Veritau

Assurance Services for the Public Sector

Attendance Management

City of York Council

Internal Audit Report 2013/14

Business Unit: Corporate and Cross Cutting
Responsible Officer: Assistant Director - Customers & Employees
Service Manager: Head of Business HR
Date Issued: 09/07/2014
Status: Final
Reference: 19160/002

	P3	P2	P1
Findings	0	3	1
Overall Audit Opinion	Limited Assurance		

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Introduction

The council's Attendance Management policy was updated in October 2013. The policy document details the council's approach to encourage attendance at work through managing short and long term sickness absences. The main objective of this policy is to maximise attendance at work whilst recognising that staff should not attend work if they cannot perform their normal job role due to sickness. The council aims to achieve this through early intervention, employee support and through the promotion of health, safety and well being initiatives.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system would ensure that:

- Sickness cases have been recorded correctly onto iTrent.
- Appropriate supporting documentation is retained for all instances of sickness.
- Absences are monitored and appropriate action is taken in relation to trigger points.
- Performance information for absence is regularly produced for managers and Directorate Management Teams.
- Appropriate absence management training and guidance is given to managers and employees.

Key Findings

A number of weaknesses have been identified during the audit. They all relate to weaknesses and inconsistencies in practice between managers across the council rather than any inaccuracy of processing within the HR Business Centre. The most significant weakness is that not all sickness absence is being recorded on iTrent and therefore any management information produced is currently understating the amount of sickness absence across the council. This, and other issues relating to a lack of supporting documentation for absences and insufficient action being taken at trigger points, is discussed in more detail in the rest of the report.

In addition, there is currently a significant issue with the time taken for documentation submitted to the HR Business Centre to be scanned, indexed and available to view on Documentum in employee HR files. This issue has been raised in the Payroll audit report for 2013/14 and no further action is therefore included here.

Overall Conclusions

It was found that there is a poor management of risk with significant control weaknesses in key areas and major improvements are required before an effective control environment will be in operation. Our overall opinion of the controls within the system at the time of the audit was that they provided **Limited Assurance**.

Area Reviewed: Recording of sickness absence on iTrent

Severity
Probability

1	Issue/ Control Weakness	Risk

Instances of sickness are not all being included on iTrent.

Inaccurate management information leading to incorrect reporting and failure to manage sickness absence appropriately, potential overpayments to employees.

Findings

Each month managers are required to complete a monthly absence return form listing all instances of sickness within their team during the past month. The details on these returns are then input onto iTrent by staff in the HR Business Centre.

Testing showed that although the monthly returns received by HR are being accurately input onto iTrent, not all periods of sickness are being included by managers on monthly returns and the sickness information on iTrent is therefore incomplete.

A sample of twenty employees was taken and their HR files were reviewed. Within these files, three self certification forms and two fit notes (five separate periods of absence) were identified that had no corresponding entry on iTrent. Given the other issues raised in this report about the weaknesses in completing and retaining self certification forms, it is likely that the number of sickness absences that are not recorded is significantly higher than this sample test would suggest. Unfortunately, with the current weaknesses in documentation and the nature of the devolved, manual sickness recording process it is not possible to obtain an accurate picture of how much sickness is currently not being recorded.

There is no master list of all managers who should be submitting monthly returns and therefore no log of who has not submitted. There is also no process which could be maintained, due to ongoing restructuring, which would identify which services are due to submit a monthly return. This would mean different people would be expected to submit monthly returns so any list could quickly become out of date. The number of returns received varies each month despite nil returns being requested, which suggests there are a number of managers not returning but, again, with the current processes it is not possible to estimate how many returns are not submitted each month.

1.1   Agreed Action

Sickness statistics will be produced regularly and taken to DMTs. Any discrepancies suggesting inaccurate recording will be discussed with the relevant service manager. Internal Audit will continue to be involved with the implementation of new iTrent modules to ensure that issues related to completeness and accuracy of recording are taken into account.

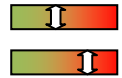|	
Priority	1
Responsible Officer	Head of Business HR
Timescale	30/11/2014

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Area Reviewed: Self certification forms and return to work documentation

Severity
Probability

2	Issue/ Control Weakness	Risk
	Self certification forms are not always being completed for instances of sickness.	Lack of supporting documentation for instances of sickness, return to work interviews may not be being held.

Findings

Self certification forms should be completed and signed by employees and their managers after each period of sickness absence. Details of the absence should be recorded along with a record of the return to work discussion and details of any further action required. The forms clearly state that they must be sent to the HR Business Centre to be scanned onto the employee's HR file.

A sample of absences was taken from iTrent and the relevant employee's HR file was checked to locate the corresponding self certification form. Due to the current issue of delays in documentation being scanned onto Documentum and added to HR files (as discussed on page 2) absences since August 2013 were excluded from the testing sample. Even after excluding recent absences, the relevant documentation could not be located for 64% of absences tested. Therefore for a high proportion of absences self certification forms are either not being sent to HR, meaning no record of discussions and actions will be retained, or the forms are not being completed at all.

2.1   Agreed Action

| When the iTrent absence management module is implemented, paper forms will no longer be required and an electronic alternative will be implemented. In the meantime, training will continue to be provided through the Workforce Development Unit and an email will be issued to all managers reminding of the importance of accurate recording and compliance with the attendance management policy and procedures.	**Priority**	2
	Responsible Officer	Head of Business HR
	Timescale	30/11/2014

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Area Reviewed: Action is not being taken when trigger points are reached.

Severity

Probability
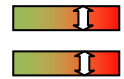
3	Issue/ Control Weakness	Risk
Appropriate action is not taken when trigger points are reached		Non-compliance with the Attendance Management policy, failure to appropriately manage employee attendance.

Findings

The Attendance Management policy sets out a series of trigger points that, when reached, should initiate either informal or formal review meetings to be held between the employee and their manager. A sample of absences that caused trigger points to be reached was taken from iTrent and the employee HR files were reviewed for evidence of review meetings or other action taken. For the ten cases tested, only three had any evidence that appropriate action had been taken. A further two incorrectly stated on the self certification form that a trigger point had not been reached and the remaining five had either no documentation or no mention on the form of any trigger point discussion or review meeting.

3.1   Agreed Action

It will be investigated whether an automatic alert can be set up on iTrent to notify managers when trigger points have been reached. In the meantime, training will continue to be provided through the Workforce Development Unit and an email will be issued to all managers reminding of the importance of accurate recording and compliance with the attendance management policy and procedures.

Priority	2
Responsible Officer	Head of Business HR
Timescale	30/11/2014

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Area Reviewed: Documentation to support absences over seven days

Severity
Probability
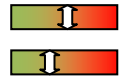
4	Issue/ Control Weakness	Risk
	'Statements of fitness for work' are not always present to support absences over seven days.	Absences may not be legitimate sickness absence and managers may not have the required information to make reasonable adjustments or facilitate a return to work for the employee.

Findings

For absences that last longer than seven calendar days, the employee must obtain a 'statement of fitness for work' (fit note) from a medical practitioner and submit this to their line manager. The line manager should then forward this document to the HR Business Centre to be scanned onto the employee's HR file.

A sample of absences over seven days was taken from iTrent, excluding recent cases where documentation may not yet have been scanned. For the 30 absences tested, there were fit notes present covering the entire period of absence in only 17 cases, 7 cases where the records covered some but not all of the period of absence and 6 cases where no fit notes were present.

4.1   Agreed Action

It will be investigated whether an alert can be set up on iTrent to notify managers when absence are over 7 calendar days to ensure a fit note is obtained and retained.
In the meantime, training will continue to be provided through the Workforce Development Unit and an email will be issued to all managers reminding of the importance of accurate recording and compliance with the attendance management policy and procedures.

Priority	2
Responsible Officer	Head of Business HR
Timescale	30/11/2014

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Audit Opinions and Priorities for Actions

Audit Opinions	
Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on 5 grades of opinion, as set out below.	
Opinion	**Assessment of internal control**
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Moderate assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions	
Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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