

# GLASGOW CITY COUNCIL INTERNAL AUDIT SECTION

## COMMITTEE SUMMARY

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**Item 2(c)**

17th March 2021

**Title of the Audit:** Corporate Review – Covid-19 Sickness Absence and Pay

### 1. Introduction

1.1 The Council's Maximising Attendance Policy aims to support employees to maintain high levels of attendance at work, and to ensure that employees are treated fairly, legally and consistently when they do have attendance issues. Following the Covid-19 lockdown in March 2020 Corporate HR developed and published additional guidance for employees and managers with details of the approach to be taken in relation to attendance and sick pay provisions during the Covid-19 pandemic.

1.2 While the existing Maximising Attendance Policy continues to apply for any non Covid-19 related absences, this additional guidance advised that employees with Covid-19 related absence who were unable to work from home would continue to be paid outwith the normal sick pay scheme, and these absences would not count towards sick pay entitlement. Decisions regarding the circumstances and requirements of individual employees were expected to be considered by managers on a case by case basis.

1.3 The purpose of the audit was to ensure that the Maximising Attendance Policy and the additional Covid-19 guidance provisions for sick pay have been clearly communicated, are applied correctly and consistently across the Council, particularly for employees who were already absent from work due to sickness, and records are retained to support decisions.

1.4 The scope of the audit included reviewing:

- The policies and procedures in place;
- Approval and authorisation processes;

- Records to support decisions by managers, HR and CBS;
- A sample of employees whose sickness absence pre-dated Covid-19 provisions to check compliance with the policies; and
- The arrangements in place to prevent and detect any salary overpayments which may arise due to the application of the additional Covid-19 policy.

### 2. Audit Opinion

2.1 Based on the audit work carried out a reasonable level of assurance can be placed on the control environment. We recognise that the arrangements in place for recording and managing Covid-19 related absences were implemented under severe time pressure during a period of ongoing strains on resources and working arrangements. The audit has however identified some scope for improvement in the existing arrangements and one recommendation and one service improvement which management should address.

### 3. Main Findings

3.1 We are pleased to report that key controls are in place and generally operating effectively. We selected a sample of 10 employees whose sickness absence pre-dated Covid-19 to check compliance with the revised guidance regarding Covid absences. In all cases the salary payments agreed to the revised COVID-19 absence guidance. We did not identify any over or underpayments in respect of the sample of employees selected for testing.

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3.2 We also noted that HR policies and guidance for both managers and employees in relation to Covid and non-Covid related absences are in place and are readily available, and an absence management template has been developed for recording Covid absences. Exception reports are also generated on a regular basis by Customer and Business Services (CBS) to assist in identifying potential errors in relation to absence recording which might result in employees receiving an over or underpayment to enable these to be identified and resolved promptly.

3.3 However we noted a small number of areas where there is scope for improvement. Although absence requests must be submitted in writing, either via an absence management return, email, Pulse or My Portal, there is currently no requirement for these requests to be submitted by an authorised signatory. In addition, a list of officers who are authorised to submit absence requests is not currently in place. We identified three occasions where absence management requests had been submitted to CBS by officers who were not the employee's line manager.

3.4 Whilst we understand the pressures on many managers at present to maintain service continuity, we noted that there was limited evidence of records being maintained in most Services to support reasons for decisions regarding individual employees' Covid related absences. Nor was evidence routinely maintained to confirm that managers had requested and/or viewed relevant documentation, including shielding letters, self-isolation notes, notification from Test and Protect or GP letters, to substantiate employee absences. Neighbourhoods and Sustainability Services (NS) was an exception however with managers maintaining a log to record the reasons for the absence and the evidence viewed.

3.5 An action plan is provided at section four outlining our observations, risks and recommendations. We have made one recommendation for improvement and one service improvement. The priority of each recommendation is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	1
Low	Lower level controls absent, not being operated as designed or could be improved.	0
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	1

3.6 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.

3.7 We would like to thank officers involved in this audit for their cooperation and assistance.

3.8 It is recommended that the Head of Audit and Inspection submits a further report to Committee on the implementation of the actions contained in the attached Action Plan

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No.	Observation and Risk	Recommendation	Priority	Management Response
<b>Key Control:</b> Records are retained to support decisions taken for Covid-19 related absences and associated payments.				
1	<p>During the early days of the pandemic it was agreed, through the Senior HR Forum, that it would be impractical to expect employees to submit evidence and/or to expect managers to request written evidence to support Covid related absences. Managers have recently been advised by Corporate HR to confirm that individual Covid related absences are genuine by viewing relevant documentation. Managers have not however been advised that an audit trail should be retained. Whilst we understand the pressures on many managers at present to maintain service continuity due to the pandemic we noted that there was limited evidence of records being maintained to support reasons for decisions regarding individual employees' Covid related absences or evidence that confirmed managers had requested and/or viewed relevant documentation to substantiate employee absences. As noted in 3.4, NS was an exception and had established logs for managers to record details.</p> <p>Without adequate documentation, management may be unable to substantiate the reasons behind decisions taken in respect of individual employees' absences or be able to demonstrate that reasons for absences were confirmed through audit trails.</p>	<p>Corporate HR should remind managers of the importance of ensuring that appropriate written evidence is consistently maintained to substantiate decisions made regarding Covid related absences for individual employees. This should include confirmation, where appropriate, that relevant documentation has been viewed by managers to substantiate the absence.</p>	<p><b>Medium</b></p>	<p><b>Response:</b></p> <p>Accepted</p> <p><b>Officer Responsible for Implementation:</b></p> <p>Senior Corporate HR Officer</p> <p><b>Timescale for Implementation:</b></p> <p>31 March 2021</p>

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### Service Improvement

No.	Observation and Findings	Service Improvement	Management Response
1	<p>Although absence notifications must be submitted in writing (either via an absence management return, email, Pulse or My Portal) there is currently no requirement for these to be submitted by an authorised signatory. We understand that working practices as a result of Covid-19 and potential staff absences may have resulted in officers having to cover roles which they would not normally be required to do. However, although the decision on whether an employee should be categorised as having a Covid related absence or not could have a direct impact on their salary and sick pay entitlement, particularly when they were already on half or nil sick pay, during testing we noted three occasions where absence management requests had been submitted to CBS by officers who were either not the employee's line manager or who did not appear to have sufficient authority to submit these requests such as school office staff.</p> <p>A list of officers who are authorised to submit absence requests is not currently in place and no checks are undertaken to confirm that requests have been submitted by an appropriately authorised officer prior to absences being processed within CBS.</p> <p>Without suitable authorisation there is an increased risk that decisions which may impact the level of sick pay and future sick pay entitlement are not taken by a manager.</p>	<p>CBS, in conjunction with Service Management should consider the risk and impact of unauthorised or inappropriate Covid absence notifications being processed and ensure that adequate arrangements are in place to prevent and detect such instances from occurring.</p>	<p><b>Response:</b> A SAP development request has been submitted to CGI to enable managers of My Portal to record COVID absences directly into SAP. This will ensure organisational management hierarchies will be applied and therefore only approved line managers will be able to create, maintain or end a COVID absence.</p> <p>For managers not on My Portal, the current strategy is to introduce Fiori SAP services including absence recording, which would introduce organisational management hierarchies. In the interim CBS will consider the feasibility of an authorised signatory list for Covid19 absences with services.</p> <p><b>Timescale for Implementation:</b> 31 July 2021</p>