

Internal Audit Final Report

Resources and Finance

Review of Absence Management Arrangements (follow-up)

Description	Priority	No.
Major issues that managers need to address as a matter of urgency.	High	1
Important issues that managers should address and will benefit the Organisation if implemented.	Medium	6
Minor issues that are not critical but managers should address.	Low	0

Distribution:

Chief Executive
Depute Chief Executive
Executive Chief Officer – Communities and Place
Executive Chief Officer – Education and Learning
Executive Chief Officer – Health and Social Care
Executive Chief Officer – Infrastructure, Environment and Economy
Executive Chief Officer – Performance and Governance
Executive Chief Officer – Property and Housing
Head of HR – Resources and Finance
HR Manager – Resources and Finance
HR Business Partner (OD) – Resources and Finance
People Development Manager – Resources and Finance

Audit Opinion

The opinion is based upon, and limited to, the work performed in respect of the subject under review. Internal Audit cannot provide total assurance that control weaknesses or irregularities do not exist. It is the opinion that **Reasonable Assurance** can be given in that whilst the system is broadly reliable, areas of weakness have been identified which put some of the system objectives at risk, and/ or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.

Report Ref: HRF30/002

Draft Date: 31/03/23

Final Date: 28/04/23

1. Introduction

- 1.1 In 2019/20, an Internal Audit review of Absence Management Arrangements looked at whether the Council's attendance management policies and guidance were adequate and consistently applied across all services. The audit also examined the way in which absence data was recorded and then reported at service and corporate level. The effectiveness of actions taken by the Council in order to improve levels of attendance, therefore reducing costs, was also considered. This resulted in an audit opinion of 'Limited Assurance'.
- 1.2 Recommendations made in the previous audit report have been followed up to ensure that the actions agreed with management have been satisfactorily implemented. Testing was also carried out on a sample of reported absences to assess compliance with the principles set out in the Attendance Management Guidance.

2. Main Findings

2.1 *Attendance Management Policy, Guidance and Training*

This objective was partially achieved. A review of the Absence Management Policy had been carried out and no changes were required. The Attendance Management Guidance (the guidance) was also reviewed, and the updated version will be made available on the HR Microsite (See action plan M1). A process has been put in place to ensure that as each review is complete, the relevant policy or guidance will be flagged for a further biennial review.

Payroll no longer notify managers when an employee is due to go down to nil/half pay as the onus is on managers to use MyView to monitor this, but the guidance had not been updated to reflect this (See action plan M1). This will also be covered in MyView e-learning training modules for managers which will be made available on Traineasy (See action plan H1).

A review of the Induction Guidance had been carried out and updated to include information on expectations regarding employee contact and discussion with their line manager both during the period of absence and on return to work. The updated

version will be made available on the HR Microsite (See action plan M2).

Online training is promoted to staff, in particular since the introduction of a new learning management system, Traineasy, in 2022. There are regular posts regarding online training on the Staff Connections site, notices are put out to education staff using the Highland Headline daily briefings and information is passed to senior managers via briefings from HR Business Partners. There are also links to the relevant online training throughout the Induction Guidance.

Managers are responsible for ensuring that their direct reports complete mandatory training, including Employee Induction (which includes attendance management and is mandatory for all staff) and Attendance Management (mandatory for managers only). There is currently not an attendance management course available for managers, but an e-learning module is in development and will be made available on Traineasy (See action plan M3).

With the introduction of Traineasy, managers are now able to monitor completion of mandatory training by direct reports on their Traineasy dashboard. Currently this can only be done for the Information Management and Cyber Security courses, but People Development (PD) will continue to roll this out for all mandatory courses. From the end of February 2023, PD have committed to providing quarterly statistical reports to Executive Chief Officer's and service management teams via HR Business Partners, to provide an overview of mandatory training completion.

A sample of sickness absences reported since 01/04/22 were examined:

- 10 long-term – absence due to ill-health lasting 28 days or longer
- 10 multiple short-term – 4 separate occasions of sickness absence or 10 days in total of sickness absence in a rolling 12-month period.

The principles set out in the guidance had been followed in all cases apart from (See action plan M4):

- Self-Certified Sickness Forms had not been provided by the employee for all periods of short-term absence in 2 cases
- In 1 case of multiple short-term absence, the audit appeared to highlight the employee’s recent absence record and prompted the line manager to consider use of the formal attendance management process and a referral to Occupational Health.

The requirement for self-certificate forms will be included in the attendance management e-learning module and a short-term persistent absence webinar will also be made available (See action plan M5).

2.2 Recording and monitoring of absence data

This objective was partially achieved. All absences are now recorded directly in MyView by line managers and this data is uploaded to ResourceLink by Payroll on a weekly basis rather than monthly. The Self-Certified Sickness Form has been updated so that the list of sickness reasons now corresponds with those available for selection by managers on MyView.

When recording long-term absence on MyView, the line manager should enter the details and select the ‘Submit’ option which then sends the information to Payroll. Audit testing found 2 instances where the line manager had entered the details but had not submitted the absence and therefore, as Payroll had not received the details, the employees had continued to receive their normal basic pay instead of sick pay. This could potentially lead to the employee being overpaid if they should have gone onto nil/half pay while on sick leave but instead continued to receive their normal salary. It also means that these absences would not be picked up for reporting and statistical purpose. This had already been recognised as an issue by HR and will be covered in the MyView e-learning training modules mentioned in 2.1 (See action plan H1).

Processes had been put in place to provide improved absence data from ResourceLink, and this will be further enhanced with the roll

out of the new HR/Payroll system by March 2025. A formal review of the way in which sickness absence stats are reported and monitored had not been carried out but improvements have been made to the way in which absence management stats are reported at service level. Since December 2022, HR Business Partners have been provided with detailed quarterly absence reports and this information is cascaded to service management teams as and when appropriate i.e., if there was something of note or a perceived challenge to highlight. The reporting of the average number of days lost per employee by each service to their strategic committee is still not being done by all services despite this being a requirement within the guidance (See action plan M6).

2.3 Action taken by Council to reduce sickness absence levels

This objective was partially achieved. Service Improvement Plans (which were to include management training, undertaking proactive initiatives in the service to support attendance and reduce absence levels) had not been produced. However, HR Business Partners and 2 Attendance Support Officers (ASO) work continuously with services to manage staff absence, and this has contributed to improved absence levels for both teaching and non-teaching staff (see table below).

Average number of working days per employee lost through sickness absence

	2018/19		2021/22		
	HC Average	Scottish Average	HC Average	Scottish Average	HC Target
Teaching	7.1	6.2	5.6	5.8	4.2
Non-teaching	10.5	11.5	8.2	12.4	10.1

3. Conclusion

3.1 The audit found that a number of actions agreed with management following the previous audit had not been fully

completed. There is no doubt that the pandemic played a major part in this as a number of the actions were due for completion in 2020. However, a lot of progress has been made and absence levels for both teaching and non-teaching staff have improved, although teaching levels are not meeting the target set by the Council.

There is still some work to be completed in terms of publishing revised guidance and making appropriate training available and this is reflected in the action plan. An area of particular concern is around absences not being recorded properly on MyView by managers and it is crucial that training and support is provided in this area.

4. Action Plan

Ref	Priority	Finding	Recommendation	Management Response	Implementation	
					Responsible Officer	Target Date
H1	High	Audit testing found 2 instances of long-term absence where the line manager had not submitted the absence on MyView and therefore the information had not been sent to Payroll.	MyView e-learning training modules should be made available on Traineasy as a matter of urgency and should be mandatory for all managers.	MyView recording absence e-learning module is in design with HR and PD.	HR Business Partner (OD)	31/05/23
M1	Medium	A review of the Attendance Management Guidance has been carried out, but the amended version is not yet available on the HR Microsite. Payroll no longer notify managers when an employee is due to go down to nil/half pay as the onus is on managers to use MyView to monitor this, but the guidance had not been updated to reflect this.	The amended Attendance Management Guidance should be published on the HR Microsite as soon as possible. This should reflect the fact that managers are responsible for monitoring when an employee is due to go down to nil/half pay.	Manager's responsibility for monitoring when employees go into half and nil pay will be added and reflected in the guidance when published.	HR Business Partner (OD)	31/05/23
M2	Medium	The Induction Guidance has been updated to include information on expectations regarding employee contact and discussion with their line manager both during the period of absence and on return to work, but the amended version is not yet available on the HR Microsite.	The amended Induction Guidance should be published on the HR Microsite as soon as possible.	Updated induction guidance available on the HR Microsite. The induction e-learning module has been reviewed and amended to incorporate changes in guidance.	People Development Manager People Development Manager	Complete Complete

Ref	Priority	Finding	Recommendation	Management Response	Implementation	
					Responsible Officer	Target Date
M3	Medium	There is currently not an attendance management course available for managers, but an e-learning module is in development and will be made available on Traineasy.	The attendance management e-learning module should be made available on Traineasy.	People Development are creating e-learning modules in partnership with HR specialists who provide the content.	People Development Manager	31/05/23
M4	Medium	For the sampled absences: <ul style="list-style-type: none"> Self-Certified Sickness Forms had not been provided by the employee for all periods of short-term absence in 2 cases In 1 case of multiple short-term absence, the audit appeared to highlight the employee's recent absence record and prompted the line manager to consider use of the formal attendance management process and a referral to Occupational Health. 	HR should consider introducing a system of carrying out spot checks on a sample of reported long and short-term absence to ensure compliance with the relevant guidance.	ASOs will be tasked with ongoing random spot-checking compliance for long-term and short-term absences.	HR Business Partner (OD)	Ongoing
M5	Medium	A short-term persistent absence webinar has been developed but it is not yet available on Traineasy.	The short-term persistent absence webinar should be made available on Traineasy.	The content has been created by HR specialists. Recording in progress and will be launched from Traineasy.	People Development Manager	31/05/23
M6	Medium	The reporting of the average number of days lost per employee by services to their strategic committee is still not being done by all services despite this being a requirement within the Attendance Management Guidance	Services should report absence data to their strategic committee quarterly as part of a 'Revenue and Performance Monitoring' report. This should be done in a consistent manner across all services.	HRBPs will ensure data is made available for Services to report to strategic committees.	HR Business Partners	Ongoing