

Glasgow Kelvin College

Performance Reporting / KPIs

Internal Audit report No: 2022/06

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Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the organisation to material risk, and which requires to be brought to the attention of management and the Audit and Risk Committee.
Priority 2	Issue subjecting the organisation to significant risk, and which should be addressed by management.
Priority 3	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.



Management Summary

Overall Level of Assurance

Good	System meets control objectives.
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Risk Assessment

This review focused on the controls in place to mitigate the following risk on the Glasgow Kelvin College ('the College') Strategic Risk Register:

- Risk 6 – Sustainable funding (residual risk rating: High)
- Risk 7 – Student experience (residual risk rating: High)
- Risk 10 – Student recruitment and retention (residual risk rating: High)

Background

As part of the Internal Audit programme at the College for 2021/22, we carried out a review of the organisation's performance reporting arrangements. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Principal and the Audit and Risk Committee that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Scope, Objectives and Overall Findings

The audit considered the format, content, and timeliness of management information, both financial and non-financial (although excluding an in-depth review of budget monitoring as this is covered separately as part of the internal audit programme), provided to senior management and to the Board.



Scope, Objectives and Overall Findings (Continued)

The table below notes the objectives for this review and records the results:

Objective	Findings				
The objective of the audit will be to obtain reasonable assurance that:		1	2	3	Actions already planned
		No. of Agreed Actions			
1. The management information needs of users have been identified and the information provided meets those needs.	Good	-	-	-	✓
2. Management information is clearly set out, easily accessible, accurate, provided on a timely basis and readily understood by users.	Good	-	-	-	✓
3. Management information is available which: ♦ reports on appropriate key performance indicators and, where applicable, on outputs, outcomes and impacts; ♦ enables the impacts of key strategic and operational decisions to be measured; ♦ assists in forecasting; and	Good	-	-	-	✓
4. Processes in place to provide and disseminate management information are efficient.	Good	-	-	-	
Overall Level of Assurance	Good	-	-	-	
		System meets control objectives.			

Audit Approach

A sample of senior managers and Board members were interviewed, and the College's management reports, and management reporting procedures, were reviewed to assess compliance with the above objectives.



Summary of Main Findings

Strengths

- The Board, committees and management have identified their information requirements and received information in a range of ways which those interviewed as part of our audit considered adequate for their needs.
- There was a good range of financial and non-financial reporting available, which management and the Board received.
- The College makes good use of management information system (MIS) and other business system data.
- Detailed management information dashboards are being developed and tailored performance reports are now available for senior staff and teams. Work to further develop dashboards is ongoing which will allow enhanced use of MIS data and tools.
- A five-year College Strategic Planning Framework 2022 – 2027 has been established, encompassing the overall College Strategy 2022 – 2027, seven supporting strategies, and integrating two new elements - Strategic Performance Metrics (Scorecard) and College Strategic Priority Mapping for monitoring success of the strategic objectives contained within the College Strategy 2022 – 2027.

Weaknesses

No significant weaknesses were identified during our review.

Acknowledgments

We would like to take this opportunity to thank the staff at the College who helped us during our review.



Main Findings

Objective 1: The management information needs of users have been identified and the information provided meets those needs.

Overall, through discussion with Senior Management Team (SMT) and Board members, our review identified areas of good quality management information available across the College, and to management and Board members. It is noted that continued improvements are planned to take place, particularly with the development of real time dashboards through Power BI, which will allow staff, management and Board members to access real time data in a variety of areas.

In 2019, the SMT recognised that the planning structure and processes required redevelopment in order to be more relevant and to enhance monitoring and reporting, embedding risk management and continuous improvement. As a result of this, a period of engagement and consultation was undertaken to assess the needs of various information users, and a new strategy format approved and implemented in December 2019. In May 2021, a new Strategic Framework 'Scorecard' approach and College Strategy was introduced to the Board as part of the annual Board strategic planning event and, in March 2022, the Strategic Performance Metrics and Strategic Priority mapping were introduced to positive feedback from both SMT and the Board.

From a review of Board and committee papers we noted that a range of key performance indicators (KPIs) are reported regularly to each committee, as appropriate. Management accounts, treasury reports and key financial performance indicators are also reported to the Board and the Finance and Resources Committee. A number of qualitative reports are also reported to the Board and committees including staff engagement and the outcomes from student experience surveys.

The performance information needs of management and senior academic staff have been developed through the College's management information systems (MIS). A significant amount of systems development activity has been undertaken to support the information needs of management and academic staff and to ensure that the data reported is focussed and up to date. A series of dashboards, displaying a variety of information from the College's MIS, including the student records system, have been developed and are being utilised by management and staff to monitor performance in real time. Staff and management are able to monitor and report on data, which is aligned with the KPIs, Regional Outcome Agreement (ROA) performance data, or Scottish Funding Council (SFC) datasets. Work to further develop dashboards and make enhanced use of MIS data and tools is ongoing.

SMT members interviewed advised that the information they required to monitor performance included a mix of information which had been identified by them relative to their roles, statutory or regulatory data such as those relating to equalities, and datasets linked to ROA and SFC reporting requirements. Such information was being reported to allow them to review whether progress was being made against strategic and operational objectives and departmental plans. The SMT meet on a regular basis, approximately every two weeks, and as such we have identified that critical performance data is reviewed regularly and timeously throughout the year.

Through discussions with the Board members interviewed, it was noted that there is ongoing discussion with SMT to ensure that information provided meets the needs of the Board and allows for sufficient oversight. It was advised that while the information does meet these needs, there is a desire to see enhanced reporting around KPIs and further use of trend analysis. The importance of performance metrics was highlighted, with the suggestion that the use of real time dashboards with clear RAG ratings would allow for in-depth analysis of areas of concern. It was acknowledged that the College is currently developing a range of dashboards and there is enthusiasm for these to be introduced to the Board.



Objective 2: Management information is clearly set out, easily accessible, accurate, provided on a timely basis and readily understood by users.

Board and committee papers prepared by management use a standard template. We reviewed a sample of Board and committee papers and minutes and consider that these were clearly set out, easily accessible and provided on a timely basis.

Discussions with Board members noted that there have been significant improvements to the information provided in recent years, with information provided to the Board and its committees regarded as being of a very high quality. Board members highlighted in particular the level of detail that is provided in Board papers and noted that in recent years this has been streamlined to be more concise and tailored, providing all relevant information without being overwhelming. Board members also highlighted the benefits of the summaries provided and noted the timeliness of the papers. Papers are currently uploaded to the Board portal approximately a week in advance which gives sufficient time for review without risking information becoming outdated.

From discussion with members of the SMT they considered that the management information they received was clearly set out, easily accessible, accurate, provided on a timely basis and readily understood by users. It was noted that College is regarded as being both transparent and accessible, with information widely available through the College website, and full Board minutes available promptly following meetings taking place. KPIs are in place and are included in a number of different reports. We considered that the information provided in the SMT reports was of a good quality.

Detailed management information dashboards are in the process of being developed and will provide real time data outputs, tailored for each team. The dashboard approach also allows the opportunity for more detailed interrogation of the underlying data. Current dashboards focus on student and curriculum data, and developments are ongoing to expand the information included in dashboards such as staffing, HR and financial data.



Objective 3: Management information is available which:

- ◆ **reports on appropriate key performance indicators and, where applicable, on outputs, outcomes and impacts;**
- ◆ **enables the impacts of key strategic and operational decisions to be measured; and**
- ◆ **assists in forecasting.**

We reviewed a range of management information, both financial and non-financial, provided to the Board, its committees and the SMT. Much of this information was provided on a regular basis to each meeting of the Board and committees and was considered to be sufficiently timely. There were KPIs included in a number of different reports which were accompanied with comparatives and benchmarks to assist with making comparisons. Key data reported includes student attainment, identified as a national priority, and is reported regularly at various levels across the College (including curriculum teams, Vice Principals, SMT, Executive Team and the Learning and Teaching Committee). Key MIS data on student performance is closely monitored by management (including review by the SMT at relevant times in the year) and is a standing item on the Learning and Teaching Committee meeting agenda.

There is also a range of other reports covering performance including:

- The College Performance Indicators on performance against the College strategies;
- Reporting of revenue and capital budget performance which is presented to the Finance and Resources Committee; and
- There are a range of statutory reports, such as the Equality Outcomes Report, which are prepared and published on the College website.

The Finance and Resources Committee receives quarterly Finance reports which include a summary of financial performance; management accounts; the mid-year review figures (financial re-forecast mid-year); projected outturn to the end of the year (for figures reported after re-forecast); a balance sheet; a cash flow; and management commentary on significant variances and details of action taken or proposed to address unfavourable variances. The level of detail reported was considered to provide a good level of information for financial analysis and consideration of expected outturn. The Board also receives a Finance update.

In a typical year, targets for the next Academic Year are developed from a baseline provided by the previous year's data performance set. However, due to the volatility of data from 2020/21 and 2021/22 as a result of the ongoing impacts from the COVID-19 pandemic, it was decided that the locally generated provisional set from 2022/23 should be used for target setting for several measures and as such some measures will not be fully populated until August 2022. It is noted that this should not hinder operational planning but will instead allow for more accurate and relevant monitoring and reporting.

The College has implemented a Strategic Plan which will run from 2020 – 2023 and a Strategic Planning Framework which includes the College Strategy for the period 2022 – 2027 and a number of supporting strategies. The Strategic Planning Framework includes Strategic Performance Metrics and Strategic Priority Mapping documents which identify key metrics for monitoring success of the strategic objectives. The Board receives both annual and mid-year reports of progress against the Strategic Plan, noting the outputs, outcomes and impacts of actions taken for key objectives throughout the year.

Objective 3: Management information is available which:

- ◆ reports on appropriate key performance indicators and, where applicable, on outputs, outcomes and impacts;
- ◆ enables the impacts of key strategic and operational decisions to be measured; and
- ◆ assists in forecasting (continued).

As noted previously, in 2019 the SMT recognised the need to redevelop the College planning structure and processes to better integrate with good working practice. As part of this development, a five-year College Strategic Planning Framework 2022 – 2027 was established, encompassing the overall College Strategy 2022 – 2027, seven supporting strategies, and integrating two new elements - Strategic Performance Metrics (Scorecard) and College Strategic Priority Mapping for monitoring success of the strategic objectives contained within the College Strategy 2022 – 2027. These have been designed to assist in analytics, forecasting and provide an accurate, timely picture to both management and Board members. The Scorecard contains both quantitative and qualitative indicators which implement a RAG system so that users can identify, at a glance, negative trends or areas of potential concern to focus areas of review. The Scorecard also implements 'flash reports' from the dashboards which are currently in development. These were first presented to the Board in March 2022 in their development stage, to positive feedback, noting that these flash reports would be key for the Board to enrich discussions. It is expected that these will be presented to the Board from March 2023.

Objective 4: Processes in place to provide and disseminate management information are efficient.

A range of processes are used to produce and disseminate management information. Many of the collection processes derive from the College's business systems and databases which are populated through internal processes used to collect information, with other information coming from external sources. MIS tools such as Power BI have recently been developed to improve efficiencies through use of bespoke reports and dashboard reporting displaying a variety of information from the College's MIS systems in real time.

The Board and committee schedules of work set out what papers are required to be produced for each Board and committee meeting. The Governance and Executive Support Manager sends out a call to staff to prepare the required papers, along with a deadline for providing these. When papers are received, the Governance and Executive Support Manager collates these and prepares a meeting pack with electronic versions uploaded to the Board portal to which Board members and management have access. This allows the opportunity for Board members to access papers electronically and download and bring files to the meetings on their own devices.

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