INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager   **SUBJECT:** Employee Attendance Management

TO: Chief Executive   **DATE:** 9 November 2018

C.C. Head of Finance
HR Manager
Portfolio Holder (Cllr Mobbs)

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1   Introduction

1.1   In accordance with the Audit Plan for 2018/19, 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.

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   Previous audits have been undertaken under the title of Employee **Absence** Management. However, this was thought to concentrate on the negative aspects and so the title has been changed to look at **Attendance** management, i.e. helping to keep staff healthy and be able to stay at work. However, as per the scope of the audit set out below, the processes for dealing with sickness absence are still relevant.

3   Scope and Objectives of the Audit

3.1   The audit was undertaken to test the management controls in place.

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

- Policies and procedures
- Monitoring and reporting
- Staff support.

3.3   The audit programme identified the expected controls. The control objectives examined were:

- The Council is clear regarding how sickness absence should be dealt with
- Sickness records are accurate
- HR and management staff are aware when relevant trigger points are reached
- Management are aware of the sickness levels within the Council
- Support is provided to staff to help them stay in work

- Staff returning to work following (long term) absence are provided with appropriate support
- Work can still be completed by teams with absent staff.

4   Findings

4.1   Recommendations from Previous Reports

4.1.1   The current position in respect of the recommendation from the audit reported in March 2016 was also reviewed. The current position is as follows:

Recommendation	Management Response	Current Status
Managers should be instructed to retain all documentation relating to employee sickness absence for an indefinite period.	1. As part of Managers Guide to Self-Serve – Mangers keep copies of the Self Certification and HR keep copies of the Fit Notes. 2. Highlighted in HR Workshops e.g. Managing Attendance	The 'Manager's Guide' no longer exists as a specific document. However, guidance notes are available on the system (see 4.2.4). The Return to Work form (which now incorporates the 'self cert') highlights that it is the manager's responsibility to retain the document. During discussions with managers it was advised that not everyone is completing Return to Work interview forms (see 4.3.2).

4.2   Policies & Procedures

4.2.1   Two specific policies are in place: the Attendance Management policy; and the Long Term Sickness and Ill Health Capability policy (and procedure) (hereinafter referred to as the LTS policy). Both policies have been approved by Employment Committee having been presented as part of People Strategy Update reports.

4.2.2   The Attendance Management policy was approved in December 2015 and has recently undergone an update, with the current version being dated June 2018. The LTS policy is a new policy and was approved by Members in June 2018.

4.2.3   The policy documents are available to staff via the HR Handbook page on the intranet. The LTS policy has also been highlighted to staff via the Meta Compliance system.

4.2.4   Procedure guidance is available to all staff via the self-serve system. This includes guidance for managers regarding the inputting of sickness absences.

4.2.5 The Learning & Development Officer (LDO) advised that new managers would receive self-serve training covering issues such as inputting, responsibilities, return to work etc. Manager Self-Serve training is also included in the forthcoming training sessions as per an email sent to Managers Forum (scheduled for 18 October). She also suggested that 'delegated officers' (i.e. non-managers to whom responsibility has been assigned for inputting sickness onto the system) would be provided training if it was asked for.

4.2.6 The LDO also advised that a new, two day, training event is being put together covering HR for Non-HR Managers. This includes sickness and the related policies.

4.3 **Monitoring & Reporting**

4.3.1 Discussions were held with a selection of managers to ascertain whether they are completing and retaining relevant documentation in relation to all periods of absence, with the 'self cert' now being incorporated into the Return to Work form.

4.3.2 It was highlighted that return to work interviews forms were not held in all cases, with one manager not completing any forms and others not completing them in certain instances.

Risk

Managers may not pick up on absence patterns.

Recommendation

Managers should be reminded of the need to complete return to work forms for all sickness absence.

4.3.3 There were also queries raised as to whether they were necessary in light of inputting details onto the self-serve system as well as how / where they should be stored with some managers holding paper copies and others keeping (scanned) electronic copies of the completed forms on the network. Similarly, there were queries regarding the retention periods for the documents with regards to GDPR.

Risk

Personal information may be held in breach of GDPR.

Recommendation

Guidance should be provided to managers regarding the retention of Return to Work forms in terms of the method and period of time that they need to be held for.

4.3.4 A number of suggestions for changes to the processes were raised by managers as part of the discussions and they were subsequently reviewed with staff from HR.

4.3.5 Some of the suggestions (such as attaching return to work forms to the system and allowing staff to input their own sickness) are not possible due to the functionality of the system.

4.3.6 The inputting of sickness of more than a week was considered to be an issue by some of the managers. However, as the 'fit notes' are advisory, staff may return earlier than stated on the form. This may then affect half pay / no pay periods so it was not considered to be possible.

4.3.7 Two of the HR & Payroll Support Advisors (HRPSA) advised that there have been issues with regards to fit notes arriving before the absence had been entered onto the system.

4.3.8 Steps have been taken to address the issue with emails now being sent to managers to remind them of the need to input the sickness. If the issue is not resolved, further emails are sent which are copied to the Heads of Service and Deputy Chief executives as appropriate. The HRPSAs suggested that this had helped to reduce the issue.

4.3.9 Whilst absences requiring a fit note can be checked to ensure that the absence has been recorded on the system, there is no way to check that the shorter absences are being recorded. However, the HRPSAs advised that they will flag the issue if they notice it (e.g. someone not on a training course due to illness which is not them input onto the system).

4.3.10 As part of the abovementioned discussions with managers, the processes used for monitoring sickness of individual staff and the associated trigger points were discussed.

4.3.11 In general terms, managers suggested that there were no formal methods employed, but they would either rely on memory for identifying when triggers were being approached (where their staff numbers were small) or would use a combination of systems (either reviews of self-serve or recording sickness periods on Outlook which would similarly be reviewed).

4.3.12 The Return to Work forms mention the triggers, but there is nothing specifically on the form to record whether triggers are being reached (e.g. the cumulative days / periods of absence within the set period of time). However, the absence planner on the system can be used to identify the absences recorded, so this could be used by managers to identify if any triggers are being approached, including any half / no pay periods.

4.3.13 SMT are provided with quarterly reports on overall sickness levels as well as details on the 'cost of sickness'. The LDO advised that this actually only covers this sick pay element as opposed to the 'true' cost of sickness as it doesn't cover other costs such as agency cover, although the HR Manager advised that sickness would be included as the reason for cover on the Vacancy Advertising Recruitment Form.

4.3.14 Discussions have been held by the Workforce Steering Group regarding the value of the data provided and how this can be improved. A new 'Business Intelligence Portal' is being developed which will also be used as part of the performance management system.

4.4 **Staff Support**

4.4.1 A Health & Wellbeing homepage is available on the intranet which includes various links to appropriate documents and other organisations. A Health & Wellbeing day has also been held recently at which various initiatives were shared with staff. The intranet message regarding World Mental Health Day also flagged the different types of support available to staff.

4.4.2 One of the initiatives recently introduced has been the Health & Wellbeing Scheme (BUPA) that provides staff with access to support as well as financial reimbursements for certain health related payments incurred by staff.

4.4.3 The Senior Procurement Business Partner (SPBP) advised that there is a 30-day rolling subscription in place with BUPA, and each time we pay we are agreeing to the contract by acceptance through inference. There is, therefore, no signed contract required in this case, just a set of terms and conditions that are accepted every time a payment is made. These details are recorded on the contract register as appropriate (NB they were not included upon initial review, but this was rectified before the audit was completed).

4.4.4 The SPBP had been involved in the procurement process for this, with a 'light touch' process being appropriate. A report was presented to SMT relating to this process.

4.4.5 There has been extensive promotion of the scheme, with a stand being in place at the Chief Executive's EXPO, messages have been placed on the intranet and sessions were held for members of staff to learn more about it.

4.4.6 Employee Support Officers (ESOs) are in place for staff to talk to should they not feel comfortable talking to their manager, other senior staff or HR. Three of the current ESOs were spoken to, two of which were from the original 'team' of ESOs and the other who had recently been appointed.

4.4.7 The two 'original' ESOs both highlighted that, following the initial training they had not received anything further until the recent session which was run for the new cohort, with the HR Manager advising that, within the last year, this had been due to the recruitment drive for new ESOs. One further advised that the ESOs were now going to meet up every three months and the trainer could be invited if they felt that there was something that they needed training on. The other also suggested that if she was approached with something that she hadn't dealt with before she would contact HR for advice.

4.4.8 Both felt that they had not required any specific support to deal with the issues they were being contacted about, although one highlighted that they would bounce issues off each other if required. She also advised that the original training had covered areas that would allow the ESOs to 'manage themselves' so that the issues did not build up.

4.4.9 They also both suggested that they were only contacted on an ad-hoc basis, although it tended to increase at certain times, with both highlighting departmental restructures as a particular trigger. They were also both being approached informally (e.g. in the corridor) as opposed to specific appointments being made.

4.4.10   The 'new' ESO had only just received the training and had not had any individuals contacting her in this role. However, she highlighted that the other (existing) ESOs were supportive and the training had given useful information regarding personal management.

4.4.11   Occupational health services are also in place. A contract has recently been signed with a new provider (Washington House Occupational Health Ltd) for the provision of these services.

4.4.12   Due to the value of the contract, the 'three quote' route was adopted, with the SPBP again being involved in the process as appropriate. The details of this contract are also reflected on the contract register.

4.4.13   The LTS policy sets out the process for referring someone to Occupational Health along with the processes for phased returns and 'reasonable adjustments'. A sample case was walked through with one of the HR Business Partners which confirmed that the process was working as expected. Documentation including the Occupational Health report and emails discussing the case were reviewed and were found to be appropriate.

4.4.14   No specific support is provided to teams to help them deal with absence within the team, with each situation being different. Advice would, however, be given on a case-by-case basis as requested. Areas such as workload redistribution and reprioritisation would be covered and the potential for using temporary, agency, staff would be discussed although this has obvious budget implications that the manager would have to take into account.

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 Employee Attendance Management 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   Two, related, minor issues were, however, identified:

- Some Return to Work documentation was not being completed.
- Where it is completed, managers are not sure how and for how long this should be retained.

6   **Management Action**

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

Richard Barr
Audit and Risk Manager

Action Plan

Internal Audit of Employee Attendance Management – November 2018

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.3.2	Managers should be reminded of the need to complete return to work forms for all sickness absence.	Managers may not pick up on absence patterns.	Low	SMT	Managers are advised in Self Serve training and it is included as part of the new HR for non HR manager Courses which all managers must attend. It is also noted on the form, the intranet and in the policy. We recommend that SMT discuss this with their managers.	
				HR Manager	Coventry City Council (as the payroll provider) will be contacted to check whether an absence trigger report can be produced.	March 2019
4.3.3	Guidance should be provided to managers regarding the retention of Return to Work forms in terms of the method and period of time that they need to be held for.	Personal information may be held in breach of GDPR.	Low	HR Manager	Managers need to be advised of the Retention timescales – 6 years +1 after the end of employment (confirmed with Data Regulations Officer)	March 2019

* 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.