

Workforce – Sickness absence monitoring

Final Internal Audit Report

October 2022

Public Health Wales NHS Trust

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Executive Summary

Purpose

The overall scope of the audit was to consider the effectiveness of sickness absence monitoring and reporting.

Overview

We have issued reasonable assurance on this area. The matters requiring management attention include:

- 40% of managers have not completed Managing Attendance at Work Policy training.
- We did not receive sickness absence supporting documentation for 30% of our selected sample and numerous matters arising have been identified from reviewing the supporting documentation we did receive.
- Delays were identified in entering the absence start and end dates onto ESR.

Other recommendations / advisory points are within the detail of the report.

Report Opinion

Reasonable



Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved

Assurance summary¹

Objectives	Assurance
1 Training and guidance is available to employees.	Reasonable
2 Sickness absence is appropriately recorded and managed.	Limited
3 Managers are taking required action at the appropriate stages.	Reasonable
4 Monitoring and reporting of sickness absence is undertaken appropriately.	Substantial

¹The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

Key Matters Arising

	Objective	Control Design or Operation	Recommendation Priority	
1	40% of current managers have not completed Managing Attendance at Work Policy training.	1	Operation	High
2	Supporting documentation for the absences not provided.	2	Operation	High
3	Delays in entering the absence start and end dates onto ESR and completing Return to Work documentation.	2	Operation	Medium
4	Other matters arising identified from sample testing.	2	Operation	Medium
5	Long Term Sickness Absence matters arising from sample testing.	3	Operation	Medium

1. Introduction

- 1.1 Our audit review of sickness absence monitoring was completed in line with the 2022/23 Internal Audit Plan for Public Health Wales NHS Trust (the 'Trust').
- 1.2 The Trust monitors sickness absence via its Performance Assurance Dashboard (PAD). At the May Board meeting it was reported that staff sickness for April was at 3.7%, with the 12-month rolling absence rate being 4.3%. While this rate is below the Welsh Government sickness target of 4.5%, it is above the Trust's own target of 3.25%. Furthermore, the sickness rate varies across the Trust, with some areas reporting sickness rates closer to 6%.
- 1.3 Sickness absence by Directorate and pay grade, and the top 10 sickness absence reasons by quarter are also reported within the PAD. However, the information that is reported through the dashboard is only as effective as the accuracy and timeliness of the data recorded within ESR.
- 1.4 The relevant lead for the review was the Director of People and Organisational Development.
- 1.5 The associated risks for the review were:
 - Inconsistent treatment of staff if the Managing Attendance at Work Policy is not complied with.
 - Inappropriate or no action taken if misleading information is reported.
 - Absence periods lengthened if support is not provided to aid recovery and return to work.
 - Line managers are not appropriately trained to manage sickness absenteeism.
- 1.6 Our agreed audit approach often means that we need to see documented evidence to help support the conclusions we make within our reports. As part of our fieldwork for this audit we requested sickness documentation to evidence absences. However, we were delayed in getting this information as management had confidentiality concerns. While the matter was resolved, we did not receive all of the requested information by the time our fieldwork ended. As such, we were unable to conclude on a number of items within our sample.

2. Detailed Audit Findings

Objective 1: Training and guidance is available to employees who have responsibility for managing and monitoring sickness absence.

- 2.1 Comprehensive guidance is maintained for managing attendance at work which includes the all Wales policy, a suite of template documents to be used by managers in various scenarios, and a list of frequently asked questions. The guidance states that relevant training can be booked through ESR and includes a link to this.
- 2.2 Comprehensive training slides have been prepared which explain the aims, principles and values which underpin the Managing Attendance at Work Policy (MAAW). Following this, further training slides have been prepared explaining the

detailed requirements and various component sections of the MAAW policy, including links to the relevant pages of the policy.

- 2.3 However, a Trust report identified 242/582 managers (40%) had not completed MAAW policy training. Our sample testing also identified managers that had not completed the training. This, and the number of administrative errors that we identified in our testing of the application of the policy means that we have raised a high priority matter. (Matter Arising 1 – High Priority)

Conclusion:

- 2.4 Comprehensive training and guidance is available for employees who have responsibility for managing and monitoring sickness absence. However, there is work to be done to bring the numbers of managers that have had training or have been refreshed to a higher level. (Reasonable Assurance)

Objective 2: Sickness absence is appropriately recorded and managed in accordance with local procedures and the Managing Attendance at Work Policy, including the reason for sickness recorded on ESR.

- 2.5 When an employee is sick, absence details are recorded on ESR and full details are recorded in template documentation which is completed and maintained by the employee's immediate line manager.
- 2.6 We identified a number of matters arising during our fieldwork. Full details are included in Appendix A. The key points are summarised as follows:
- We were not provided with supporting documentation for nine out of 30 employees. (Matter Arising 2 – High Priority)
 - We note delays when entering the start and end dates of absences onto ESR. We also identified delays in completing employee Return to Work (RTW) meetings. (Matter Arising 3 – Medium Priority)
 - We identified a number of issues with sickness supporting documentation not always available and fully completed, and inconsistencies in dates recorded between the documentation and ESR. (Matter Arising 4 – Medium Priority)

Conclusion:

- 2.7 We did not receive supporting documentation for all of the items in our sample. In addition, as noted above, we identified a number of administrative gaps. (Limited Assurance)

Objective 3: Managers are taking required action at the appropriate stages of sickness absence in accordance with the Managing Attendance at Work Policy.

- 2.8 As noted under objective 2, for nine employees, we were not provided with any supporting documentation for the absences and so were unable to assess whether managers took the required action at the appropriate stages of sickness absence in accordance with the Managing Attendance at Work Policy. (Matter Arising 2 – High Priority)

- 2.9 Section 4 of the Managing Attendance at Work Policy states that Long Term Sickness Absence meetings should ideally be held no later than the 28th day of absence. However:
- There were a number of issues identified with documentation not always provided and completed correctly, and meetings not being held in accordance with the recommended frequency schedule. (Matter Arising 5 – Medium Priority)
- 2.10 Section 2 of the Managing Attendance at Work Policy states that a doctor's Fit Note certificate must be submitted for sickness absence from the 8th calendar day of sickness absence onwards. However, for one employee, the required supporting Fit Notes were not provided. (Matter Arising 6 – Low Priority)
- 2.11 We reviewed a sample of staff that had hit the review prompts to ensure that they had been managed in accordance with the Managing Attendance at Work Policy. In all cases, the prompts had been managed correctly and an appropriate reason was recorded on the return to work form if the manager considered the employee should not go to the next stage.

Conclusion:

- 2.12 While our testing included cases where managers were confirmed as taking required action at the appropriate stages of sickness absence in accordance with the Managing Attendance at Work Policy, this was not the case for all examples that we tested. (Reasonable Assurance)

Objective 4: Monitoring and reporting of sickness absence is undertaken appropriately at varying levels within the Trust, including monitoring being undertaken to identify and address localised sickness trends.

- 2.13 Reports on sickness absence are included as part of the Trust's monthly Performance and Assurance Dashboard (PAD) which include twelve months rolling sickness absence FTE %, sickness absence FTE for the month, monthly sickness absence timeline, sickness absence by Directorate, sickness absence by pay grade and top ten sickness absence reasons by quarter.
- 2.14 PAD presentations are also given to the People and Organisational Development Committee.
- 2.15 The PAD process is being cascaded within the Trust via development of a DADD (Divisional and Directorate Dashboard) which is very similar to the PAD but has been adapted to reflect the differing requirements at this level. It includes sickness absence % for the month, twelve months rolling sickness absence %, number of employees sick, % employees on long term sick, number of 3+ absences in the last 6 months, number of 2+ absences > ten days in the last twelve months, % absence by Directorate, sickness absence by pay grade and top ten absence reasons.
- 2.16 Monthly Performance and Insight reports are produced for the Board which provide an overview of performance across various themes. These include maintaining a healthy and sustainable workforce and include figures on % of sickness, long and short term sickness and Covid-19 absence.

2.17 While primary responsibility for monitoring sickness absence lies with an employee's immediate line manager, each long term sick case is assigned a HR case manager and the People & Organisational Development Advisor team meet every other week to discuss case progress, share best practice and act as a support mechanism to the employee's line manager.

Conclusion:

2.18 Monitoring and reporting of sickness absence is appropriately undertaken via the monthly Performance and Assurance Dashboard and Performance and Insight report produced for the Board and monitoring of long term sick cases by the People & Organisational Development Advisor team. Furthermore, it will be further strengthened imminently by rolling out the newly developed Divisional and Directorate Dashboard across all parts of the Trust. (Substantial Assurance)

Appendix A: Management Action Plan

Matter Arising 1: Managers not completing Managing Attendance at Work Policy training (Operation)		Impact	
<p>Comprehensive training and guidance is available for employees who have responsibility for managing and monitoring sickness absence which explains the aims, principles and values which underpin the Managing Attendance at Work Policy. Slides have been produced that explain the detailed requirements and various component sections of the policy including links to the relevant pages of the Managing Attendance at Work Policy.</p> <p>However, at the time of our fieldwork 40% of managers (242/582) had not completed the Managing Attendance at Work Policy training. Our sample testing also identified 5/16 managers had not completed the training.</p> <p>In addition, we understand that the Trust has taken an organisational position that managers should repeat this training every three years. We note that from the Trust report that we reviewed 75/242 had not received this training in the last three years. However, the policy does not explicitly require staff to refresh every three years.</p>		<p>Line managers are not appropriately trained to manage sickness absenteeism.</p> <p>Management duty to ensure staff wellbeing is appropriately overseen</p>	
Recommendations		Priority	
1.1	Management should ensure that the Managing Attendance at Work Policy training should be attended by all managers who have not attended it previously.	High	
1.2	Management should consider adding wording to the MAAW policy that explicitly clarifies the Trust's position with regards to refresher training.	Low	
Agreed Management Action		Target Date	Responsible Officer
1.1	An action plan has been developed to address the recommendations of this report as detailed here. This will be overseen by the Head of People and OD	30/11/2022	Neil Lewis, Director of People and Organisational Development

	<p>Operations, with regular updates provided to the Assistant Director of People, Strategy, Insights and Service.</p> <p>We will identify all managers requiring initial and repeat training (242+) and arrange a schedule of training to address this immediate requirement, as well as planning for repeat training in the longer term.</p>		
1.2	<p>The Managing Attendance at Work Policy is an all-Wales Policy. We will update supporting information on our intranet to confirm our organisational position that managers should repeat this training every three years, and plan and schedule training to meet demand.</p>	31/10/2022	Neil Lewis, Director of People and Organisational Development

Matter Arising 2: Supporting documentation for the absences not provided (Operation)		Impact	
<p>We sampled 30 employee absences managed by 16 supervisors. However, for nine employees we were not provided with supporting documentation for the sampled absences during our fieldwork. With regards to the nine items in the sample:</p> <ul style="list-style-type: none"> For five employees managed by three supervisors, no supporting documentation was provided. For two employees managed by one supervisor, we were advised that return to work discussions were held, no other supporting documentation was received. For two employees managed by one supervisor, we understand that the supervisor is on long term sick. The supporting documentation for the absences could not be obtained. <p>As such, we were unable to conclude if the policy had been complied with for these sampled instances.</p>		<p>The Managing Attendance at Work Policy is not being implemented correctly or consistently.</p> <p>Impact on staff wellbeing if approach to sickness is not managed appropriately.</p>	
Recommendations		Priority	
2.1	Supporting documentation for all sickness absences should be available, completed and maintained so that it is readily available for scrutiny and to ensure that staff are treated consistently across the Trust.	High	
Agreed Management Action		Target Date	Responsible Officer
2.1	We will remind all managers of the requirements for sickness documentation to be completed and stored such that it is readily available for scrutiny and to ensure staff are treated consistently and in line with the Managing Attendance at Work Policy.	31/10/2022	Neil Lewis, Director of People and Organisational Development

Matter Arising 3: Delays in entering the absence start and end dates onto ESR and completing Return to Work documentation (Operation)				Impact
<p>We tested 30 employee absences from the ESR report from April 2020 – June 2022, we identified delays entering the absence start and end dates onto ESR. The number of employees where this occurred were 20 and 15 respectively as detailed in the analysis below:</p>				<p>Inappropriate or no action taken if misleading information is reported. Staff paid incorrectly if absence not entered onto ESR in good time.</p>
Time taken to enter the absence start date onto ESR	Number of employees	Time taken to enter the absence end date onto ESR	Number of employees	
4 - 7 days	6	4 - 7 days	1	
8 - 14 days	4	8 - 14 days	9	
15 - 21 days	7	15 - 21 days	2	
22 - 28 days	2	22 - 28 days	0	
> 28 days	1	> 28 days	3	
Total	20	Total	15	
<p>In particular, one case took 79 days to enter the start date onto ESR, in another case 44 days elapsed before the end date was entered onto ESR.</p> <p>We also reviewed the ESR report to compare the date the employee returned to work to the date the RTW meeting occurred. There were delays in the meetings for 9/30 of the sample. These delays ranged in length from 5 days to 12 days.</p> <p>Furthermore, for 6/30 cases, we were unable to confirm the RTW meeting date as the RTW information on the ESR report was blank even though the sickness absence had ended.</p>				

<p>In addition, we reviewed the dates from when the sickness absence ended to the date the RTW meeting was held as detailed on the form. There were delays identified on five forms of between 4 and 9 days respectively to undertake the RTW meeting.</p>			
Recommendations		Priority	
3.1	Sickness absence information should be promptly entered onto ESR and Return to Work forms should be completed when the employee returns to work and the date entered onto ESR.	Medium	
3.2	Management should update the policy to clearly state the Trust’s expectations with regards to the timely recording of sickness information on ESR, and associated documentation.	Medium	
Agreed Management Action		Target Date	Responsible Officer
3.1	We will remind all managers of the requirements for sickness absence information to be promptly entered onto ESR; Return to Work forms should be completed when the employee returns to work and the date entered onto ESR in line with existing ESR guidance.	31/10/2022	Neil Lewis, Director of People and Organisational Development
3.2	The Managing Attendance at Work Policy is an all-Wales Policy. We will update supporting information on our intranet to confirm our expectations with regards to the timely recording of sickness information on ESR and completion of associated documentation.	31/10/2022	Neil Lewis, Director of People and Organisational Development

Matter Arising 4: Other matters arising identified from sample testing (Operation)		Impact
<p>As detailed in matter arising two, we received documentation relating to 21/30 employees within our sample. We identified:</p> <ul style="list-style-type: none"> For 13 employees, the supporting documentation included sections on the RTW forms which had not been completed, or not all the required documentation had been provided. For seven employees there were inconsistencies between the sickness absence supporting documentation and information recorded in ESR relating to absence start or end dates. For one employee, an old style Self Certification Form was completed. For six employees, the Fit Notes did not cover the full period of absence. For one employee, a Self Certification Form to cover the initial 7 calendar days absence in accordance with the MAAW policy, was not provided to us. For two employees, the end date was entered onto ESR before the employee returned to work. For one employee, there was evidence that sickness absence continued after the end date shown on ESR. For two employees, the main absence reason shown on ESR was unrelated to Coronavirus but the related reason then stated Coronavirus (COVID-19). For one employee, the sickness absence lasted seven calendar days but Calendar Days Lost on ESR showed 4.998 and the reason for this could not be explained. This has been discussed with the Trust who are looking into it. 		<p>The Managing Attendance at Work Policy is not being implemented correctly or consistently.</p>
Recommendations		Priority
4.1	<p>Consideration should be given to the most appropriate method to disseminate implementation issues identified from the audit to all employees who have responsibility for managing and monitoring sickness absence so that the issues are resolved and do not re-occur in the future.</p>	<p>Medium</p>
Agreed Management Action		Target Date
		Responsible Officer

<p>4.1</p>	<p>We will determine an appropriate method to disseminate learning from the implementation issues identified to all employees with responsibility for managing and monitoring sickness absence so that the issues are resolved and do not re-occur in the future.</p> <p>Key learning from the implementation issues identified will be shared with members of the People and Organisational Development Directorate and all managers by 31/10/2022.</p>	<p>31/10/2022</p>	<p>Neil Lewis, Director of People and Organisational Development</p>
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Matter Arising 5: Long Term Sickness Absence matters arising from sample testing (Operation)		Impact	
<p>Section 4 of the Managing Attendance at Work Policy states that Long Term Sickness Absence meetings should ideally be held no later than the 28th day of absence. However, our testing of 21 employee absences identified the following:</p> <ul style="list-style-type: none"> For two employees, no evidence of the required Long Term Sickness Absence meetings was provided. For five employees, evidence of the Long Term Sickness Absence meetings was provided but they were not held in accordance with the recommended frequency schedule. For one employee, the Long Term Sickness Absence meeting note was not signed and dated by the manager until two months after the meeting and by the employee a further three months later. 		<p>The Managing Attendance at Work Policy is not being implemented correctly or consistently.</p>	
Recommendations		Priority	
5.1	<p>Management should meet with all employees on long term sick as per the Management Attendance at Work Policy. However, if they are unable to, they should record in file notes that they have attempted to meet the employees or it was felt inappropriate to. In addition, long term sickness absence meeting notes should be signed and dated by both parties at the time of the meeting or the date of the meeting recorded where it cannot be signed.</p>	Medium	
Agreed Management Action		Target Date	Responsible Officer
5.1	<p>We will update supporting information on our intranet to further advise managers to record any occasions when they have attempted to meet an employee but this has not been possible.</p> <p>We will work with managers to ensure that long term sickness absence meeting notes are signed and dated by both parties at the time of the meeting or the date of the meeting recorded where it cannot be signed. This will be subject to quarterly reviews of a sample of absences.</p>	31/10/2022	Neil Lewis, Director of People and Organisational Development

Matter Arising 6: Doctors Fit Note certificates not submitted as required by the Managing Attendance at Work Policy (Operation)		Impact
<p>Section 2 of the Managing Attendance at Work Policy states that a doctor’s Fit Note certificate must be submitted for sickness absence from the 8th calendar day of sickness absence onwards. However, from our testing of 21 employee absences, the required supporting Fit Notes were not provided for one employee where the sickness absence lasted 16 calendar days.</p>		<p>The Managing Attendance at Work Policy is not being implemented correctly or consistently.</p>
Recommendations		Priority
6.1	<p>Doctors Fit Note certificates should be obtained for all sickness absences from the 8th calendar day of sickness absence onwards as required by the Managing Attendance at Work Policy.</p>	Low
Agreed Management Action		Target Date
6.1	<p>We will update supporting information on our intranet to reinforce the requirements around self-certification and GP Fit Notes. This will be subject to quarterly reviews of a sample of absences.</p>	30/11/2022
		Responsible Officer
		Neil Lewis, Director of People and Organisational Development

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

* Unless a more appropriate timescale is identified/agreed at the assignment.



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