provide better insight to reported performance.

When the format of the HR insight report is complete and agreed, a further phase of work should be carried out to ensure that reporting of the data also takes place at tactical level and that consultation is carried out with operational managers to ensure the reporting meets their business needs.

As outlined in recommendation 2.1, management should explore ways to provide more dynamic real-time reporting for management, for example an internal data mining and reporting tool interfaced with SCOPE such as Business Objects (BOxi).

Management Action

Grade 2
(Design)

Management accepts this recommendation.

Management accepts that as with point 3.1, until recently the narratives and insights around P&D reporting have been limited and the focus was on reporting data.

We will take the following action:

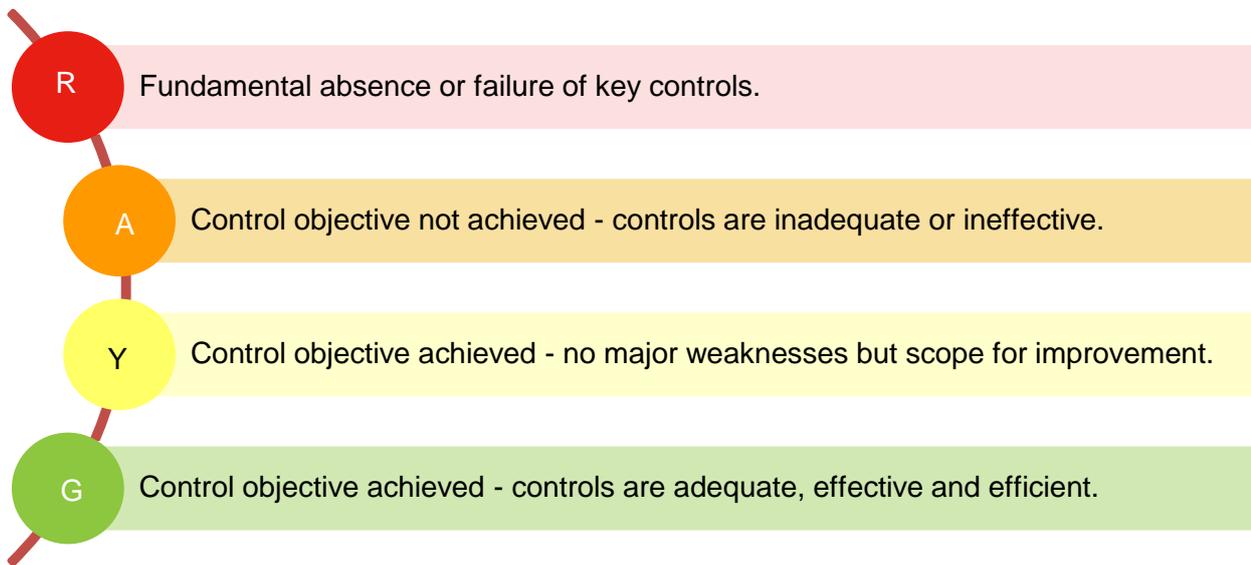
- The P&D Performance Manager has been investigating formats and levels of narrative that can enhance current reporting. Trend data is also being looked at to provide enhanced reporting, but this is currently limited to data from April 2015 onwards (first full financial year since the launch of a single instance of SCoPE). This work is being carried out in consultation with the P&D SMT, and the current restructure of P&D is taking into account how this can be resourced and supported.
- NSM are also investigating and developing more dynamic and automated ways of supporting the dashboard production. As with point 1.2, if a decision is made to move to a new HR and Duty Management system, then an assessment will need to be made as to whether further short term investment should be made into increasing the reporting ability of SCoPE using such products as Business Objects.

Once the current restructuring of P&D is in place and the roles and responsibilities are documented, resources will be available to support the production of insightful and dynamic dashboard reporting.

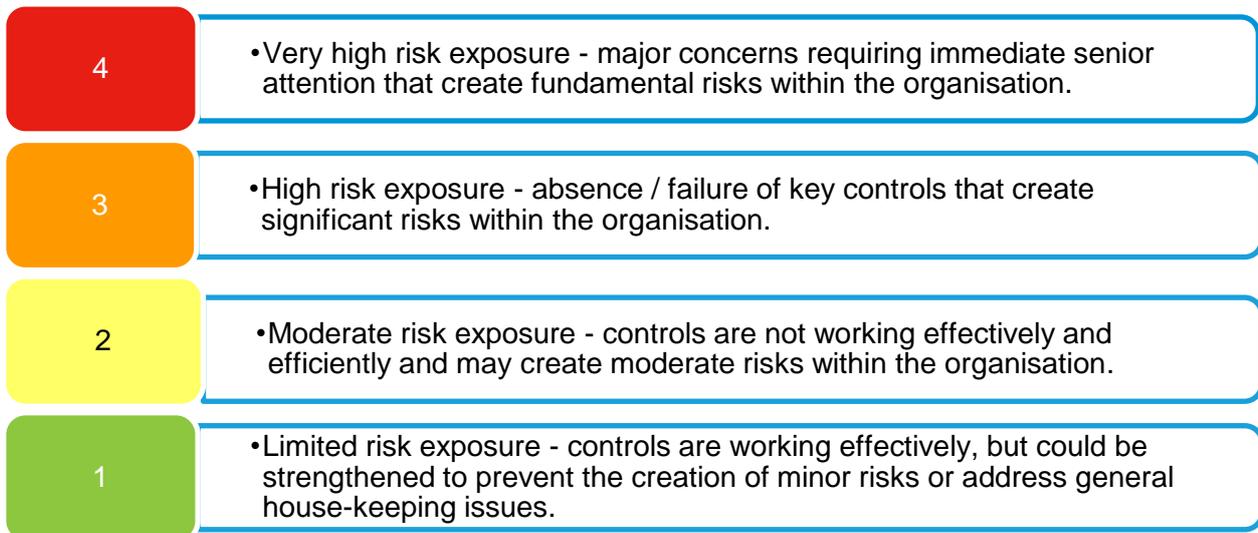
Action owner: Head of Resource Management **Due date:** 31 March 2019

Appendix A – Definitions

Control assessments



Management action grades



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