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| **The Police and Crime Commissioner for Cleveland and the Chief Constable Cleveland Police** |
| **Assurance Review of HR Management – Absence Management and Occupational Health** |
| **2017/18** |

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| **Executive Summary** |

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| **OVERALL ASSURANCE ASSESSMENT** | **OVERALL CONCLUSION** |
|  | |  |  | | --- | --- | |  | **A comprehensive Attendance Management Policy is in place which sets out the procedures for managing sickness absence for police officers and police staff.** | |  | **Roles and responsibilities in relation to the management of sickness absence are clearly defined and understood.** | |  | **Weaknesses were identified with regard to compliance with established policy and procedures in respect of the completion of Return to Work Interviews and Attendance Management Meetings and Support Plans.** | |  | **Not all cases reviewed had been referred to an Employee Relations Advisor when required. In addition, some cases were identified where referrals to Occupational Health had not been made when they should have been.** | |
| **RATIONALE AND SCOPE** | **ACTION POINTS** |
| Rationale  This is currently identified as a key strategic risk by the organisation.  Scope  The review considered the adequacy of policies and procedures for sickness absence management and occupational health including communication and awareness of policies, processes to record sickness absence, monitoring, reporting and action taken in response to the identification and management of inappropriate absences. | |  |  |  |  | | --- | --- | --- | --- | | **Urgent** | **Important** | **Routine** | **Operational** | | **0** | **4** | **1** | **0** | |

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| **Management Action Plan - Priority 1, 2 and 3 Recommendations** |

| **Rec.** | **Risk Area** | **Finding** | **Recommendation** | **Priority** | **Management**  **Comments** | **Implementation**  **Timetable**  **(dd/mm/yy)** | **Responsible**  **Officer**  **(Job Title)** |
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| 1 | Compliance | With regard to Return to Work Interviews, it was noted that these had not always been carried out and recorded as having been completed on the system. | It be ensured that Return to Work Interviews are conducted in a timely manner for all police officers and staff returning from bouts of sickness and that these are appropriately recorded within Oracle. | 2 | *Substantial work is being undertaken to rescope and redefine the way that HR service delivery meets the needs of the organisation. A business case is being developed which will be presented at December’s Management Board to describe the growth and investment required to deliver enhanced levels of service to our people. If the business case is approved, the way that we manage all aspects of attendance will change radically, and responsibility for complience will sit entirely with HR.* | *31/03/18* | *Head of HR* |
| 2 | Compliance | For one police officer who was off sick until 3rd November 2017, it was found that their fit notes only covered until 31st October 2017. For two police officers, no fit notes could be located on the system. | It be ensured that doctors' Fit Notes are obtained for the entire period of sickness absence and appropriately stored on the system. | 2 | *Substantial work is being undertaken to rescope and redefine the way that HR service delivery meets the needs of the organisation. A business case is being developed which will be presented at December’s Management Board to describe the growth and investment required to deliver enhanced levels of service to our people. If the business case is approved, the way that we manage all aspects of attendance will change radically, and responsibility for complience will sit entirely with HR.* | *31/03/18* | *Head of HR* |
| 4 | Compliance | With regard to attendance triggers, testing revealed that Attendance Management Meetings and Support Plans had not been put in place nor had the cases been referred to an Employee Relations Advisor. | Where attendance triggers are met, Attendance Management Meetings with police officers/police staff be held and appropriate Attendance Management Plans be put in place. In addition, these cases be referred to an Employee Relations Advisor who can assist with and provide guidance on sickness absence management processes. | 2 | *Substantial work is being undertaken to rescope and redefine the way that HR service delivery meets the needs of the organisation. A business case is being developed which will be presented at December’s Management Board to describe the growth and investment required to deliver enhanced levels of service to our people. If the business case is approved, the way that we manage all aspects of attendance will change radically, and responsibility for complience will sit entirely with HR.* | *31/03/18* | *Head of HR* |
| 5 | Compliance | Not all cases who had met the 28 days absence trigger had been referred to the Force Medical Advisor. In addition for two police officers who had since returned to work following long bouts of sickness it was found that they had not been referred to the Force Medical Advisor until sometime after they had returned. It was not possible to determine why they had not been referred whilst they were off sick. | It be ensured that cases of sickness absence in excess of 28 days are referred to the Force Medical Advisor in a timely manner in accordance with procedures. | 2 | *Substantial work is being undertaken to rescope and redefine the way that HR service delivery meets the needs of the organisation. A business case is being developed which will be presented at December’s Management Board to describe the growth and investment required to deliver enhanced levels of service to our people. If the business case is approved, the way that we manage all aspects of attendance will change radically, and responsibility for complience will sit entirely with HR.* | *31/03/18* | *Head of HR* |
| 3 | Compliance | For one staff member it was noted that their Return to Work Interview was recorded as having taken place on 22nd November 2016. However, this date is also recorded as the staff member's last day of absence which means either the date they returned to work or the date recorded for the Return Work Interview has been incorrectly input. | Line managers be reminded of the importance of inputting the correct date for each stage of the sickness absence management process. | 3 | *Ongoing. Managers guidance is sent with the weekly sick report, and also reported into TPG* | *30/11/17* | *Strategic HR Advisors* |

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| **Operational Effectiveness Matters** |

| **Ref** | **Risk Area** | **Item** | **Management**  **Comments** |
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| No operational effectiveness matters have been identified. | | | |

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| **Detailed Findings** |

**INTRODUCTION**

1. This review was carried out in October 2017 as part of the planned internal audit work for 2017/18. Based on the work carried out an overall assessment of the overall adequacy of the arrangements to mitigate the key control risk areas is provided in the Executive Summary.

**BACKGROUND**

1. High levels of sickness absence are being experienced within the Force and analysis of trends demonstrates that it is on the whole increasing. For 2016/17 the Force had the 6th highest sickness level in the country for police officers and the 12th highest for police staff which was an increase on the prior year positions of 16th and 25th respectively. The issue of sickness absence has been identified as a significant risk and various measures are being put in place to address this.

**MATERIALITY**

1. In 2016/17, absence due to sickness cost the Force nearly £3.7m in respect of police officers and £732k for police staff.

**KEY FINDINGS & ACTION POINTS**

1. The key control and operational practice findings that need to be addressed in order to strengthen the control environment are set out in the Management and Operational Effectiveness Action Plans. Recommendations for improvements should be assessed for their full impact before they are implemented.

**SCOPE AND LIMITATIONS OF THE REVIEW**

1. The review considered the adequacy of policies and procedures for sickness absence management and occupational health including communication and awareness of policies, processes to record sickness absence, monitoring, reporting and action taken in response to the identification and management of inappropriate absences.
2. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan.

**DISCLAIMER**

1. The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

**RISK AREA ASSURANCE ASSESSMENTS**

1. The definitions of the assurance assessments are:

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| **Substantial Assurance** | There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved. |
| **Reasonable Assurance** | The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved. |
| **Limited Assurance** | The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved. |
| **No Assurance** | There is a fundamental breakdown or absence of core internal controls requiring immediate action. |

**ACKNOWLEDGEMENT**

1. We would like to thank staff for their co-operation and assistance during the course of our work.

**RELEASE OF REPORT**

1. The table below sets out the history of this report.

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| **Date draft report issued:** | 24th October 2017 |  |
| **Date management responses received:** | 9th November 2017 |  |
| **Date final report issued:** | 14th November 2017 |  |

1. The following matters were identified in reviewing the Key Risk Control Objective:

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| **Directed Risk: Failure to direct the process through approved policy & procedures.** |

* 1. Risk Reference 1439 relating to sickness absence is recorded in the Strategic Risk Register as 'The inability to deliver core services created by the impact of abstractions due to sickness absence'. The inherent risk score is 20 and the residual score is 15. Risk controls are listed as the Wellbeing Strategy, case management reviews, early engagement with Force Occupational Health, the delivery of attendance management workshops to managers, medical retirements, and monitoring of sickness absence levels by the Tactical Performance Group and the Strategic Performance Group as part of the Management Board.
  2. Sickness absence is monitored by the Tactical Performance Group, which is chaired by the Assistant Chief Constable and meets on a monthly basis. The Tactical Performance Group in turn report to the Strategic Performance Group, which is part of the Management Board and meets on a quarterly basis. There is also the People Intelligence Board, which holds monthly tactical meetings and quarterly strategic meetings. The objective of the monthly meetings is to 'provide an update on individual cases that would fit into a ‘significant case’ and for the quarterly meetings to 'monitor and analyse a range of data and information sources......to identify and monitor organisational trends, risks and emerging issues as well as identifying lessons which can support the development and delivery of continuous organisational improvements.' As part of these meetings, there is oversight of sickness absence. In terms of staff, sickness absence management is overseen by two HR Managers and the Head of HR, who report to the Head of People and Development. Management information in relation to sickness absence and Employee Relations Advisors are provided by an outsourced provider, Sopra Steria.
  3. The management of sickness absence in covered within the Attendance Management Policy, which was last reviewed in January 2016 and approved on 27th April 2016. The policy is next due for review in January 2018. The policy is applicable to both police officers and police staff including those employed by the Police and Crime Commissioner for Cleveland. The policy stipulates that on the first day of sickness absence, the officer/staff member is required to notify their line manager of their absence. The line manager is required to record their absence on Oracle. After seven days absence, the officer/staff member is required to submit a doctor's fit note. Fit notes are scanned into Oracle. There is no requirement for the officer/staff member to complete self-certification up to and including seven days of sickness. Once the officer/staff member returns to work a Return to Work interview should be held within 72 hours. These are recorded on Oracle by the line manager, who then records the date the employee returned to work on Oracle to close the period of absence.
  4. An Informal Attendance Management Procedure is in place. This is triggered when the officer/staff member has been sick for more than eight days over the previous 12 months, or where they have been absent for more than three separate periods in the previous 12 months, or where their sickness record shows a pattern of absence or a single significant period of absence. Those who meet one or more of these triggers are required to attend an Attendance Management Meeting from which an Attendance Support Plan is devised. These cases should also be referred to Employee Relations who will set up a case for them on their case management system and provide guidance to the line managers on how to manage sickness absence. Should the level of attendance not improve, the next step is to stage a Formal UPP/Capability Intervention. Stage One UPP/Capability is triggered if there are a further two occasions or five working days sickness in the 6 month period following the Attendance Management Meeting. Following this, guidelines in the Unsatisfactory Performance and Attendance Policy for police officers or the Capability Policy for police staff should be followed. Officers and staff members who are off sick for more than 28 days are referred to the Force Medical Advisor (FMA) for an assessment.
  5. For police officers, Regulation 28 of the Police Regulations 2003 covers the reduction of pay as a result of long term sickness. According to Regulation 28, a police officer is entitled to full pay for six months in any one year period whilst off sick. After this, their pay will be reduced to half pay and once off sick for over 12 months, they will receive nil pay. The Deputy Chief Constable under the delegated authority of the Chief Constable is able, at their discretion, to extend the period of full pay beyond six months. Police officers are notified when they have been off sick for six months of the intention to reduce their pay to half pay by being served with a Regulation 28 letter. The officer has the right of appeal against this. Decisions as to whether or not to reduce pay when the six month trigger is met are made by the Health Group which is chaired by the Deputy Chief Constable. The. Deputy Chief Constable is also responsible for making the decision as to whether or not to reduce the pay of staff members who meet the six and 12 months sickness absence triggers.
  6. Medical retirements are considered when a police officer has been on long term sick leave and has no likelihood of returning to any gainful employment. Decisions to retire an officer on medical grounds are made by the Deputy Chief Constable with the assistance of the Head of People and Development and the HR Manager. These cases are referred to a Selected Medical Practitioner (SMP) for an assessment. The SMP is required to complete an Ill Health Certificate which gives their opinion as to whether or not the officer should be retired on the grounds of ill health.
  7. The HR Manager confirmed that Attendance Management Workshops were run in April and May 2017 for line managers with more workshops to be provided at the end of October and in November. The HR Manager also stated that some bespoke training has been carried out for certain Commands which have the highest numbers of officers/staff off sick.
  8. Sopra Steria provides weekly reports to those of the rank of Chief Inspector and above covering sickness and Return to Work Interviews. The reports highlight any fit notes which are missing and anyone who has returned to work but has not had a Return to Work Interview, as well as any other exceptions/anomalies that are identified by the system. Monthly reports are also provided which detail who has had an Attendance Management Meeting and where an Attendance Support Plan has been put in place, and the duration of the plan. At the time of the fieldwork, the auditor was advised that it was envisaged that the Management Information Data Portal would be going live by the end of October. This will enable those at Head of Department level for police and staff to access HR information, including information relating to sickness absence management, so they can access the latest information themselves at any time without the need for receiving reports from Sopra Steria.

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| **Compliance Risk: Failure to comply with approved policy and procedure leads to potential losses.** |

* 1. A sample of 15 police officers and five police staff who were off sick for less than eight days was selected to ascertain that details of the sickness absence had been recorded on Oracle. In all cases examined, the number of days absent and the reason for the sickness absence were recorded on Oracle. With regard to Return to Work Interviews, it was noted that for three police officers there was no record of a Return to Work Interview having been completed on the system. For the remaining officers and police staff, Return to Work Interviews had been recorded on Oracle. Failure to conduct Return to Work Interviews increases the risk of instances of sickness increasing as any underlying reasons for sickness absence may not be identified and dealt with.

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| **Recommendation: 1** | **Priority: 2** |
| **It be ensured that Return to Work Interviews are conducted in a timely manner for all police officers and staff returning from bouts of sickness and that these are appropriately recorded within Oracle.** | |

* 1. A sample of 12 police officers and three police staff who were off sick for eight consecutive days or more was selected to ensure that fit notes had been received covering the period of sickness absence. For one police officer who was off sick until 3rd November 2017, it was found that their fit notes only covered until 31st October 2017. For two police officers, no fit notes could be located on the system. For all remaining cases, fit notes covering the periods of absence were saved on the system.

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| **Recommendation: 2** | **Priority: 2** |
| **It be ensured that doctors' Fit Notes are obtained for the entire period of sickness absence and appropriately stored on the system.** | |

* 1. When reviewing the above cases it was noted that for three police officers and one staff member no Return to Work Interviews had been recorded on Oracle. Moreover, for one police officer who returned from sickness on 7th August 2017, it was found that the Return to Work Interview had not been carried out until over a month later on 13th September 2017. In addition, for one staff member it was noted that their Return to Work Interview was recorded as having taken place on 22nd November 2016. However, this date is also recorded as the staff member's last day of absence which means either the date they returned to work or the date recorded for the Return Work Interview has been incorrectly input.

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| **Recommendation: 3** | **Priority: 3** |
| **Line managers be reminded of the importance of inputting the correct date for each stage of the sickness absence management process.** | |

* 1. From the above samples, cases which had met the 'over eight days' and 'absent more than three separate periods in the previous 12 months were reviewed to ascertain whether appropriate action had been taken in response to the triggers being met.
  2. With regard to the sample of 15 police officers who had been off sick up to and including seven days, it was found that no triggers had been reached for any cases within the sample. A further sample of five police officers who had been off sick up to and including seven days where triggers had been met was therefore selected. In four of the cases examined the trigger was the 4th period of absence in 12 months and in the remaining case the trigger was the 5th period of absence within 12 months. The following was identified:

It was noted that in three of these cases, Return to Work Interviews had not been recorded.

In four cases, there were records of Attendance Management Meetings being held and Attendance Support Plans being in place.

In one case there was no record of an Attendance Management Meeting being held.

In two of these cases, there was no record of the police officers being referred to an Employee Relations Advisor.

* 1. With regard to the five police staff examined, it was found that one member of staff had been referred to Employee Relations before for a previous bout of sickness, although they had not been referred back to Employee Relations for the latest period of sickness when they met the 4th period of absence within 12 months trigger.
  2. For the sample of 12 police officers who had eight or more days of sick, it was found that in four cases there was no record of an Attendance Management Meeting having taken place. In one case, it was noted that an Attendance Management Meeting was held although there was no record of an Attendance Support Plan being put in place. Moreover, four police officers had not been referred to Employee Relations despite having met the working days lost trigger.
  3. With regard to the three police staff reviewed who had sickness over eight days, it was found that for one staff member there was no record of an Attendance Management Meeting taking place. In addition, for two cases there was no record of the staff members being referred to Employee Relations despite the working days lost trigger being met as well as one staff member being off sick for their 7th period of absence in 12 months.

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| **Recommendation: 4** | **Priority: 2** |
| **Where attendance triggers are met, Attendance Management Meetings with police officers/police staff be held and appropriate Attendance Management Plans be put in place. In addition, these cases be referred to an Employee Relations Advisor who can assist with and provide guidance on sickness absence management processes.** | |

* 1. A sample of 12 police officers and 3 police staff who have been off sick for more than 28 consecutive days was examined to ascertain whether they had been referred to Occupational Health in accordance with procedures. It was found that, at the time of the audit fieldwork, two police officers were still off sick having each already accumulated sickness absence in excess of 80 days. For these officers, there was no record of their cases being referred to Employee Relations and being set up on the case management system. In addition, neither had been referred to the Force Medical Officer (FMA).
  2. For another two police officers who had since returned to work having been absent for 42 and 36 days respectively, there were also no referrals to Employee Relations or the FMA.
  3. In one case, the officer had been off sick for 43 days and had returned to work. The case had been referred to Employee Relations and subsequently to the FMA, but this took place over a month after they had returned to work. In another case the officer had been off sick for 60 days and had returned to work. However, it was found that the referral to the FMA had been done three months after they returned to work. In both these cases, it was not possible to ascertain from the records why there was a delay in referring the officers to the FMA and why they had not been referred when they met the 28 day trigger.

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| **Recommendation: 5** | **Priority: 2** |
| **It be ensured that cases of sickness absence in excess of 28 days are referred to the Force Medical Advisor in a timely manner in accordance with procedures.** | |

* 1. In one case from the sample the officer had only just met the 28 day trigger so a referral had not yet been done. For a further case, it was noted that the case had been referred to Employee Relations. However, no referral to the FMA was deemed to be required as the officer's absence was due to wisdom teeth extraction. In the remaining four cases, the officers had been referred to Employee Relations and to the FMA in a timely manner.
  2. As for the three police staff members examined, it was found that all three staff were referred to Employee Relations and Occupational Health in a timely manner.
  3. Review of the above samples found that five police officers had returned to work and been placed on restrictive duties upon the advice of the FMA. In one of these cases the officer had subsequently retired.
  4. A sample of four police officers and one police staff member who had been off sick in excess of six months was selected to ascertain whether they had been reduced to half pay. For all four officers, it was found that they had been correctly served Regulation 28 papers and that their cases had been referred to the Health Group for a decision as to whether to reduce their pay. In two cases, the Health Group's decision was that the officers should remain on full pay due to their injuries being sustained whilst they were on duty. In the other two cases, the Health Group’s decision was to reduce the officers to half pay. In one of these cases the officer returned to work approximately one month after being put on half pay. In the other case, the officer was advised that if they were still off sick as of 22nd December 2017 their pay would be reduced.
  5. For the one police staff member examined it was found that the employee was off sick with advanced cancer. On 21st February 2017, the Employee Relations Advisor received an email from the HR Manager informing them that he had met with the Deputy Chief Constable and that the decision had been taken to retain the employee on full pay if their sickness went beyond the half pay trigger date of 22nd May 2017. The employee was notified by letter that they would remain on full pay.
  6. A sample of two police officers and one police staff member who had been off sick in excess of 12 months was selected to ascertain whether they had been reduced to nil pay. Both the police officers examined had been served Regulation 28 papers at the six months absence trigger. It was found that both officers' cases had been referred to the Health Group where the decision had been taken for them to remain on full pay due to their injuries being sustained whilst they were on duty. It was noted that the decision has subsequently been taken for one of these officers to be retired on the grounds of ill health with their last day of service being 17th October 2017.
  7. With regard to the one staff member examined, it was found that the decision was made at the half pay trigger to keep the employee on full pay as they were suffering from a life threatening illness. It was noted that HR intervened on this case and referred the employee to the Health Group in advance of the half pay stage thereby flagging the case up early to avoid putting any undue stress on the employee. The employee was notified on 21st October 2015 that they would remain on full pay. The employee has since returned to work on a phased return with effect from 10th October 2017.
  8. Sickness absence is one of the areas monitored by the Tactical Performance Group. Monthly reports are produced and presented to the TPG. Extracts from the TPG reports covering sickness absence were reviewed for the period from March to August 2017. For both police officers and police staff the reports provide the following information:
* Total number of working days lost;
* Average working days lost per officer/staff member; and
* % of police officer/staff member days lost due to long term sickness.

12.27 The reports also provide graphs showing detail of the rolling 12 month trend and a narrative of sickness absence. On a quarterly basis, infographics on Attendance Management are also provided to TPG. Details on sickness absence are also included within the Performance Information Portal which provides officers and staff with access to statistics which can be used to inform performance monitoring at a strategic, operational command, team and individual level.

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