

Argyll and Bute Council
Internal Audit Report
April 2021
FINAL

Workforce Planning

Audit Opinion: Substantial

	High	Medium	Low	VFM
Number of Findings	0	1	0	0

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1. Executive Summary

Introduction

1. As part of the 2020/21 internal audit plan, approved by the Audit & Scrutiny Committee in March 2020, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Workforce Planning.
2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.
3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. Workforce planning is a key business process which aligns changing organisational needs with its people strategy. It is the process of ensuring you have the right number of people, with the right skills, employed in the right place at the right time to deliver the organisation's short and long term objectives. The public sector is facing challenging times and the Council must ensure we have a resilient and committed workforce with the skills required to meet those challenges.
5. Workforce planning is about generating information, analysing it to inform future demand of people and skills, and translating it into a set of actions that will develop and build the existing workforce to meet demand. It is also about determining future workforce needs and identifying workforce gaps against future needs.
6. Employees are the Council's core resource, are at the heart of what we do, and at the frontline of all services we deliver. A key component of the Corporate Plan and Single Outcome Agreement is to attract and retain people to live, work and learn in Argyll and Bute. As one of the area's largest employers we can contribute to this goal by identifying talented individuals and offering them employment and development opportunities with the Council.
7. The Council has a high number of staff aged 50 and over as against a small number aged under 25. This presents one of the most challenging aspects of workforce planning for future service delivery by the Council. Succession planning and encouraging young people into the workforce is a fundamental aspect of the Council's Talent Management team and Growing Our Own project.
8. As workforce planning is the responsibility of management within the Health & Social Care Partnership (HSCP) the board collate and analyse the detailed information and priority areas for workforce planning action for the services within the HSCP. We have therefore excluded Social Work services from this audit.

Scope

9. The scope of the audit was to review the internal controls in place to mitigate the risk of there being insufficient resource to ensure effective service delivery as outlined in the Terms of Reference agreed with the Head of Customer Support Services, Development and Infrastructure Services on 10 March 2021.

Risks

10. The risks considered throughout the audit were:
- **SRR06:** Insufficient resources to ensure effective service delivery.
 - **ORR:** Services have insufficient supply of staff to meet demand due to low uptake on recruitment due to COVID restrictions and staffing shortages to due to COVID related absence.
 - **Audit Risk 1:** Services have not developed and implemented effective workforce plans.

Audit Opinion

11. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.
12. Our overall audit opinion for this audit is that we can take a substantial level of assurance. This means that internal control, governance and the management of risk is sound. However, there is one minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and needs to be addressed within a reasonable timescale.

Recommendations

13. We have highlighted one medium priority recommendations where we believe there is scope to strengthen the control and governance environment. This is summarised below:
- the revised Strategic Workforce Plan (post 2022 review) should be supported by a consolidated process which tracks progress against the actions identified within it.
14. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

15. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	An effective workforce planning model has been	SRR06	High	The Strategic Workforce Plan sets out what the Council will do to ensure they have a workforce that will deliver their ambitions for the future for the

	developed and implemented			organisation. Services are required to review and update their workforce plans every six months and are required to identify gaps using a risk based approach.
2	Workforce planning framework supports identification of training and development opportunities	SRR06	Substantial	Staff are encouraged and supported to undertake training opportunities through the LEON system and managers are encouraged to support staff achieve their potential. The Talent Management programme and Growing Our Own offer initiatives to encourage people to join the Council and are also open to current employees. There is no consolidated process to monitor progress against the actions agreed in the Plan.
3	Services have detailed workforce plans that are reviewed regularly	SRR06 Audit Risk 1	High	Service workforce plans are updated and reviewed twice a year. Human Resources and Organisational Development provide base information for the service based on currently employee profiles. Managers are required to review the information and identify the future needs for the service.
4	Emergency workforce planning measures have been implemented to address the immediate impact of COVID	ORR	High	Emergency workforce planning measures have been implemented to address the impact of COVID. This included training for managing staff remotely, redeployment opportunities, looking at gaps in services and volunteering opportunities.

16. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

An effective workforce planning model has been developed and implemented

17. The Council's Strategic Workforce Plan (2018-2022) (the Plan) sets out what the Council will do to ensure they have a workforce that will deliver their ambitions for the future for the organisation. The Plan focuses on the key priority areas set out in the People Strategy (The Strategy) and develops them in terms of workforce development.
18. The Plan has been informed by the strategic direction of the Council, the medium to long term financial strategy and the key changes and challenges the Council faces. It identifies the strategic priorities for workforce planning and takes into account the current and future needs of the Council in relation to staffing numbers, skills and service requirements. It looks at each individual service including the purpose of each service, total staff allocation, age profile, employee budget

and future needs of the services. The impact of the plan and associated actions will be reviewed when the plan is reviewed in 2022.

19. The Plan sets out the key areas of action to meet future workforce needs and identifies priorities including:
- Growing excellent leaders and managers
 - Talent Management
 - Values and Behaviours
 - Employee Voice – engaging with our employees
 - Recognition and reward
 - Recruitment and retention
 - Health and wellbeing
20. A number of initiatives have been implemented to meet the key priorities identified including:
- Argyll & Bute Manager Development Programme and leadership development programme
 - Growing our Own project has been refreshed with a dedicated temporary officer in the new Talent Management Team
 - Employee Code of Conduct
 - Employee suggestion scheme
 - Annual employee excellence and recognition awards
 - “Wellbeing Wednesday” emails circulated to employees on a variety of topics.
21. Where service redesign is required Human Resources & Organisational Development (HROD), in conjunction with the Trade Unions, have developed a number of policies, procedures and guidance to assist managers. A guidance document, agreed in June 2015: HROD Guidance for Managers on Redesigning Service Delivery is available on the HUB. There are plans to review some parts of the guidance, namely the redeployment procedure and the redundancy selection criteria.

Workforce planning framework supports identification of training and development opportunities

22. As part of the workforce planning model managers are required to identify any current and future staffing needs, including identifying actions to mitigate risks. This may include identifying training opportunities to ensure staff have the skills to meet current and future demands.
23. The Strategy outlines a commitment to ensuring employees receive the training and development required to carry out their jobs effectively. In addition, linked to the talent management activity, the Council continue to create opportunities for development through the modern apprenticeship and trainee programme.
24. Learning and development guidance, including a full list of training courses, is available on the Council’s HUB and the Council is a SQA Accredited training centre. The training centre refers to all the training delivered by, or facilitated through, the team and a variety of courses including, Scottish Vocational Qualifications (SVQ), Professional Development Awards and Modern Apprenticeship programmes are offered either in the training classroom, virtually or if an SVQ qualification, observed in the workplace.

25. The plan sets out a number of actions that the Council are committing to deliver against each of the seven key areas detailed in paragraph 19. These are all presented as ‘We will’ statements. The number of commitments is summarised in Exhibit 2.

Exhibit 2 – Commitments in Strategic Workforce Plan

Plan Section	Key Area	No of Commitments
3.2	Growing excellent leaders and managers	3
3.3	Talent Management	12
3.4	Values and Behaviours	2
3.5	Employee Voice – engaging with our employees	2
3.6	Recognition and reward	1
3.7	Recruitment and retention	6
3.8	Health and wellbeing	3
	Total Number of Commitments	29

26. Through discussions with officers we were advised that monitoring of these actions is picked up through a range of activity such as service workforce planning meetings, the Pyramid system, tracking the Growing Our Own programme etc. however there is no consolidated process for monitoring and tracking the actions agreed in the Plan meaning it is difficult to assess progress toward delivering it or its impact. As the Plan is due to be refreshed in 2022 it is not deemed a valuable use of resource to implement a monitoring process for the current iteration of it however this should be considered to support the revised plan.

Action Plan 1

27. LEON, the Council’s e-learning system, hosts a wide range of online courses, including mandatory and induction, leadership and management, IT, workplace skills, equality and diversity and health and wellbeing courses. Employees have access to LEON with log in details provided when an employee commences employment with the Council. All courses can be accessed at a time that is convenient to employees and from any computer or mobile device with internet access.

Services have detailed workforce plans that are reviewed regularly

28. The Council recognise workforce planning requires to be done regularly and with service managers who have a strategic link to the organisation and who operationally know their service. Service workforce plans have been established which are reviewed, updated and reported on every six months. Templates for these were initially created using base information taken from 2018/2019 workforce statistics.
29. HROD officers meet service managers twice a year (May and November) to discuss and update service workforce plans. Two weeks prior to the meeting managers are provided with updated templates pre-populated with information downloaded from Resourcelink. This allows services to review and update workforce information and identify actions to support identified service needs. Statistics from the previous update are provided to enable trends to be identified. Service managers, with support from HROD, are required to identify actions which will enable them to address any current or future workforce challenges. Once HROD receive all updated plans they are analysed to identify key themes and these are reported via a Final Output Report which is presented to DMT and SMT.

Emergency workforce planning measures have been implemented to address the immediate impact of COVID

30. As part of the COVID response, HROD established a redeployment hub to help facilitate the redeployment of Council officers from roles put on hold due to COVID restrictions into areas of priority need.
31. Initially, managers identified critical service gaps through a SharePoint site, although this was subsequently replaced by telephoning managers to identify gaps in service. At the same time, employees and volunteers were asked to complete a form on the website advising if they were able to help fill any gaps. This report was provided to HROD on a daily basis who went through a process of matching the supply (from the website) to the demand (the identified gaps).
32. A COVID redeployment process, including a redeployment flow chart and manager's guidance was created to assist the process. Information relating to emergency workforce planning is available on the HUB, this includes employee redeployment and volunteering information.
33. Where possible employees have been working from home. Training is being offered to employees to assist them with remote management of staff. In addition, wellbeing support is being provided to employees, including advice on remote working. Weekly wellbeing updates are sent to all staff.

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
Medium	1	<p>Monitoring Strategic Workforce Plan Actions</p> <p>There is no consolidated process for monitoring and tracking the actions agreed in the Strategic Workforce Plan meaning it is difficult to assess progress toward delivering it or its impact. As the Plan is due to be refreshed in 2022 it is not deemed a valuable use of resource to implement a monitoring process for the current iteration of it however this should be considered to support the revised plan.</p>	Unable to monitor progress against or the impact of the Plan	Include milestones for progress reporting in the revised Workforce Plan.	HROD Manager September 2022

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.
VFM	An observation which does not highlight an issue relating to internal controls but represents a possible opportunity for the council to achieve better value for money (VFM).

Appendix 2 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.