



MALDON DISTRICT COUNCIL

INTERNAL AUDIT REPORT

WORKFORCE MANAGEMENT
NOVEMBER 2020

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Substantial	Substantial

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DISTRIBUTION

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REPORT STATUS LIST

Auditors:	Ravi Gadhia - Internal Audit Semi Senior
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EXECUTIVE SUMMARY**LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS)**

Design	Substantial	There is a sound system of internal control designed to achieve system objectives.
Effectiveness	Substantial	The controls that are in place are being consistently applied.

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	0
Medium	0
Low	0

TOTAL NUMBER OF RECOMMENDATIONS: 0**BACKGROUND:**

The overall size of the Council workforce has remained relatively static over recent years, although the Senior Management Review reorganisation has resulted in a small reduction in the workforce. This reflects the changing nature of services and the need to achieve efficiencies in service delivery.

The Council's traditional personnel function has transformed to a more strategic Human Resources and Organisational Development (HR & OD) model and is now part of a wider service working together to be more proactive with plans for staff and the wider community, to be better able to help to improve Maldon District Council. The primary focus of the Service is to develop, support and steer cultural and transformational change.

The Council have developed a Workforce Strategy and plan which identifies how they will meet current and future people needs to ensure there are highly skilled people to deliver high quality services.

People (Workforce) Planning aims to:

- understand the medium/long term skills gaps of employees and identify solutions;
- develop a productive and skilled workforce;
- engage and support employees in organisational change;
- have policies that support diversity and good people management

GOOD PRACTICE:**Workforce Strategy**

- We confirmed that Maldon District Council (MDC "The Council") has a Strategic Plan for People & Workforce Development in place which runs from 2020-2022. The

strategy was created in March 2020 and is currently in draft format. However once finalised, the strategy will follow an annual review cycle.

- Our review of the Strategic Plan for People & Workforce Development confirmed there to be narrative surrounding linkage of the strategy into the Council's wider Corporate Plan. The Strategic Plan for People & Workforce Development runs in conjunction with the Medium Term Financial Plan and ICT Strategy in order to achieve the objectives set out in the Corporate Plan.
- The Council's Corporate Plan includes four items under Culture, Vision and Values. These areas are: (i) being a high performing organisation (ii) being an employer of choice (iii) being a learning organisation and (iv) being a healthy organisation. Our review of the Strategic Plan for People & Workforce Development confirmed that activities have been proposed in order to achieve each of the four areas. We have included a summary below:

Culture, Vision & Values (Corporate Plan)	Actions from Strategic Plan for People & Workforce Development
High performing organisation	<ul style="list-style-type: none"> • Leadership • Performance management • People management
Employer of choice	<ul style="list-style-type: none"> • Recruitment and selection • Pay and rewards • Organisational culture
Learning organisation	<ul style="list-style-type: none"> • Continuous improvement • Self-development
Healthy organisation	<ul style="list-style-type: none"> • Wellbeing support • Flexible working

Workforce Strategy Action Plan & Oversight

- We confirmed that the Council's Strategic Plan for People & Workforce Development has action plans to support implementation of the strategy. We reviewed the action plan and confirmed actions are in place for 2019/20, 2020/21 and 2021/22. In total, there are four action plans, which span the duration of the strategy. The action plans cover: (i) Resourcing and Recruitment (ii) Retention (iii) Learning and Development and (iv) Employee Engagement.
- We confirmed that delivery of actions is monitored through the Council's HR Service plan, where objectives are created to facilitate the delivery of actions stated in the Workforce Plan. It is a live document where each objective is supported by a responsible owner and includes a deadline and comments regarding current progress.

We received an updated version of the HR service plan on 04 October 2020 and confirmed there to be a total of 59 actions, of which: 34 are complete, 23 which are ongoing, one being moved to 2021/22 (relating to work experience) and another being on hold due to Covid-19 (relating to wellbeing).

Staff Resources to Deliver Workforce Strategy

- The Council's Strategic Plan for People & Workforce Development outlines the resources in place to be able to deliver the strategy. The implementation of the

strategy is led by the Senior HR specialist who is supported by two HR specialists along with Resource Caseworkers.

- Our review of the strategy also confirmed it outlines the priorities of the HR function in relation to implantation of the strategy. The priorities in question are (i) Recruitment and resourcing (ii) Training and development (iii) Retention and succession planning and (iv) Staff consultation and engagement.

Staff Engagement

- We confirmed that the Council had carried out a staff survey between 11 November 2019 and 9 December 2019. We reviewed the presentation which was circulated to management following completion of the survey. The overall response rate of the staff survey was 61%.
- The results of the survey highlighted the following concerns by staff, which represent common themes across all directorates surveyed.
 - Not enough resource - staff feeling overworked, areas where resource hasn't been recruited to full capacity.
 - Uncertainty - staff not knowing what to make of, and responding to changes.
 - Management direction and visibility - senior managers needing to be more visible and obvious in their decision making.
 - Perception that staff cannot be honest - staff worried they are unable to raise issues for fear of how management would react, and not wanting to look negative.
- As a result of the staff survey, the Council put in place an action plan which was created by HR and Extended Leadership Team (ELT). We compared the themes above with actions from the action plan and confirmed that the Council has put in place actions to address the concerns raised. The monitoring of this is also through the HR service plan, of which we noted there to be two requirements: Prepare an action plan to support feedback outcomes and review staff survey outcomes. The current status for these two actions have been noted as 'ongoing' with the explanation that it is on hold due to Covid-19, however a further survey was issued in September 2020. We were informed by the Senior HR Specialist that the survey window has now closed, and a deadline of February 2021 has been assigned in terms of reporting back the findings of the survey to CLT and creating an updated action plan.

Areas of concern from staff survey	Proposed actions by MDC (examples - not exhaustive list)
Not enough resource	<u>Resourcing & Recruitment action plan</u> <ul style="list-style-type: none"> - Develop recruitment strategy - Utilise talent pool candidates - Develop apprenticeships programme <u>Retention Action Plan</u> <ul style="list-style-type: none"> - Benchmark salaries - Total reward policy - Review allowances and call outs paid <u>Learning & Development Action Plan</u> <ul style="list-style-type: none"> - Conduct Council-wide skills audit

	<ul style="list-style-type: none"> - Expand apprenticeship scheme within the Council - Promote training opportunities via One News
Uncertainty	<u>Employee Engagement</u> <ul style="list-style-type: none"> - Communicate messages in a clear and consistent way and implement regular CLT briefings - Celebrating success, recognising ideas and employee contributions
Management Direction and Visibility	<u>Employee Engagement Action Plan</u> <ul style="list-style-type: none"> - Communicate messages in a clear and consistent way and implement regular CLT briefings
Perception That Staff Cannot be Honest	<u>Learning & Development Action Plan</u> <ul style="list-style-type: none"> - Complete rollout of employee staff survey action plan - Implement healthy workforce programme in conjunction with the wellbeing officer <u>Employee Engagement Action Plan</u> <ul style="list-style-type: none"> - Consider further employee wellbeing initiatives - Celebrate success, recognising ideas and contribution from employees at all levels

Impact of Covid-19 on Workforce Strategy

- Our review of the Workforce Strategy confirmed that it has been updated to reflect the challenges Covid-19 has had on the Council. The strategy states that as a result of Covid-19, it has had to move to a more flexible way of working, making use of improved IT infrastructure to support the majority of staff working from home.
- The strategy also outlines how the Council is supporting vulnerable groups in the community and local businesses with additional grant funding. Covid-19 is having a negative impact on the Council's financial position due to lost revenue. As a result of this, the strategy states how it is impacting on the People plan objectives - thus requiring the plan to be delivered using alternative methods.
- The Council carried out an additional Staff Survey in May 2020 as a result of Covid-19 in order to identify how the Council has been impacted in terms of service delivery, productivity, work/life balance and wellbeing. We reviewed the results of the survey and found the results to be favorable in terms of technology in place and work life balance. Overall, staff preferred to be able to work from home most of the time.
- Despite the detrimental impact of Covid-19, the strategy concludes that most of the Council's activities and statutory duties can be carried out remotely, which in turn reduces cost and allows customers to access services outside of regular business hours. We also noted the strategy references the introduction of a new ways of working policy to guide how the Council and staff will operate in the future.
- To support new ways of working since the impact of Covid-19, the Council have put in place a Working at Home Policy which was created in September 2020 and is a live document which is reviewed by the Extended Leadership Team (ELT). We reviewed the policy and found it to link to other policies such as parental leave, leave, managing attendance, compassionate leave and safer recruitment. We also found the policy to include sections covering: working hours, office use, wellbeing,

adjustment of duties, vulnerable groups, self-isolation and quarantine (including travel to/from foreign countries) for example.

CONCLUSION:

From our review of the Council's Workforce Strategy, results of the staff survey and supporting action plans, we confirm that there is a clear direction and appropriate oversight over implementation of the strategy. Additionally, we can confirm the Council has responded to the impact of Covid-19, through amending its workforce strategy, in addition to holding a staff survey and creating a dedicated policy in relation to Covid-19. We have therefore given substantial assurance on both design and operation of the controls in place.

STAFF INTERVIEWED

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

Name	Job Title
Sam Mott	Senior Specialist - HR - Resources Directorate
Annette Cardy	Head of Resources - Specialist Services

APPENDIX I – DEFINITIONS				
LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE	
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

APPENDIX II - TERMS OF REFERENCE

PURPOSE OF REVIEW:

To provide assurance on the extent of implementation of the workforce development strategy, and that planning and required resources are in place to enable delivery of the strategy. We will also review the impact of CV-19 on its aims and progress.

KEY RISKS:

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the key risks associated with the area under review are:

- The Workforce Development Strategy is not aligned with corporate objectives and priorities
- The Council has not assessed progress of implementation of the actions within the Workforce Development Strategy, or the assessed progress is not supported by clear evidence of implementation or performance against agreed indicators
- The Council has not identified outstanding actions or does not have a clear plan for delivery of outstanding actions which assigns targets and responsibility for those actions
- Resources, including the HR IT system, are considered inadequate to enable delivery of the strategy
- There is no clear plan for a post project implementation benefits realisation assessment
- The strategy has not been updated to reflect the impact of covid-19 on delivery

SCOPE OF REVIEW:

The following areas will be covered as part of this review:

- Confirmation that the Council has a clearly workforce strategy in place and this is aligned to the corporate plan
- Review the strategy and underlying actions and plans and confirm that these appropriately support the implementation of the strategy
- Confirm appropriate resources (staff, budget and infrastructure) are in place to support the delivery of the strategy
- Confirm there is appropriate engagement with staff to support the implementation of the strategy
- Confirm if there is appropriate oversight over the implementation and progress of the strategy, including post project analysis
- Confirm if the strategy has been updated to reflect the impact of covid-19

APPROACH:

Our approach will be to share information as set out in the scope of the review section above and liaise with relevant officers as necessary.

FOR MORE INFORMATION:

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The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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