SCOTTISH POLICE AUTHORITY

Meeting	Audit Committee
Date	24 July 2018
Location	Pacific Quay, Glasgow
Title of Paper	Internal Audit Workforce Management Report
Item Number	5.2
Presented By	Helen Berry, Director, Scott-Moncrieff
Recommendation to Members	Members are requested to note the report.
Appendix Attached	Internal Audit Workforce Management Report

PURPOSE

This paper presents our final report on the review of Workforce Management.

The paper is presented in line with the Internal Audit contract with Scottish Police Authority.

The paper is submitted for noting.

Audit Committee
24 July 2018

1.   BACKGROUND

1.1   Workforce management (WFM) is an integrated set of processes that an institution uses to optimise the productivity of its employees on the individual, departmental, and entity-wide levels.
This audit has taken the form of regional reviews looking at key aspects of workforce management, including:

- sickness management;
- rostering;
- holiday scheduling; and
- overtime approvals.

We selected a sample of sites across the Scottish Police Authority (SPA) and Police Scotland (PS) locations to confirm consistent processes are followed and managed. The sites included:

- Lanarkshire (Q Division)
- Forth Valley (C Division)
- Highlands and Islands (N Division)
- Criminal Justice Division
- SPA (including Forensics)

2.   FURTHER DETAIL ON THE REPORT TOPIC

2.1   The report notes that Police Scotland's workforce management controls procedures reflect good practice in a number of areas including:

o   There are detailed Standard Operating Procedures (SOPs) in place for absence management and for annual leave (in relation to Police Officers). These are available on the staff intranet.

o   Police Scotland has arrangements in place to consult on the development of HR policies and procedures, with any staff member or officer in the force able to communicate suggested changes to the HR Policy Team (logged as Policy and Procedure Queries or PPQs). This feedback is collated,

analysed and changes are made to HR policies and procedures if appropriate. Each HR policy or procedure has a PPQ log in place.

o Police Scotland has a 'People Direct' HR helpdesk in place. This is a service for all officers and staff within PS and SPA. There is a People Direct telephone number which is available for both police officers and police staff. This helps provide clarity for any queries which relate to policies and procedures.

The report contains eight "grade 3" (high risk exposure) and two "grade 2" (moderate risk exposure) recommendations to enhance the design and operation of the workforce management controls. The findings contained within the report have been accepted with action owners and timescales for completion assigned.

Next steps: We will follow up management responses contained within the report on a periodic basis to monitor progress being made towards implementing management actions

3. FINANCIAL IMPLICATIONS

3.1 There are no financial implications arising as a direct result of this report.

4. PERSONNEL IMPLICATIONS

4.1 There are no personnel implications associated with this report.

5. LEGAL IMPLICATIONS

5.1 There are no legal implications associated with this report.

6. REPUTATIONAL IMPLICATIONS

6.1 There are no reputational implications arising from with report.

7. SOCIAL IMPLICATIONS

Audit Committee
24 July 2018

7.1 There are no social implications directly associated with this report

8. COMMUNITY IMPACT

8.1 There are no community impact implications directly associated with this report.
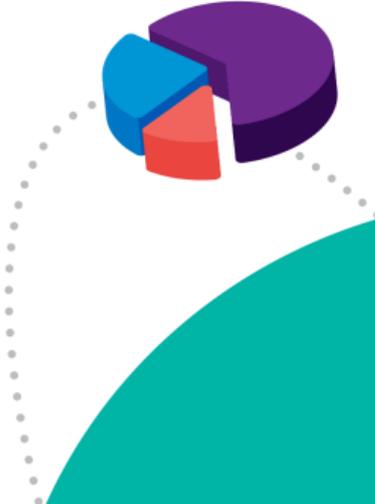
9. EQUALITIES IMPLICATIONS

9.1 There are no equalities implications directly associated with this report.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no environmental implications associated with this report.

RECOMMENDATIONS
Members are requested to note report.

Scottish Police Authority

Internal Audit Report 2017/18

Workforce Management

July 2018

Scottish Police Authority

Internal Audit Report 2017/18

Workforce Management

Audit Sponsor	Key Contacts	Audit team
Jude Helliker, Director of People and Development	*Stevie Diamond, Resource Deployment Manager* *Nicky Page, Head of People Management* *Peter Blair, Head of Resource Management*	*Gary Devlin, Partner* *Helen Berry, Director* *Laura Livingston, Audit Senior Manager* *Nadia Napier, Senior Internal Auditor* *Andrew Diffin, Internal Auditor* *Christopher Young, Internal Auditor* *Emily Rodgers, Internal Auditor*

Executive Summary

Conclusion

> **There are inconsistencies in workforce management processes and procedures at SPA and PS. We noted a lack of a standard process in relation to Rostering, while the processes in place for sickness management, holiday scheduling and overtime approvals are not applied consistently across the organisation.**

Background and scope

Workforce management (WFM) is an integrated set of processes that an institution uses to optimise the productivity of its employees on the individual, departmental, and entity-wide levels.

This audit has taken the form of regional reviews looking at key aspects of workforce management, including:

- sickness management;
- rostering;
- holiday scheduling; and
- overtime approvals.

We selected a sample of sites across the Scottish Police Authority (SPA) and Police Scotland (PS) locations to confirm consistent processes are followed and managed. The sites included:

- Lanarkshire (Q Division)
- Forth Valley (C Division)
- Highlands and Islands (N Division)
- Criminal Justice Division
- SPA (including forensics)

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

Control assessment

- 1. An effective communication strategy is in place to communicate HR policies and procedures and amendments to all staff (including new starts) in a timely manner.
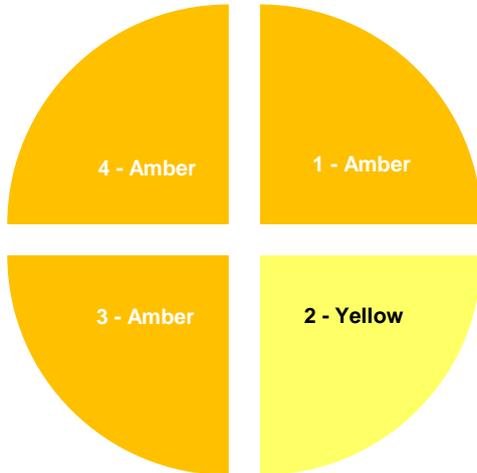
- 2. Arrangements are in place to ensure that policies and procedures are up to date and comply with current legislation, including the EU Working Time Directive.

- 3. Policies and procedures are applied in a consistent manner across locations.

- 4. There is a training programme in place to provide guidance for managers on HR policies and procedures.

Improvement actions by type and priority
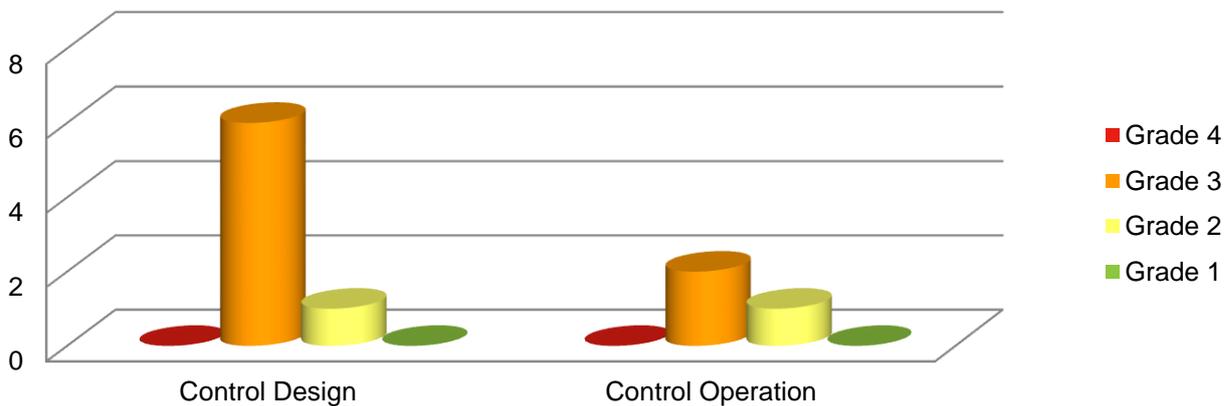
Ten improvement actions have been identified from this review, three of which relate to compliance with existing procedures, rather than the design of controls themselves. Seven of the improvement actions relate to the design of controls in place. See Appendix A for definitions of colour coding.

Key findings

Good practice

Police Scotland's procedures reflect good practice in a number of areas:

- There are detailed Standard Operating Procedures (SOPs) in place for absence management and for annual leave (in relation to Police Officers). These are available on the staff intranet.

- Police Scotland has arrangements in place to consult on the development of HR policies and procedures, with any staff member or officer in the force able to communicate suggested changes to the HR Policy Team (logged as Policy and Procedure Queries or PPQs). This feedback is collated, analysed and changes are made to HR policies and procedures if appropriate. Each HR policy or procedure has a PPQ log in place.

- Police Scotland has a 'People Direct' HR helpdesk in place. This is a service for all officers and staff within PS and SPA. There is a People Direct telephone number which is available for both police officers and police staff. This helps provide clarity for any queries which relate to policies and procedures.

Areas for improvement

We have identified 10 areas for improvement which, if addressed, would strengthen Police Scotland's control framework. These include eight "Grade 3" actions:

- Review of the content and delivery of induction courses to confirm that the courses contain appropriate communication regarding where staff and officers can access HR policy and procedure guidance, and are attended by all new starters.

- Consistent application of policies and procedures relating to

    o absence management,

    o annual leave and

    o overtime

    This should include review of Scope exception reporting.

- Development and implementation of a standard rostering process across the organisation, also involving consideration of Scope exception reporting.

- Development of workforce management information reports to provide narrative in relation to exceptions and any required improvement actions, to facilitate effective scrutiny of performance.

- Review and update of the content of line manager courses along with consideration of the frequency of refresher training.

- Reviewing all staff and officers with line manager duties to determine whether they have attended appropriate line manager training courses.

These are further discussed in the Management Action Plan below.

Management Action Plan

Control Objective 1: An effective communication strategy is in place to communicate HR policies and procedures and amendments to all staff (including new starts) in a timely manner.

Amber

1.1 Communication of HR Guidance to New Starts

Induction training is used to inform new starts about HR policies and procedures including information about where to access these documents. There are different induction courses in place for staff and officer new starts.

We tested a sample of 24 new starts to identify whether these individuals received induction training. We also reviewed induction training materials to determine whether new starts are informed about HR policies and procedures. We found three new staff starting did not receive the staff induction training (12.5%). While all of the new officers starting work did receive induction training, we noted the officer induction programme does not include HR policies and procedures training.

Risk

If staff and officers are not informed of the correct HR Policies and Procedures to follow as part of induction training, there is a risk that they do not apply the policies correctly, potentially resulting in non-compliance with legislation or regulation by Police Scotland.

Recommendation

A standard induction template that indicates all mandatory parts of induction training, including training on HR Policies and procedures, should be developed. This template should be used to inform individual induction training for all new staff and officers and HR should monitor completion of all induction training.

Management Action

Management accepts this recommendation.

Both staff and probationer training inductions are under review and will consider how best to communicate our HR policies and procedures. Line manager training is also under review to ensure our expectations of them as leaders are met.

Grade 3 (Design)

Action owner: Director of People and Development   **Due date: 30 November 2018**

1.2   Update of HR Policies and Procedures

HR policies and procedures are available to employees on the intranet and the Policy team communicates any changes to policies to relevant staff via email. We reviewed the HR policies and procedures currently available on the intranet and noted that there was no standalone policy or procedure for both the overtime approval process and staff annual leave.

Management is currently running an HR 'Policy Simplification Project', which will update and simplify current HR policies and procedures, along with making the P&D intranet more user friendly for staff and officers. The project is currently due for completion by July 2018; although we noted that the project had experienced some delays to date, making achievement of this deadline challenging.

Risk

Where Policies and Procedures are not up to date or clear, there is an increased risk of inconsistent application of policies and procedures across the organisation, which may lead to grievances or complaints being lodged.

Recommendation

Management should develop a Police Scotland policy and procedures for each of Overtime and Staff Annual Leave as part of the HR Policy Simplification Project.

Management should continue to monitor progress of the HR Policy Simplification Project, and give consideration to whether additional resource should be provided to facilitate completion of the project.

Management Action

Grade 2 (Operation)

Management accepts this recommendation.

Resources are continually reviewed to ensure work is progressing.

As part of the Police Staff Pay and Reward Modernisation Project, the payments of overtime and annual leave are currently under discussion and negotiation. Once the outcome from the negotiations is confirmed both overtime and annual leave will be part of the policy simplification project.

Action owner: Director of People and Development   **Due date: 30 April 2019**

Control Objective 2: Arrangements are in place to ensure that policies and procedures are up to date and comply with current legislation, including the EU Working Time Directive.

Yellow
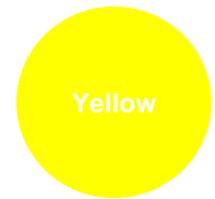
2.1 Monitoring of HR Legislation Horizon Scanning

The HR Senior Policy Manager has responsibility for horizon scanning to identify whether legislative changes will result in an update to a HR policy or procedure. The Senior Policy Manager provides updates to the Head of Strategy and Specialist Services, who reports into the P&D SMT meeting which is attended by the Director for P&D and tier 2 managers.

There are no minutes taken at these meetings, although actions are recorded in rolling action logs. We reviewed a sample of the P&D SMT rolling action logs and found that the lack of actions in relation to horizon scanning meant we were unable to confirm that there is appropriate oversight and monitoring of the horizon scanning activities.

Risk

There is a risk that legislative amendments to HR policies and procedures may not be updated on a timely basis if there is a lack of oversight and governance by the P&D SMT. This could result in staff adhering to policies and procedures that are not compliant with current legislation which could increase the risk of potential reputational damage and financial sanctions for the organisation.

Recommendation

We recommend that more formal HR policy and procedure legislative horizon scanning updates are provided to the P&D SMT meeting. This could also be provided to governance groups within both Police Scotland and SPA, such as the People Committee.

Management Action

Grade 2 (Design)

Management accepts this recommendation.

A more formal process will be put in place to report on a quarterly basis a legislative horizon scanning update to the P&D SMT for onward progression to both Police Scotland and SPA if required.

Action owner: Director of People and Development   **Due date: 30 September 2018**

Control Objective 3: Policies and procedures are applied in a consistent manner across locations.

Amber

3.1 Absence Management

There is an absence management Standard Operating Procedure (SOP) in place across Police Scotland and SPA. Absence management is detailed on the individual's Scope record and monitored centrally by the HR advisors for each division. This process is consistent across both Police Scotland and SPA.

We tested a sample of 24 short term sickness instances and 24 long term sickness instances and found:

- 21 instances (43%) of contact with the individual not being sufficiently recorded on Scope throughout the period of absence;
- Four instances (8%) of return to work interviews not being conducted;
- Six instances (12.5%) where the medical certification of sickness provided did not cover the full period of absence;
- Seven instances (29%) where there was no face to face meeting conducted after 28 days of absence for those on long term sick leave as required by the SOP.

Risk

There is a risk that individuals are not provided with the appropriate support throughout their absence, due to a lack of monitoring in line with the SOP. This may result in poor staff well-being.

There is a risk that the absence management processes are not being consistently applied by line managers across the force, due to inadequate training. This may result in inaccurate recording of absences and ultimately employees being treated inconsistently. Due to the public nature and scrutiny faced by PS and SPA, in the case of disciplinary procedures it would prove difficult to evidence that the appropriate due process has been followed.

Recommendation

We recommend that PS and SPA ensure that absence management processes are applied consistently across the organisation. This could be done through providing more training to line managers to ensure that they are aware of their responsibilities for managing absence and ensure they are aware of the support available to employees that are off sick.

Management Action

Grade 3 (Operation)

Management accepts this recommendation.

HR Business partners will continue to highlight the need for departments to monitor and take action. First line manager training materials will be reviewed to ensure that are fit for purpose.

Action owner: Director of People and Development   **Due date: 31 March 2019**

3.2 Monitoring of rostering requirements

The Police Regulations 2013, the Police Service of Scotland Workforce Agreement for Federated Ranks, and Police Negotiating Board Circulars place a number of restrictions upon the ability of Police Scotland to vary rostered shifts. These documents form the basis of a policy setting out the requirements of the rostering process.

We reviewed the arrangements in place for rostering across three geographical divisions and one national division. While use of the SCOPE system was common to all divisions, we noted different approaches to the development of rosters between regions, divisions and even areas within divisions. In particular, responsibility for preparing rosters and the authority for approving variations to shift patterns varies across the organisation.

The Scope system has in-built controls in relation to some but not all of the agreed rostering requirements, as set out in the documents referred to above. For example:

- The shift patterns built into the system include rostering of rest days. Where an individual is rostered to work on a rest day, the system requires that the rest day is re-rostered or "banked", it cannot simply be removed in such a way that it is lost by the individual. This enforces compliance with the restriction that at least two days out of seven are rest days.

- The system will flag up a warning if shifts are rostered with less than 11 hours of separation. This can be overridden (as in the case where the issue is considered an "exigency of duty").

However, we noted that:

- There are no Scope system restrictions that enforce compliance with the restrictions around night working or the 48 hour EU working time limit, though Resource Advisers and managers are able to view the current average calculation for a given individual.

- The system is able to run reports which provide information regarding breaches of the Workforce Agreement/Regulations but this method of exceptions reporting is not part of the current rostering process in place across SPA/PS.

Risk

There is a risk of workforce mismanagement due to the application of inconsistent rostering processes, leading to inequitable treatment of officers and staff and damage to the organisation's relationship with its workforce.

There is a further risk that non-compliance with current rostering requirements would not be detected and corrected by PS, potentially resulting in fines and reputational damage.

Recommendation

A single process for rostering, including authority levels, should be defined and documented. The new process should be communicated across the organisation and management should ensure exception reporting that allows detection of instances where the procedures are not followed consistently is in place.

Management should also consider whether the exception reporting within Scope should be developed to cover additional rostering requirements such as compliance with the EU working time directive.

Management Action -

Management accepts this recommendation.

Introduction of the revised Workforce Agreement for Federated Ranks, and current negotiations on similar agreements for Superintendents and Police Staff, has given the opportunity to align current Rostering and Management practices and procedures into a consistent and single Force wide approach. Agreement has been reached with the Scottish Police Federation that this will be accomplished by the 31st of October 2018. Further negotiation is required for the other agreements with SPRM dealing with Police Staff. A course of work has been agreed which will introduce changes in manageable phases with as little disruption to officers or service delivery as possible.

Action owner: Director of People and Development　　　　　　**Due date: 30 April 2019**

3.3   Annual Leave

Annual leave is requested through the Scope management system by the individual. It is approved by either the line manager (in the West) or the resource deployment unit (RDU) (East and North). Otherwise, this process is consistent across both Police Scotland and SPA.

There is an annual leave SOP in place for officers, which is available on the staff intranet. There is no SOP in place for police staff, as it is currently under development (see MAP 1.2).

For officers, requests can be auto-approved by the Scope system if they are requested at least 5 weeks in advance and fall within their assigned annual leave block. In all other cases, annual leave requests should go to the line manager or RDU for approval.

For staff, the length of time requested should be doubled and this is the notice required for requesting holidays (e.g. for one week's annual leave, the request should be made at least two weeks in advance). This is in line with the ACAS (Advisory, Conciliation and Arbitration Service) guidance as there is currently no staff SOP in place for annual leave.

We tested a sample of 24 annual leave requests from officers and 24 requests from police staff and found:

- One instance (4%) of a holiday request being auto-approved, even though it was not requested 5 weeks in advance, indicating that the automated control has not been properly designed.
- Three instances (6%) of holidays being requested and approved retrospectively, with no explanation detailed on the individual's Scope record.

Risk

There is a risk that holidays are taken at inappropriate times due to the lack of prior approval, resulting in insufficient workforce levels.

Recommendation

We recommend that a systems review of the auto-approval formula is undertaken to ensure that the criteria for the requests are met before auto-approval is given.

We recommend that adequate explanations and supporting evidence is kept on the individual's Scope record when holidays are approved retrospectively.

Grade 3 (Design)

Management Action

Management accepts this recommendation.

Review of the annual leave allocation process will be carried out including the agreed business rules around auto grant. The process for retrospective granting of annual leave will be included in a revised Annual Leave guidance.

Action owner: Director of People and Development   **Due date: 31 March 2019**

3.4 Overtime

Overtime can be claimed via Scope by both officers and staff across PS and SPA. This process is consistent across both Police Scotland and SPA, although there is no formal guidance in place for claiming overtime (as outlined at MAP 1.2 above).

The reimbursement for overtime can be either pay or TOIL. When a claim is for TOIL, it only requires line manager approval. However when the claim is for pay, it requires line manager approval and approval by the divisional administrator before being processed by payroll. All approvals are documented and processed on the Scope system. This overtime claim is then carried through to the roster.

We tested a sample of 24 overtime claims from both police staff and police officers and found:

- In one instance (4%) the overtime claim was not carried through to the roster;
- In three instances (12.5%) the overtime claim was not approved by the divisional administrator, although payment was claimed rather than TOIL; and
- In one instance (4%) the shift worked and the overtime claim overlapped by hour, despite having been through both line manager and divisional admin checks.

Risk

There is a risk that overtime claims are inappropriate or fraudulent due to a lack of appropriate approval, resulting in higher staff costs.

Recommendation

We recommend (as per MAP 1.1) that overtime guidance is produced in line with working practices. As suggested in the MAP 4.1, there should be training given on the overtime process.

Additionally, a Scope systems review should be conducted to ensure that overtime pay claims cannot be processed by payroll unless they have received divisional admin approval on the system.

Management Action

Grade 3
(Design)

Management accepts this recommendation.

We recognise that there are inconsistent procedures across Police Scotland for managing overtime claims. In respect of Police Staff we are developing revised policy and guidance as part of the modernisation of pay and reward. We will develop a communications strategy to support the roll out of changes to terms and conditions so that managers understand the changes and this will better inform managers of their responsibilities and processes to be followed.

We are refreshing our approach to accessing key HR policies through the creation of a policy hub.

In relation to Police Officers, we have workforce agreements in place which details the process and provides guidance to managers on application.

We will investigate possible changes to the SCOPE system to strengthen the controls around authorisations, particularly where they require Divisional Admin approval.

Action owner: Director of People and Development   **Due date: 30 April 2019**

3.5   Monitoring and Reporting

Management produces a monthly PD Information Pack, which provides information on key HR information, including statistics in relation to absence performance. This is distributed to HR Business Partners for discussion within their business areas and shared with the SMT and People Committee.

We also noted a Resource Deployment Divisional Monthly Analysis report, which provides detailed statistical information about annual leave, TOIL balances, re-rostered rest days and Working Time Directive adherence. However, the reports do not include any narrative to provide context to the figures and to provide explanations for corrective actions in relation to any exceptions flagged within the report.

Risk

There is a risk that current management reporting does not promote effective scrutiny of resourcing information, leading to unnecessarily incurred overtime and potential failure to comply with working time regulations.

Recommendation

The Divisional Monthly Analysis report should be updated to highlight exceptions in performance and to provide details of planned management action to address such exceptions. The report should be presented to an appropriate governance board to allow scrutiny of how management is completing any improvement actions required. This work should be linked to completion of the additional HR performance reporting recommendations raised in our internal audit report "*HR Performance Reporting – data quality and collection*".

Management Action

Grade 3 (Design)

Management accepts this recommendation.

The current reporting function is being developed to produce more insightful reports and to identify exceptions in performance.

Action owner: Director of People and Development   **Due date: 31 March 2019**

Control Objective 4: There is a training programme in place to provide guidance for managers on HR policies and procedures.

Amber

4.1 HR Training Courses Provided

There is a 'First Line Manager' course in place at PS for any staff or officer with line manager responsibilities to attend. This course covers HR aspects of line management areas such as:

- Attendance management and capability
- Coaching and mentoring
- Ethics and human rights
- Supporting disability in workplace
- Wellbeing (role of manager)

There is also a 'Managing Attendance' HR course for managers to attend, as well as other HR courses such as grievance procedures and staff wellbeing training courses.

However, the review identified that there are certain aspects of workforce management (e.g. overtime and staff annual leave approval process) which is not covered by the current HR training programme.

Risk

There is a risk that management do not fully understand and appropriately apply the requirements of HR policies and procedures if comprehensive training sessions are not in place. This could result in procedures being inconsistently applied across the organisation which could adversely impact the resource levels available to deliver operational/strategic plans.

Recommendation

SPA/PS should consider reviewing the HR courses provided to ensure the programme is fully comprehensive, for example including training sessions for annual leave and overtime approval processes. This training could be included within the 'First Line Manager' training programme which is already in place to ensure comprehensive line manager training is provided for HR policies and procedures.

Consideration should also be given to holding refresher training courses in areas where managers request further training or inconsistencies in the application of HR policies and procedures are identified.

Management Action

Management accepts this recommendation.

The First Line Managers Course will continue to be reviewed to ensure it covers all aspects of line management as highlighted within the Audit. Consideration will be given to the creation of any additional online refresher training as required.

Action owner: Director of People and Development   **Due date: 30 April 2019**

4.2   Line Manager Attendance of HR Training Courses

As outlined at MAP 4.1 above, there are various HR training programmes which are available at PS/SPA for staff or officers with line manager duties. HR training programmes aligned to workforce management include the 'first line manager' training and the 'absence management' training.

We reviewed a sample of 24 line managers across PS and SPA to determine whether line managers have attended these training modules to support their understanding of workforce management aspects. We found:

- Only three (13%) individuals attended both the first line manager training and the attendance management course, while one (4%) had been a line manager since 2012 and was not due to attended the attendance management course until July 2018.
- Of the remaining individuals in our sample, five (20%) attended neither course, eleven (46%) attended only the first line manager training, and four (17%) attended only the attendance management course.

Risk

There is a risk that management do not fully understand and appropriately apply the requirements of HR policies and procedures if staff and officers with line manager duties do not attend the training courses available. This could result in procedures being inconsistently applied across the organisation which could adversely impact the resource levels available to deliver operational/strategic plans.

Recommendation

SPA/PS should review all staff and officers with line manager duties to ensure they have attended appropriate line manager training including first line manager training and the attendance management course.

Management Action

Grade 3 (Operation)

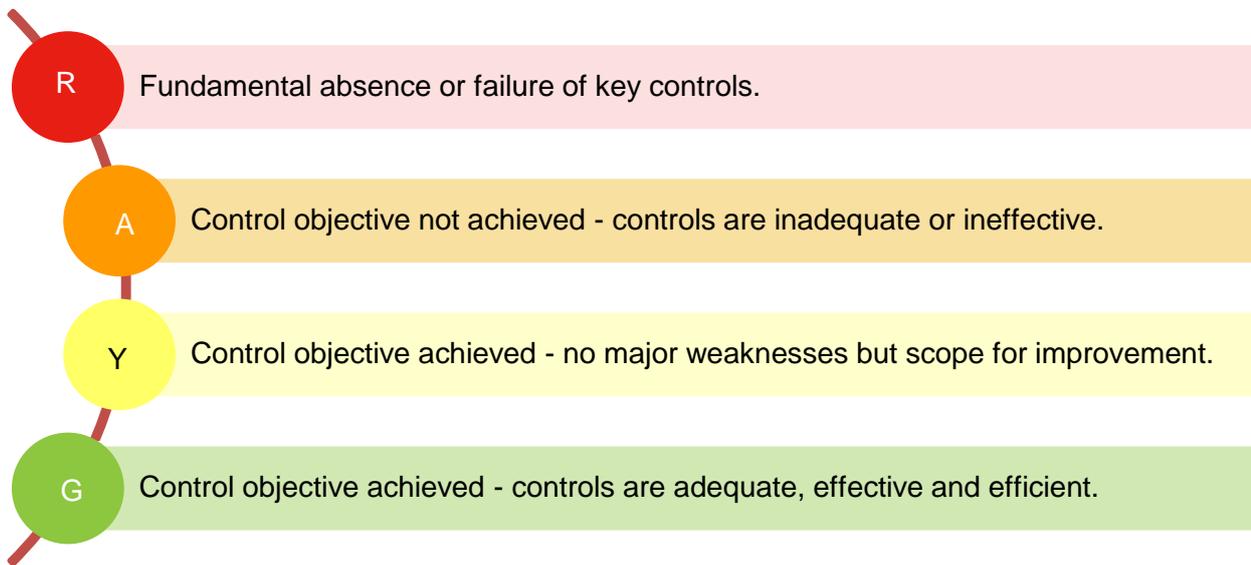Management accepts this recommendation.

Training Business Partners to liaise with divisional SPOCs at Training Meetings, highlight available Training Courses for line managers and record demand.
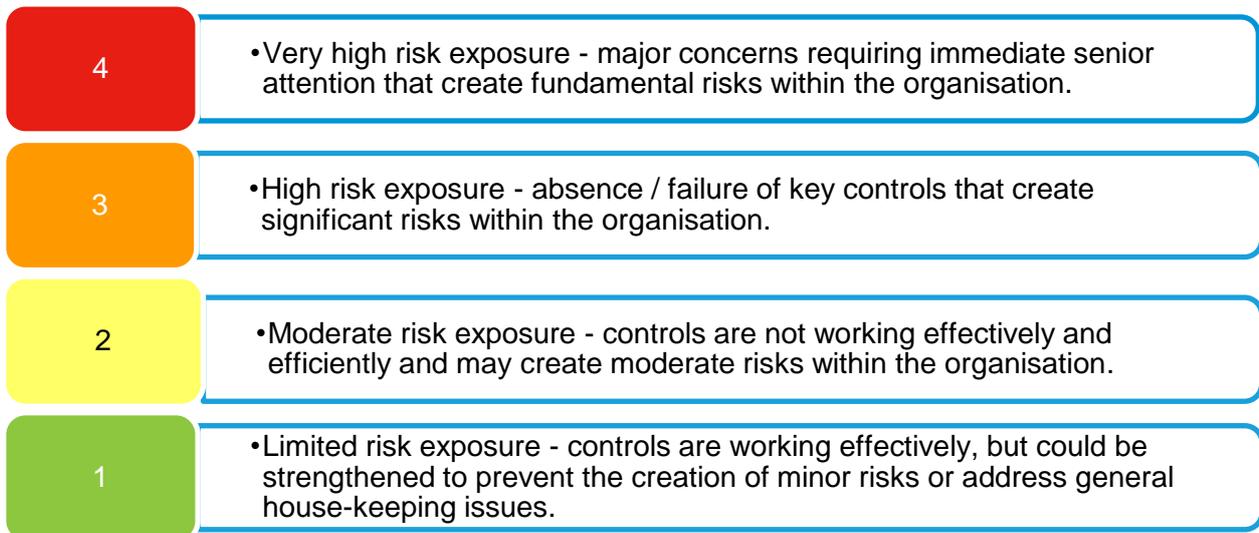
Action owner: Director of People and Development   **Due date: 30 April 2019**

Appendix A – Definitions

Control assessments

R — Fundamental absence or failure of key controls.

A — Control objective not achieved - controls are inadequate or ineffective.

Y — Control objective achieved - no major weaknesses but scope for improvement.

G — Control objective achieved - controls are adequate, effective and efficient.

Management action grades

4 — •Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation.

3 — •High risk exposure - absence / failure of key controls that create significant risks within the organisation.

2 — •Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation.

1 — •Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.