

# ARGYLL & BUTE COUNCIL

## Internal Audit Section

### INTERNAL AUDIT REPORT

<b>CUSTOMER DEPARTMENT</b>	<b>CUSTOMER SERVICES</b>
<b>AUDIT DESCRIPTION</b>	<b>RISK BASED AUDIT</b>
<b>AUDIT TITLE</b>	<b>LEARNING AND DEVELOPMENT – HR TRAINING</b>
<b>AUDIT DATE</b>	<b>MAY 2015</b>

2015/2016



## 1. BACKGROUND

This report has been prepared as a result of the Internal Audit review of Learning and Development – HR Training within Customer Services as part of the 2015/2016 Internal Audit programme.

Improvement and Organisational Development provide a range of professional support, advice and training for approximately 4,500 council employees, managers and elected members. A small learning Team have the responsibility for learning and development. A key role of the team is to prepare, co-ordinate and deliver a number of training programmes both face to face and via e-learning to develop the skills and knowledge of Argyll and Bute Council employees.

Individual employee training needs are identified primarily through the PRD process in combination with other corporate sources (e.g. stress audit, staff survey, legislative requirements).

Included in the service plan is an outcome relating to (IHR07) *“Our employees have the skills and attitudes to deliver efficient and effective services”*. A number of performance measures are quoted including 90% of PRD targets are met across the Council.

## 2. AUDIT SCOPE AND OBJECTIVES

The main objective of the audit was to:

- Review the procedures and processes in place to identify training and development needs;
- Review the processes for recording that training needs identified as a part of the PRD process are met;
- Review procedures in place in respect of formal training (professional qualifications);
- Review the performance recording and reporting arrangements.

## 3. RISKS CONSIDERED

- Training and development is not sufficiently aligned to the organisation's priorities and objectives, failure to achieve long term outcome/national outcomes for Community Planning: SOAO3. *“Education, skills and training maximises opportunities for all”*.
- Failures to support service outcome IHR07 *“Our employees have the skills and attitudes to deliver efficient and effective services”*.
- The delivery of training and development is ineffective at both an organisational and personal level.
- Training and development equips people to leave rather than support retention.

#### 4. AUDIT OPINION

The level of assurance given for this report is limited.

Level of Assurance	Reason for the level of Assurance given
<b>High</b>	Internal Control, Governance and the Management of Risk are at a high standard with only marginal elements of residual risk, which are either being accepted or dealt with.
<b>Substantial</b>	Internal Control, Governance and the Management of Risk have displayed a mixture of little residual risk, but other elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
<b>Limited</b>	Internal Control, Governance and the Management of Risk are displaying a general trend of unacceptable residual risk and weaknesses must be addressed within a reasonable timescale, with management allocating appropriate resource to the issues.
<b>Very Limited</b>	Internal Control, Governance and the Management of Risk are displaying key weaknesses and extensive residual risk above an acceptable level which must be addressed urgently, with management allocating appropriate resource to the issues.

This framework for internal audit ratings has been developed and agreed with Council management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in this report have been discussed and rated with management.

A system of grading audit findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as High, Medium or Low. The definitions of each classification are set out below:-

<p><b>High</b> - major observations on high level controls and other important internal controls. Significant matters relating to factors critical to the success of the objectives of the system. The weakness may therefore give rise to loss or error;</p>
<p><b>Medium</b> - observations on less important internal controls, improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system and items which could be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified;</p>
<p><b>Low</b> - minor recommendations to improve the efficiency and effectiveness of controls, one-off items subsequently corrected. The weakness does not appear to affect the ability of the system to meet its objectives in any significant way.</p>

## 5. FINDINGS

The following findings were generated by the audit:

### General Findings:

- 5.1 The council operates with a small learning and development team (including Social Work staff) with the responsibility for corporate and social work learning and development, ranging from leadership and management development to social work SVQ qualifications. For 2014/2015 the expenditure for Corporate Learning and Development amounted to £991K (staff costs included, management and social work training). Earmarked reserves were drawn down to support the Argyll & Bute Managers course and Leadership Development which has temporarily increased this budget.
- 5.2 A key role of the team is to prepare, co-ordinate and deliver a number of training programmes both face to face and via e-learning to develop the skills and knowledge of Argyll and Bute Council employees.
- 5.3 It was found that Learning and Development have produced a flow chart outlining the processes involved in training course requests on Resourcelink, procurement of training course, and recording evaluation results.
- 5.4 With the exception of corporate led Learning and Development, Learning and Development across the rest of the Council is fragmented with minimal evidence of strategic direction and co-ordination within Services, including the recording of training undertaken by employees. Corporate learning and development demands (identified in PRD) and statutory requirements (corporate courses) are co-ordinated centrally, however all other Learning and Development opportunities are at the discretion of the Service and managed on an individual Service basis, aligning to needs of services.

### Procedures and processes in place to identify training and development needs

- 5.5 Individual employee Training needs are identified primarily through the PRD process in combination with other corporate sources (e.g. stress audit, staff survey, legislative requirements).
- 5.6 It was found that only former APT&C staff and Teachers receive a PRD, manual workers do not currently receive PRD's. Manual worker Learning and Development opportunities are identified and managed by the Service. This has been identified by Learning and Development and is included in the HR and Organisational Development Strategy – Action Plan 2014-2018 as an action to be addressed in 2016.

- 5.7 With the exception of Social Work learning and development, all other Services have the responsibility for identifying learning needs which are specific to their Service. This includes legislative and regulatory requirements specific to posts. It was not evidenced that there is an agreed criteria for approving service specific training.
- 5.8 Social Work has an established Training Board. The Social Work Training Board is responsible for leading and co-ordinating the development and implementation of a learning and development strategy informed by Social Work principles and values. Corporate Learning and Development provide all support to the Training Board.
- 5.9 An area identified as good practice is that Development and Infrastructure undertook a training matrix exercise for each of their service areas to identify training needs and they combined this with the PRD training requests. This provided the level of information required to enable the completion of a costed service training plan. The information was used to aid future workforce planning requirements and provide a greater means of accurately budgeting for job specific non-discretionary training expenditure.
- 5.10 With the exception of Education who mainly record their own PRD information on to Resourcelink, the development form of the PRD is sent to Corporate Learning and Development staff who record identified corporate training course requests on Resourcelink. A specific email 'inbox' is dedicated to PRD's.
- 5.11 It was evidenced that information on corporate and social work training courses is available on the HUB.

**Processes for recording that training needs identified as a part of the PRD process are met**

- 5.12 It was not evidenced that there was a single corporate database that captures all staff training records, including training requests and training needs met. It was found that only corporate training course requests are recorded on Resourcelink.
- 5.13 Staff records are updated on Resourcelink to record attendance at corporate training events on receipt of course attendance sheets.
- 5.14 It was found that Services have developed their own databases for recording staff training requests and staff training records. These have been developed 'in-house' within the Services or have been purchased. There is inconsistency across Services on how training records are maintained. Some Services, for example Strategic Finance do not record staff attendance at training events.
- 5.15 It was found that Services are recording information relating to attendance at corporate training events on their own databases. This information is already being recorded on Resourcelink by Learning and Development; therefore there is

duplication when recording information. The reason provided for this was that this enables them to have an accurate and clear picture of all courses attended by their staff.

### **Procedures in place in respect of formal training (professional qualifications)**

- 5.16 Staff requests for professional qualifications are made through Services and are paid for from Service budgets. It was not evidenced that there is formal structured approach to identifying or supporting formal training requirements.
- 5.17 Social Work have established and published (on the HUB) information on the support they will provide to undertake Social Work training courses. The Social Work Training Board has agreed to sponsor employees (two employees one year then one employee the next year) to undertake the Open University BA (Hons) Degree in Social Work Scotland. Expressions of interest are sought from employees towards the end of April each year. It was not evidenced that this in place in other Services and professional training is at the discretion of the line manager and dependent on Service budgets.
- 5.18 It was found that when undertaking a professional qualification supported by the Council, a training agreement should be signed by the employee undertaking the qualification and the Line Manager. It was not evidenced that formal training agreements are adhered to and used in all cases when employees commence formal training.

### **Performance recording and reporting arrangements**

- 5.19 A number of performance measures are quoted including 90% of PRD targets are met across the Council. Information is recorded on the Learning & Development page of Pyramid. There were examples where the information recorded on Pyramid was found to be inaccurate. For example Internal Audit Service on Pyramid recorded the number of 'eligible employees' in the PRD section as 3, there are 5 permanent staff within Internal Audit. There have been a number of criteria filters set with regards to what 'eligible criteria' is defined as. Therefore as a result of this the numbers reflected for performance reporting purposes may not align to establishment lists for services.
- 5.20 It was evidenced that there are discrepancies between the information held by the Services in relation to completed and submitted PRD forms and the information recorded and held by Learning and Development. It was evidenced that e-mails sent to the dedicated 'PRD e-mail inbox' were not always recorded.
- 5.21 It was found that Learning and Development staff are duplicating the recording of corporate training needs both requested and met. Information is being recorded on Resourcelink and also an excel spreadsheet.

5.22 It was intended that the upgrade to Resourcelink 4 would have provided a single system for all learning and development information to be captured. However, the training module has not been included in the upgrade due to the results of the assessment process carried out by IT Services steering group. It is intended that the training module will be included in future upgrades.

## **6. CONCLUSION**

This audit has provided a limited level of assurance. There were a number of recommendations for improvement identified as part of the audit and these are set out in Appendix 1. There are 9 medium recommendations set out in Appendix 1 which will be reported to the Audit Committee. Appendix 1 sets out the action management have agreed to take as a result of the recommendations, the persons responsible for the action and the target date for completion of the action. Progress with implementation of actions will be monitored by Internal Audit and reported to management and the Audit Committee.

Thanks are due to the Learning and Development staff and management for their co-operation and assistance during the Audit and the preparation of the report and action plan.

**APPENDIX 1 ACTION PLAN**

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
<b>1. Strategic Direction and Co-ordination</b>		<b>High/ Medium or Low</b>		
Outwith Corporate Learning and Development there is a lack of strategic direction and co-ordination of Learning and Development including the recording of information.	The delivery of training and development is ineffective at both an organisational and personal level.	Medium	Finding to be reported to HR Board with recommendation that a consistent approach to approving, co-ordinating and recording information is agreed.	Improvement & Organisational Development Manager  30 November 2015
<b>2. Procedures and Processes</b>		<b>High/ Medium or Low</b>		
It was not evidenced that there is a criteria for individual Services and Learning and Development in respect of identifying service specific learning needs.	The delivery of training and development is ineffective at both an organisational and personal level.	Medium	Finding to be reported to HR Board with recommendation that a consistent approach to approving learning and development opportunities is agreed.	Improvement & Organisational Development Manager  30 November 2015



Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
<b>3. Processes for Recording Information</b>		<b>High/ Medium or Low</b>		
There is no single corporate data base that captures all staff training records.	Complete information not available leading to ineffective decision making.	Medium	Implementation of Resourcelink 5 project will ensure all training records are recorded centrally	Head of Improvement & HR 31 March 2017
<b>4. Processes for Recording Information</b>		<b>High/ Medium or Low</b>		
Services have developed their own databases for recording staff training records. There is inconsistency across Services on how training records are maintained; some Services do not record information.	Complete information not available leading to ineffective decision making.	Medium	Finding to be reported to HR Board with recommendation that a consistent approach to approving, co-ordinating and recording information is agreed.	Improvement & Organisational Development Manager 30 November 2015
<b>5. Processes for Recording Information</b>		<b>High/ Medium or Low</b>		
There is duplication when recording information. Services Learning and Development staff are recording the same information either held on Resourcelink database or spreadsheets.	Ineffective use of resources.	Medium	A consistent approach is developed to recording training information that removes duplication.	Improvement & Organisational Development Manager 31 March 2016

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
<b>6. Requests for Formal Training</b>		<b>High/ Medium or Low</b>		
It was not evidenced that there is formal structured approach to identifying or supporting formal training (professional qualifications) requirements.	Inconsistencies in support requirements leading to ineffective use of resources.	Medium	Finding to be reported to HR Board with recommendation that a consistent approach to approving, co-ordinating and criteria is agreed.	Head of Improvement & HR  30 November 2015
<b>7. Requests for Formal Training</b>		<b>High/ Medium or Low</b>		
It was not evidenced that formal training agreements are adhered to and used in all cases when employees commence formal training.	Failure to adhere to agreed policy leading to ineffective use of resources.	Medium	Finding to be reported to HR Board with a recommendation that a reminder be issued to all services to use the training agreement for training.	Head of Improvement & HR  30 September 2015
<b>8. Performance Recording and Reporting</b>		<b>High/ Medium or Low</b>		
A number of inaccuracies were identified in the recording and reporting processes in respect of PRD figures, the methodology allows scope for inconsistencies or inaccurate information. There have been a number of criteria filters set with regards to what 'eligible criteria' is defined as.	Increase risk of inaccurate or misleading information leading to ineffective decision making and ineffective use of resources.	Medium	An amended approach to managing PRD recording is developed and agreed by SMT.	Head of Improvement & HR  30 June 2015

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
<b>9. Performance Recording and Reporting</b>		<b>High/ Medium or Low</b>		
The training module has not been included in the upgrade of Resourcelink 4.	Not maximising full functionality of Resourcelink leading to ineffective use of resources.	Medium	The training module will be implemented as a key element of Resourcelink 5	Head of Improvement & HR  31 March 2017

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