

REPORT TO: Audit and Governance Committee

MEETING DATE: 20 June 2017

BY: Depute Chief Executive (Resources & People Services)

SUBJECT: Internal Audit Report – Workforce Planning (Secondments and Higher Duties)

1 PURPOSE

- 1.1 To inform the Audit and Governance Committee of the recently issued audit report on Workforce Planning (Secondments and Higher Duties).

2 RECOMMENDATION

- 2.1 That the Audit and Governance Committee note the contents of the Executive Summary and Action Plan.

3 BACKGROUND

- 3.1 A review of the internal controls surrounding Workforce Planning was undertaken as part of the Audit Plan for 2016/17.
- 3.2 The main objective of the audit was to ensure that the internal controls in place were operating effectively.
- 3.3 The main findings from our audit work are outlined in the attached report.

4 POLICY IMPLICATIONS

- 4.1 None

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

6.1 Financial - None

6.2 Personnel - None

6.3 Other - None

7 BACKGROUND PAPERS

7.1 None

AUTHOR'S NAME	Mala Garden
DESIGNATION	Internal Audit Manager
CONTACT INFO	01620 827326
DATE	8 June 2017

**EAST LoTHIAN COUNCIL – INTERNAL AUDIT
WORKFORCE PLANNING
(SECONDMENTS AND HIGHER DUTIES)**

1. EXECUTIVE SUMMARY

1.1 Introduction

A review of the internal controls surrounding Workforce Planning was undertaken as part of the Audit Plan for 2016/17. Our review examined the arrangements in place for employees undertaking secondments or higher duties. A summary of our main findings is outlined below.

1.2 Areas where Expected Controls were Met

- The Council has in place appropriate policies for secondments and higher duties.
- A clear audit trail exists on the Civica system of all secondments and higher duties – a detailed process history screen records all key tasks undertaken at each stage of the workflow process.
- All key documentation is held for secondments and higher duties, including a fully completed Change of Contract form detailing the start and end date and a formal letter to the employee outlining the terms of the secondment or higher duties.
- All Change of Contract forms had been properly authorised by the relevant line manager.
- Arrangements are in place to ensure that employees return to their substantive post and salary grade at the end of their period of secondment or higher duties.

1.3 Areas with Scope for Improvement

- The current approach adopted for applying the Secondment Policy requires review – in some cases, Change of Contract forms processed as secondments were inconsistent with the definition contained in the Secondment Policy. *Risk – failure to adopt a consistent approach.*
- There had been a failure by one service area to complete a Change of Contract form timeously to end the period of higher duties resulting in an overpayment occurring – in this case, HR had sent reminders to the service area requesting that a Change of Contract form be completed to either extend or end the higher duties, however the service area had failed to respond to the reminders that had been sent. *Risk – inappropriate payments may be made.*
- The approach adopted for setting up secondments and higher duties on the Payroll system requires review. *Risk – failure to adopt a consistent approach.*

1.4 Summary

Our review of Workforce Planning (Secondments and Higher Duties) has identified some areas with scope for improvement. Detailed findings and recommendations are contained in our main audit report.

**Mala Garden
Internal Audit Manager**

June 2017

**EAST LOTHIAN COUNCIL – INTERNAL AUDIT
WORKFORCE PLANNING
(SECONDMENTS AND HIGHER DUTIES)**

ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.1.2	Management should review and update the Secondment Policy to ensure that it provides clarity on what constitutes a secondment and when the Policy should be applied.	Medium	HR Business Partner/Senior HR Adviser	Policy to be reviewed.		October 2017
3.3.2	Management should ensure that all Change of Contract forms are completed prior to the secondment start date.	Medium	HR on behalf of Service Managers	HR to send reminder to all Service Managers and Head Teachers.		July 2017
3.3.3	Management should review and update the existing Secondment Policy to ensure that it clearly sets out the circumstances when secondment agreements should be used.	Medium	HR Business Partner/Senior HR Adviser	Policy to be reviewed.		October 2017
3.3.4	Management should ensure that a consistent approach is adopted for setting up secondments on the Payroll system.	Medium	Payroll Manager	Agreed		June 2017

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.4.1	Management should ensure that Change of Contract forms for higher duties are completed timeously.	Medium	HR on behalf of Service Managers	HR to send reminder to all Service Managers and Head Teachers.		July 2017
3.4.2	Management should ensure that a consistent approach is adopted for setting up higher duties on the Payroll system.	Medium	Payroll Manager	Agreed		June 2017
3.4.3	Management should ensure that Change of Contract forms are completed timeously to either extend or end the contract for all employees undertaking higher duties. Where service areas fail to act on the email reminders sent by HR, consideration should be given to escalating the reminder to the Service Manager or Head of Service.	Medium	HR on behalf of Service Managers HR Business Partner/Senior HR Adviser	HR to send reminder to all Service Managers and Head Teachers. Will consider amending procedure to reflect this point.		October 2017

Grading of Recommendations

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
High	Recommendations which are fundamental to the system and upon which Management should take immediate action.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.