

To: Mark Davies, Chief Executive
Alex Kinch, Head of HR
Luke Gorst, Head of Legal Services/ Monitoring Officer
Paul Thompson, Head of Finance / Section 151 Officer
Suzanne Lodge, Interim Director of Communities and Environment
Cllr Stubbins, Chair of Audit Committee

From: Fiona Hill, Engagement Manager
Louise Cobain, Engagement Lead

Date: 20/03/2023

Re: Effectiveness of HR Review

1 Introduction and Background

In October 2020 the council were in receipt of an Internal Audit report, prepared by the previous in house Internal Audit Team, for 'HR Assurance', which concluded on the systems, processes and controls in place against a number of agreed objectives prior to and up to the point of the report being issued. The review provided minimal assurance and a significant number of actions were identified to strengthen the control environment.. It provided an action plan which has been taken forward and maintained by the Council.

Since the publication of the report there have been a number of significant changes within the HR Team at the Council. Following the instalment of an Interim Head of HR in July 2021, there has been a new permanent Head of HR appointed during 2022, who has instigated and implemented a HR restructure review in September 2022. Additionally, just two members of the original HR team remain in post.

As part of the 2021/22 Internal Audit Plan, MIAA undertook a review specifically focusing upon the progress against the recommendations made within the above referenced report.

2 Objectives & Scope

The overall objective was to assess the progress in relation to the recommendations made within the 2020 HR Assurance report.

Note: this assurance was limited to the areas within the Council's action plan.

3 Management Summary

Since the publication of the HR Assurance Review in 2020, good progress has been made in the completion of the action plan.

The HR Assurance review contained a total of 35 recommendations to be implemented, we have confirmed that all of these actions were transferred into the Council action plan. The Council plan

contained an action for each recommendation along with a responsible officer, except for those which were no longer applicable. We noted that progress was reported to the Audit Committee in July 2021 with no further updates provided to any Council Committees including the Personnel Committee.

The action plan was last updated in October 2022, 22 actions were noted as completed, nine actions as no longer applicable and four actions outstanding requiring the update of HR Policies.

A summary of the status from our review of the 35 recommendations is as follows:

- Nine actions are no longer applicable, as they either relate to the previous Head of HR or posts which are no longer in operation such as the OD and People Manager.
- Five actions marked as complete by the Council have been assessed by MIAA as in progress and require further work, including the roll out of E-learning on additional payments and honorariums, and the update of the Electronic Signature Policy to include the use of signing on behalf of others.
- Four actions require the review and update of HR Policies. The Council has attempted to recruit a Policy Lead twice unsuccessfully. This has since been allocated to a member of the HR team to complete.
- One action requires an Internal Audit Review across the Council on Honorariums. It is proposed that an Honorarium and Additional Payment Review is included as part of a wider Payroll review in the 2023/24 Internal Audit Plan.
- We have verified that the remaining 16 actions have been completed, although one action could be further enhanced with clarity on decisions and actions taken at the SLT.

We completed our review through discussions with staff and management, walkthrough of new processes and review of updated template documents.

We have provided a Summary of the Action Plan Recommendations and Actions in Appendix A.

4 Further Actions Required

- The Council should consider putting a reporting process in place, whereby progress against the HR action plan is provided to the Personnel Committee. This would provide the Personnel Committee with assurances that the actions are either completed or are in hand with expected completion dates and action owners.
- All HR Policies and Procedures to be reviewed, as planned. Deadlines should be set for their completion. These should be reviewed by the Head of HR and be formally approved by the Personnel Committee. The Policies and Procedures should also be given a further review date, as to when they should be considered for future updates. They will need to be communicated across the Council, with training provided where required and made available to all staff on the intranet.
- An Internal Audit Review of Honorariums and Additional Salary Payments to be included in a wider Payroll Review 2023/2024 Internal Audit Plan. The review should assess the updated controls in place and their operating effectiveness.

- Entries on the actions/decisions log produced from Executive meetings to be made clearer.
- Any decisions relating to the non-recovery of salary, honorarium or additional overpayments should be formally approved by a decision making body and the decision recorded along with documentation retained on personal files.
- An Electronic Signature Policy was introduced in January 2023; however, it was noted that it did not include the circumstances where someone signs a document on behalf of a person not able to sign (i.e. pp). The Council should update the Policy, we understand this is planned to be completed imminently. However, in the interim staff have been advised in a newsletter that they should not 'pp' a signature unless they have delegated responsibility to do so.
- E Learning to be rolled out, as planned in April 2023, regarding Honorariums and Additional Payments.

Appendix A: MIAA Assessment of Action Plan

Ref	Original Recommendation	MIAA Update	MIAA Assessment	Further Recommendation/Action Required
1	All HR policies, procedures and guidance documents should undergo a regular rolling review (minimum every 3 years) with clear timescales and version control documented within each. In addition, such documents should be subject to a formal approval process by the Personnel Committee or another appropriate governing body.	The Council has attempted to recruit a Policy Lead twice unsuccessfully. This has since been allocated to a member of the HR team to complete.	In Progress	As planned, all HR Policies and Procedures to be reviewed, with deadlines assigned. These should be reviewed by the Head of HR and be formally approved by the Personnel Committee. The Policies and Procedures should also be given a further review date, as to when they should be considered for future updates. They will need to be communicated across the Council, with training provided where required and made available to all staff on the intranet.
2	Any future change or removal of significant controls should be discussed with the Internal Audit Team to identify any risks associated with the proposed changes. This is with regard to person specifications	A new Job description template has been introduced. It requires the input of person specifications. We understand new positions from September 2022 include person specifications.	Complete	N/A
3	Given the person specification provides a fundamental control in ensuring the best	A new Job description template has been introduced. It requires the input	Complete	N/A

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	candidate is appointed for a role, the decision by Ad Esse to remove the Person Specification approved by Personnel Committee on 23 July 2020 should be revoked.	of person specifications. We understand new positions from September 2022 include person specifications.		
4	Training should be provided to members of the Personnel Committee to ensure they understand the importance of challenging any changes to established policy and procedures in particular where the change is in respect of the removal of internal controls.	<p>A training schedule is maintained to ensure all members of the Personnel Committee receive training along with any new members. All members of the Personnel Committee have received training.</p> <p>There is a further training programme planned for after the May elections to train all members once appointed.</p> <p>The Head of HR regularly has 121's with the Chair.</p> <p>Agendas are forward planned.</p>	Complete	N/A
5	The Recruitment and Selection Guidance needs to be amended to state that interview documentation supporting the appointment of an employee is retained on file until the probationary period has been completed.	The Council has attempted to recruit a Policy Lead twice unsuccessfully. This has since been allocated to a member of the HR team to complete.	In Progress	As planned, all HR Policies and Procedures to be reviewed, with deadlines assigned. These should be reviewed by the Head of HR and be formally approved by the Personnel Committee. The Policies and Procedures should also be given a further review date, as to

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				when they should be considered for future updates. They will need to be communicated across the Council, with training provided where required and made available to all staff on the intranet.
6	Access to HR personnel files should be appropriately restricted within the HR Team to prevent unauthorised access, deletion or amendment of key records.	Access to the files are restricted to HR staff. The My View system, which contains pay and personal details has restricted access with manual approval processes in place. A HR member of staff cannot amend their own details as payroll will not action changes without the approved change form.	Complete	N/A
7	All checks per the pre-employment checklist should be carried out by HR and evidence be retained on personnel files irrespective of whether an employee is recruited through an agency or not. This change needs to be reflected in the Recruitment and Selection Guidance.	Checklists and documentation are maintained, retained and updated in HR. HR follow-up any outstanding information and candidates are not employed or issued with a contract until all checks have been completed. The Council has attempted to recruit a Policy Lead twice unsuccessfully. This has since been allocated to a member of the HR team to complete.	In Progress	As planned, all HR Policies and Procedures to be reviewed, with deadlines assigned. These should be reviewed by the Head of HR and be formally approved by the Personnel Committee. The Policies and Procedures should also be given a further review date, as to when they should be considered for future updates. They will need to be

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				communicated across the Council, with training provided where required and made available to all staff on the intranet.
8	The personnel file is and should be the primary source of documentation of an employee's employment, therefore HR should be responsible for ensuring personnel files contain all relevant documentation (qualifications/references/probation reviews/change of conditions etc.) in relation to an employee's employment. This is to avoid duplication or missing documentation.	HR retain documentation and maintain checklists to ensure all documentation is received with regard to probationary reviews, pre-employment checks, appointment letters and contracts and any change of conditions.	Complete	N/A
9	The successful completion of a probation period should not be assumed on the basis of nothing to the contrary being submitted. HR should ensure that all probation reviews have been completed and all necessary paperwork is retained on personnel files prior to a successful appointment letter being sent. Given this, the decision made by the Personnel Committee on 23 July 2020 to	Template appointment letter, and template contract, contain details of the Probationary requirements. Probationary and Recruitment spreadsheet logs are maintained in HR to track the completion of documentation to support the Probationary Period. Follow up of and of any outstanding checks not completed by the line manager is also completed on a quarterly basis.	Complete	N/A

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	send appointment letters based on assumptions should be revoked.	Documentation is retained by HR.		
10	<p>Given the discrepancy between MyView and the Head of HR's three-month probation documentation, this absence needs to be appropriately recorded and any subsequent Return to Work interviews should be documented.</p> <p>In addition, given that accurate absence recording may be a council wide issue, a further piece of work needs to be completed by Internal Audit.</p>	<p>There is a new Head of HR in post.</p> <p>An Internal Audit Review on absence reporting is underway.</p>	In Progress	<p>Management to action any recommendations from the Internal Audit Review.</p> <p>Actions will be incorporated into the MIAA follow-up position, which is regularly reported to the Audit Committee.</p>
11	The honorarium awarded to the Head of HR should be independently reviewed to ensure that the rationale for the award is appropriate, it is financially accurate (relevant to the pay and grading structure) and that the subsequent JE process has not already accounted for these additional duties given the honorarium is still continuing.	<p>The Head of HR is no longer in post, with a new Head of HR appointed in 2022. However, should the new Head of HR be awarded an honorarium, it would have to go through the correct processes requiring authorisation by both Finance and the Chief Executive prior to the acceptance of payroll for payments to be made.</p> <p>All honorariums and additional payments must be authorised by the Chief Executive Officer.</p>	Complete	Internal Audit to conduct a Payroll Review in 2023/24 to include a focus on additional payments including honorariums.

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12	If the Executive Team are to continue to make significant decisions during their meetings i.e. agreeing restructures, these meetings should be minuted or a decision log kept to ensure transparency and accountability.	An action log is retained for decisions and any actions required. These act as minutes due to lack of resource to minute meetings.	Complete	Whilst this action has been completed it could be further enhanced, as we noted that the Executive Team action log does not differentiate between an action and a decision. It could be further enhanced with an additional column.
13	Given that it has been established that the People and OD Manager did gain financially in her new role, consideration should be given to allowing the HRBP's to register an interest in this post.	This role is no longer in place.	Complete	N/A
14	Authorising officers should ensure that they are fully satisfied that all criteria has been met, and council policies have been followed appropriately, prior to signing off on Vacancy Authorisation Form (VAC) forms. Regular challenge, being 'devil's advocate' is an important part of maintaining high standards and ensuring complacency doesn't set in.	Vacancies are not accepted until the appropriate forms have been fully completed and signed off. These are monitored by a central spreadsheet in HR. Additionally, there is currently a recruitment freeze and therefore any recruitment must be approved by the SLT. These are recorded in the SLT decision log.	Complete	N/A
15	The Successful Candidate Information Form should be amended to ensure that the reasons for starting a new employee on a	Successful Candidate Forms are reviewed by HR, if the salary quoted is above the bottom of the grade the	Complete	N/A

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	salary above the bottom of a grade are clearly documented and in line with the considerations per the Recruitment and Selection Guidance. Travel expenses are not to be considered as a reason to appoint above the bottom of a grade.	form requires the manager to contact HR before offering the role. HR will assess the reasoning for the higher salary. This could be due to skills shortages or expertise and experience in the role advertised. HR will obtain further evidence where required such as payslips etc.		
16	A decision should be made and documented by the S151 Officer to ascertain if the employee's starting salary is considered appropriate and in line with policy. All factors should be considered including the current home working arrangements. It may be necessary to claw back overpayments and/or explore other measures such as freezing future increments to reflect the overpayment.	It has been decided that it would not be practical to sit with the s151 Officer. Approval of salary rates is part of the vacancy and recruitment procedures and approval processes. Where there are queries over starting rates the HR Business Partner would be involved in providing advice and support.	Complete	N/A
17	Offers of employment should not be made until the closing date has passed and either a competitive interview process has been undertaken or it has been agreed in line with the policy that this is not necessary.	The Council has attempted to recruit a Policy Lead twice unsuccessfully. This has since been allocated to a member of the HR team to complete.	In Progress	As planned, all HR Policies and Procedures to be reviewed, with deadlines assigned. These should be reviewed by the Head of HR and be formally approved by the Personnel Committee. The Policies and Procedures should also be

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				given a further review date, as to when they should be considered for future updates. They will need to be communicated across the Council, with training provided where required and made available to all staff on the intranet.
18	Report authors should be reminded to adhere to Committee report timetables to allow committee members adequate time to consider proposals and recommendations prior to the meeting. Democratic Services should be supported in rejecting late submissions unless there is an acceptable reason.	Committee timetable is in place with deadlines for papers to be submitted. Democratic Services have confirmed that no papers have been submitted late or caused issues.	Complete	N/A
19	If the post of Senior Head of People and Transformation is still required/considered appropriate given the findings of the HR assurance work, the financial viability of the post needs to be fully documented within a business case, agreed by Finance and then resubmitted to Personnel Committee.	This position is no longer in operation.	Complete	N/A
20	Should the currently halted creation of the post of Senior Head of People and Transformation still be required, the job	This position is no longer in operation.	Complete	N/A

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	description and covering Personnel report should be independently produced.			
21	Reference to the Senior Head of Transformation and People post should be removed from the Pay Policy which was approved at Personnel Committee on 12 March 2020 whilst a decision is made in relation to this post (R19).	This position is no longer in operation.	Complete	N/A
22	In accordance with the Councils' probationary process, the performance of the OD and People Manager should be reviewed per the requirement of the Chief Officer as stipulated on the re-designation form.	This position is no longer in operation.	Complete	N/A
23	The job description for the OD and People Manager should be amended and re-evaluated to accurately reflect that the post is not deputising for the Senior Head of Transformation and People (graded at Deputy Director level).	This position is no longer in operation.	Complete	N/A
24	To remove any conflicts of interest, all posts within HR should be independently re-evaluated if not already done so, to ensure	Since the report was issued, all but two of the previous HR team have left the Council. There is now a new team led by a new Head of HR.	Complete	Although the restructure was independently approved and reviewed at the Council by the Executive Team and was completed

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	that scores allocated are accurate and appropriate for the roles.	There was a restructure in September 2022, with posts reviewed by the Job Evaluation and Organisational Design Lead overseen by the new Head of HR...This was reviewed and approved by the Unions and the Councils Executive Team.		by the new incoming Head of HR. Any future evaluations of HR or any other Council service, should be completed independently and follow this approval route to ensure independent oversight and objectivity.
25	As per the policy, the Head of HR should ensure that all Change of Condition forms are fully completed and are appropriately authorised per the Scheme of Delegation. In instances where the change of condition relates to a member of the HR team, forms should be checked by the Head of Audit or the Monitoring Officer, to ensure an effective separation of duties is in place. The form should be refreshed to enable this check to be evidenced.	All Change of Condition forms require Finance approval before being actioned. They also require approval by the Chief Executive.	Complete	N/A
26	All staff should be informed of the correct process for signing documents on behalf of others (pp) e.g. inserting their own name/signature not that of the absent authoriser. This practice of using 'pp' should only take place where clear delegated authority exists to do so.	An Electronic Signature Policy was introduced in January 2023. However, it did not include the requirements for signing documents on behalf of others. However, in the interim staff have been advised in a newsletter not to sign on behalf of others unless	In progress	As planned, Electronic Signature Policy to be updated to include signing documents on behalf of others.

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		authorised through delegated authority to do so.		
27	The overpayment made in respect of the Projects and OD Manager's honorarium be reviewed and a decision be made by the Section 151 Officer whether to clawback the overpayment in line with the Payroll Management Policy.	We understand that it was agreed the overpayment should not be recovered. The Projects and OD Manager, along with the management who made the decision have since left the Council.	Complete	Any decisions relating to the non-recovery of salary overpayments should be formally approved by a decision making body and the decision recorded along with documentation retained on file.
28	Appropriate training should be provided to Managers/Directors to make clear the content and correct application of the Acting-up policy. The training should focus on the rationale for award, making clear that these payments are not to be used as a means of performance related pay.	E Learning is being developed and rolled out. Managers are able to liaise with their HR Business Partner on any acting-up, if they have queries. Change of Conditions forms where acting up payments are implemented must be reviewed and signed by Finance, Head of Service, HR and the Chief Executive.	In progress	E Learning to be implemented and rolled out in April 2023, as planned.
29	Given the errors made during the award of Covid related honorariums, a full review should be completed to identify the errors made and take corrective action, which may involve recovering overpayments per the Payroll Management Policy.	We understand that it was agreed any overpayments should not be recovered. The management who made the decision have since left the Council. Additionally previous HR	Complete	Any decisions relating to the non-recovery of salary overpayments should be formally approved by a decision making body and the decision recorded along with documentation retained on file.

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		members have left the Council, with only 2 remaining.		
30	Given the number of errors identified in relation to HR honorariums, it is felt that HR staff would benefit from refresher training on the requirements of the Honoraria and Acting Up Policy to ensure the advice and guidance they give is accurate and up to date.	E Learning is being developed and rolled out. Managers are able to liaise with their HR Business Partner on any acting-up, if they have queries. Change of Conditions forms where acting up payments are implemented must be reviewed and signed by Finance, Head of Service, HR and the Chief Executive.	In progress	E Learning to be implemented and rolled out in April 2023, as planned. As part of the Finance review of honorariums, calculation accuracy must be checked.
31	Given the number of errors identified in relation to the award of HR honorariums a further piece of work needs to be completed by Internal Audit to ensure honorariums are awarded in accordance with policy across the council.	It is proposed that a Payroll Review is included in the 2023/24 Internal Audit Plan to include additional salary payments such as acting up and honorariums.	In Progress	Internal Audit to conduct a Payroll Review in 2023/24 to include a focus on additional payments including honorariums.
32	All HR forms to be shared through SharePoint to enable an appropriate audit trail to be established.	The HR shared drive is secure, and access is restricted to HR staff. There are clear signatories for forms which are retained.	Complete	N/A
33	Given the findings of the HR Assurance work and recognising that the Head of HR is new	The new Head of HR appointed in 2022 has extensive experience of	Complete	N/A

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	to Local Government and the council, it is recommended that training on the council's Constitution, in particular the Scheme of Delegation be given.	working in the Local Government sector. They also underwent induction training on appointment.		
34	Where a document has been signed (pp'd) on behalf of another authorising officer the officer ultimately responsible for the decision (e.g. Chief Executive) should ensure that these authorisations are in accordance with the Scheme of Delegation within the Constitution.	An Electronic Signature Policy was introduced in January 2023. However, it did not include the requirements for signing documents on behalf of others. However, in the interim staff have been advised in a newsletter not to sign on behalf of others unless authorised through delegated authority to do so.	In progress	As planned. Electronic Signature Policy to be updated to include signing documents on behalf of others.
35	All HR staff should undergo ethical standards training to ensure they are familiar and know how to apply the 'The Seven Principles of Public Life' (also known as the Nolan Principles) which form the basis of the expected ethical standards of a public office holder.	There are now only 2 members remaining. The Nolan Principles have been circulated and are referenced in the Code of Conduct. Additionally new members of the team have received induction training on the Code of Conduct and Nolan Principles. These documents are available to all staff on the intranet and also on the Council internet site.	Complete	N/A