

FROM: Audit and Risk Manager

TO: Head of Corporate and Community Services
Human Resources and Organisational Development Manager

C.C. Chief Executive
Head of Finance

SUBJECT: Human Resources Management

DATE: 28 March 2013

1 INTRODUCTION

- 1.1. In accordance with the Audit Plan for 2012/13, an examination of the above subject area has been completed recently and this report is intended to present the findings and conclusions for information and action where appropriate.
- 1.2. Wherever possible, results obtained have been discussed with the staff involved in the various procedures examined and their views are incorporated, where appropriate, in any recommendations made. My thanks are extended to all concerned for the help and co-operation received during the audit.

2 SCOPE AND OBJECTIVES OF AUDIT

- 2.1. The purpose of the audit examination was to report a level of assurance on the adequacy on high level structures and processes in place to support effective people management.
- 2.2. An evidential evaluation was undertaken focusing on the mitigation measures and controls against the key risk of staff not being developed effectively as assessed in the Significant Business Risk Register. The measures are defined as:
- § Workforce Development Strategy
 - § Management Development Programme
 - § Succession Planning
 - § Prioritisation of Work
 - § Use of External Resources
- 2.3. The examination was a mainly 'desktop' high-level overview drawing on accessible corporate information resources, although this was supplemented by brief consultations with a selection of senior managers and officers from both within and outside Human Resources. The principal contact was Karen Warren, Human Resources Manager.

3 FINDINGS

3.1 General Comments

- 3.1.1 Of the five mitigation measures listed above, only the first one can be recognised as a tangible systematic entity that lends itself to the normal audit review approach. The remainder are more conceptual and addressed variously through a combination of established processes including service area planning, team planning, application of the Appraisal and Competency Scheme.
- 3.1.2 Other regulated corporate processes relevant to the mitigation measures are reviewed as separate assignments (absence management, recruitment, training policy/plans and procurement).
- 3.1.3 In the context of the staff development risk, the first three are seen as key measures with the other two as complementary 'facilitators' aimed at preventing over-committal of staff resources to such an extent that processes supporting the key measures are disrupted.
- 3.1.4 In the six years since the previous audit looking at human resources management at this level, the arrangements for strategic management have evolved although they remain centred around a People Strategy. At the time of the last audit a series of planned actions arising was dissipated among a wider the Corporate Improvement Plan. The Strategy now has its own dedicated Action Plan which has become more elaborate over time, especially since the last assessment under Investors in People (IIP).
- 3.1.5 The Action Plan links with the People Strategy through a statement of priorities which has been remodelled recently.

3.2 Workforce Development Strategy

- 3.2.1 Although not formally referred to by that title, the essentials of a generic workforce development strategy are manifest in the Council's People Strategy, or more specifically the statement of People Strategy Priorities and Action Plan underpinning it. While the core strategic principles, based on six defined themes, have changed little since the Strategy's inception almost ten years ago, the People Strategy has gone through adaptations as corporate priorities have changed with Fit for the Future now established as a key driver.
- 3.2.2 The People Strategy and Action Plan are subject to review through update reports to both Senior Management Team and Employment Committee at least once each year. There have also been two significant updates over the previous year to incorporate a substantial number additional actions arising from the IIP assessment and redefine the People Strategy Priorities respectively.

3.2.3 Governance arrangements have recently been strengthened by the establishment of a Steering Group with Member, senior management and Human Resources Team representation. At the time of the examination, the Group had held only one meeting which was not minuted, although a verbal report of the outcomes was presented to Senior Management Team and incorporate in an update report to Employment Committee (both January 2013).

3.3 Management Development Programme

3.3.1 A time can be recalled when there was a distinct programme with that title, although it has since been subsumed into the wider corporate learning and development agenda. One of the six People Strategy themes is devoted to this area.

3.3.2 The learning and development framework was reviewed in September 2011 (under the title of Corporate Training) and brief enquiries have confirmed that the Policy and related processes then reported are still in operation.

3.4 Succession Planning

3.4.1 Industry definitions refer to succession planning as a process for indentifying and developing an organisation's future leaders and managers as well as individuals to fill non-managerial but business-critical roles. Within the Council the term has been bandied about for several years, mostly as a mitigation measure in risk registers, but without any explanation of what it entails or how it is implemented.

3.4.2 The term has only appeared in the People Strategy relatively recently, linked initially only to a process of periodic mapping of workforce data. Only from December 2012 does it start to feature prominently as a strategic priority linked to a number of actions that cut across five of the six People Strategy themes.

3.4.3 An exercise to map business-critical posts and staff with business-critical skills was undertaken and the information presented to Corporate Management Team in late 2012. It is advised that the Service Areas were expected hold their own discussions on the posts/individuals flagged and report any significant issues back to Corporate Management Team. At the time of this report, no issues have been reported back.

3.4.4 From discussions with a sample of Heads of Service, the impression gained is that the Service Areas are actively dealing with succession issues in consultation with Human Resources. It is reported that where potential 'successors' have been identified for business critical roles, their development is being addressed through the Appraisal and Competency Scheme and use of corporate learning and development resources where appropriate.

3.5 Prioritisation of Work

3.5.1 From enquiries made, the source of this entry as a mitigation measure lies in the scheduling and resourcing of Fit for the Future projects as manifest in the Service Area Plans and in the corporate master programme spreadsheet from which regular updates are extracted for review by Senior Management Team.

3.6 Use of External Resources

3.6.1 From enquiries made, this is seen as a generalised reference to the processes for gaining approval for and commissioning external resources for any of several purposes including training, mentoring, absence cover, back-filling and deploying special specialist services.

3.6.2 The processes for gaining approval lie within the service planning and budget setting frameworks. The commissioning side is regulated by the Code of Procurement Practice and a corporate agreement is in place for recruiting agency staff.

4 CONCLUSIONS

4.1 Within the confines of the review, the findings produced a picture of a generally robust high level framework to facilitate effective management of people risks and address and in particular the significant business risk relating to staff development.

4.2 In this regard we can give SUBSTANTIAL assurance.