INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager **SUBJECT:** Corporate Training

TO: HR Manager **DATE:** 15 September 2020

C.C. Chief Executive
Deputy Chief Executive (AJ)
Head of Finance
Learning and Development Officer
Portfolio Holder (Cllr Day)

1 Introduction

1.1 In accordance with the Audit Plan for 2020/2021, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate. The review was undertaken by Nathan Leng, Internal Auditor. This topic was last audited in July 2017.

1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

2 Background

2.1 Warwick District Council (the Council) is committed to the training and development of all its employees to ensure the consistent delivery of quality services to its customers and clients. The ongoing learning and development of employees contributes to the Council's Fit For The Future (FFF) objectives.

2.2 Corporate Training (CT) provides opportunities for employees to develop the knowledge and skills to work effectively and efficiently. Training covers a range of subjects including procurement, health and safety and safeguarding awareness. Courses are also organised in response to emerging issues such as mental health awareness and managing change.

2.3 There is a central budget of £37,500 for Corporate Training for the year 2020/2021 which is managed by Human Resources (HR). The budget for service related training is delegated to individual cost centres.

3 Scope and Objectives of the Audit

3.1 The audit was undertaken to evaluate the management and financial controls in place.

3.2 In terms of scope, the audit covered the following areas:

- Strategies and policies
- Planning and programming
- Budgets and procurement
- Monitoring, feedback and reporting.

3.3   The control objectives examined were:

- The learning and development of officers is structured to help meet corporate objectives.
- The training and development needs of staff are identified.
- Staff are aware of the training that is available to them.
- Training is provided to the correct staff.
- Corporate training is provided in line with available budgets.
- Value for money is achieved in the procurement of training courses.
- Training provided meets the needs of staff.
- Members and senior managers are aware of the training provided and the impact of this towards achieving the Council's objectives.

4   Findings

4.1   Recommendations from Previous Report

4.1.1   The current position in respect of the recommendations from the audit reported in July 2017 is as follows:

Recommendation	Management Response	Current Status
1 HR should request SMT to remind Heads of Service and senior managers of the role of the PDP in the appraisal process and the importance of providing them with completed copies.	Each year emails are sent to SMT plus regularly between May to July to update them on the numbers PDP's received and asking them to remind their managers to forward these to HR Training. We also remind managers to send in blank PDP's where no development needs are identified. Managers have until end July to send in the PDP's which is a month after Appraisals should be completed.	PDPs are now logged on the Skills Matrix. Corporate Training send email requests to SMT reminding Heads of Service and senior managers of the importance of updating the Skills Matrix with development activities identified in the PDP.

Recommendation	Management Response	Current Status
2 The Procurement Manager should be consulted to advise on the application of the Code of Practice.	The council, along with 31 other local authorities, belongs to the West Midlands Employers Organisation, a not for profit organisation, who, amongst other things, offer services to support individual and organisational performance improvement. They source training using their own procurement rules and then offer it to members at a discounted rate. This satisfies the obtaining value for money requirement of the Code of Procurement Practice.	WMEO source training using their own procurement process and then offer it to members at a discounted rate. This satisfies the criteria laid out in the Procurement Code of Practice, and there is no need to consult Procurement.

4.2   **Strategies and Policies**

4.2.1   The People Strategy and People Strategy Action Plan sets out a four-year strategy aimed at identifying and improving aspects of the Council. The People Strategy directly refers to the Council's FFF objectives and identifies learning and development as a key theme. The associated action plan includes actions for improving the delivery of learning and development services in line with FFF objectives.

4.2.2   The People Strategy is reviewed and updated every four years. The Employment Committee approved the latest version in June 2016.

4.2.3   Due to the COVID-19 pandemic, the People Strategy is not expected to be reviewed by the Senior Management Team (SMT) before December 2020.

4.2.4   In addition to the People Strategy, there is the Corporate Training, Learning & Development Policy. This document also refers to FFF, highlighting the ongoing development of all employees as vital to achieving the Council's vision for Fit For The Future.

4.2.5   During this audit, it was noted that an out of date version of the Learning and Development Policy was available via the Intranet. The Learning and Development Officer (LDO) immediately updated the document to the current 2017 version; therefore, no recommendation is required. The document will be reviewed and updated this year.

4.3 **Planning and Programming**

4.3.1 The current appraisal documentation comes in two parts: the performance appraisal document and the Personal Development Plan (PDP).

4.3.2 The performance appraisal document is used to measure the performance of employees. It is used to evaluate the contributions and achievements of employees and set new objectives for the upcoming year.

4.3.3 The PDP is used to record training and learning opportunities identified during the appraisal process that will help staff achieve their development objectives.

4.3.4 Managers are expected to log the results of the PDP on their Service Area Skills Matrix. The LDO uses this information to plan upcoming training, identify specific or changing training needs and determine demand.

4.3.5 As part of the overall management of the appraisal process, HR maintain records of the number of completed performance appraisals. The most recent data supplied reveals that the number of appraisals carried out for the period 2018/19 is 403 out of 502 (80.28%), a shortfall of 99. This is significantly less than the previous three years, where the return rate did not fall below 90%.

4.3.6 Rates of return were particularly low in Cultural Services (63.79%) and Health and Community Protection (66%). CT was unable to provide a reason for the low rate of returns; it was noted, however, that the figures do not account for completed appraisals that have not been recorded.

4.3.7 The PDP form reminds managers to log development activities on their Service Area Skills Matrix. PDPs are only logged in the Skills Matrix, where employees have identified training needs during the appraisal process.

4.3.9 Corporate Training does not monitor the number of completed PDPs as they are logged through the Skills Matrix. Because there is not a method to determine the level of compliance, there is a minor risk that this will impact adversely on the development of the Corporate Training Plan.

4.3.10 Email correspondence shows Corporate Training request that SMT remind heads of service and senior managers of the importance of completing and logging appraisal documents. Ultimately, it is the responsibility of individual service managers to upload the PDP actions into the Skills Matrix.

4.3.11 Corporate Training noted that there are plans to introduce a new Learning and Development system that can automate the above processes. This may help improve the process for reviewing the completed appraisal documents, although it does not guarantee an improvement in the rate of responses.

Risk

Training and development needs identified during the appraisal process may not be addressed.

Recommendation

Corporate Training should continue to remind SMT and senior managers of the importance of recording the appraisal documents.

4.3.12   Management use the Skills Matrix to highlight training needs. The LDO also receives informal training requests by email which are reviewed on a case-by-case basis. SMT can directly request training to meet specific corporate requirements.

4.3.13   The LDO uses the development actions recorded in the Skills Matrix to identify training needs and anticipate course attendance. The process is dependent on managers recording PDP actions in the Skills Matrix.

4.3.14   The availability of CT courses is publicised in the Learning and Development Guide, which is updated annually. The Guide for 2020/2021 can be accessed via a link to the Staff Development page on the Intranet Home page.

4.3.15   Managers are emailed directly with details of forthcoming courses and asked to pass on the information to their staff.

4.3.16   Staff are required to seek their line manager's approval before booking a place on a course. Staff should then email the LDO directly and request a place on the course. All requests must be made before the deadline to allow the LDO to anticipate attendance.

4.3.17   As part of the course booking and evaluation process, attendees are invited to complete pre and post-training questionnaires. The questionnaires seek to uncover what is hoped to be gained from attendance and whether or not the course was successful in that respect.

4.4   **Budgets and Procurement**

4.4.1   The Corporate Training budget for 2020/2021 is £37,500. The CT annual budget is a recurring base budget which is included in the base estimates. The budget is typically managed by HR with periodic assistance from the Assistant Accountant (AA).

4.4.2   As most training is cyclical, year-to-year costs are generally easy to anticipate. Expenditure is fairly routine and covers the cost of courses provided externally, hiring trainers for in-house courses as well as the cost of room hire and refreshments. Expenditure on CT is recharged to service areas based on staff numbers and not on actual attendances at courses.

4.4.3   An examination of TOTAL showed that over the last three financial years, the original budget has remained relatively constant.

4.4.4   There is some variance between the original budget and actual expenditure. For the year 2019/2020, the budget was set at £36,800 and amended to a total of £42,900. However, the actual expenditure exceeded both budgets to a total of £43,790.85.

4.4.5   There is evidence that the budgets are consistently amended, with only minor variations between the latest budgets and actual expenditure.

4.4.6   A significant proportion of the training is procured through West Midlands Employers Organisation (WMEO), a not-for-profit organisation offering employment services for the Public Sector. WMEO source training using their own procurement process and then offer it to members at a discounted rate.

4.4.7   Contrary to concerns raised in the previous audit report, this satisfies the criteria laid out in the Procurement Code of Practice, and there is no need to consult Procurement.

4.4.8   Other courses are delivered by generally the same provider each year which provides a level of continuity. The trainers are familiar with the Council and offer a tailored course which CT believe provides value for money.

4.4.9   An examination of TOTAL showed that, for the period 2019/20, most of these courses cost less than £600 and therefore do not require any procurement consideration.

4.4.10 The costs from these providers are periodically checked to ensure costs remain competitive, although there is no evidence these checks have taken place.

4.5   **Monitoring, Feedback and Reporting**

4.5.1   A link to the pre and post-course questionnaire is included in the course invite. Employees complete the questionnaire with their line manager to evaluate the effectiveness of the training in developing their skills. Corporate Training do not monitor these forms as it is for the manager and employee.

4.5.2   An evaluation form is emailed to attendees after completing a training course. The returned evaluation forms are reviewed by the HR Manager and the LDO who consider the comments and take action as required. It was noted that the returned evaluation forms do not always contain actionable requests.

4.5.3   The evaluation form contains monitoring questions, including asking attendees to indicate whether they have completed or plan to complete the pre and post-course questionnaire.

4.5.4   A training log containing details of every training course provided, the training provider and information on delegate attendance is shared amongst SMT each year.

4.5.5   The People Strategy Update presented to the Employment Committee includes a section covering aspects of Learning and Development. This provides details of courses undertaken, levels of attendance, a summary of course satisfaction and details on new and ongoing processes.

4.5.6   The annual Corporate Training report summarises the key findings from an analysis of corporate training activity during 2018/2019. This includes information on the number of training sessions provided, number of delegates attending, along with actions from the previous year and priorities for the

upcoming year. The latest Corporate Training Report for the period 2019/2020 is still in development.

5   **Conclusions**

5.1   Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of the Shared Legal Services are appropriate and are working effectively.

5.2   The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

5.3   Several minor issues were, however, identified:

- The number of returned performance appraisals is significantly less than the last three years.
- Since the appraisal process consists of the two documents, there is a minor concern that a lower number of completed performance appraisals might coincide with a lower number of PDP activities logged on the Skills Matrix.
- There is not a mthod to monitor compliance of the number of PDPs logged on the Skills Matrix. Low compliance may impact adversely on the development of the Corporate Training Plan.

6   **Management Action**

6.1   The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr
Audit and Risk Manager

Action Plan

Internal Audit of Corporate Training – September 2020

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.3.11	Corporate Training should continue to remind SMT and senior managers of the importance of recording the appraisal documents.	Training and development needs identified during the appraisal process may not be addressed.	LOW	L & D Officer/SMT	With the new Performance Module of the HR/Payroll system being implemented July 2021 this will form part of a more empowered service for Managers to monitor within their own teams.	July 2021

* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.
Medium Risk: Issue of moderate importance requiring prompt attention.
Low Risk: Issue of minor importance requiring attention.