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Iechyd Cyhoeddus
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Public Health
Wales

Name of Meeting
Audit and Corporate
Governance Committee
Date of Meeting
6th January 2022
Agenda item:
3.3

Additional Hours and Overtime Update on the Management Response to Internal Audit Report January 2022

Executive lead:	Neil Lewis, Director of People & OD
Author:	Jenny Ansell, Interim HR Manager

Approval/Scrutiny route:	Business Executive Team – 17 January 2022
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Purpose

In May 2021 Internal Audit provided the organisation with a report of their review of the adequacy of the systems and controls in place within the Trust for the management of additional hours and overtime.

As a result of the findings, a number of recommendations were made and the management response to address the recommendations was taken forward by a task and finish group from July 2021 to September 2021.

The Business Executive Team is asked to receive assurance that the recommendations of that Internal Audit report, and a subsequent follow up review of the audit response, carried out between 18 November and 16 December 2021, have been suitably addressed, by providing an update on action taken to date, and any further action planned.

Recommendation:

APPROVE <input type="checkbox"/>	CONSIDER <input type="checkbox"/>	RECOMMEND <input type="checkbox"/>	ADOPT <input type="checkbox"/>	ASSURANCE <input checked="" type="checkbox"/>
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The Committee is asked to receive assurance that the recommendations of the original internal Audit report, and a subsequent follow up review of the audit response, carried out between 18 November and 16 December 2021, have been suitably addressed.

Link to Public Health Wales [Strategic Plan](#)

Public Health Wales has an agreed strategic plan, which has identified seven strategic priorities and well-being objectives.

This report contributes to the following:

Strategic Priority/Well-being Objective	5 - Protecting the public from infection and environmental threats to health
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Summary impact analysis

Equality and Health Impact Assessment	An EHIA is not required
Risk and Assurance	The Board Assurance Framework Risk 1 relates to the workforce of Public Health Wales
Health and Care Standards	This report supports and/or takes into account the Health and Care Standards for NHS Wales Quality Themes Theme 7 - Staff and Resources
Financial implications	The new claim form reduces the risk of over/underpayments from incorrect recording and processing of claims
People implications	The people implications are discussed in Section 3

1. Purpose / situation

In May 2021 Internal Audit provided the organisation with a limited assurance report of their review of the adequacy of the systems and controls in place within the Trust for the management of additional hours and overtime, attached at Appendix A.

As a result of the findings, a number of recommendations were made and the management response to address the recommendations was taken forward by a task and finish group from July 2021 to September 2021.

A further follow up audit was undertaken between 18 November and 16 December 2021, with a draft report provided on the 21st December 2021, which has recognised the considerable progress made to implement the agreed recommendations following on from the original audit. It does highlight a couple of further recommendations that need to be actioned (included in the table in Section 3) but the improvements made have now resulted in a reasonable assurance in the follow up audit. The purpose of this paper is to provide an update on the management actions taken to address those recommendations from the initial Internal Audit report together with the further actions arising from the subsequent follow up audit.

The Business Executive Team is asked to receive this paper and note the actions taken, and any further action planned.

2. Background

Following receipt of the May 2021 Internal Audit report, which gave limited assurance,, the management response to address the recommendations was taken forward by a task and finish group which met 6 times from 8th July 2021 to 21st September 2021.

The task and finish group membership was as follows:

- Karen Fitzgibbon, Interim Head of Workforce Planning & People Analytics;
- Neil Stoodley, Head of Financial Intelligence, Value & Impact;
- Andrew Davies, Finance Analyst;
- Jenny Ansell, Interim HR Manager;
- Jan Mellowship, Interim Assistant Business Partner;
- Lucy Day, Business & Policy Support Manager;
- Cindy Short, Admin & Resource Officer, COVID Overtime team.

A follow up review was undertaken by internal audit into PHW's response to the audit and a follow up draft report was provided on the 21st December 2021. This has resulted in a reasonable assurance report which is attached

at Appendix B. A management response to this audit is in the process of being drafted.

The initial Internal Audit report made 8 recommendations. The management response to address those recommendations is set out in section 3, with a note of management actions taken to date, and any further action planned as a result of the follow up audit.

The follow up Internal Audit draft report found that the Board could take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas that were reviewed, were suitably designed and applied effectively. Some matters required management attention in control design or compliance, with **low to moderate impact on residual risk** exposure until such time as they were resolved.

3. Description/Assessment

The May 2021, the Internal Audit report identified 8 recommendations and actions taken are set out below.

Finding and recommendation	Priority Level	Management Response	Action Taken	Further Action Planned
<p>Finding 1 – Design of Covid-19 overtime claim form (Control Design)</p> <p>Management should review the claim form to ensure that:</p> <ul style="list-style-type: none"> • The guidelines are updated to include the requirement to deduct unpaid breaks. • Key information should be included on the shift log such as days of the week, core working hours and shift pattern plus when 	High	<p>A task and finish group has been established, comprising People & OD and Finance colleagues. The remit is to implement agreed actions that have arisen as a result of this audit. The task and finish group will:</p> <ul style="list-style-type: none"> • Develop a new and improved (partly-automated) Overtime Claim Form where staff will be directed to enter days of the week, core working hours, shift pattern worked, breaks taken and any other essential information to allow the total hours and correct rates of pay to be auto-populated in the claim form. • Develop a standing operating procedure for the 	<p>Complete.</p> <p>A new COVID-19 overtime claim form was developed and was issued to all staff for use on the 23rd September 2021.</p> <p>To support this work, a new Standard Operating Procedure (SOP) and general staff guidance were developed and placed on the Intranet for all staff to access.</p>	<p>An update to the form is in progress to address a small number of practical user issues reported with use of the form. The SOP will be updated to support these changes.</p> <p>The updated form and SOP is planned to be released w/c 24th January 2022</p>

<p>breaks have been taken.</p> <p>The shift log and pay return monthly summary should be automated to assist in reducing the number of errors occurring.</p>		<p>processing of staff overtime claims.</p> <ul style="list-style-type: none"> Issue updated guidelines for staff in completing overtime claims, including the requirement to deduct unpaid breaks. 		
<p>Finding 2 – Approval process (Operating effectiveness)</p> <p>Management must determine the correct approval process to be followed, and instructions for this should be included in the updated guidelines. This review should include a consideration of the need for line managers to approve each line, and the need for Executive Director approval.</p>	<p>High</p>	<p>A task and finish group has been established, comprising P&OD and Finance colleagues. Their remit is to implement agreed actions that have arisen as a result of this audit. The task and finish group will:</p> <ul style="list-style-type: none"> Ensure that the approval process - that line managers must sign/initial to indicate they have approved each line - is clearly set out in the standard operating procedure and staff guidelines. Ensure that claims are not processed without such approval. 	<p>Complete.</p> <p>The newly drafted SOP has been updated to clarify that <i>'It will be the responsibility of the Line Manager to check that hours claimed are accurate prior to their authorisation'</i>.</p> <p>The claim form now includes an <i>Employee Submission</i> button which sends the form directly to the Line Manager for approval and onward submission</p>	

		In the interim, measures have been put in place (pending the above) to ensure that those staff responsible for processing claims do not process any claim unless there is clear evidence of line manager approval.	to the COVID Overtime team	
<p>Finding 3 – HR master spreadsheet (Control Design)</p> <p>A review of the HR master spreadsheet needs to be undertaken to ensure that the manual transfer of data is minimised, and consideration must be given to the information that needs to be included each month. For example, should the spreadsheet include names of employees who are not making a claim that month. This will reduce the number of errors and enable the spreadsheet to be more efficient and manageable to use.</p>	High	<p>The spreadsheet used is one supplied to Public Health Wales by NWSSP Payroll colleagues. The task and finish group will explore the potential for developing an alternative mechanism that will reduce the need for manual transfer of data and assist in the reduction of errors e.g. creation of a workflow in Alteryx to auto-populate the master spreadsheet.</p> <p>Payroll will share the completed monthly pay return and supplementary pay return with the People & OD/ Finance team so that we have a record of what has been paid.</p>	<p>Complete.</p> <p>Payroll colleagues were not able to share the completed pay returns but a record of hours and gross costs are available through ESR.</p> <p>Payroll colleagues supported the task and finish group with the development of a macro built in to the new claim form to enable a collated pay return, i.e. the form no longer requires manual</p>	No further action planned.

<p>Management should request that Payroll share the final supplementary pay return with the HR team and Finance. This will reduce the number of queries for the HR Team and prevent potential duplicate payments. For Finance this will ensure that the data used to produce reports, such as the WTR report is accurate and up to date.</p>			<p>data transfer from one form to another and so human error is reduced.</p>	
<p>Finding 4 – Monitoring and scrutiny of additional hours (Operating effectiveness) Management should ensure that appropriate, accurate and timely reports on additional hours and overtime are produced and distributed to appropriate staff and groups / committees within the Trust, and that the reports are subject to</p>	<p>High</p>	<p>Overtime information, such as hours and cost, is now being reported on a bi-monthly basis to the Business Executive Team. Development work is underway for these data to be included within the Performance and Assurance Dashboard.</p> <p>In the meantime the COVID-19 Overtime Oversight/ Scrutiny group will continue to monitor individual levels of overtime. This group reports through the Director of People & OD to the</p>	<p>In progress.</p> <p>Overtime information has continued to be reported to BET and the COVID-19 Overtime Oversight/ Scrutiny group has continued to monitor individual levels of overtime.</p> <p>As and when issues are identified, e.g.</p>	<p>Version 2 of the Directorate and Divisional Dashboards will prioritise incorporating overtime data and analysis which will be automated as a Dashboard on a monthly basis – this is expected to be available by</p>

effective scrutiny with actions taken as required.		Business Executive Team.	inadequate rest breaks, these are raised with the line manager to discuss with the individual to address.	early February 2022.
<p>Finding 5 – Reconciliation of claiming documentation (Operating effectiveness)</p> <p>Management should ensure that the hours recorded on the HR master spreadsheet and shift log and pay return monthly summary agree to the hours that have been processed for payment.</p>	Medium	As detailed above, improvements are underway to automate the claim form where possible and for the creation of a workflow to populate the master spreadsheet. This will reduce risks arising from the manual reconciliation of claims and transfer of information from individual claim forms into a master pay return spreadsheet.	<p>In progress.</p> <p>This is now an automated process, significantly reducing the risk of any human error.</p>	An update is underway to the macro to enable the cells to be locked once the data has been transferred, therefore removing the risk of any manual error. Planned to be completed by w/c 24 th January 2022
<p>Finding 6 – Paid at correct enhancement (Operating effectiveness)</p> <p>The guidelines will be updated with clearer instructions on how to allocate the</p>	Medium	Guidance has been amended and improved on an ongoing basis, but there are still some pockets of staff who require further support. The measures detailed above; new part-automated form with clear rules/ formulae to	<p>Complete</p> <p>Updated staff guidance confirming relevant pay rates issued 13th September 2021.</p>	Staff guidance will be updated in line with any future changes to overtime pay arrangements.

<p>enhancements. Any changes to the guidelines and processes will be communicated to all staff and line managers.</p>		<p>determine what hours are claimed as unsocial hours, enhancements versus overtime, improved guidelines and communication of will assist with making improvements. People and OD colleagues will provide advice to 'hot-spot' areas to ensure ongoing improvements.</p> <p>As detailed above, a review and updating of guidelines will be undertaken as part of the work of the task and finish group. The guidelines will then be communicated to staff via the regular staff updates and to line managers via the weekly line manager channel.</p>		
<p>Finding 7 – Opting out of Working Time Regulations (WTR) (Operating effectiveness) Management must ensure that staff who continue to work over and above the recommended hours in line with WTR have</p>	<p>Medium</p>	<p>As part of the work of the task and finish group, we will implementing the following:</p> <ul style="list-style-type: none"> • A system will be introduced to ensure that all staff who claim overtime will be required to complete a WTR Questionnaire, and then, if 	<p>Complete. Information is contained within the SOP and staff guidance advising of the European Working Time Regulations. New form also flags</p>	<p>The number of completed WTR opt-out forms being returned to POD is low. The SOP and Guidance will be amended to further highlight the importance of</p>

<p>formally opted out and a central record of this information should be maintained.</p>		<p>appropriate, complete a WTR Opt-out Form and return to People & OD.</p> <p>This information will be centrally stored on electronic personal files and updated in ESR.</p>	<p><i>'Working time directive warnings'</i> where hours worked exceed 48 hours in a week.</p> <p>Since August 2021, the COVID Overtime team have been sending out the WTR questionnaire to all staff who claim overtime.</p>	<p>completing the WTR questionnaire and then, if appropriate, the WTR opt-out form. This will highlight the implications to PHW should the 'opt out' form not be completed by the employee.</p> <p>All claimants to be contacted to establish requirement for 'opting out' and ensure form is in place where appropriate. POD to record returns.</p>
<p>Finding 8 – Additional hours and overtime requests (Control Design)</p>	<p>Low</p>	<p>The guidance should be updated to confirm that reasons for working additional hours should</p>	<p>Complete.</p> <p>The new claim form includes a drop</p>	<p>Although the claim form records the reason for</p>

<p>The guidance should be updated to confirm that reasons for working additional hours should be included on the claim form documentation.</p> <p>Consideration should be given to record the justification for required additional hours to the shift log or claim form. This may enable the Trust to understand where the current pressures are and the reasoning behind them, particularly as there should be a reduction in the demand on the services over the coming months.</p>		<p>be included on the claim form documentation.</p> <p>Consideration should be given to record the justification for required additional hours to the shift log or claim form. This may enable the Trust to understand where the current pressures are and the reasoning behind them, particularly as there should be a reduction in the demand on the services over the coming months.</p>	<p>down list to select the reason for the overtime.</p>	<p>overtime, there is not currently a way to easily extract and report on this information. Work will begin in the new year to look at whether/how this detail can be provided as part of regular reporting.</p>
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4. Recommendation

The Business Executive Team is asked to receive assurance that the recommendations of the Internal Audit report, together with the recommendation of the follow up review have been suitably addressed through the management response and action taken to date, and through any further action planned.