

Chapter 3: Performance Monitoring

<i>Section</i>	<i>Title</i>
1	What is performance monitoring?
2	Legislative framework and government policy
3	Performance monitoring and the NCSE
4	The process of monitoring performance
5	Performance indicators
6	Risk management
7	Internal Controls
8	The role of the Council in performance monitoring
9	The role of Council members
10	The role of Chief Executive and management team

Chapter 3

Performance Monitoring

To deliver on its mandate, the performance of the National Council for Special Education must be constantly monitored to ensure that the strategic aims and priorities are being achieved. This involves an analysis of organisational capacity to meet predefined goals and objectives. It relies on an analysis of performance indicators and measures, an assessment of resources utilised, an evaluation of the risks faced and possible opportunities as well as consideration of areas to enhance future performance. The material is presented under the following headings:

- 1 What is performance monitoring?
- 2 Legislative framework and government policy
- 3 Performance monitoring and the NCSE
- 4 The process of monitoring performance
- 5 Performance indicators
- 6 Risk management
- 7 Internal Controls
- 8 The role of the Council in performance monitoring
- 9 The role of Council members
- 10 The role of Chief Executive and management team

1 What is Performance Monitoring?

Performance monitoring is a systematic process of:

- analysing the organisation's strategic plan aims and objectives
- gathering relevant data which shows how the organisation is performing
- measuring that performance against specific indicators
- putting in place mechanisms that will improve the performance of the organisation

2 Legislative Framework and Government Policy

- See Section 20, *Education for Persons with Special Educational Needs Act, 2004*, which sets an ambitious agenda for the Council and its work. Performance monitoring is an essential ingredient of this agenda, since it enables the Council to reflect on the implementation of the strategic plan and devise ways to improve on it.

- *Section 34 of EPSEN*. provides for an annual Report by the Council to the Minister and for its presentation to the Oireachtas. As well as indicating progress, the annual report sets out risks, reasons for possible slippage on targets and problems and constraints encountered. It also provides an opportunity to highlight changing circumstances and emerging issues and, if necessary, adapt the strategic plan to the changed environment.
- The Code reflects a core theme within the Transforming Public Services agenda, the development of performance frameworks for agencies, service level agreement and output statements where appropriate.
- The Code also requires governing boards and Councils to actively identify ways to improve the effectiveness and performance of themselves. Part of this performance appraisal should incorporate an assessment of the required competencies of members. Council should devote at least part of a meeting each year to engage in this process.
- See Appendix V of the *Code of Practice for the Governance of State Bodies*, which requires the Chairperson to describe, in an annual report to the Minister, the processes used to identify business risks and evaluate their financial implications.
- See Appendix IV of *Code of Practice for the Governance of State Bodies*, which sets out a list of principles of quality customer service for customers and clients of the public service. It should, however, be adapted as appropriate for use by NCSE for the development of its own customer service charter.

3 Performance Monitoring and the NCSE

- The success of the Council in achieving the agenda established in accordance with the strategic plan will depend not only on the quality of the strategy but also on the Council's ability to review, approve and monitor performance and adapt to changing requirements and circumstances.
- For the NCSE as for state bodies and agencies, there are complex dimensions to monitoring performance and it is crucial that the assessment takes a holistic, rather than a narrow view.

4 The Process of Monitoring Performance

- The Chief Executive and the Management Team have the responsibility of providing relevant and timely data on organisational performance to the Council.
- The Council Chairperson and members will review and assess the data presented and make decisions on the actions necessary to ensure that the strategic plan continues to be implemented. In order to do this effectively, they rely on management advice and

assurances, a comprehensive range of performance indicators, risk identification and assessment techniques and effective control arrangements.

5 Performance Delivery Agreement (PDA)

A Performance Delivery Agreement 2012-14 has been entered into between the Department of Education & Skills (DES) and the National Council for Special Education (NCSE). This sets out the targets for performance by NCSE which were agreed with DES. A new PDA is being developed with DES.

6 Performance Indicators

- Choosing what to measure in any organisation can be a difficult task in itself. Research has shown that measurement across a narrow range of measures or indicators, particularly for state and public service bodies, may provide a misleading or incomplete picture of how any organisation is progressing. Therefore, in order to adopt a more holistic approach the Council should consider issues of economy, efficiency and effectiveness and how these can inform the performance assessment.
 - *Economy*: the financial and resource cost of doing things. The question: Is the cost of inputs rising? If so, why? Is that cost justifiable? Could the inputs be carried through more cheaply? Economy is relatively easy to measure, to understand, and to use as the basis for comparisons of performance over time and across different parts of the NCSE.
 - *Efficiency*: technically, the ratio of inputs to outputs. The question: Is NCSE doing things right? Is NCSE taking more time (a common input) to get the same amount of work done (output)? Is it requiring more people or money to achieve the same results? Efficiency focuses on issues of productivity in the broadest sense.
 - *Effectiveness*: the actual contribution that the organisation makes. The question: Is NCSE doing the right things? Is the work of NCSE having the desired impact? The concern is that although the NCSE may be working very efficiently, it may not be producing a quality service in line with priority NCSE customer needs and expectations.

7 Risk Management

Risk is defined as the threat that an event, action or failure to act will affect an organisation's ability to achieve its objectives and to successfully execute its strategies. An alternative but related definition is that risk is the effect of uncertainty on objectives and that the effect or deviation from the expected can be positive (opportunities) and / or negative (threats).

The risk has to be assessed in respect of the combination of the likelihood of something happening, and the impact which arises if it does actually happen. Risk Management includes identifying and assessing risks and then responding to them.

- The risks faced by NCSE can be grouped under five main headings:
 - Human Resources (e.g. failure to effectively manage health and safety, with consequent risk or damage to staff)
 - Financial (e.g. breakdown in financial control systems)
 - Information technology (e.g. major IT disaster resulting in loss of essential information)
 - Operational (e.g. failure to determine and communicate an appropriate and focused strategy because of poor strategic planning)
 - Litigation (e.g. possible punitive damages leading to damage to reputation)

The code states that the Council should approve a Risk Management Policy with the aim of formalising and embedding the risk management system in the organisation. The policy incorporates details on the preparation and review of risk registers and reporting on risk management actions as well as responsibilities and accountabilities.

8 Internal Controls

- As a management process, risk management must be embedded in the culture and ethos of the organisation so that at all levels there is compliance with current best practice management arrangements. This implies that appropriate controls and measures to mitigate risks are always in place.
- Controls can include any action taken by management, the Council or other parties to enhance risk management and increase the likelihood that established strategies would be successfully implemented.
- Things can go wrong in an organisation. Therefore it is crucial to take steps to identify and manage risks, minimise the possibility of adverse consequences and prepare contingency plans (where appropriate and possible).
- The environment within which the NCSE works is constantly changing and evolving. In order to manage risks, the Council's aims and objectives must constantly be flexible.

9 Risk Management Policy

NCSE Council has agreed a Risk Management Policy and an annual Risk Register. The policy and the register require to be reviewed regularly by Council. A copy of the current NCSE Risk management Policy as agreed by Council is attached at **Appendix 5**. The recently published DPER Risk Management Guidance (2016) should also be taken into account in the review of this NCSE policy.

10 The Role of the Council in Performance Monitoring

- The Council will regularly receive data on performance from the Chief Executive.
- The Council Chairperson should ensure that appropriate discussion takes place in relation to progress, constraints, risks and problems arising or revealed in the data.
- Following discussion at Council meetings, the Chairperson discusses and presents possible solutions to management with a view to receiving further progress updates before the following meeting.
- Risk management should be a regular agenda item at Council meetings and should be part of the work programme for the Audit Committee of the Council.

11 The Role of Council Members

- Once implementation of the strategic plan begins, Council members should expect to receive performance data on an on-going basis as to how the organisation measures up against the indicators chosen and to discuss potential remedial actions and revisions if required.
- Where a target is not met, they will expect a comprehensive explanation for this as well as recommendations as to possible future courses of action.
- As the assessment of performance can be complex, Council members should exercise caution in using isolated cases or anecdotal evidence to form an overall opinion on performance. While individual cases may provide some evidence, members should assess the performance data in its totality and then proceed to make decisions on the actions to be taken to ensure that the strategic plan is implemented.

12 The role of Chief Executive and Management Team

The Chief Executive and management team of NCSE have the following responsibilities in relation to performance monitoring:

- Collate relevant and timely data regarding the performance of the organisation and present it to the Council Chairperson and members.
- Identify and assess, within the data, the associated risks and agree the controls and mitigations to address these risks thereby minimising them or avoiding them altogether.
- Devise performance indicators reflecting economy, efficiency and effectiveness aspects.

- Discuss data with the Council Chairperson and members, working together to devise solutions that will ensure the continued implementation of the strategic plan.
- Implement risk controls and mitigations and monitor their effectiveness and continued relevance.

System of Internal Financial Control (SIFC)

The Council is required to maintain a system of internal financial control. Such a system should be based on a framework of regular management information, a system of delegation and accountability, a set of financial procedures, administrative procedures and rigorous ongoing checks by the finance function. NCSE Financial Policies and Procedures which form part of the SIFC are attached in **Appendix 14**. The Council is required to review its SIFC annually and to formally advise this fact in its audited accounts. The NCSE Audit Committee and the internal audit function advise Council in this regard. Specifically, the SIFC includes:

- A comprehensive budgeting system with an annual budget, which is reviewed and approved by the Council.
- The assignment of budgets and budgetary authority and responsibility for specific functions to responsible managers.
- A management structure matching responsibility with accountability.
- Restricting authority for authorising all disbursement of Authority monies, payment of salaries, pensions, creditors, and expenses etc. to authorised staff.
- Regular reviews by the Council of periodic and annual financial information and reports (including management accounts), which indicate financial performance against budgets.
- Setting targets to measure financial and other performance and monitoring performance against plans/targets.
- Good asset management, including the maintenance of an Asset Register.
- Financial Accounting, Payroll and Purchasing software systems to underpin the internal financial controls.
- Procedures for engaging consultants.
- Development and implementation of NCSE procurement policy in line with public sector requirements.
- Systems of control of the overall approval of capital and consultancy contracts and for their subsequent appraisal.

- Project management disciplines in respect of capital programmes and major consultancy projects.

