

INTERNAL AUDIT SERVICES

REPORT REF No 2016/17 - 001

**Loch Lomond & The Trossachs
National Park Authority
Attendance Management Audit**

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Personnel associated with the report

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Claire Andrews: Internal Auditor (West Dunbartonshire Council)

1. AUDIT REPORT SUMMARY

1.1 General

An audit was conducted on Attendance Management and we are pleased to report that the systems examined are working effectively.

The review highlighted that opportunities exist to strengthen internal controls and enhance the service provided, the most important of which are listed below;

- Perform consistency checks between manually completed return to work forms and the information recorded in the HR system Snowdrop
- Amend the Sickness Absence Procedure document to accurately reflect working practices
- Re-emphasise the importance of monitoring and managing absence using the application of trigger levels and the monitoring procedures.

The Audit also highlighted areas of good practice as follows;

- Receiving and recording of Doctor's Fit Notes
- Amendment of sick pay as required

Full details of these opportunities and any other points that arose during the audit are included in the Action Plan, which forms Section 3 of this report.

2. MAIN REPORT

2.1 Introduction

An audit was carried out on the adherence to the Attendance Management Policy as part of Internal Audit's Planned Programme of Audits for 2016/17.

2.2 Scope and Objectives

2.2.1 An audit launch meeting was held with Catriona Morton, Elaine Wade and Claire Andrews to agree the scope and objectives of the audit. The scope was signed off by Jaki Carnegie, Director of Corporate Services for Loch Lomond & The Trossachs National Park Authority. The scope is detailed below.

2.2.2 The policy and procedures documentation was reviewed to confirm robustness and completeness. The following documents were reviewed:

- Code of Conduct for employees (February 2011)
- Annual Leave Policy (July 2014)
- Sickness Absence Self Certificates (March 2016)
- Offer of Employment template
- Sickness Absence Procedure (February 2011)

2.2.3 A review of the general recording of absence was undertaken; this sample testing was conducted to ensure all aspects of sick leave mentioned in the policies are being recorded effectively. The testing covered management contact during absence periods, the completion of the self-certificate/return to work form which forms the basis of the return to work interview, illness codes and descriptions and start and end dates of absence periods.

2.2.4 A review to ensure where applicable Occupational Health referrals are being made as per the policy and procedures documentation.

2.2.5 A review of absences over seven days to ensure each absence had an appropriate Doctor's Fit Note.

2.2.6 Depending on the length of service after a certain amount of sick leave an individual's pay should be reduced. Testing was performed to ensure this process was being applied consistently.

2.2.7 A review of the absence monitoring procedures including the use of trigger levels and subsequent utilisation of the Absence Review stages; to test for consistency and accuracy of the application of the policy.

2.3 FINDINGS

The findings are based upon evidence obtained from sampling/substantive testing.

2.3.1 The audit was conducted in conformance with the Public Sector Internal Audit Standards (PSIAS).

- 2.3.2 This report details all points arising during the audit review, full details of which are included in the Action plan contained within Section 3 of this report. We stress that these are the points arising via the planned programme of work and are not necessarily all of the issues that may exist.
- 2.3.3 The factual accuracy of this report has been verified by the Officers involved in the audit.
- 2.3.4 In 2014/15 a total of 1,506 days were lost due to sickness which equates to 10.18 days on average per employee. In 2015/16 there was a 29% reduction resulting in the total number of days lost being 1,062 - equating to 7.18 days on average per employee being lost. This was due to a decrease in long term absence of 57% counteracted by a 29% increase in short term absence. Since these results, there has been an increased focus on monitoring of absence and training has been provided to all management. Our 12 month testing period included the five months since the increased focus.

The increased focus on absence has been effective and although there are still some improvements to be made as detailed in the action plan below it should be noted that, of all the samples tested where an issue was found, 83% of these occurred before the line managers were given their refresher training.

- 2.3.5 The audit established that overall the Policy and Procedures are robust and comprehensively cover the areas that should be covered. Following the review of the operation of the policies in practice it was determined that the policies should be updated to effectively reflect the discretionary elements of the management of absence. Please see the action plan for further details.
- 2.3.6 In the Auditor's opinion, the general recording of absences is being undertaken effectively. Every employee who is absent due to sickness is required to have a return to work interview with management no matter the duration of the illness. Each employee is also required to fill in a self-certificate for the first seven days of absence. The return to work form efficiently covers employees requirement to self-certificate and acts as a good template for management to follow in the return to work interview. The layout of the form enables the line manager and employee to add comments which will assist the line manager in building an effective case file to monitor absence, even if a line manager changes from one absence to another.

Overall the forms are filled out properly with only minor emissions in some instances. There were a few instances where the form had not been completed/included in an individual's personnel file.

As a result of discussions with HR it was established that no details of management contact is kept on file. Good practice would encourage the recording of this information. Please see the action plan in section 3.

- 2.3.7 Currently the Sickness Absence Procedures provides examples of circumstances where an occupational health referral may be made. During testing it was found that in some instances management/HR have applied discretion to determine if a referral is necessary, however this is not always clearly documented in the employee's record. It is recommended that the policy be amended to say that the decision in relation to OH referral must be recorded in the employee's record.

- 2.3.8 In all cases sampled there was an appropriate doctor's Fit Note covering the full period required.
- 2.3.9 In all cases where an employee's pay should be altered due to length of absence the policy had been applied correctly.
- 2.3.10 There were a variety of issues discovered in regards to the recording and monitoring of trigger levels and the application of monitoring procedures. Internal Audit concludes that many of these issues are due to line managers not completing the return to work forms fully. Some of the answers on the form indicate a lack of understanding of the triggers.
- Internal Audit noted that no employees have moved onto the formal absence monitoring stage despite some employees reaching the trigger levels. If employees do not progress through the monitoring stages as appropriate then as a framework to control levels of absenteeism it is more likely to prove ineffective and be undermined over time.
- 2.3.11 Audit would like to thank all staff involved in the audit process for their time and assistance.

3. Action Plan

Attendance Management Audit – Action Plan					
Finding	Recommendation	Priority	Management Comment	Manager Responsible	Date to be completed
<p>1. <u>Review of Policies and Procedures</u> The Sickness Absence Procedure has not been formally reviewed since 2011 although it was looked at informally when developing management training. There is no cross reference between policies so employees may not be aware there are multiple policies covering different areas. Currently there is no reference to the application of discretion in particular in regards to Occupational Health Referrals.</p>	<p>All HR policies should be reviewed at least every three years or as required to ensure they are up to date with current legislation and are relevant to current working practices. At present, the policies are not as clear as possible in relation to where management discretion may be applied and these discretionary decisions are not always recorded, such as referral to OH. As a result it appears that some line managers are not complying with the policy by applying discretion. Consideration should be given to either building discretion into the policies as appropriate to allow line managers to apply discretion, or remind line managers that they should be complying with policy and not apply discretion.</p>	Low	The Sickness Absence Procedure will be reviewed and amended to reflect these findings and recommendations	Claire Ferguson	31/03/2017

<p>2. <u>Management Contact</u> Currently there is no requirement for line managers to record contact made with an absent employee in an employee's personnel file.</p>	<p>There should be an option to record the contact made and any discussions concerning returning to work, reflecting best practice.</p>	<p>Low</p>	<p>Line managers will be advised of the requirement to record contact /discussions and record will be held by HR on the employee file.</p>	<p>Claire Ferguson</p>	<p>17/11/2016</p>
<p>3. <u>Recording of details</u> Not all self-certificate/return to work forms are filled out completely including information on triggers; and in some instances they are missing from an employee's personnel file. In some instances the information on the form is different to that recorded in Snowdrop; it is noted that there are some minor discrepancies in the options in the forms vs Snowdrop.</p>	<p>Employees and line managers should be reminded of the importance of filing in the form fully and to the best of their knowledge. Before sending the self-certificate/return to work form to HR to be added to an individual's personnel file a cross reference should be made to Snowdrop to ensure both correctly reflect each other and all parts have been completed. The self-certificate/return to work form should be amended to correctly represent Snowdrop.</p>	<p>Low</p>	<p>Employees and line managers will be reminded of the importance of this. A more robust cross check between the return to work form and the information recorded by line managers on the Myparklife system will take place.</p>	<p>Claire Ferguson</p>	<p>31/03/2017</p>

<p>4. <u>Formal Absence Review</u> No employees have moved onto a Formal Absence Review despite hitting the trigger levels.</p>	<p>At present it appears that line managers are not following the attendance policy. As a result either line managers should be reminded of the policy, or in order to allow discretion not to progress to a Formal Absence Review the policy should be updated to allow line managers' discretion, provided this is done following receipt of appropriate HR advice</p>	<p>Low</p>	<p>Line managers will be reminded of the importance of following the policy and the Sickness Absence Procedure will be reviewed and amended to reflect these findings and recommendations.</p>	<p>Claire Ferguson</p>	<p>31/03/2017 for policy update 17/11/2016 for management reminder</p>
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Appendix 1. Priority Levels

Recommendations have timescales for completion in line with the following priorities.

Priority	Expected implementation timescale
<u>High Risk:</u> Material observations requiring immediate action. These require to be added to the risk register of a Service (Council context).	Generally, implementation of recommendations should start immediately and be fully completed within three months of action plan being agreed
<u>Medium risk:</u> Significant observations requiring reasonably urgent action.	Generally, complete implementation of recommendations within six months of action plan being agreed.
<u>Low risk:</u> Minor observations which require action to improve the efficiency, effectiveness and economy of operations or which otherwise require to be brought to the attention of senior management.	Generally, complete implementation of recommendations within twelve months of action plan being agreed.

Note: About this report

This Report has been prepared on the basis set out in the Memorandum of Understanding (MOU) between the National Park Authority as the Client and West Dunbartonshire Council (WDC) as the provider of Internal Audit services. Nothing in this report constitutes a valuation or legal advice. We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the MOU. This Report has been prepared for the benefit of the Client only. This Report has not been designed to be of benefit to anyone except the Client. In preparing this Report we have not taken into account the interests, needs or circumstances of anyone apart from the Client, even though we may have been aware that others might read this Report. This Report is not suitable to be relied on by any party wishing to acquire rights against WDC, other than the Client for any purpose or in any context. Any party other than the Client that obtains access to this Report or a copy (under the Freedom of Information (Scotland) Act 2002, the Environmental Information (Scotland) Regulations 2004 through the Client's Publication Scheme or otherwise) and chooses to rely on this Report (or any part of it) does so at its own risk. To the fullest extent permitted by law, WDC does not assume any responsibility and will not accept any liability in respect of this Report to any party other than the Client. In particular, and without limiting the general statement above, since we have prepared this Report for the benefit of the Client alone, this Report has not been prepared for the benefit of any other public sector body nor for any other person or organisation who might have an interest in the matters discussed in this Report, including for example those who work in the public sector or those who provide goods or services to those who operate in the public sector.