



INTERNAL AUDIT REPORT

PROTECT – Business Sensitive

WORKFORCE DEVELOPMENT – CORPORATE TRAINING

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CALDERDALE METROPOLITAN BOROUGH COUNCIL

CHIEF EXECUTIVE'S OFFICE – FINANCE

INTERNAL AUDIT REPORT

WORKFORCE DEVELOPMENT – CORPORATE TRAINING**CORPORATE CONTROL ENVIRONMENT****1. REASON FOR REPORT**

- 1.1. As part of the Audit Plan for financial year 2014/15, to report the findings of a programmed audit of the Corporate Training function (which is managed by Workforce Development). This forms part of the HR Governance Area but a separate audit was undertaken to evaluate progress made since the training was centralised in 2012.

2. AUDIT OPINION

- 2.1. The control environment for Workforce Development – Corporate Training is Adequate. The implementation of updated processes for the administration and quality assessment of training is still ongoing and there are legacy issues in respect of information on historical training.
- 2.2. The conclusions which lead to the Audit Opinion are as follows:

Area of Audit	Conclusion
Overall Strategy and Plans	Strong
Communication and Guidance	Strong
Administration of Training	Adequate
Training Records and Information for Managers	Weak
Reporting and Monitoring	Adequate

The table above is a summary of the conclusions arrived at in Section 7 below. Guidance on the definition of conclusions is given in Appendix A.

3. OVERALL OBJECTIVES

- 3.1. To ensure there is governance in place to ensure that the objectives of the Workforce Development – Corporate Training element of the HR Governance Area are defined and communicated and processes are in place to ensure those objectives are met.
- 3.2. To evaluate the processes in place for the administration of training to ensure they meet the business needs of the Council.

4. PREVIOUS AUDIT RECOMMENDATIONS

- 4.1. This audit covers the arrangements for Workforce Development which are being implemented subsequent to the centralisation of the function in April 2012. No previous audit has been undertaken.

5. SAMPLE SIZES

- 5.1. The sample sizes used to carry out the tests for this Audit are detailed within the findings section of the report.

6. BACKGROUND

- 6.1. Centralisation of Workforce Development from 1 April 2012 was approved by Cabinet on 19 December 2011. The driver for centralisation was the need to deliver a saving of £150,000 per annum. However, it was acknowledged in the report that *“workforce development also implies a much broader remit which ranges from workforce planning activities, recruitment initiatives, learning and development, professional pathways and progressions, placements, supervision, leadership development and professional qualifications. It was noted within the report to Cabinet that there were significant differences in how directorates manage and allocate training budgets and there is a lack of equity across the council. There is a real opportunity with this review to streamline existing processes and systems to ensure that all staff across the Council have access to workforce development, and in particular, training. Some directorates currently allocate very little budget towards workforce development costs, as staff are not always encouraged to access learning opportunities. Yet in contrast in another directorate, a central fund is available to all staff via an internal application system”*.
- 6.2. It was also noted that *“the transfer of staff to the Human Resource service under a single structure will allow a fairer and more robust system to be applied to the management of the activity. Bringing together the vast expertise, skills and experience under “one roof” will allow the profile of workforce development to be raised for the whole of the Council. There are already a number of innovative and highly successful practices in place, and these will be harnessed and shared across the whole council. They will also be further enhanced in the future”*.
- 6.3. The audit has therefore considered whether processes have been put in place to ensure there is a consistent approach across all directorates and whether improvements have been made.
- 6.4. Currently, the overall aims of the Workforce Development are defined within the People Development Strategy and within the Human Resources Strategy 2014/2015, which defines the improvement objective for the function as *“provide a competent, skilled, safe and diverse workforce”*.

7. AUDIT OBJECTIVES, CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

7.1. Overall Strategy and Plans

Objectives

- To ensure that there is a strategy in place for the function.
- To ensure that the strategy is supported by detailed plans.

Conclusion

The Corporate arrangements in place are strong.

Findings

- 7.1.1. A People Development Strategy and People Development Framework are in place and are published on the Intranet. This gives the strategic aims of the function and covers the period 2013 to 2016. The strategy was approved by CLT (Corporate Leadership Team) in August 2013.
- 7.1.2. This is underpinned by a detailed Organisation and People Development Plan. This is a document for use within Workforce Development and includes individual actions required to deliver the strategy with details as to who will deliver the action, timetables, expected outcomes and success measures. This document is used by the HR Service Manager - Workforce Development to monitor progress against the plan.

7.2. Communication and Guidance

Objectives

- To ensure that the roles and responsibilities are well defined and communicated to all stakeholders.
- To ensure that clear guidance is in place to support the processes in place for developing training plans and agreeing the training to be delivered.
- To review communication processes to ensure that staff and managers can access services provided by Workforce Development.

Conclusion

The Corporate arrangements in place are strong as action has recently been taken to ensure the intranet provides clear up to date information.

Findings

- 7.2.1. As part of the implementation of the corporate team Internal Audit was informed that the previous manager had attended DMTs to brief them on the changes to Workforce Development. It was also noted by reference to available minutes that

Workforce Development staff continue to attend DMTs as and when required to provide updates on the changes.

- 7.2.2. Workforce Development is currently implementing a change to the process for how training requirements are considered and as part of implementing change are working with managers to develop service plans (see 7.3 for details). Information on the new processes are currently being communicated directly to managers rather than posting the information on the intranet.
- 7.2.3. In terms of wider communication with staff on current documents and processes, key channels of communication are e-call and the intranet. E-call is regularly used to communicate the availability of courses and has been used to publicise specific initiatives such as Coaching and Mentoring and the launch of the People Development Framework. At the time of the commencement of the audit (mid-August 2014), the HR Service Manager - Workforce Development acknowledged that the intranet for this area needed work and updated intranet pages were being developed. As of the completion date of the audit new pages had been put in place. The pages were readily accessible via a 'learning and development' button under your hub. The information can also be accessed via the Human Resources sections under both Communities and Support for Services.
- 7.2.4. The information itself was reviewed on 21 October 2014 and was found to be up to date providing access to information on all current initiatives and courses provided by Workforce Development. The current process for applying for individual training is documented well, although this will be phased out when changes as noted in 7.2.2 are fully implemented from 2015/2016.
- 7.2.5. There are therefore two main communication methods in place, use of the intranet and e-call for current processes and direct communication with staff involved for new developments. The need to manage processes to ensure managers and staff are clear as to what action they need to take was discussed with the HR Service Manager - Workforce Development who acknowledged that this is an issue and confirmed that a communication strategy is in place for the transition. She also confirmed that guidance for the new process has been developed and agreed with Legal Services. The next stage is to obtain approval from the Trade Unions.
- 7.2.6. Internal courses are booked via Selima. In terms of how easily staff and managers can access services provided by Workforce Development, the auditor reviewed the process for identifying and booking places on a course provided by Workforce Development. Guidance on how to book a courses and a list of courses can be readily accessed via the intranet. By reference to a small sample of staff the process for booking courses on Selima was found to be straightforward.

7.3. **Administration of Training**

Objectives

- To ensure that there is a process in place for developing a training plan for the Council which meets statutory requirements and the business needs of the Council and which ensures that the use of available resources is maximised.

- To confirm there is a process in place which is compliant with Contracts Procedure Rules, delivers value for money by ensuring both cost and quality are considered.
- To ensure that procedures are in place to recover costs from leavers in accordance with HR policies.

Conclusion

The Corporate arrangements in place are adequate as, while new procedures are being developed for training plans which meet the objectives detailed above, these are not fully in place.

Findings

- 7.3.1. When the corporate Workforce Development Team was formed in 2012 interim processes were put in place for applying for and the approval of training. The process involved staff and managers completing an LD booking form to apply for any learning and development activities, which required approval by Workforce Development. While this process could deliver statutory training requirements the ad-hoc nature of the process with training requests being considered at any point in the year did not provide for a strategic consideration of training requests as a whole against the business needs of the Council and available budget. This will allow a fairer and more robust system to be applied to the management of the activity as detailed in the 2011 Cabinet Report.
- 7.3.2. A new process is being put in place which will provide a process for developing a training plan for the Council which addresses the issues with current processes identified above. In outline the process will be as follows:
- a) Learning and development needs are identified by teams and services, starting in November each year. Service Plans will then to be submitted to Workforce Development by February. All plans are to be considered by the Workforce Development team, with approvals being made on a whole budget basis.
 - b) Specifically for Adult Social Care, training plans are currently being developed in line with the Care Act for implementation in April 2015 and a joint Workforce Development and Adult Social Care commissioning group has been set up to design and implement the training plans by April 2015.
 - c) A business case is then completed by Workforce Development for each course approved.
 - d) After consideration of service plans there will be budget available for individual staff, with manager support, to undertake specific qualifications with full or partial funding by the Council (Sponsorship). All applications will have to be linked directly to the role undertaken by the staff member. Approval will be made by Workforce Development depending on the remaining budget availability.
- 7.3.3. The service planning process has been trialled with Sports Services during 2014. The auditor has reviewed the service plan for the Sports Service to confirm that the process is operating as documented. A sample of 6 business cases prepared

as a result of training requests under the existing system was checked to ensure that the detailed process is operating as described. This was found to be the case.

7.3.4. Responsibility for procuring training is the responsibility of Workforce Development. Guidance has been issued by the HR Service Manager - Workforce Development as to how training providers should be procured by Workforce Development, which is in accordance with Contracts Procedure Rules and will provide a robust basis for future procurement. It is also noted that all Workforce Development staff have or will be attending Procurement Training in the near future.

7.3.5. The business case requires that the reason for choosing a supplier be detailed. For 5 of the sample business cases a specific supplier had been selected. The remaining business case detailed a mix of in-house and external suppliers, the latter not having been determined at the time. To confirm whether Contracts Procedure Rules had been complied with checks were carried out to determine whether expenditure had exceeded £10,000 for the suppliers in the previous 3 years. For 2 of the suppliers the expenditure exceeded £10,000. For one of the 2 quotations/proposals had been sought from 5 suppliers in compliance with the rules. For the second, which related to First Aid at Work (FAW), a single supplier was specified. It was noted on the business case by the requesting Workforce Development Officer that:

“First aid provision is under review for 2014/15 in order to ensure that current procurement guidelines are followed. This exercise has been reviewed and needs to be re-started. In the meantime there are several members of staff who require renewals before their certificates run out so in order to maintain health and safety requirements without incurring additional costs of having to put more people through a full FAW course it is preferred to continue with this supplier until the full procurement process has been followed. I am aware of the threshold for cumulative spend”.

It has been confirmed by the Workforce Development Officer responsible for this training that subsequent to the above informal quotations have now been obtained from 3 suppliers and provision will be on a spot purchasing basis for 2014/2015 to enable the training requirements for this year to be delivered. A formal quotation process is to be undertaken for 2015/2016 to put provision in place in compliance with Contracts Procedure Rules.

Key Risks:

- a) Non-compliance with Contracts Procurement Rules.
- b) Value for Money not achieved or demonstrated.

Recommendation 1

It should be ensured that Contracts Procedure Rules are complied with for the provision of all training through compliance with the guidance issued by the HR Service Manager - Workforce Development.

- 7.3.6. There is currently no corporate process in place to recover costs from leavers in accordance with HR policies.

Key Risks:

- a) Council Policy not complied with.
- b) Loss of monies to the Council.

Recommendation 2

Processes should be reviewed so as to ensure that training costs are recovered from leavers where required by HR policies.

7.4. Training Records and Information for Managers

Objectives

- To ensure that adequate information on training is in place to meet the needs of management and to meet requirements of external bodies.
- To ensure that adequate reports are provided to management.

Conclusion

The Corporate arrangements in place are weak given the number of issues with providing training records to management.

Findings

- 7.4.1. The Selima HR system provides the capacity to record training received by staff but the records in place are very limited, showing only recent training and giving limited information about that training (course name and date). As training was previously devolved to directorates there are a number of legacy systems holding records of training. While Workforce Development can access the systems the data in the legacy systems has not been fully assessed to determine its extent. Details of training are required for a number of purposes examples of which are as follows provision of information for staff CPD purposes, for managers to review the adequacy of training provided to staff, evidence of training with regards to disciplinary matters and defence of insurance claims potentially decades previously.
- 7.4.2. For the future, where training is agreed through the new Workforce Development processes that the training will be recorded on the Selima HR system. Managers can access the details recorded on the Selima HR system at an individual level

but given the limited data available comprehensive reports are not available to management at present.

Key Risks:

- a) Records not available where required for management
- b) Excess staff time in searching records.

Recommendation 3

The legacy training records should be reviewed and the extent and adequacy of the records determined. Consideration should then be given to importing the records to Selima. Should this not be practicable it should be ensured that arrangements are in place to access records held on legacy systems and to produce reports for management purposes.

7.5. Reporting and Monitoring

Objectives

- To ensure that monitoring is in place to ensure that progress is being made in delivering the strategy and the detailed plan.
- To ensure that procedures are in place to monitor the effectiveness of training in the short and long term.
- To determine whether controls are in place to ensure the corporate process is complied with.

Conclusion

The Corporate arrangements in place are adequate rather than strong given that there is a need to fully develop procedures to assess the effectiveness of training in the long and short term.

Findings

- 7.5.1. Effective monitoring is required at a number of levels from high level monitoring of the implementation of the strategy and plans to detailed monitoring of the effectiveness of training.
- 7.5.2. Monitoring is in place to ensure that progress is being made in delivering the strategy and the detailed plan. High level actions are being monitored through Making a Difference. The HR Service Manager - Workforce Development undertakes monitoring through the normal 1-2-1 process and also reports on progress to Director for Communities and Business Change.

- 7.5.3. In order to monitor the effectiveness of training in the short and long term the following needs to be in place:
- a) A quality assurance process which assesses the quality of training provided by trainers.
 - b) An assessment of the training provided by those attending the course at the time of the course.
 - c) Follow up with managers and staff a period after the training to ensure the training is meeting service needs.
- 7.5.4. A quality assurance process (known as common standards) is in place for courses provided to Children and Young Peoples Service staff which meets the requirement in 7.5.3 a). The member of staff responsible and the process was transferred to the corporate team from the former directorate team. The process was reviewed as part of this audit and found to be comprehensive. The HR Service Manager - Workforce Development has confirmed that plans are in place to apply this process across all training in the near future.

Key Risks:

- a) Training is not of an acceptable standard.

Recommendation 4

It should be ensured that plans to put a comprehensive quality assurance process in place for training, building on the existing common standards are implemented.

- 7.5.5. It is standard practice to seek feedback at the time of the training from those attending the course as detailed in 7.5.3 b). This is used by Workforce Development to help assess the quality of the course.
- 7.5.6. To develop a broader assessment of the effectiveness of training consideration does need to be given to the longer term impact with follow up being undertaken a period after the training has occurred as detailed in 7.5.3 c). This should consider whether the training has made a difference to the Council. This is not yet in place, although the Workforce Development Team stated that this would be addressed in future. In discussions with Workforce Development Staff it was established that there is a standard model for evaluating the effectiveness of training (the Kirkpatrick model), which includes consideration of the extent that training is applied and its impact on organisational outcomes. This is effectively the standard to which the Council should be aiming.

Key Risks:

- a) Training does not achieve its stated objectives.
- b) Value for Money not achieved or demonstrated.

Recommendation 5

A follow up process which considers the effectiveness of training in the longer term should be put in place, such as that given in the Kirkpatrick model.

- 7.5.7. As staff in Workforce Development are made aware of any training not provided corporately they are taking steps to rectify the situation. In order to ensure that all training is provided corporately, consideration does need to be given to supplementing this informal monitoring with formal monitoring through reviewing expenditure charged to the training code to identify any areas of non-compliance.

Key Risks:

- a) Training does not achieve corporate objectives.
- b) Value for Money not achieved or demonstrated.

Recommendation 6

Formal monitoring of compliance with corporate provision of training should be considered.

8. ACKNOWLEDGEMENT

- 8.1. The assistance given by Workforce Development staff is gratefully appreciated.

DEFINITIONS

Conclusion	Definition
Strong	Key controls exist and are operating effectively, within the area examined to ensure that the risk of error or fraud is minimised. Other controls of the service under consideration are effective, contributing towards achieving the desired objectives.
Adequate	Key controls are generally in place but are not as effective as they could be, within the area examined, increasing the risk of error or fraud occurring. Other controls are generally in place, but are not as effective as they could be in order to achieve the desired objectives of the service under consideration.
Weak	Key controls are either not in place, or are ineffective to the extent that there is a high risk of error or fraud occurring. Other controls are either not in place or are ineffective reducing the likelihood of service objectives being fully achieved.