

FPS auditors report

2014/2015

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Audit Results (separate PDF file)

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September 2015

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Executive summary

- A. This report provides information that the Registration Board and the membership may use for continual improvement.
- B. The Registration System sets minimum auditable standards for existing members and those seeking to join the federation
- C. All companies assessed during this round of audits have achieved the required pass mark. (Initially two companies each failed one section. Having made improvements both have been re-audited prior to the end of this round of audits and have passed.)
- D. The detailed results are appended to this report in a separate PDF. Individual companies will be able to identify their own results but not specifically those of other companies. An overall league table could be prepared if this would be considered to support the aims of the Federation. Individual company results in any area (eg Quality, H & S, etc) would still remain confidential.
- E. The auditors believe the audit process is robust and continues to be suitable for assessing the relative performance and capability of the FPS members in terms of the criteria set.
- F. Some suggestions are made in the report as to how individual members might improve their score and/or get greater value from the process. These are fairly basic:-
 - Read the questions
 - Submit all the required information
 - Plan the visit to demonstrate the full capability of the organisation.

All of these are best done before the start of the audit. This usually requires the right people to be involved before the audit and/or to be available to take part in the process. It also helps when an organisation follows its own processes.

- G. There are also suggestions for the FPS Registration Board to consider. In particular it is suggested that the pass mark should be reset to be within 5% of the current mean. This will encourage continual improvement and meet the objective of the system that members should attain a standard commensurate with the best in industry.

A honeymoon period could be offered to encourage new members if the revised criteria are too much of an initial challenge.

- H. The registration board may want to review how it deals with innovation in the future. Today's innovation is tomorrow's best practice and hopefully common practice the day after.

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Report

1 Outcome of this report

1.1 The results

This report is intended to make the Registration Board and the membership of the FPS aware of the results of the 2014/2015 round of auditing.

1.2 Improvement suggestions for the Registration Board

The content of this report can also be used by the Registration Board to make improvements to the registration system and the audit process.

1.3 Improvement suggestions for members

For members the content should be valuable in terms of continual improvement.

2 The Registration System (June 2009)

2.1 Basis of the audits

It was thought sensible to refer to the Registration System document to put this report and the results in context.

2.2 The aims of the Registration System

The stated aims of the Registration System are to provide an audit scheme for existing membership; an entry standard for new members and to provide substantive information for clients.

2.3 Continual improvement

The objectives for the Registration System are to set the standard (i.e. 'to be the best') and to measure continual improvement.

2.4 The pass mark

The pass mark is stated as being initially set at 5% below the average mark. (nb The pass mark is currently 15% below the average mark.)

3 The results of the audits 2015

The results of the audits are appended to this report as a separate PDF. As always the summary of the result do not identify individual companies but each company has been sent its own results to which it can refer to.

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4 Feedback from the auditors

4.1 It does what it says on the tin

Overall the auditors' believe that Registration System does what it was intended to do in terms of assessing the performance of existing members and setting an entry standard for new members. (There was no evidence observed of the Registration System being used as a differentiator by clients)

4.2 It is fair - honestly

Some members queried the nature of some of the questions asked. However it is considered that the weighting takes care of most of these issues. The fundamentals of best practice and performance have a high weighting.

4.3 How to pass – the basics

In general terms the marks are awarded as follows:-

- One third is for having the gear and knowing how to use it,
- Another third is for having systems in place and using them
- The final third is when people start to do something a bit special.

Basically when an organisation fails to substantially address one or more of the above then it will struggle to make the pass mark.

4.4 How to get a good score – also pretty basic

4.4.1 Read the questions

The first action and it's absolutely fundamental – read the questions (before the audit!). The score sheet questions are on the web site and include all the details including how questions are weighted. (Very few of those being audited did this)

4.4.2 It's a scored protocol

The second action is to understand that this is not a compliance audit – it is a scored protocol. Therefore the more you can efficiently show the auditor the better.

4.4.3 The application

The starting point for demonstrating competence is a concise and complete audit application submitted within the required time scale (at least 28 days prior to the audit). The form is there to allow the member to demonstrate their ability at the start of the process. Some member's submissions were excellent but some were poor.

(The information on Builders Profile continues to be of little value to this process. Some members do not use Builders Profile at all. It is far easier for the audit process if a complete application form is submitted.)

The section for 'examples of contracts' within the application form was rarely completed satisfactorily. It was the opportunity for companies to demonstrate their full capability.

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Simply entering the same contract several times over does not do this and gives a very bad impression as well as erroneous results on value. Similarly to enter data that was not directly applicable to the subsidiary being assessed often did not achieve the outcome desired – even if it was 'HR's fault

4.4.4 Planning the audit visit

The time allowed for the audit is limited and there is a lot to go through. It is very much about having the people and information available and planning the visit to allow an effective review of all the operations within the time scale. Again there was a significant variation in what companies seemed to be able to organise and the availability of personnel. However it must be emphasised that some organisations really got their approach right – confirming that it is possible.

4.4.5 'Nil point' (no point/points)

Of note quite a few auditees gave long explanations as to why they had not met the criteria of the audit. Whilst this may make it understandable it is still 'nil point' – see above re time constraints).

4.4.6 Changes to the question sets 2014/15

The changes to the questions meant that the results are not directly comparable to last time. There were significant changes in two sections - the inclusion of CSR aspects under section 3 (Training) and Sustainability under section 5 (Environment). However the weighting of the new questions was sensible and these changes did not generally dictate if a member passed or failed, providing the basics were in place.

4.4.7 A note on sustainability

For some members sustainability is about the three 'Ps' - Planet, People and Profit. The FPS questions are very much about environmental sustainability – those about 'people' tend to come up under the Training section and the financial figures are only briefly reviewed and certainly not scored. The different nomenclature did not affect the scores.

4.4.8 Innovate or die

There are a serious number of marks that could be awarded for innovation (reflecting life in general?) which made the differing approaches to collating innovation very interesting. In this case Innovation was defined as novel and useful ideas that are adding value. Some innovation was duplicated by other members but, providing it was still relatively rare, marks were awarded

Some could demonstrate an innovative approach across all activity – impressive to the auditors and presumably to clients. Others could not readily demonstrate what they did despite being encouraged to do so. It is a pity that all did not promote more widely the difficult challenges they successfully meet and the innovative solutions they put in place to do so.

4.5 Using the scores for continual improvement

4.5.1 The results are indicators of performance

The results of these audits should be used like any other measure of performance (eg KPIs) – they are an indicator of performance, not the sole arbiter.

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Some actions suggested by the audit questions may not deliver shareholder/stakeholder value and as such may not be right for an individual business. However most of the results can be used to drive continual improvement generally or in specific areas.

4.5.2 Top of the League?

It is often important to organisations to understand where they stand comparatively (eg some use national KPIs to see if they are in the top quartile or indeed second to none!) It would be possible to provide a league table if this would be of interest to the membership and this may help deliver on one of the stated objective of the system – continual improvement.

As with the existing results a league table would still ensure that individual results are confidential but it might give a stimulus overall to improve.

4.5.3 Raising the bar

A stated objective of the system was to ensure FPS members attain a standard commensurate with the best in the industry. This would need the pass mark to be increased. However this may be an issue for some existing members and those considering joining the FPS.

If the new mean averages (2014/15) were used and the pass mark stay at 15% there would be no change – all members would pass and in theory have no reason to improve to pass the next audit.

Resetting the pass mark to the original criteria of within 5% of the mean would result in seven companies having to address one or more areas. However most would still pass the majority of the aspects and by addressing the basics all could pass relatively easily. Arguably resetting the pass mark to within 5% of the mean would help deliver what the registration system was designed to do.

Given the three year interval to the next round of audits and the current scores (even those outside the '5%' are relatively close) this should not be too challenging if sensibly addressed. It would be to the benefit of the industry and arguably should be to the benefit of the individual companies.

4.6 How to get further value from the process

4.6.1 Value for individual companies

For individual companies most suggestions are covered above. Basically when approached in the right way the audit is a chance to undertake an exercise in business improvement. If it is treated as a 'waste of time' then it probably will be.

For many companies further benefit would be obtained by simply following their own established systems. If the FPS audit encourages action on this then the audit process should be of value. It is certainly not about making things more complicated, quite the opposite. Most members are undertaking a lot of 'system' work that they derive little value from.

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4.6.2 Value for clients

In general terms there seemed little evidence of clients being aware of the registration system or giving it any credence. This was set as one of the three aims of the system but is outside the scope of the current audit format and is perhaps a matter for the executive/membership to consider.

4.7 General comments

4.7.1 Alternating auditors

In most cases the auditor for any individual company was different to that for the previous audit. This seemed to work well.

4.7.2 One joint audit per round

Also in line with the registration system one audit was undertaken jointly to ensure that the scoring was reasonably consistent. It is considered that this approach added value and should be maintained for future audits

4.7.2 Innovation coming through on the question sets

Any ideas suggested under innovation are kept confidential by the auditors and whereas the scores are submitted no details of the innovation are. However In the future there may be a case for the auditors to collate and review these, still in confidence. This way, whenever new best practice is evident for several members it could be added to the question set, especially in areas such as Health and Safety where the membership have a good record of co-operation

5 Feedback from the members

5.1 Feedback at time of audit

The feedback from member companies at the time of the audit varied considerably. Some seemed to embrace the opportunity to look for improvement and others considered it a waste of time. The approach of individual members generally reflected the value they perceived they would get from the process.

5.2 Feedback at end of audit round

It is suggested that the views of the membership be obtained when they have considered the content of this report in conjunction with their own experience of the audit.

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Appendix

See separate PDF for results