Glasgow Kelvin College

Sickness Absence

Internal Audit Report No: 2021/02

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LEVEL OF ASSURANCE	**Satisfactory**

Now, for tomorrow

mha HENDERSON LOGGIE

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Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit and Risk Committee.
Priority 2	Issue subjecting the organisation to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

Management Summary

Overall Level of Assurance

Satisfactory	System meets control objectives with some weaknesses present.

Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Glasgow Kelvin College ('the College') Strategic Risk Register:

- Human resource management – High absence rates make it impossible to provide appropriate quality of planned service. This could result in learners leaving their courses, worsening KPIs, reputational damage and increased difficulty in recruiting future learners (risk rating unacceptable).

Background

As part of the Internal Audit programme at the College for 2020/21, we reviewed the adequacy of the absence management process within the College. Absence management is a complex subject, which can be influenced by several factors including demography and human behaviour. Detailed analysis of sickness absence data can provide an explanation of the underlying health trends within the College and assist the Human Resources (HR) team in ensuring that policies and procedures in place encourage effective management of periods of absence within the College.

The College has in place a comprehensive absence management policy to support both staff and managers in dealing with absence through a structured approach to identify and resolve these issues. Support for managers and staff is available from the HR team. The average absence rate has fallen from 4.9% in 2015/16 to 3.7% for the 2019/20 academic year. For the academic year 2019/20, the College lost, on average, 6.2 workdays per employee. In March 2020, the Chartered Institute of Personnel and Development (CIPD) reported that the average public sector absence rate was 8 days[1].

[1] CIPD- Wellbeing at Work Report (Public Sector) March 2020.

Scope, Objectives and Overall Findings

The scope of this audit was to consider sickness absence procedures and the use and reporting of sickness absence information.

The table below notes the objectives for this review and records the results:

Objective	Findings			
The specific objectives of this audit were to obtain reasonable assurance that:		**1**	**2**	**3**
1. Policies and procedures encourage effective management of sickness absence.	**Good**	0	0	0
2. Policies and procedures are being followed in practice.	**Satisfactory**	0	0	2
3. There is an appropriate programme of training and guidance for line managers, to ensure that there is a consistent understanding and application of agreed policies and procedures.	**Good**	0	0	0
4. Information on sickness absence for management purposes is accurate, timely, and effectively reported at management and Board levels; and	**Good**	0	0	0
5. Current legislation is complied with.	**Good**	0	0	0
Overall Level of Assurance	**Satisfactory**	0	0	2
		System meets control objectives with some weaknesses present		

Audit Approach

Staff within the HR team, and a sample of College managers, were interviewed to identify current practices for recording, monitoring, managing and reporting sickness absence. Policies, procedures and other supporting documentation, including management and Board reports, were also reviewed. Activity was matched against recognised good practice and legal requirements and historic sickness absence information was reviewed. Our audit approach took account of the way in which the process has been reviewed and adapted for the College since the start of the COVID-19 pandemic.

Summary of Main Findings

Strengths

- The College's Attendance Management and Support Policy provides a comprehensive overview of the process for both managers and staff for dealing with absences from work;
- There are mandatory procedures in place to direct managers on how to report absences and support staff who are absent from work;
- The policies also outline the support available to managers and staff, including measures such as reasonable workplace adjustments and phased return to work, when required;
- The College has invested in training to deliver its person-centred approach to improving absence management and deliver its Health and Wellbeing plan;
- Support and guidance are available from HR to assist managers and staff in dealing with ill health issues and absence from work;
- Regular reporting is in place to the Human Resources Committee;
- This annual report details current absence levels within the College and management activities in place to maintain and improve sickness levels within the College; and
- As previously noted, the outcome of these measures has resulted in the College sick rates falling from 4.9% in 2015/16 to its current rate of 3.7%, with the days lost due to absence well below the public sector average.

Weaknesses

- Not all mandatory Return to Work (RTW) interviews are being completed; and
- There have been significant delays in completing and documenting RTW and formal interviews when trigger points have been reached. Operational managers interviewed as part of our review stated that the process is reliant on the completion of paperwork which is perceived as cumbersome and this can lead to delays in obtaining sign off by all of the relevant parties to enable submission to HR. Implementation of a digital solution would minimise the paperwork required to complete the process.

Acknowledgements

We would like to take this opportunity to thank the staff at the College who helped us during our audit.

Main Findings and Action Plan

Objective 1: Policies and procedures encourage effective management of sickness absence.

There are comprehensive policies and procedures in place covering all aspects of absence management within the College. These were last reviewed and updated in November 2019 and are next due for review by December 2022. The College's Attendance Management and Support Policy provides a comprehensive overview of the process for both managers and staff including:

- Reporting Absence;
- Return to Work (RTW) Meeting;
- Managing absence, short, medium and long term;
- Employee support including phased return and reasonable adjustments;
- Occupational Health Advice;
- Disciplinary Considerations; and
- Dismissal and appeals process.

The Attendance Management and Support Policy outlines the roles and responsibilities for managers and staff in both reporting and managing sickness absence, it provides a detailed step-by-step guide and it also addresses the Health and Safety Executive (HSE) and the Advisory, Conciliation and Arbitration Service (ACAS) requirements in this area. The adoption and use of this approach underpin the improvement in the sickness absence rate within the College. For the year ended 31 July 2020 the College had a staff absence rate of 3.7% of available workdays. This represents a significant improvement on the recorded absence rate since 2015/16 when it stood at 4.9%.

In addition, the College annually benchmarks its performance against public sector organisations. For the 2019/20 year, on average, 6.2 workdays per employee were lost due to sickness absence. The public sector average, as reported by the Chartered Institute of Personnel and Development (CIPD) in March 2020, stood at 8 days. Therefore, as well as seeing a reduction in the level of sickness absence over time, the College is on average losing less productive days to sickness than other public sector bodies.

Objective 2: Policies and procedures are being followed in practice.

The Attendance Management and Support Policy within the College provides a clear and consistent approach to be followed by all managers and staff. As part of our audit, we conducted substantive testing to ensure that key elements of the process were being complied with including:

- Return to Work (RTW) interviews;
- Submission of the required medical certificates; and
- Formal interviews undertaken when an absence trigger point has been breached.

Our testing confirmed that the RTW interviews had been completed as required in 92% of the reported sickness absences reported since June 2018. As part of our audit testing, we investigated the underlying cause(s) where non-compliance had occurred and identified those RTWs which had either not been completed or where there had been delays in returning the required paperwork to HR. Full details of the reasons for the current level of non-compliance are detailed in the observation below. An escalation process is in place which allows areas of non-compliance to be identified. Where non-compliance exists against the mandatory requirements of the absence management policy, it is reported to the college's Senior Management Team.

Testing was also undertaken on other elements of the Attendance Management and Support Policy, including submission of the required medical certificates and completion of the formal interviews when required. The results of our testing confirmed that these policy requirements are being complied with. However, we identified that paperwork for the formal interviews was not always being completed and returned to HR in a timely manner.

In addition, as part of our audit work we also interviewed a number of operational managers, who apply the absence management policy, and confirmed that they are informed by HR when a formal interview is required and will compete a RTW interview when staff return.

HR also provide managers with support and guidance when they are required to undertake more complex elements of the absence processes including:

- Phased returns to work;
- Reasonable adjustments for staff;
- Occupational Health Service (OHS) referral process; and
- Support when staff are exiting the College on the grounds of ill health.

Objective 2: Policies and procedures are being followed in practice (continued).

Overall, the audit confirmed that effective processes are in place to manage absence and this approach was largely being complied with across the College however some instances of non-compliance with the required controls and their application were identified and these are detailed below.

Observation	Risks	Recommendation	Management Response	
As part of our audit, we tested the completion of the mandated RTW process. Since 01 August 2019, 293 instances of staff absences have been reported. Of these absences 258 RTW interviews had been completed and the paperwork returned to HR. Of the remaining 35 instances, 16 related to staff who are still off on long term sick and eight related to staff who had left the College's employment and therefore no RTW interview is required. Leaving 11 instances where a required RTW interview has not been completed at the time of the audit, of which seven occurred at the time of the audit and were completed during the audit process. This results in a compliance rate of 98% for the completion of the RTW interview process. Further analysis of the areas of non-compliance was undertaken to identify whether any patterns existed. This analysis was based on the timescale to return paperwork for the RTW interview and non-compliance has occurred since March 2020. It was evident from our review of these instances that the largest group, representing 39% of the non-compliance, had occurred within the Engineering, Construction and Science (ECS) department. There is no consistent pattern of non-compliance elsewhere across the College. While there is an escalation process in place when RTWs are not completed, this has not satisfactorily addressed non-compliance with mandatory completion of RTW interviews in all areas of the College. Operational managers interviewed as part of the audit stated that the process is reliant on the completion of paperwork which is perceived as cumbersome and this can lead to delays in obtaining sign off by all relevant parties to allow submission to HR.	Non-compliance with the agreed process could result in an increase in days lost through sickness absence to the College and the potential loss of productive staff time through ill health.	**R1** The College should review its approach to the completion of RTWs to attempt to improve levels of compliance across the College, including where possible a digital approach to minimise the required paperwork to complete the RTW process. In addition, a digital process would enable a more effective escalation procedure with automatic reminder emails issued to relevant line managers where the required RTW process is not being followed.	The College has been developing an online self-certificate service in partnership with its HR software provider. This will eliminate the need for paperwork and the system will send reminders to managers automatically. The HR Team will carry out a weekly audit of the system to ensure the self-certificate process is complied with by managers. The system will be rolled out to all departments by the end of session 20/21. **To be actioned by:** Director of Human Resources **No later than:** 31 July 2021	
			Grade	**3**

Objective 2: Policies and procedures are being followed in practice (continued).

Observation	Risks	Recommendation	Management Response	
Our testing of the RTW process also identified some significant delays in the completion of the RTW interviews and the return of the paperwork to HR. While the average time taken to complete the RTW interview and return the paperwork was 10.25 days, the range of completion time was from one day to 156 days. 80% of RTW interviews were completed within 10 days. In addition, the testing of the formal interviews undertaken when an absence trigger point has been breached also identified one instance out of 78 instances where the relevant manager had confirmed that the interview had taken place in March 2020, but refused to return the relevant paperwork to HR.	Non-compliance with the agreed process could result in an increase in days lost through sickness absence to the College and the potential loss of productive staff time through ill health.	**R2** A target date should be set and monitored for the completion of RTW and formal interviews and the submission of the paperwork to HR. The level of compliance in meeting this agreed target date should be monitored and reported on. Implementation of recommendation **R1** would also assist in this process, as reminders could be issued when the target date for completion has been missed, and non-compliance with the agreed reporting requirements would be automatically notified to the relevant line manager.	The online self-certificate system will send reminders to managers automatically within set timescales. The HR Team will carry out a weekly audit of the system to ensure the self-certificate process is complied with by managers. The online system will automatically notify managers when a formal interview is required. The HR Team will carry out a weekly audit of the system to ensure the formal interview process is complied with by managers. **To be actioned by:** Director of Human Resources **No later than:** 31 July 2021	
			Grade	**3**

Objective 3: There is an appropriate programme of training and guidance for line managers, to ensure that there is a consistent understanding and application of agreed policies and procedures.

In addition to guidance being made available to all managers and staff via the College's intranet site, the Attendance Management and Support Policy is covered within the induction process for all new staff when they join the College. Specific training is in place for those members of staff who have responsibilities for managing staff absences within the College. The operational managers interviewed as part of our audit confirmed that they had received training and that they were aware of (and had applied) the Attendance Management and Support Policy with support provide by the HR team when required.

The College's culture is to adopt a 'person centred' approach for the management of staff absence, with the aim of seeking a satisfactory outcome for both the employee and the College when sickness absence has an adverse impact on performance. In order to deliver this approach the College has invested in training for managers and has provided tailored training in areas such as:

- Management skills to improve sickness absence;
- Coaching skills for managers; and
- Supporting staff through the process.

There is also a particular emphasis placed on health and wellbeing, including awareness of mental health issues and how to address these, in line with the College's Health and Wellbeing Plan. The College has also run sessions at the staff conferences held in November 2019 and in March 2020 on wellbeing. This was run in parallel with sessions on management and staff behaviours to support staff through periods of absence, with the aim to benefit both the individual and the College.

As part of our audit, we interviewed a number of operational managers who apply the absence management policy and they confirmed that adequate and effective training is in place to support them in delivering the College's policy. Key to this approach is the support available from HR in delivering the policy - especially in complex areas.

The audit confirmed that effective training is in place to apply the College's absence management policy.

Sickness Absence

Objective 4: Information on sickness absence for management purposes is accurate, timely, and effectively reported at management and Board levels; and current legislation is complied with.

Information is provided on two levels, with the College HR team providing information to managers when an absence trigger point has been reached and when a formal review and interview is required. As detailed above, under Objective 2, testing of this process has confirmed that these requirements are generally being complied with. However, we did identify some issues over the completion of paperwork and timely submission to HR. Where these issues have occurred then the Director of Human Resources escalates these issues to the Senior Management Team.

At a corporate level, an annual report is provided to the Human Resources Committee, which is a formal sub-committee of the Board. This annual report details the current absence levels within the College and the management activities in place to continue to manage and where possible reduce these levels. In addition to the annual report, the Director of Human Resources also provides a six-monthly update on progress to the Human Resources Committee.

Our audit confirmed the completion and reporting of these annual reports in 2017/18, 2018/19 and in 2019/20.

Objective 5: Current legislation is complied with.

We reviewed relevant legislation relating to sickness absence and did not identify any obvious areas of non-compliance. As detailed under Objective 1, the College's absence management policies and procedures also address the HSE and ACAS requirements in this area. In addition, the College's HR staff are members of professional organisations, such as the CIPD, and any changes in legislation relating to sickness absence are identified through information and guidance disseminated by these organisations and are then incorporated into future iterations of policies and procedures, as necessary.

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