



**Comhairle nan Eilean Siar
Internal Audit Follow Up Review
Management of Sickness
Final Report – FU03-23/24**

27 May 2024

**COMHAIRLE NAN EILEAN SIAR
INTERNAL AUDIT FOLLOW UP REPORT
MANAGEMENT OF SICKNESS ABSENCE**

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SECTION 1: EXECUTIVE SUMMARY

Introduction

1.1 The Report has been prepared for the Comhairle's Audit and Scrutiny Committee. The original report advised of 9 recommendations made in the Management of Sickness Absence report which was issued on 19th June 2023. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24.

Internal Audit Objective

1.2 Following up internal audit reports and assessing the level of compliance with recommendations made is an important part of the internal audit function.

1.3 In accordance with the remit detailed in the operational annual internal audit plan for 2023/24, our internal audit work was designed to obtain assurance that the original recommendations have been implemented. We obtained this assurance through internal audit testing and undertaking discussions with key personnel.

1.4 The main recommendations in the original report were:




- The Sickness absence policy approved in 2019 should be reviewed and updated to ensure best practice processes;
- A new Employee Health & Wellbeing Strategy should be put in place, and the Stress Prevention Policy should be reviewed and updated as required; and
- Resourcelink and MyView functionality should be developed and extended to allow for a more streamlined system to support HR and Payroll processes at the earliest opportunity.










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Detailed Findings

1.5 The current status of progress against the original recommendations can be summarised as follows:

Key to Status

-  Fully implemented;
-  Partly implemented, although further work is required to meet the objective of the recommendation; or
-  Insufficient progress to date

Recommendations	Action to Date	Status
HR/OD to work with the Training section to provide an up-to-date training programme for new and existing Line Managers to provide them with the knowledge and tools to manage sickness absence and identify and control any issues.	Insufficient progress to date	
The Sickness absence policy approved in 2019 should be reviewed and updated to ensure best practice processes.	Partly implemented	
A new Employee Health & Wellbeing Strategy should be put in place, and the Stress Prevention Policy should be reviewed and updated as required.	Partly implemented	
Resourcelink and MyView functionality should be developed and extended to allow for a more streamlined process to support HR and Payroll processes at the earliest opportunity.	Partly implemented	
HR to remind Managers of the importance of seeking OH Referrals earlier in the process to allow Return to Work matters to be undertaken prior to an employee's return.	Partly implemented	
Managers should be reminded of the importance of completing the correct FINs and Return to Work Interviews in order to ensure HR and Payroll are advised of the necessary work to be undertaken timeously to avoid unwanted errors occurring.	Partly implemented	
A more proactive approach to Wellbeing promotion and support should be implemented in addition to EAP signposting in order to ensure early intervention to wellbeing issues. This approach should align with the longer-term approach laid out in the Employee Health & Wellbeing Strategy. This role should then be reviewed after a period of time.	Partly implemented	
HR should proactively promote all wellbeing schemes available to employees on a regular basis.	Partly implemented	
HR to consider how to best support Line Managers to identify and manage sickness absence issues in their section.	Fully implemented	

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Concluding Remarks

- 1.6 From our follow up testing, we note that out of the 1 follow up recommendations made in the original report, 9 appear to have been fully implemented, and management have confirmed that the remaining recommendations are ongoing.
- 1.7 It should be noted that the service was affected by the cyber-attack in November 2023, and understandably the focus has been to resume normal practice as a priority. Internal audit recommendations will continue to be worked on and implemented as required.
- 1.8 For Comhairle Nan Eilean Siar Internal Audit Section

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Comhairle Nan Eilean Siar
Sandwick Road
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SECTION 2 - DETAILED FINDINGS AND RECOMMENDATIONS

Action Recommended	Action By	Progress to Dat	Action Outstanding
2.1			
HR/OD to work with the Training section to provide an up-to-date Training programme for new and existing Line Managers to provide them with the knowledge and tools to manage sickness absence and identify and control any issues.	Head of HR and Performance	Delayed due to staffing resources.	

Action Recommended	Action By	Progress to Date	Action Outstanding
2.2			
The Sickness absence policy approved in 2019 should be reviewed and updated to ensure best practice processes.	HR Manager	CMT and JCC have been advised that a review of the policy will be undertaken over coming months. Employee engagement will take the form of a suite of questions within the forthcoming survey employees.	Employee engagement Fully informed review of existing policy and procedures

Action Recommended	Action By	Progress to Date	Action Outstanding
2.3			
A new Employee Health & Wellbeing Strategy should be put in place, and the Stress Prevention Policy should be reviewed and updated as required.	HR Manager	Delayed due to staffing resources. Stress audit has commenced and CMT has been notified.	Review of Employee Health & Wellbeing Strategy and Stress Prevention Policy

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Action Recommended	Action By	Progress to Date	Action Outstanding
2.4			
Resourcelink and MyView functionality should be developed and extended to allow for a more streamlined process to support HR and Payroll processes at the earliest opportunity.	Head of HR and Performance	<p>Delayed due to cyber incident and staffing resources.</p> <p>The HR and Payroll project to move Resourcelink to the cloud is now underway. Once complete work will commence to review system functionality with the aim of increasing the use of online processes to current replace paper and manual based processes.</p>	Target Implementation date of March 2026

Action Recommended	Action By	Progress to Date	Action Outstanding
2.5			
HR to remind Managers of the importance of seeking OH Referrals earlier in the process to allow Return to Work matters to be undertaken prior to an employee's return.	HR Manager	<p>Report presented to CMT relating to a review of the sickness absence policy and procedures. Meetings to be scheduled with each HoS to review departmental sickness absences data.</p> <p>HR is currently reviewing template documentation to support managers more proactive manage employee absences in line with policy.</p>	Ongoing

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Action Recommended	Action By	Progress to Date	Action Outstanding
2.6			
Managers should be reminded of the importance of completing the correct FINs and Return to Work Interviews in order to ensure HR and Payroll are advised of the necessary work to be undertaken timeously to avoid unwanted errors occurring.	HR Manager	Payroll continue to issue notification of payroll deadlines for the processing of FIN forms. HR are reviewing FIN forms to make them more user friendly.	Ongoing

Action Recommended	Action By	Progress to Date	Action Outstanding
2.7			
A more proactive approach to Wellbeing promotion and support should be implemented in addition to EAP signposting in order to ensure early intervention to wellbeing issues. This approach should align with the longer-term approach laid out in the Employee Health & Wellbeing Strategy. This role should then be reviewed after a period of time.	HR Manager	New EAP resource Wisdom launched and promoted internally. Work on-going with comms to promote EAP. Employee intranet pages contains resources including Health and Wellbeing, cycle to work scheme and trauma Informed information.	Ongoing

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Action Recommended	Action By	Progress to Date	Action Outstanding
2.8			
HR should proactively promote all wellbeing schemes available to employees on a regular basis.	HR Manager	Work on-going with comms to promote EAP.	Ongoing

Action Recommended	Action By	Progress to Date	Action Outstanding
2.9			
HR to consider how to best support Line Managers to identify and manage sickness absence issues in their section.	Head of HR and Performance	Sickness Absence data to be shared with managers on a more regular basis. HR Advisors will continue to support managers undertake initial sickness absence reviews upon request.	None

RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND INTERNAL AUDIT

Responsibility in Relation to Internal Controls

It is the responsibility of the Comhairle's management to maintain adequate and effective financial systems and to arrange for a system of internal controls. Our responsibility as internal auditors is to evaluate the financial systems and associated internal controls. In practice, we cannot examine every financial implication and accounting procedure within an activity, and we cannot substitute for management's responsibility to maintain adequate systems of internal controls over financial systems. We therefore may not identify all weaknesses that exist in this regard.

Responsibilities in Relation to Fraud and Corruption

The prime responsibility for the prevention and detection of fraud and irregularities rests with management. They also have a duty to take reasonable steps to limit the opportunity for corrupt practices. It is our responsibility to review the adequacy of these arrangements, but our work does not remove the possibility that fraud, corruption or irregularity may have occurred and remained undetected.

We nevertheless endeavour to plan our internal audit work so that we have reasonable expectation of detecting material fraud, but our examination should not be relied upon to disclose all such material frauds that may exist.