



Derry City & Strabane
District Council

Comhairle
**Chathair Dhoire &
Cheantar an tSratha Báin**

Derry Cittie & Stràbane
Destrìck Cooncil



Internal Audit of Absence Management

Final Report

September 2018

Professional Standards

Internal Audit is committed to ensuring high standards of service to Derry City and Strabane District Council. Our work complies with the Chartered Institute of Internal Auditors (CIIA) Code of Practice and Professional Standards and CIPFA Public Sector Internal Audit Standards.

Contents

Executive Summary	3
Introduction.....	3
Objectives.....	3
Scope	4
Limitation of scope	4
Basis of Audit Opinion	5
Audit Tests Undertaken	6
Test 1 - Procedures.....	6
Test 2 – Line Manager’s Responsibilities	7
Test 3 – Human Resource’s Responsibilities.....	8
Test 4 – Employee’s Role	11
Test 5 – Notification of Absences	12
Test 6 – Return to Work	15
Test 7 – Absence Reviews.....	16
Test 8 – Monitoring and Reporting.....	23
Test 9 – Occupational Health.....	25
Test 10 – Previous Audit Recommendations	25
Acknowledgements	25
Table of Key Findings and Recommendations	26
Appendix (i) System Priority Level	27
Appendix (ii) Classification of Audit Assurance.....	28
Appendix (iii) Implementation Priority	29

Executive Summary

<p>System Priority:</p> <p style="text-align: center; margin-top: 20px;">Refer to Appendix (i)</p>	<p>B</p> <p>Failure to implement the recommendations could result in the failure of an important Council objective or could have some impact on a key Council objective.</p>	<p>Audit Opinion:</p> <p style="text-align: center; margin-top: 20px;">Refer to Appendix (ii)</p>	<p>Satisfactory</p> <p><i>Evaluation opinion:</i> Overall controls are adequate and effective to provide reasonable assurance that risks are managed. While there may be some issues identified and recommendations raised, this should not significantly impact on the achievement of objectives.</p>	<p>Implementation Priority:</p> <p style="text-align: center; margin-top: 20px;">Refer to Appendix (iii)</p>	<table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="padding: 5px;">Category</th> <th style="padding: 5px;">No of Recommendations</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 5px;">B1</td> <td style="text-align: center; padding: 5px;">0</td> </tr> <tr> <td style="text-align: center; padding: 5px;">B2</td> <td style="text-align: center; padding: 5px;">2</td> </tr> <tr> <td style="text-align: center; padding: 5px;">B3</td> <td style="text-align: center; padding: 5px;">0</td> </tr> <tr> <td style="text-align: center; padding: 5px;">Total</td> <td style="text-align: center; padding: 5px;">2</td> </tr> </tbody> </table>	Category	No of Recommendations	B1	0	B2	2	B3	0	Total	2
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Total	2														
	<p>Introduction</p> <p>The purpose of this review was to provide senior management with an assurance about the adequacy and effectiveness of internal control over the audit area of Sickness & Absenteeism. The objectives and scope for this review were agreed with Paula Donnelly, Lead Human Resources Officer prior to the commencement of the audit.</p>														
	<p>Objectives</p> <p>The objectives of this audit are:</p> <ul style="list-style-type: none"> To ensure that procedures in relation to managing attendance have been documented, are up to date and made available to all staff; To ensure that Line Managers are managing attendance effectively and in accordance with required procedures; 														

- To ensure that Human Resources are managing attendance effectively and in accordance with required procedures;
- To ensure that all employees are aware of their responsibilities in relation to managing attendance and that these responsibilities are actioned;
- To ensure that management are notified of all absences within the required timeframes and statements of fitness for work certificates are produced, where applicable, to cover complete absence periods;
- To ensure that 'Return to Work' interviews are carried out after every instance of absence;
- To ensure that attendance support meetings are carried out as soon as appropriate trigger points are met;
- To ensure that absence is monitored and reported on, on a regular basis;
- To ensure that adequate controls are in place for recording absenteeism;
- To ensure that the 'Occupational Health Service' is working effectively.

Scope

- Procedures.
- Line Manager's Responsibilities;
- Human Resource's Responsibilities;
- Employee's Responsibilities;
- Notification of Absences;
- Return to Work Interviews;
- Attendance Support Meetings;
- Absence Management Monitoring;
- Absence Management Recording;
- Occupational Health.

Limitation of scope

No Limitations



Basis of Audit Opinion

Internal Audit is satisfied that the internal systems and controls are adequate and were operating effectively at the time of the audit review and as a result the audit has been given the audit opinion of 'Satisfactory'.

Internal Audit testing concentrated on providing assurance that the requirements of the new absence management policy and procedures were being complied with. Overall Internal Audit are satisfied that the new absence policy/procedures are in place and have been made available to members of staff and that training has been provided. Additionally, the audit found that there was compliance with the new policy/procedures by line managers, human resources and council staff, particularly in areas such as notification of absences, return to work management and attendance support meetings. Furthermore, the audit was generally satisfied with the monitoring and reporting controls in place, however, two recommendations have been made to improve the control environment. The two recommendations made are detailed in the section below.

Recommendations

B1	0	<u>Audit Trail on Absence Management Reporting information</u> Internal Audit recommend that the calculations exercises are retained on file and that the calculations should be signed and dated as evidence of who carried out the calculations and, as a supervisory control, there should be evidence of who checked the calculations to guard against human error.
B2	2	
B3	0	<u>Assurance Reporting on KPI's</u> Internal Audit recommend that management consider presenting an annual report on the Absence Management Key Performance Indicators to Senior Management and the Governance and Strategic Planning Committee for assurance and review purposes.
Total	2	

Audit Tests Undertaken

Test 1 Procedures

Test Description

Internal Audit reviewed the adequacy of the procedures in relation to managing attendance to ensure that:

- they have been documented and are up to date;
- the procedures have been made available to all members of staff;
- regular training has been provided to staff on the procedures;
- that the procedures are reviewed regularly.

Findings

Internal Audit found that the new attendance policy and procedures in relation to managing attendance had been documented and were dated January 2017.

The new policy and procedures includes the following sections:

- Introduction;
- Policy Purpose and Objectives;
- Manager's Roles and Responsibilities;
- Human Resources Roles and Responsibilities;
- Employee Roles and Responsibilities;
- Absence Notification (including sub sections on Sickness Absence 1-7 calendar days, Sickness Absence 8 or more calendar days, Statement of Fitness for Work Certificates, Return to Work Interviews, and Unauthorised Absences);
- Injury Claims against Third Parties;
- Absence Review Process (including sub sections on Trigger Points, Short Term Absence, Long Term Absence and Attendance Support Meetings);
- Review of Procedures.

At time of audit, ongoing training was being delivered to all staff in terms of how to comply with the new policy & procedures. The majority of staff have been trained and there are ongoing training sessions to ensure all staff receive training on the new absence policy.

The policy is provided to each new employee on induction and they are talked through the policy and requested to attend the two hour absence training session.

The Human Resources (HR) section maintain a spreadsheet of all current employees which is used to keep track of who has and hasn't attended a training session, the spreadsheet is updated after each training session from the session sign-in sheet, the sign-in sheets are kept for record.

Under section 9.0 of the attendance procedures it states 'This procedure will be reviewed in 12 months and, if necessary, revised in consultation with recognised Trade Unions. The procedures were dated January 2017, however HR explained that the new Attendance Procedures will be reviewed in 2018 after the completion of the Internal Audit review.

Test Conclusion

No issues identified – no recommendations made.

Test 2 Line Manager's Responsibilities

Test Description

Internal Audit selected a sample of employee's absent from the records held by HR and Payroll and traced the details back to the records kept in HR to ensure compliance with the procedures.

The Managing Attendance Policy states that Line Managers Roles and Responsibilities are as follows:

- Monitor and manage employee attendance and ensure that employees understand what is expected in terms of an accepted level of attendance and that their contribution to the service is valued.
- Ensure that all employees are aware of and follow all notification and procedural requirements as outlined in the Attendance Policy.
- Undertake return to work interviews and ensure that all sickness absence notification forms and return to work forms are passed to Human Resources in a timely manner.
- Ensure that a record of attendance support meetings are forwarded to Human Resources for the personal file.
- Effectively utilise reports produced by Human Resources to manage attendance and take the appropriate action with employees as outlined in the policy.
- Maintain regular contact with an employee who is absent from work; whether short term/long term. In circumstances where there is an issue of a sensitive or personal nature, contact may be made by an Officer in the Human Resources Section.
- Act fairly and consistently and in a manner sensitive to each individual case.
- Seek specialist help and advice from Human Resources when required.

Findings

[Monitor and manage employee attendance and ensure that employees understand what is expected in terms of an accepted level of attendance and that their contribution to the service is valued.](#)

Internal Audit viewed evidence demonstrating that Human Resources are currently providing training to employees. As part of the training, Line manager are reminded to ensure that all employee under their responsibility attend the training sessions.

[Ensure that all employees are aware of and follow all notification and procedural requirements as outlined in the Attendance Policy.](#) A sample of 30 employees which were recorded as absent on the attendance report held in Human Resources and Payroll were selected for testing. Internal Audit found

that the notification procedure was being complied with as the 1st day absence form was completed for 28 of the cases tested with 2 staff having pay withheld for non-compliance with the procedures.

[Undertake return to work interviews and ensure that all sickness absence notification forms and return to work forms are passed to Human Resources in a timely manner.](#) Internal Audit testing found that, from the 30 tested, all 25 who required returned to work forms had the required documentation on file with adequate reasons provided for the 5 others.

[Ensure that a record of attendance support meetings are forwarded to Human Resources for the personal file.](#) Internal Audit testing found that 25 employees had met the triggers required for a support meeting and 24 employees had received at least one support meeting. One employee did not receive a support meeting, the absence was due to a family bereavement. There is a record of attendance support meetings in the individual HR files.

[Effectively utilise reports produced by Human Resources to manage attendance and take the appropriate action with employees as outlined in the policy.](#)

On a monthly basis, HR officers prints the absence report and meets with all Heads of Service and Lead Officers to discuss absence. HR and management review how each case is being managed. If there is no absence an email is sent by HR to the Head of Service or Lead Officer to confirm this. If any triggers are met HR print the 'rolling' report for the last year and the appropriate review meetings are arranged in compliance with the policy.

[Maintain regular contact with an employee who is absent from work; whether short term/long term. In circumstances where there is an issue of a sensitive or personal nature, contact may be made by an Officer in the Human Resources Section.](#)

Internal Audit testing found that the absence forms record the intended communication for example when next contact will be and who will make contact.

[Act fairly and consistently and in a manner sensitive to each individual case. Seek specialist help and advice from Human Resources when required.](#)

Overall, audit testing found evidence of liaison between line management and HR for the cases tested and of HR making recommendations to management to ensure a consistent approach, for example, referral to Occupational Health. From the sample selected all employees absent on long term absence have been referred to occupational health.

Test Conclusion

No issues identified – no recommendations made.

Test 3 Human Resource's Responsibilities

Test Description

Internal Audit selected a sample of employee's absent from the records held by HR and Payroll and traced the details back to the records kept in HR to ensure compliance with the procedures.

The Managing Attendance Policy states that Human Resources Roles and Responsibilities are as follows:

- Ensure new employees, as part of the induction process, are made aware of, and understand the requirements of the policy.
- Advise new employees of the Council's "BeWell" initiative which focuses on the physical, mental and social wellbeing of employees. This includes an employee assistance programme which offers a range of individual counselling and support services as well as a health cash plan scheme which assists employee's access and pay for health treatment.
- Ensure that all managers receive training to equip them with the necessary knowledge and skills to manage attendance effectively.
- Provide regular awareness sessions for employees on the Attendance policy.
- Provide managers with professional advice in relation to attendance management including attending review meetings.
- Make referrals to the Council's Occupational Health service and/or employees' GPs to establish the actual medical position of an individual employee as part of the process of managing attendance.
- Ensure accurate and up-to-date monitoring reports are produced and that meetings take place with relevant managers on a regular basis to monitor and review attendance.
- Produce regular reports for Senior Leadership Team, Council Committee and JCNC.
- Review policy and procedures annually, in agreement with Trade Unions, to evaluate effectiveness.

Findings

Ensure new employees, as part of the induction process, are made aware of, and understand the requirements of the policy. Advise new employees of the Council's "BeWell" initiative which focuses on the physical, mental and social wellbeing of employees. This includes an employee assistance programme which offers a range of individual counselling and support services as well as a health cash plan scheme which assists employee's access and pay for health treatment.

The BeWell initiative and Absence Policy is provided to each new employee on induction and they are talked through the BeWell initiative and Absence Policy. New employees are requested to attend the 2 hour absence training session. The employee is informed of the BeWell initiative during the support

meeting and is noted on the return to work form. It was noted on the return to work forms that the employee had been made aware of the BeWell initiative for 24 of the sample of 30 selected.

[Ensure that all managers receive training to equip them with the necessary knowledge and skills to manage attendance effectively.](#)

The vast majority of managers have received a full day training delivered by an external consultant on the new policy. At time of audit, there were 8 managers who had not received training and these were either on long term leave or had work commitments that prevented them attending. The managers who have not received the training have had the policy explained to them by their designated HR officer. HR plans to arrange another full day training session for these managers as soon a suitable date can be arranged.

[Provide regular awareness sessions for employees on the Attendance policy.](#)

Internal Audit viewed evidence demonstrating that Human Resources are currently providing training to staff in terms of how to comply with the new policy & procedures. The majority of staff have been trained and there are ongoing training sessions to ensure all staff receive training on the new absence policy

[Provide managers with professional advice in relation to attendance management including attending review meetings. Make referrals to the Council's Occupational Health service and/or employees' GPs to establish the actual medical position of an individual employee as part of the process of managing attendance.](#)

Overall, audit testing found evidence of liaison between line management and HR for the cases tested and making recommendation to management to ensure a consistent approach, for example, referral to Occupational Health. From the sample selected all employees absent on long term absence have been referred to occupational health.

[Ensure accurate and up-to-date monitoring reports are produced and that meetings take place with relevant managers on a regular basis to monitor and review attendance.](#)

On a monthly basis, HR officers prints the absence report and meets with all Heads of Service and Lead Officers to discuss absence. HR and management review how each case is being managed. If there is no absence an email is sent by HR to the Head of Service or Lead Officer to confirm this. If there are absences identified, HR print the 'rolling' report for the last year to identify if any triggers are met and the appropriate review meetings are arranged in compliance with the policy. Internal Audit tested the accuracy of the information.

[Produce regular reports for Senior Leadership Team, Council Committee and JCNC.](#)

The Lead Human Resources Officer provides absence report to the Senior Leadership Team and the Governance and Strategic Planning Committee on a quarterly basis and to Council every six months.

[Review policy and procedures annually, in agreement with Trade Unions, to evaluate effectiveness.](#)

Under section 9.0 of the Attendance procedures it states 'This procedure will be reviewed in 12 months and, if necessary, revised in consultation with recognised Trade Unions. The procedures were dated January 2017, however HR explained that the new Attendance Procedures will be reviewed in 2018 after the completion of the Internal Audit review.

Test Conclusion

No issues identified – no recommendations made.

Test 4 Employee's Role

Test Description

Internal Audit selected a sample of employee's absent from the records held by HR and Payroll and traced the details back to the records kept in HR to ensure compliance with the procedures.

The Managing Attendance Policy states that Employees Roles and Responsibilities are as follows:

- Be fully aware of the requirements of the policy including notification and procedural requirements.
- Report absence as laid out in the policy, and participate in return to work interviews.
- Provide relevant documentation including Statement of Fitness for Work certificates in a timely manner.
- Not undertake any activity, which might be detrimental to his/her speedy return to work.
- Comply with any reasonable treatment as recommended by Occupational Health or medical professionals to facilitate a return to work.
- Co-operate with the manager to achieve an acceptable level of attendance.
- Not undertake any other employment of full-time or part-time nature while claiming sick pay unless recommended by the Council's Occupational Health Service.

Findings

[Be fully aware of the requirements of the policy including notification and procedural requirements.](#)

Training is currently being delivered to all staff in terms of how to comply with the new policy & procedures. The majority of staff have been trained and there are ongoing training sessions to ensure all staff receive training on the new absence policy. The procedures and training covers areas such as cooperating with the requirements of the policy, the notification procedures that must be complied with, Occupational Health requirements and cooperating with Occupational Health, participating in 'Return to Work' interviews and communication around the GP referral process.

[Report absence as laid out in the policy, and participate in return to work interviews.](#)

A sample of 30 employees which were recorded as absent on the attendance report held in Human Resources and Payroll were selected for testing. Internal Audit found the 1st day absence forms for all 30 tested and the notification procedure was complied with in all cases.

Internal Audit testing found that 25 employees had met the triggers required for a support meeting and 24 employees had received at least one support meeting. One employee did not receive a support

meeting, the absence was due to a family bereavement. There is a record of attendance support meetings in the individual HR files.

Provide relevant documentation including Statement of Fitness for Work certificates in a timely manner.

All employees who would have been required to submit a statement of fitness to work certificate did so.

Not undertake any activity, which might be detrimental to his/her speedy return to work.

For the sample tested, there was no evidence of activities being undertaken which might be detrimental to a speedy return to work.

Comply with any reasonable treatment as recommended by Occupational Health or medical professionals to facilitate a return to work. Co-operate with the manager to achieve an acceptable level of attendance.

There is one record of an employee not wishing to uptake a recommendation regarding the BeWell initiative however there is no record of any employee refusing to comply with occupational health recommendations.

Test Conclusion

No issues identified – no recommendations made.

Test 5 Notification of Absences

Test Description

Internal Audit selected a sample of employees absent, from the payroll records to ensure that the procedures have been followed. Internal Audit tested whether the relevant sick lines (where applicable) had been presented and were retained on file to cover the complete absent period.

The Managing Attendance Policy states that the procedure for the notification of absence is as follows:

Sickness Absence (1 – 7 calendar days)

An employee must personally notify his/her immediate manager, within half an hour of their normal starting time on their first day of absence. The manager must also nominate another senior member of staff to whom absence should be reported in the event that they are not available. This should be clearly communicated to all employees. In circumstances where neither manager is available the employee is required to contact the relevant Human Resources Officer. Notification by text message or email is not acceptable.

In exceptional circumstances, such as hospitalisation, a telephone call to the manager from a relative or friend will be acceptable. In circumstances where absence is of an extremely sensitive nature an employee may notify a Human Resources Officer who will contact the manager.

In some areas of Council, due to the operational arrangements within the Directorate, alternative arrangements for notification may be required and these must be communicated to the team by the manager.

The manager should complete a Notification of Absence Form to record:

- The first day of sickness
- The reason for the absence
- The likely duration if known/applicable

During this conversation the employee is required to outline the likely duration of his/her absence. If it is indicated that the absence will exceed 3 days this will be noted on the form. However, if the employee expects to return to work within 3 days and does not they will be required to notify their manager on the 4th day of absence.

This form should be completed immediately and forwarded to Human Resources for input on the attendance management system and for Payroll purposes.

The manager should, if appropriate, also ascertain from the employee any duties that need to be carried out on his/her behalf while absent from work. If applicable, the manager should also ascertain if the absence is a result of an alleged accident at work.

It is important that the manager and employee agree how regular contact is maintained in line with this procedure.

Sickness absence (8 or more calendar days)

Where an illness is likely to go beyond 7 calendar days from the first day of absence, the employee must personally contact their manager normally within half an hour of their normal starting time on the 7th day (or next working day) of absence.

A Statement of Fitness for Work certificate provided by a GP must be submitted to the manager no later than the 8th day. The manager must forward the Statement of Fitness for Work certificate to Human Resources as soon as this is received.

Statement of Fitness for Work Certificates

- The employee must keep their manager fully up-to-date throughout the period of sickness absence and provide further Statement of Fitness for Work certificates to cover for absence, where such absence extends beyond the period covered by the initial certificate.

These should be forwarded no later than 5 working days after the last Statement of Fitness for Work certificate expires. If an employee experiences a difficulty in obtaining an appointment with their GP to obtain a Statement of Fitness for Work certificate, then they should advise their immediate manager as soon as possible.

- An employee is not permitted to return to work before the end date of a Statement of Fitness for Work certificate without advice being sought from the employee's GP or the Occupational Health service.
- Normal pay may be withheld where there is failure to notify or where absences are not covered by the appropriate certification.

Unauthorised Absences

Failure to follow the procedure for notification of absence will be considered as an unauthorised absence, for example:

- Where an employee (or relative/friend in exceptional circumstances) does not personally inform their manager or nominee normally within the first half hour of the normal starting time.
- Where an employee fails to submit regular Statement of Fitness for Work certificate/s when appropriate.

Unauthorised absence is considered misconduct and may be dealt with through the Disciplinary Procedures.

Findings

A sample of 30 employees which were recorded as absent on the attendance report held in Human Resources and Payroll were selected for testing. Internal Audit found the 1st day absence forms for all 30 tested and the notification procedure was complied with in all cases.

Internal Audit testing found that 25 employees had met the triggers required for a support meeting and 24 employees had received at least one support meeting. One employee did not receive a support meeting, the absence was due to a family bereavement. There is a record of attendance support meetings in the individual HR files.

All employees who would have been required to submit a statement of fitness to work certificate did so.

Test Conclusion

No issues identified – no recommendations made.

Test Description

Internal Audit selected a sample of employees who have returned to work, following a period of absence, from the payroll records and tested to ensure that a return to work interview has been carried out. Internal Audit tested a sample of return to work forms completed to ensure that they were completed fully and accurately.

The Managing Attendance Policy states that the Return to Work policy is as follows:

Return to work interviews must be conducted with employees after every occasion of sickness absence. The return to work interview should take place as soon as the employee returns to work and normally no later than 5 working days of the employee returning to work. A return to work form should be completed and forwarded to Human Resources immediately.

The purpose of the return to work interview is to:

- Discuss any support mechanisms which may assist with the employee's return to work.
- Consider phased return if appropriate.
- Consider reasonable adjustments for employees (where applicable), including discussing with employees advice given on the Statement of Fitness for Work certificate.
- Outline that absence will continue to be monitored and reviewed.

In exceptional circumstances due to the sensitive nature of the absence an employee may request that the return to work interview is carried out by another manager of the same gender. The immediate manager should consider any request carefully and sympathetically.

Findings

Internal Audit testing found that, from the 30 tested, all 25 who required returned to work forms had the required documentation on file with adequate reasons provided for the 5 others.

Test Conclusion

No issues identified – no recommendations made.

Test 7 Absence Reviews

Test Description

Internal Audit selected a sample of employees who are off on long term sick to ensure that the procedures have been strictly adhered to. Internal Audit reviewed the evidence that Human Resources provide advice and guidance and are involved in attendance support meetings.

The Managing Attendance Policy states that the procedure for Sickness Absence Reviews is as follows:

Trigger Points

The Council operates the following trigger points:

- 4 or more occasions of absence in a rolling 12 month period and/or
- 10 working days of absence in a rolling 12 month period and/or
- A pattern of absence causing concern e.g., regular Friday or Monday absences or absences regularly occurring on a particular day/week, pre or post annual leave, school holidays, public holidays, pay day or following where a request for annual leave has not been approved.
- 20 days continuous absence (long term absence)

SHORT TERM ABSENCE

This is a series of short-term intermittent periods of sickness absences (each episode is less than 20 working days) which may or may not be related to an underlying and ongoing medical condition.

An appointment with the Occupational Health service may be arranged if deemed appropriate in order to confirm/provide a diagnosis of any potential medical condition to both the Council and the employee, and provide advice on minimising any impact on the ability to work.

It may be appropriate, on occasions, to progress to supporting the employee through the Long term absence process.

Attendance Support Meetings

First Attendance Support Meeting

A first attendance support meeting with the manager will take place when the employee reaches a trigger point. A Human Resources representative may be in attendance. The employee will normally be given at least 5 working days' notice of the meeting in writing. The employee will have the right to be accompanied by a trade union representative or work colleague.

The main purpose of the meeting is to:

- Notify the employee that an absence trigger has been reached.

- Discuss the employee's attendance and reasons for the absence.
- Consider referral to the Occupational Health service or obtain medical information from the GP.
- Advise the employee of the Council's "BeWell" initiative which focuses on the physical, mental and social wellbeing of employees.
- Advise the employee of the Council's employee assistance programme which offers a range of individual counselling and support services as well as a health cash plan scheme which assists employee's access and pay for health treatment.
- Consider the availability of suitable alternative work (if applicable) or reasonable adjustments under the DDA, if applicable including phased return, changes to working pattern, duties and responsibilities, provision/modification of equipment or redeployment.
- Ascertain what steps the employee and/or employer can take to improve attendance.
- Indicate that the absence will continue to be monitored over a 6 month period and if there are 3 days or more sickness absence within this period a second attendance support meeting will be arranged.

The meeting also provides an opportunity for the employee to express their views and to raise any issues/concerns they may have.

A record of the meeting will be maintained on the employee's personal file.

Second Attendance Support Meeting

If there is no improvement in the employee's attendance and the employee is absent 3 days or more within a 6 month period a second attendance support meeting will be held. The manager and a Human Resources representative will be in attendance. The employee will normally be given at least 5 working days' notice of the meeting in writing. The employee will have the right to be accompanied by a trade union representative or work colleague.

The main purpose of the meeting is to:

- Notify the employee that an absence trigger has been reached.
- Discuss the employee's attendance and reasons for the absence.
- Consider referral to the Occupational Health service or obtain medical information from the GP.
- Advise the employee of the Council's "Be Well" initiative which focuses on the physical, mental and social wellbeing of employees.
- Advise the employee of the Council's employee assistance programme which offers a range of individual counselling and support services as well as a health cash plan scheme which assists employee's access and pay for health treatment.
- Consider the availability of suitable alternative work (if applicable) or reasonable adjustments under the DDA, if applicable including phased return, changes to working pattern, duties and responsibilities, provision/modification of equipment or redeployment.
- Ascertain what steps the employee and/or employer can take to improve attendance and agree an action plan.
- Indicate that the absence will continue to be monitored over a 6 month period and if there 3 days or more sickness absence within this period a third attendance support meeting will be arranged.

The meeting also provides an opportunity for the employee to express their views and to raise any issues/concerns they may have.

The outcome of the meeting will be confirmed in writing to the employee normally within 5 working days.

Third Attendance Support Meeting

If there is no improvement in the employee's attendance and/or the targets from the plan agreed at the second attendance support meeting are not met a third attendance support meeting will be held. The manager and a Human Resources representative will be in attendance. The employee will normally be given at least 5 working days' notice of the meeting in writing. The employee will have the right to be accompanied by a trade union representative or work colleague.

The main purpose of the meeting is to:

- Notify the employee that an absence trigger has been reached.
- Discuss the employee's attendance and reasons for the absence.
- Review the agreed action plan and ascertain what steps the employee and/or employer can take to improve attendance.
- Consider referral to the Occupational Health service or obtain medical information from the GP.
- Advise the employee of the Council's "BeWell" initiative which focuses on the physical, mental and social wellbeing of employees.
- Advise the employee of the Council's employee assistance programme which offers a range of individual counselling and support services as well as a health cash plan scheme which assists employees access and pay for health treatment.
- Discuss the availability of suitable alternative work (if applicable) or reasonable adjustments under the DDA, if applicable including phased return, changes to working pattern, duties and responsibilities, provision/modification of equipment or redeployment.
- Indicate that the absence will continue to be monitored over a 6 month period and if there 3 days or more sickness absence within this period a formal case review will be arranged which could lead to dismissal on capability grounds.

The meeting also provides an opportunity for the employee to express their views and to raise any issues/concerns they may have.

The outcome of the meeting will be confirmed in writing to the employee normally within 5 working days.

Formal Case Review

If there is no improvement in the employee's attendance and/or the targets from the plan agreed at the third attendance support meeting are not met a formal case review will be arranged. The employee will normally be given at least 10 working days' notice of the meeting.

In this letter the employee will be informed that the panel may consider dismissal on capability grounds due to them being unable to provide regular and effective service to the Council.

The employee will also be advised who is on the panel which will include the Head of Service and a relevant senior Human Resources representative. The employee will have the right to be accompanied by a trade union representative or work colleague.

Details of the attendance record and agreed action plans will be discussed at the meeting, together with any other relevant information. The employee will have the opportunity to express their views and raise any issues/concerns they may have.

In determining what action to take the panel will take into account:

- a) Advice sought from the Occupational Health service and any other available medical evidence.
- b) The employee's length of service.
- c) Reasons and/or patterns of sickness absence.
- d) The likelihood of an improvement in attendance.
- e) The availability of suitable alternative work (if applicable) or reasonable adjustments under the DDA, if applicable including phased return, changes to working pattern, duties and responsibilities, provision/ modification of equipment or redeployment.
- f) The degree of disruption caused by the sickness absence.

- g) The panel should take into consideration any other extenuating circumstances which may come to light during the case review.

If the decision is to dismiss on the grounds that the employee is no longer capable of providing regular and effective service to the Council and as such is potentially in breach of his/her contract, the employee will be advised of his/her right to appeal this decision normally within 7 working days of receipt of the letter containing the disciplinary decision.

The outcome of the meeting will be confirmed in writing normally within 5 working days.

LONG TERM ABSENCE

Long term sickness absence may be defined as one period of continuous absence lasting 4 weeks or more which may or may not be related to an underlying and ongoing medical condition.

Once an employee has been, or it is known will be, absent from work for a period of four weeks or longer the manager should discuss the absence with a Human Resources representative.

Where an employee is absent from work due to work related stress, a meeting will be convened as soon as possible with the employee, the manager and a Human Resources representative.

Attendance Support Meetings

First Attendance Support Meeting

When an employee has been absent from work for 4 weeks a first attendance support meeting with the manager will take place. A Human Resources representative will normally be in attendance. The employee will normally be given at least 5 working days' notice of the meeting in writing. The employee will have the right to be accompanied by a trade union representative or work colleague.

The purpose of the meeting is to:

- Discuss the employee's attendance and reasons for the absence.
- Determine whether the absence may be work related and if there are likely to be any limitations upon the individual's fitness when they return to work.
- Agree referral to the Occupational Health Service and/or write to GP if applicable.
- Advise the employee of the Council's "BeWell" initiative which focuses on the physical, mental and social wellbeing of employees.
- Advise the employee of the Council's employee assistance programme which offers a range of individual counselling and support services as well as a health cash plan scheme which assists employee's access and pay for health treatment.
- Discuss the availability of suitable alternative work (if applicable) or reasonable adjustments under the DDA, if applicable including phased return, changes to working pattern, duties and responsibilities, provision/modification of equipment or redeployment.
- Determine whether grounds exist or, are likely to exist, to consider ill-health retirement.

Employees who are not willing to attend Occupational Health Services will be advised that any decision concerning continued employment will be made on the facts available.

In the event of a difference in medical opinion, the opinion of the Council's Occupational Health Service supersedes medical advice provided by the employee or the employee's GP. A further specialist opinion may be sought in certain circumstances.

Second Attendance Support Meeting

A second attendance support review meeting will normally be arranged within 2 weeks of Council receiving the Occupational Health report and/or report from the employee's GP. A Human Resources representative will normally be in attendance. The employee will normally be given at least 5 working days' notice of the meeting in writing. The employee will have the right to be accompanied by a trade union representative or work colleague.

The purpose of this meeting is to:

- Discuss the Occupational Health Service report and or report received from the employee's GP and consider recommendations.
- Discuss the availability of suitable alternative work (if applicable) or reasonable adjustments under the DDA, if applicable including phased return, changes to working pattern, duties and responsibilities, provision/modification of equipment or redeployment.
- Advise the employee of the Council's employee assistance programme which offers a range of individual counselling and support services as well as a health cash plan scheme which assists employee's access and pay for health treatment.
- Determine whether grounds exist or are likely to exist to consider ill-health retirement.
- Agree timescales for review, if required, depending on individual circumstances.

Third Attendance Support Meeting

If an employee remains on sickness absence, he/she will be invited to a third Attendance Support Review meeting. The timing of this will take into consideration any advice received from Occupational Health Services and/or the employee's GP.

A Human Resources representative will normally be in attendance. The employee will normally be given at least 5 working days' notice of the meeting in writing. The employee will have the right to be accompanied by a trade union representative or work colleague.

The purpose of this meeting is to:

- Discuss the Occupational Health Service report and or report received from the employee's GP and consider recommendations.
- Determine whether the employee is able to carry out the duties of their job and if not, whether this is a temporary or permanent restriction.
- Discuss the availability of suitable alternative work (if applicable) or reasonable adjustments under the DDA, if applicable including phased return, changes to working pattern, duties and responsibilities, provision/modification of equipment or redeployment.
- Advise the employee of the Council's employee assistance programme which offers a range of individual counselling and support services as well as a health cash plan scheme which assists employee's access and pay for health treatment.
- Determine whether grounds exist or are likely to exist to consider ill-health retirement.
- Advise that if the sickness absence continues a formal case review will be arranged which could lead to dismissal on capability grounds.

Formal Case Review

Where an employee remains absent a Formal Case Review hearing will be arranged. The employee will normally be given at least 10 working days' notice of the meeting.

In this letter the employee will be informed that the panel may consider dismissal on capability grounds due to them being unable to provide regular and effective service to the Council.

The employee will also be advised who is on the panel which will include the Head of Service and a relevant senior Human Resources representative. The employee will have the right to be accompanied by a trade union representative or work colleague.

Details of the absence will be discussed at the meeting, together with any other relevant information. The employee will have the opportunity to express their views and raise any issues/concerns or mitigation they may have.

In determining what action to take the panel will take into account:

- a) Advice sought from the Occupational Health Service and any other available medical evidence.
- b) The employee's length of service.

- c) Reasons and/or patterns of sickness absence.
- d) The likelihood of an improvement in attendance.
- e) The availability of suitable alternative work (if applicable) or reasonable adjustments under the DDA, if applicable including phased return, changes to working pattern, duties and responsibilities, provision/modification of equipment or redeployment.
- f) The degree of disruption caused by the sickness absence.
- g) The panel should take into consideration any other extenuating circumstances which may come to light during the case review.

If the decision is to dismiss on the grounds that the employee is no longer capable of providing regular and effective service to the Council and as such is potentially in breach of his/her contract of employment, the employee will be advised of his/her right to appeal this decision normally within 7 working days of receipt of the letter containing the disciplinary decision.

The outcome of the meeting will be confirmed in writing normally within 5 working days.

Findings

Internal Audit testing found that the Managing Attendance Policy was being complied with in regards to the procedure for Sickness Absence. Internal Audit found that from the sample of 30 selected, 25 employees had met the triggers required for a support meeting and 24 employees had received at least one support meeting. One employee did not receive a support meeting but the absence was due to a family bereavement. Internal Audit found that there is a record kept of attendance support meetings in the individual files held in Human Resource.

Test Conclusion

No issues identified – no recommendations made.

Test 8 Monitoring and Reporting

Test Description

Internal Audit reviewed the adequacy of the monitoring and reporting procedures in place over absenteeism. Internal Audit reviewed whether the process for recording and monitoring absenteeism was adequate and working effectively. Internal Audit tested whether sick lines are forwarded to payroll. Ensure that signing off lines are completed.

Findings

On a monthly basis, Human Resources officers prints the absence report and meets with all Heads of Service and Lead Officers to discuss absence. HR and management review how each case is being managed. If there is no absence an email is sent by HR to the Head of Service or Lead Officer to confirm this. If there are absences identified, HR print the 'rolling' report for the last year to identify if any triggers are met and the appropriate review meetings are arranged in compliance with the policy.

The Lead Human Resources Officer provides absence reports to the Senior Leadership Team and the Governance and Strategic Planning Committee on a quarterly basis and to Council every six months.

The Lead Human Resources Officer explained that she is responsible for preparing the Committee report detailing the absence rates, however, the back-up calculations were not held on file for review and audit purposes. The Lead Human Resources Officer also advised that she checks the accuracy of this calculation however there is no secondary check to guard against human error. (Recommendation 1)

The 'key issues' section in the absence management report to the Governance and Strategic Planning Committee in July 2018 stated as follows:

"The absence rate for the Council continues to decrease with a lost time rate of 6.2% for the year 2017/2018. This is a significant reduction from 7.8% in 2015/2016. This means that the average days lost has decreased from 17 days in 2015/2016 to 14 days in 2017/2018."

This information is also provided to the Northern Ireland Audit Office for inclusion in the annual 'Local Government Auditor's Report' and was included in their annual report which was issued on 4th September 2018 This report also facilitates a comparison of absenteeism rates between individual councils. The key absence comparators are the 'average sickness rate' and the 'number of days lost per employee'. Internal Audit carried out an exercise to recalculate manually the 'average sickness rate', the 'number of days lost per employee' and the 'percentage of employees with zero absence' to provide assurance that the calculations were correct and audit testing confirmed that this was indeed the case.

At time of audit, the Lead Human Resources Officer explained that Human Resources have recently introduced a number of Key Performance Indicators. The monitoring of KPIs provide evidence on how the service is being managed in line with the objectives of the service and to assist with the management of the associated risks. The Lead Human Resources Officer explained that the management information on KPIs was in development and currently not as yet presented to Senior Management or Committee for review purposes. (Recommendation 2)

The Key Performance Indicators for absence management as follows:

Short Term Actions

- % Fitness for work certificates received within 5 working days of expiry;
- % of RTW completed within 5 working days;
- % of Line Managers being notified of triggers reached within 5 days of receiving RTW form;
- % of Attendance support meeting carried out within 3 weeks of trigger being met;
- % of outcome letters issued within 5 working days for 2nd and 3rd attendance support meetings.

Long Term Actions

- % of employees on long term absence who received a letter by expiry of the 5th week;
- % of employees having a meeting with 2 weeks of Council receiving medical/OH report;
- % of outcome letters issued within 5 working days for 2nd and 3rd attendance support meetings.

Human Resources is responsible for recording and monitoring absenteeism and line managers are responsible for sending the 1st day absent form through by email to Human Resources and for copying Payroll in on the email. Audit testing confirmed that sick lines are forwarded to payroll and retained on file and that all signing off forms were completed. One employee from the sample had decided to take the day as annual leave rather than absent and so did not require a return to work interview. This employee was initially recorded on payroll records as absent, however an email to confirm this change was sent from Human Resources to payroll and was recorded in the file.

Test Conclusion

As a result of testing, Internal Audit have made two recommendations to improve the control environment as follows:

Recommendation 1

Internal Audit recommend that the calculations exercises are retained on file and that the calculations should be signed and dated as evidence of who carried out the calculations and, as a supervisory control, there should be evidence of who checked the calculations to guard against human error.

Recommendation 2

Internal Audit recommend that management consider presenting an annual report on the Absence Management Key Performance Indicators to Senior Management and the Governance and Strategic Planning Committee for assurance and review purposes.

Test 9 Occupational Health

Test Description

Review evidence to ensure that all necessary cases are referred to occupational health.

Findings

Audit testing found that all employees who met the requirements for occupational health referral were referred to occupational health.

Test Conclusion

No issues identified – no recommendations made.

Test 10 - Previous Audit Recommendations

An Internal Audit of Absence Management was carried out in Derry City Council in 2013 and a number of recommendations were made as a result of this audit. Any of the relevant recommendations which were not implemented by the end of the legacy council were carried forward to the new Council and have subsequently been included as part of this audit. These recommendations covered the need for updated written procedures, training and induction which are now in place in the new Council.

Acknowledgements

Internal Audit would like to take this opportunity to thank the staff in the Human Resources and Payroll sections for their assistance in compiling this report.

Table of Recommendations

Key Findings and Recommendations	Management Response	Implementation Date	Priority
<p><u>Audit Trail on Absence Management Reporting information</u> Internal Audit recommend that the calculations exercises are retained on file and that the calculations should be signed and dated as evidence of who carried out the calculations and, as a supervisory control, there should be evidence of who checked the calculations to guard against human error.</p>	<p>All future calculations carried out by the Lead Human Resources Officer will be recorded and held on file for audit and review purposes. The calculations will be verified by a senior Human Resources employee.</p>	<p>October 2018</p>	<p>B2</p>
<p><u>Assurance Reporting on KPI's</u> Internal Audit recommend that management consider presenting an annual report on the Absence Management Key Performance Indicators to Senior Management and the Governance and Strategic Planning Committee for assurance and review purposes.</p>	<p>The process of reporting on Key Performance Indicators is currently being developed.</p>	<p>It is planned to pilot the process in particular sections with effect from April 2019 and fully implement the process across all sections by April 2020.</p>	<p>B2</p>

Appendix (i)

System Priority Level

Internal Audit have recently introduced a 'System Priority level' to audit reports. The system priority level identifies the significance of the system under review towards achievement of the Council's objectives.

This will help management to easily identify significant issues at an organisational level.

There are 3 ratings as follows:

Rating	Description
A	Failure to implement the recommendations is likely to result in a major failure of a key Council objective, significant damage to the reputation of the Council or the misuse of public funds.
B	Failure to implement the recommendations could result in the failure of an important Council objective or could have some impact on a key Council objective.
C	Failure to implement the recommendation could lead to an increased risk exposure.

Appendix (ii)**Classification of Audit Assurance**

Internal Audit have recently reviewed the classification of audit assurance levels. These continue to be based upon the system under review. The 3 new Assurance levels are 'Satisfactory', 'Improvement needed' and 'Major Improvement needed'. The definitions have been reworded to match the new Assurance levels.

The new assurance levels and definitions are as follows:

Level of Assurance	Definition
Satisfactory	<i>Evaluation opinion:</i> Overall controls are adequate and effective to provide reasonable assurance that risks are managed. While there may be some issues identified and recommendations raised, this should not significantly impact on the achievement of objectives.
Improvement needed	<i>Evaluation opinion:</i> Significant control weaknesses were noted and recommendations raised. There is considerable risk that the system will fail to meet its objectives.
Major Improvement needed	<i>Evaluation opinion:</i> Numerous significant control weaknesses were noted and recommendations raised. The system has failed or there is a real risk that the system will fail to meet its objectives.

Appendix (iii)

Implementation Priority

Implementation priorities are based upon Internal Audit's opinion on how quickly the recommendations should be implemented, relevant to their importance in the system under review.

There are 3 different priority ratings as follows:

Priority	Description
1	Weakness which should be addressed immediately.
2	Weakness, which is not fundamental but should be addressed in the short term (6 months).
3	Improvement, which represents best practice.

The Action Plan contains the priority both of the system and the recommendation.