

Item: 8

Monitoring and Audit Committee: 5 June 2025

Internal Audit – Sickness Absence Management

Report by Chief Internal Auditor

1. Overview

- 1.1. The internal audit plan 2024/25 includes a review of Sickness Absence Management. This audit has been completed and the internal audit report is attached as Appendix 1 to this report.
- 1.2. The Council aims to encourage and support all employees to maximise their attendance at work. The Council recognises that employees will, from time to time, be unable to come to work because of sickness. However, the Council regards high levels of attendance at work vital for the maintenance of an effective employment relationship and to ensure that the Council can deliver efficient and effective services to the communities of Orkney.
- 1.3. The Council's Sickness Absence Policy, in conjunction with other employee wellbeing initiatives, provides direction that can support effective strategies to manage both long-term and short-term absences.
- 1.4. The objective of this audit was to review the processes and procedures associated with sickness absence management and reporting.
- 1.5. The audit provides Limited assurance that processes and controls relating to Sickness Absence Management are well controlled and managed.
- 1.6. The internal audit report, attached as Appendix 1 to this report, includes one High priority recommendation regarding system access, and five medium priority recommendations regarding policies and guidance, manager training, and considerations for the future system. There are also three low priority recommendations regarding feedback processes, reporting and wellbeing initiatives.

2. Recommendations

- 2.1. It is recommended that members of the Committee:

- i. Scrutinise the findings contained in the internal audit report, attached as Appendix 1 to this report, relating to the processes and controls around Sickness Absence Management, in order to obtain assurance that action has been taken or agreed where necessary.

For Further Information please contact:

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Implications of Report

1. **Financial:** None directly related to the recommendations in this report.
2. **Legal:** None directly related to the recommendations in this report.
3. **Corporate Governance:** In terms of the Scheme of Administration, consideration of Internal Audit findings and recommendations, and review of actions taken on recommendations made, are referred functions of the Monitoring and Audit Committee.
4. **Human Resources:** None directly related to the recommendations in this report.
5. **Equalities:** An Equality Impact Assessment is not required in respect of Internal Audit reporting.
6. **Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of Internal Audit reporting.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - Growing our Economy.
 - Strengthening our Communities.
 - Developing our Infrastructure.
 - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - Cost of Living.
 - Sustainable Development.
 - Local Equality.
 - Improving Population Health.
9. **Environmental and Climate Risk:** None directly related to the recommendations in this report.

- 10. Risk:** Internal Audit evaluates the effectiveness, and contributes to the improvement, of the risk management processes.
- 11. Procurement:** None directly related to the recommendations in this report.
- 12. Health and Safety:** None directly related to the recommendations in this report.
- 13. Property and Assets:** None directly related to the recommendations in this report.
- 14. Information Technology:** None directly related to the recommendations in this report.
- 15. Cost of Living:** None directly related to the recommendations in this report.

List of Background Papers

Internal Audit Plan 2024/25

Appendix

Appendix 1: Internal Audit Report – Sickness Absence Management.



Internal Audit

Audit Report

Sickness Absence Management

Draft issue date: 2 April 2025

Final issue date: 29 April 2025

Distribution list:	<p>Corporate Director for Neighbourhood Services and Infrastructure</p> <p>Corporate Director for Education, Leisure and Housing</p> <p>Corporate Director for Enterprise and Sustainable Regeneration</p> <p>Chief Officer for Orkney Health and Care</p> <p>Head of Human Resources and Organisational Development</p> <p>Service Manager Human Resources (Operations)</p> <p>Service Manager Improvement and Performance</p> <p>Service Manager Organisational Development</p> <p>Human Resources System Developer</p> <p>Financial Systems Manager</p>
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Audit Opinion

Based on our findings in this review we have given the following audit opinion.

Limited

There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective.

A key to our audit opinions and level of recommendations is shown at the end of this report.

Executive Summary

Orkney Islands Council's Sickness Absence Policy, in conjunction with other employee wellbeing initiatives, provides direction that can support effective strategies to manage both long-term and short-term absences such as:

- Structured return-to-work programmes including phased return, reasonable adjustments, etc.
- Communication and case management (following the flow chart and using absence reviews to tailor support to individual employees, involving HR and/or Occupational Health where appropriate).
- Culture promoting health and wellbeing.
- Employee wellbeing initiatives including Managing Workplace Stress Guide, Menopause Policy and Guide and Mental Health and Wellbeing Guide with the Wellbeing Champion scheme soon to be implemented.
- Feedback mechanisms (employee surveys, 'Good Conversations' process).
- Training on health and wellbeing including mental health training for managers.
- Recognition programmes (VIP awards).

During rising sickness absence rates following the COVID-19 pandemic and with sickness absence cross Council performance targets not being met, having a robust Sickness Absence Policy and Procedure is essential to ensuring that as far as possible, employees are supported and attendance at work is maximised, thus ensuring that service continuity is maintained.

Compliance with the Sickness Absence Policy is also an important control in mitigating several organisational risks:

- Employment law breaches (unfair dismissal claims, disability discrimination claims).
- Financial and operational risk (increased costs, inefficiencies, loss of public trust).
- Reduced employee wellbeing and morale (negative workplace culture, exacerbation of health issues).
- Inconsistent application of policies (employees lose confidence in fairness and reliability of management, could invite grievances, disputes etc.).
- Missed opportunities for reasonable workplace adjustments.

Although some procedural elements are due for review and there are areas of improvement identified within this audit, the principles within the Sickness Absence Policy are consistent with good practice in that they are fair, if applied consistently. Management intervention data from recent performance monitoring reports give an indication that the policy is not consistently applied across the Council and the testing undertaken within this audit confirms this.

The data reported relies heavily on timeliness and accuracy of reporting and recording absences and management actions on the MyView system used for the management of sickness absence. Due to high levels of non-compliance with using the system, the data available is unreliable in measuring performance.

The recommendations made as a result of the audit aim to support improvements related to controls in place to support compliance with the policy and to try and minimise sickness absence. This includes policy review, training, system improvements, reporting, data analysis and the measurement of success of wellbeing initiatives. The limited audit opinion given relates to the level of non-compliance with the Sickness Absence Policy as opposed to the support provided for its implementation by Human Resources.

Several areas of good practice were identified during the course of the audit including:

- Extensive supporting materials for managers and employees in navigating the Sickness Absence Policy as well as the MyView system. These are accessible to all employees.
- A range of family friendly policies which are an expected control to help reduce instances of sickness absence such as Adoption and Surrogacy, Career Break, Flexible Working, Leave of Absence, Maternity and Paternity, Parental Leave and Shared Parental Leave.
- Ill Health Retirement, Redeployment and Dismissal through Health-Related Capability procedures are followed in line with policy with support from Human Resources.
- Compliance with health and safety reporting requirements in cases of workplace injury.
- Sickness absence cases managed with compassion and concern for employee wellbeing.

The report includes 9 recommendations which have arisen from the audit. The number and priority of the recommendations are set out in the table below. The priority headings assist management in assessing the significance of the issues raised.

Responsible officers will be required to update progress on the agreed actions via the Ideagen Risk Management system.

Total	High	Medium	Low
9	1	5	3

The assistance provided by officers contacted during this audit is gratefully acknowledged.

Introduction

Orkney Islands Council aims to encourage and support all employees to maximise their attendance at work. The Council recognises that employees will, from time to time, be unable to come to work because of sickness. However, the Council regards high levels of attendance at work vital for the maintenance of an effective employment relationship and to ensure that the Council can deliver efficient and effective services to the communities of Orkney. This is reflected within the corporate risk register, with increased sickness absence being listed as a potential consequence of several risks to the achievement of Council objectives if proper mitigation was not in place.

The Sickness Absence Policy and Procedure (2016) applies to all employees of Orkney Islands Council and is due for review.

Between October 2020 and February 2021, there was a transition made from completing paper sickness absence forms to recording absences digitally using the MyView system which has enabled continuous monitoring of sickness absence across the Council.

Sickness absence figures are produced regularly and reported to Service Committees every six months as well as annually as part of the Local Government Benchmarking Framework.

The most recent yearly sickness absence data for Orkney Islands Council taken from the Annual Overview presented to the Human Resources Sub-committee, shows a slight reduction in sickness absence from 2022/23 to 2023/24 of 0.6% however, overall absence rates have increased in the post Covid period, which mirrors the trend across other Authorities and the UK workforce.

This review was conducted in conformance with the Public Sector Internal Audit Standards.

Audit Scope

The scope of this audit included the following:

- Policy and Procedure Review.
- Sickness Absence Recording and Monitoring.
- Compliance with Legal and Regulatory Requirements.
- Evaluation of Internal Controls over the Sickness Absence Process.
- Support Mechanisms for Employee Wellbeing, Learning and Development (inc. collection of employee feedback).
- Data Analysis, Reporting and Risk Management.

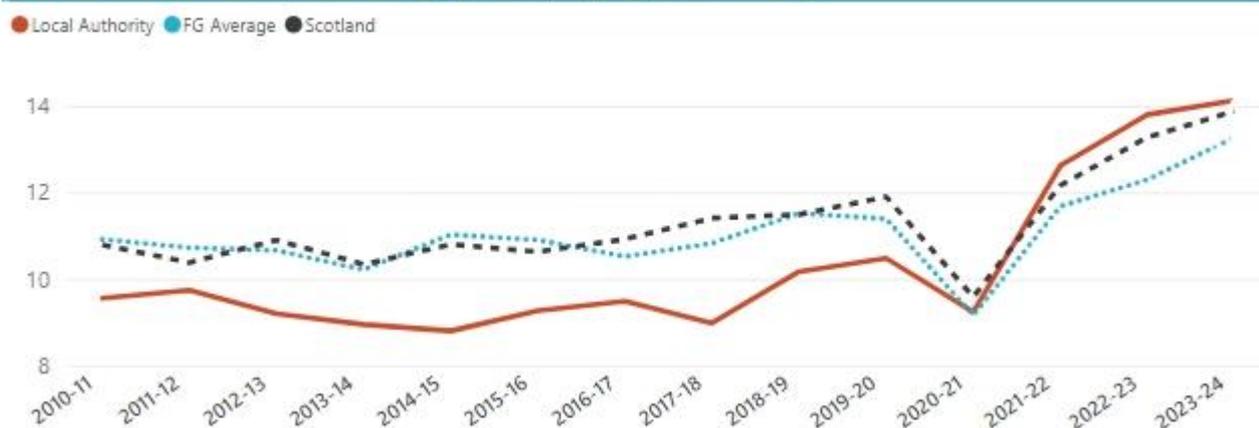
Audit Findings

1.0 Sickness Absence Rates

1.1 According to the Office of National Statistics, the COVID-19 pandemic affected sickness absences in many ways. The Labour Force Survey from the Office of National Statistics revealed number of days lost to sickness absence has since increased nationally, reaching a record high in 2022 after remaining stable in the 10 years leading up to the pandemic with 'minor illnesses' rising sharply as the most common reason given for sickness absence ¹.

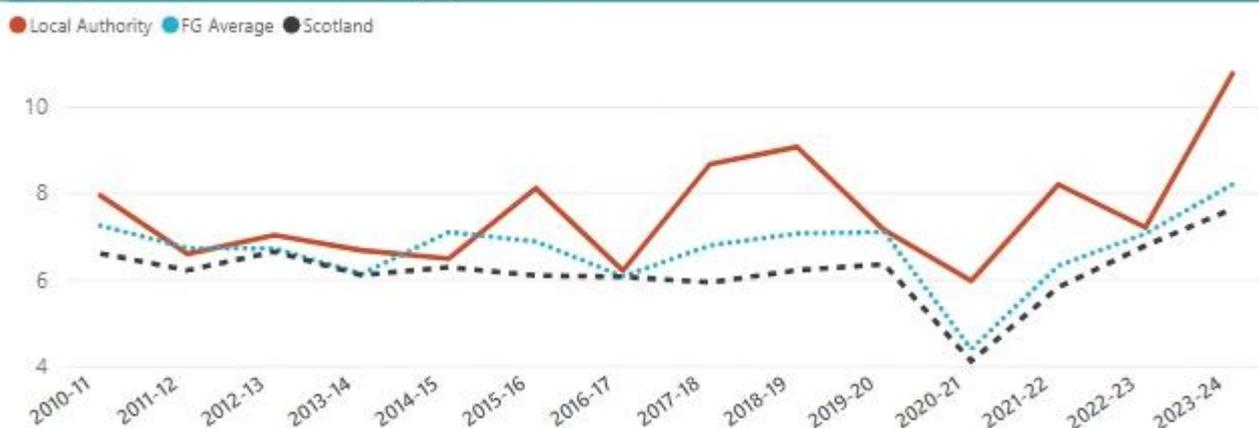
1.2 Using the Local Government Benchmarking Framework dashboard, it is possible to clearly see where Orkney Islands Council stands in relation to other local authorities when measuring performance in terms of sickness absence days (Graphs 1 and 2). These are measured separating teaching staff and non-teaching staff and are compared to the Scottish average for local authorities as well as the 'Family Group'. The 'Family Group' includes a set of local authorities grouped by the type of population served by a local authority.²

CORP06b - Sickness absence days per employee (non-teacher)



Graph 1

CORP06a - Sickness absence days per teacher



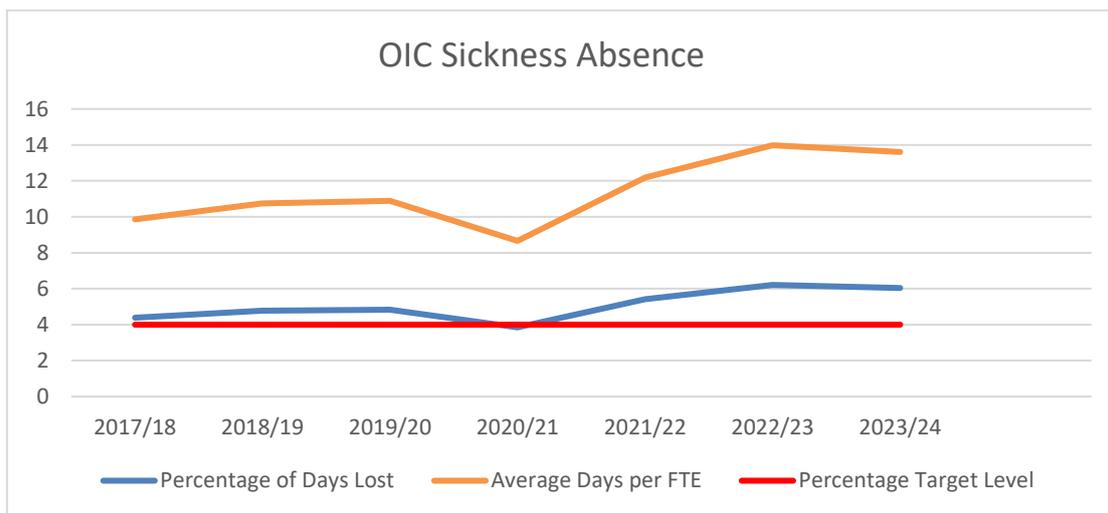
Graph 2

¹ From Office of National Statistics (accessed on 30/1/2025 online): [Sickness absence in the UK labour market - Office for National Statistics](#)

² Data from the Local Government Benchmarking Framework Dashboard (accessed on 30/1/2025 online): [Explore the data | Benchmarking](#)

1.3 As reported, the average number of sickness absence days for non-teaching staff in 2023/24 is 14.1 days and for teaching staff is 10.8 days. Both figures are higher than both the Scottish Average and the Family Group Average. The total Council absence average is 13.6 days for 2023/24. Both graphs show that the Council's rates reflect the national picture in terms of a rise in sickness absence cases following the COVID-19 pandemic. There has been a rise of 38.2% in non-teaching staff absence and 18.7% in teaching staff absence since pre-pandemic levels (2018/19). When comparing the overall Council absence, there is a 27.2% rise.

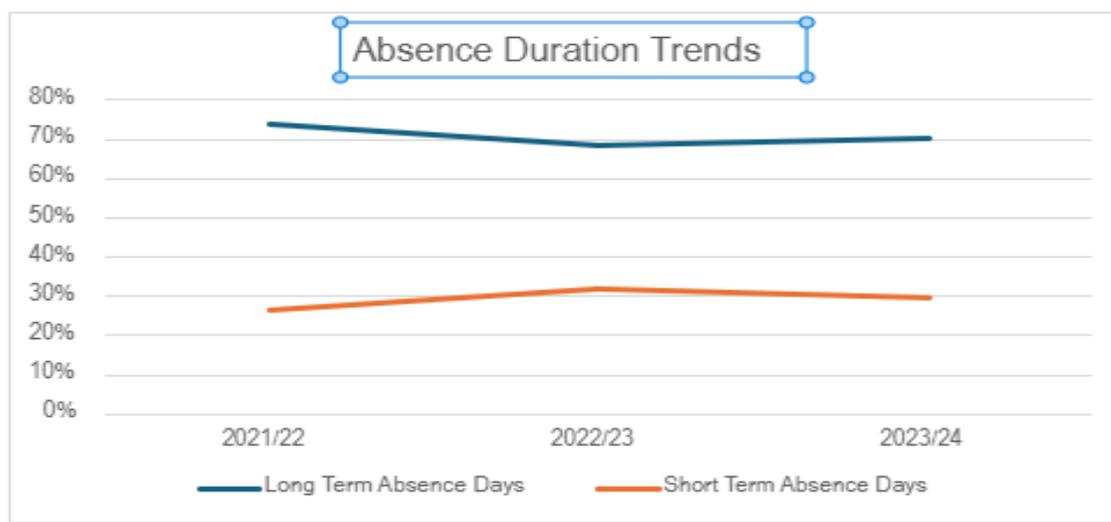
1.4 The Council's target for sickness absence is set at 4% which is the rate set by the Scottish Government. Whilst the figures reported vary for different Directorates within the six-monthly performance reports, recently, the target is consistently not being met as shown in Graph 3.



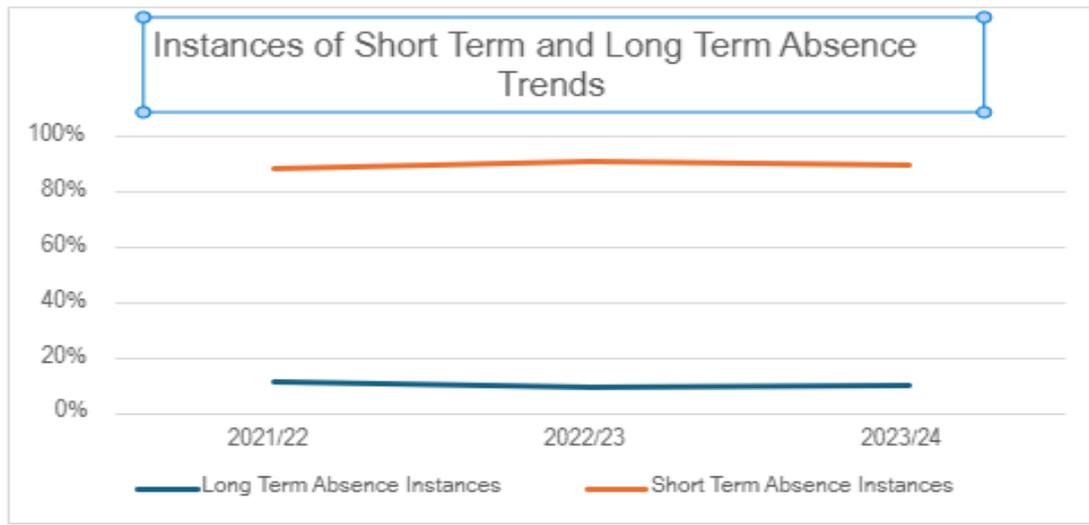
Graph 3

1.5 Sickness absence data for the last three years (2021/22, 2022/23 and 2023/24) was reviewed against frequency (long-term versus short-term) to identify any trends. A further breakdown of reasons for absence in long-term cases and short-term cases was undertaken to help understand underlying causes of sickness absence across the Council.

1.6 Percentages of long-term and short-term absence days has remained steady for the last three years as shown in Graphs 4 and 5. In 2023/24, short term absence accounted for 90% of the instances of sickness absence however long term absence accounted for 70% of the absence days recorded.



Graph 4



Graph 5

1.7 When looking at reasons for sickness absence depending on duration for 2023/24, although this was measured in keeping with the categories of absence reasons available, the data was sorted to demonstrate the difference between physical-related illness (blue), mental health-related illness (orange) and the categories that do not specify underlying cause within the reporting (grey). The results are presented in Charts 1 and 2.

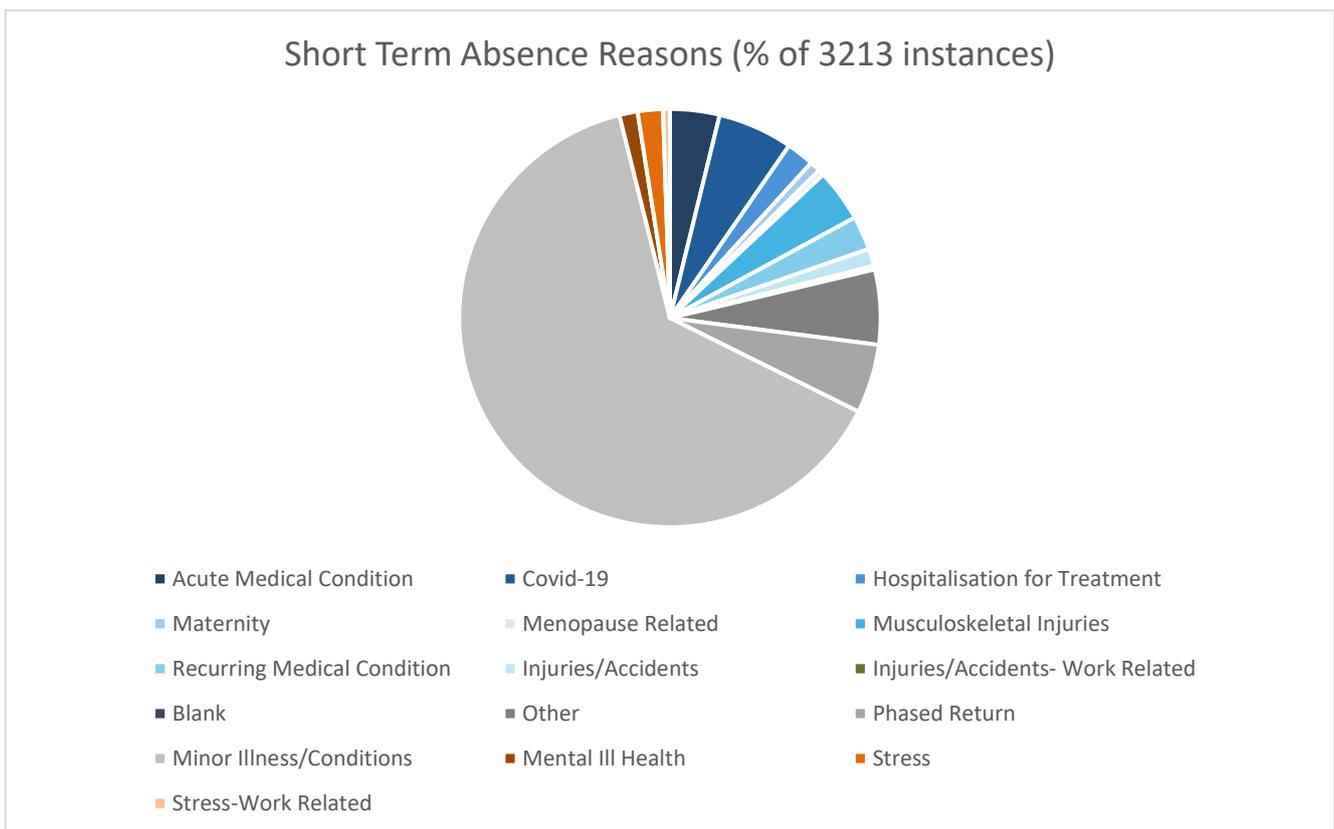


Chart 1

Long Term Absence Reasons (% of 364 instances)

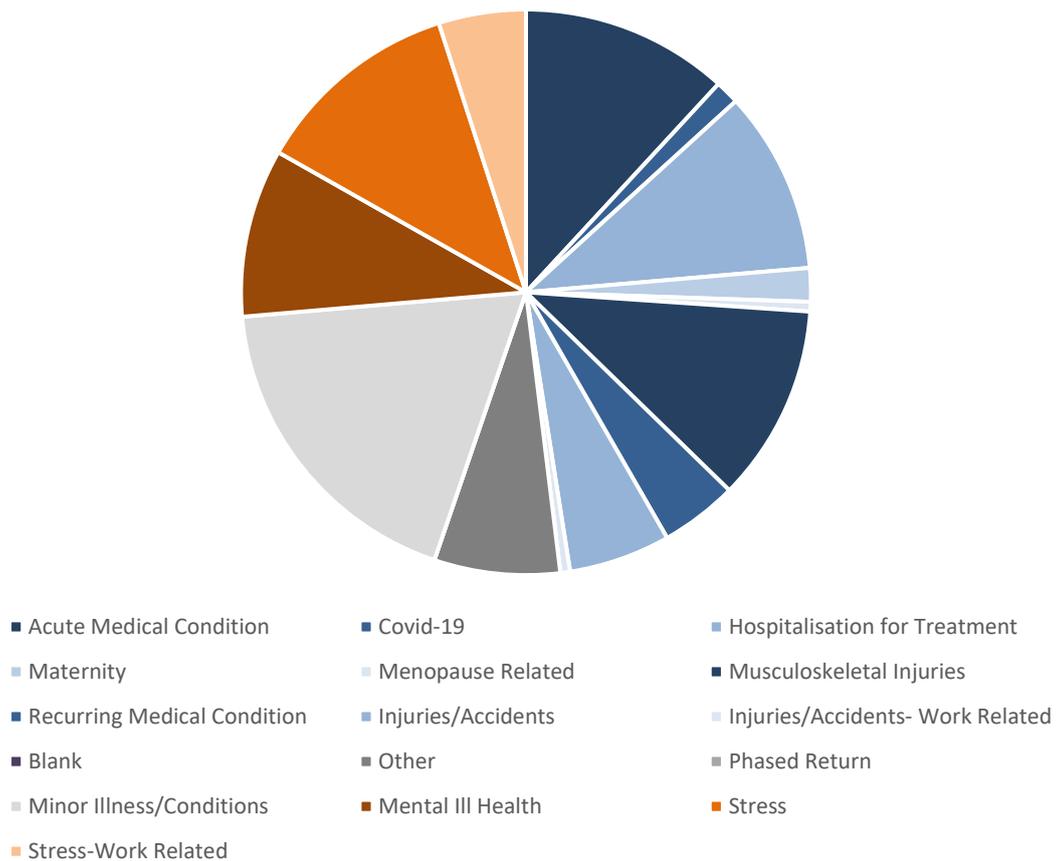


Chart 2

1.8 More is known about the reasons for long term absence which does represent a large majority of absence days. For long-term absences, the breakdown into broader categories is as follows:

- 47% Physical Related Illness
- 27% Mental Health Related Illness
- 26% Not Specified

For short-term Absences, the breakdown into broader categories is as follows:

- 21% Physical Related Illness
- 4% Mental Health Related Illness
- 75% Not Specified

*Data on sickness absence was collated from the MyView Absence PI dashboard. This may differ slightly to previously reported figures as data on the system changes daily depending on input from managers since reporting.

2.0 Policy and Procedure

2.1 A comprehensive sickness absence policy is in place, covering essential components such as reporting, documentation, return to work procedures, sick pay entitlement, types of absence and resources available.

- 2.2 In addition, multiple guides, templates and HR briefings are available to support managers and employees. These resources support the transition from paper to electronic reporting and ensure consistent communication regarding sickness absence.
- 2.3 Related policies and initiatives are in place to support the reduction of instances of sickness absences by supporting employee wellbeing including family-friendly policies.
- 2.4 Recently published sickness absence policies from other local authorities in Scotland were reviewed for comparison. In the main, the staged approach to sickness absence management within the other policies is similar to the Council's. However there are some differences in trigger points, training and monitoring requirements for line managers and the use of live links to supporting documentation whether that is a form, flowchart or wellbeing resources for staff to access.
- 2.5 The Sickness Absence Policy has not been reviewed since 2016. Although HR briefings and supporting guides have been issued since, the main policy document needs updating to reflect current procedures and to highlight further support resources available for employees and managers developed since.
- 2.6 The policy does not explicitly address data protection considerations. While a privacy notice is available, it should be integrated into the policy including setting out how data will be used to monitor and identify trends.
- 2.7 Although in the main, the Sickness Absence Policy and supporting guidance is comprehensive, the policy is susceptible to misuse without close management and consistent policy enforcement.
- 2.8 There are flow charts available to managers to support implementation of the policy in managing sickness absence. In the majority, the policy is clear to follow however there are elements of the short-term absence management procedure that are more complicated – when an Initial Short Term Absence Counselling meeting is triggered and the six-month rolling system of monitoring for the first stage of the procedure which can lead to cases of re-triggering. This could be simplified to support the understanding of procedures and expectations.
- 2.9 To facilitate return-to-work discussions following a long-term absence, a return-to-work discussion template should be developed to complement the sickness absence policy which would detail any workplace adjustments or support required to return to work ideally held before the date of the first day back at work.
- 2.10 A comprehensive review of the sickness absence policy is recommended to incorporate current procedure and updates required. This includes:
- Data protection considerations.
 - Making use of links to related policies, resources and MyView guides.
 - Considering simplifying short term absence procedures.
 - Adding procedures in the event of a line manager vacancy including delegation.
 - Clarifying the importance of applying for management discretion where appropriate.
 - Including guidance on reporting the reasons for absence.
 - Return to work discussion template and guidance designed for returns from long-term absence.

Recommendation 1

3.0 Sickness Absence Management System

3.1 The MyView system facilitates the electronic reporting and monitoring of sickness absence, providing the opportunity for the process to be more efficient and accessible.

3.2 It is important to note that the system in place has been adapted in-house to a bespoke standard to fit the current sickness absence policy used by the Council and is due to be replaced in 2027. This means that the software is not currently being used as originally intended when designed. To make best use of future system capabilities, the sickness absence policy may need to be adapted as required so that the system and policy are in alignment.

3.3 There are several dashboards available to managers including the Absence Dashboard which gives an overview of absences within the team(s) for which the manager has a management responsibility. Different levels of management can view records for all staff within their service.

3.4 The Absence Performance Indicator Dashboard provides analysis of absence rates including the sickness absence percentage by month, the number of sickness days for each absence reason, sick days by service, teaching vs non-teaching absence days and mental health absence days.

3.5 The Management Performance Indicator Dashboard provides data on the manager interventions including those outstanding by service, area and team as well as a comprehensive list of actions outstanding, adjusted depending on the level of access which is based on the post held by the user.

3.6 Whilst the system is designed to record absence reviews electronically, review checklists are PDF documents that need to be uploaded rather than online forms. An easily accessed online form would remove the steps of scanning and uploading a document to the system. Pre-populating the form with absence history would also support efficiency.

3.7 Sickness absence records are restricted to authorised personnel however the MyView system lacks document retention management capabilities.

3.8 An audit of data protection carried out in 2012/13 recommended that access control policies should be established for the Council's main applications, including the HR systems. There is a draft access control policy for the HR systems but this has yet to be finalised despite having been recently marked as completed on Ideagen, the Council's action tracking system.

3.9 It is recommended that the access control policy be finalised and implemented without further delay.

Recommendation 2

3.10 Some of the recommendations made as part of this audit are not feasible within the current system and are made to support procurement of the next system. It is recommended that considerations for the future system include:

- Document retention management capabilities.
- Accessible online forms for absence reviews, pre-populated where possible for efficiency.
- Automated prompt emails for employees to ensure that self-certification is submitted for absences of seven days or less.
- A process to delegate management interventions to an appropriate alternative manager in the case of vacancies and long-term absences.

- Mandatory subcategories for minor illness/conditions and 'other' categories.
- Capability to offer automated insights on trends and patterns to managers on a regular basis so this information can be used to inform planning and decision making with the aim of reducing sickness absence overall.

Recommendation 3

4.0 Sickness Absence Recording and Monitoring

4.1 The policy includes return to work procedures as well as management interventions to address frequent or long-term absences. Overall, the recording of sickness absence and the implementation of the policy is inconsistent across the organisation.

4.2 A sample of 30 absence cases were reviewed for compliance with the policy. These were randomly selected and comprised 10 long-term and 20 short-term absences covering all directorates. Only 39% of management interventions were fully compliant with the policy in that all required reviews had been undertaken, with the outcome having been communicated to the employee where required. Compliance included uploading the relevant documents to MyView.

4.3 In another test, 12 cases listed as being under a short-term monitoring period were tested to check for compliance using the employee absence history and the short-term absence procedure flow chart as a basis. It was found that 5 of 12 cases were not in compliance with policy. In four cases, this was due to the timings of management interventions not having been in line with expected timescales and led to cases being at earlier stages of the sickness management procedure than would be expected. In the other case, this was due to management error in recording the absence as a sequence of multiple days rather than one continuous period of absence.

4.4 Compliance with proper notification procedures is at 90% of the return-to-work interview paperwork reviewed (10 documents). It was not possible to ascertain whether proper notification procedures were followed on review of other review documents available as this is not included in any other type of review as a prompt.

4.5 Recommendations 5, 6 and 8 relate to measures intended to improve compliance through prompts to check the information dashboard, feedback mechanisms for managers and training. There is also a recommendation made for future system considerations aimed at supporting compliance.

5.0 Entitlement to Sick Pay

5.1 Sickness absence data is automatically communicated with payroll systems to ensure that the correct sick pay is applied. For payroll calculations for occupational sick pay (OSP) and statutory sick pay (SSP) to be correct, there is a reliance on the sickness absence management system to be updated promptly by managers when there are cases of sickness absence.

5.2 From discussion with the Payroll Team Manager, delays in marking employees as returned to work is causing issues. It was not possible to quantify this issue through testing using the systems available. However, an example was provided of a case where this led to underpayments made. Special payments had to be made on multiple occasions for the same employee who had not yet qualified for occupational sick pay.

5.3 There are controls in place to address this such as a letter sent to line managers and employees when full or half-rate OSP is due to expire as well as regular checks of exception reports by the Payroll team. In addition, a monthly report is sent to all line managers with current staff absence listed which should prompt action, should someone be marked off sick when in fact

they have since returned to work. Managers can also view details of current absences on the system dashboard. Once the problem is eventually resolved, sick pay is automatically recalculated.

5.4 A requirement for sick pay is the submission of self-certification and provision of 'Fit Notes' from a medical practitioner if the absence lasts eight days or more. There is a lack of self-certification for short-term absences in 50% of cases. In the long-term cases, there were no self-certifications submitted however 8/10 cases had Fit Notes covering the entire absence period and 2/10 had Fit Notes covering a partial period.

5.5 Failure to complete and/or submit self-certificates and Fit Notes (where applicable) timeously may result in the period of absence being an unauthorised absence, for which payment of statutory and/or occupational sick pay may be withheld. Additionally, failure to adhere to Council policies and procedures may result in action being taken under the Council Disciplinary Policy and Procedure.

5.6 It was confirmed that there have been no requests to Payroll made by managers to withhold pay due to self-certification not having been provided within the period of the audit.

5.7 Previously, under the system involving sickness absence paper forms, the Payroll team would have withheld pay until the paper self-certificate was received.

5.8 Managers receive an email to inform them of when a staff member has completed a self-certificate, however, are not alerted if an employee has not done so.

5.9 Employees do not receive an email to prompt them to complete a self-certification. It is possible to view when a medical certificate is due to expire using the absence dashboard for managers on the MyView system. (See recommendation 3)

5.10 Within the sickness absence entry screen, there is a tick box to indicate confirmation that the absence is complete and that all required documentation has been attached. To prompt managers to ensure a self-certification has been submitted, the wording beside the tick box should be updated to include "If this box is left unchecked, the manager can see the case within the dashboard as having missing information until they update the absence once all required actions have been taken".

Recommendation 4

5.11 We recommend that an automated email is send out to all managers to remind them to check their absence dashboard and address any outstanding requirements. A process should be put in place to monitor the impact of this.

Recommendation 5

6.0 Management Interventions Outstanding

6.1 Compliance with the sickness absence policy is measured in terms of management interventions completed within performance reports. The target for each Directorate to reach is 90% compliance however performance indicators reported are consistently below this level when measuring the Council as a whole. In the most recent performance reporting data, the overall compliance rate for April-September 2024 sat at 60% and for Q3 2024-25, the figure decreased to 46% as reported to CLT. Some directorates have a higher rate of compliance than others and this is reflected in performance monitoring reports presented twice a year.

6.2 Currently, where a trigger is reached and a sickness absence review is due, managers receive emails to alert them to this along with the employee's absence history, the correct form and guidance on completing the intervention with the employee and submitting it on the MyView system correctly.

6.3 There is no further reminder sent however, managers can identify manager interventions outstanding by accessing their absence dashboard.

6.4 Senior Management can review and monitor actions outstanding on the dashboard for their teams and detailed reports are sent quarterly to Corporate Directors. Summarised data on the completion of management interventions is then reviewed by the Corporate Leadership Team (CLT).

6.5 Where levels of performance are lower than required within the performance reporting, there are percentages set at which point some level of intervention is expected to take place to address the performance issue. For sickness absence rates, this is set at 6% and for management intervention levels, this is set at 79%. It is currently up to individual Directorates to plan what the intervention process will be.

6.6 As part of the audit, we reviewed procedures for the dissemination of information on management actions outstanding within Education, Leisure and Housing and Orkney Health and Care, the Directorates with the largest number of staff. In both cases, details of sickness absence cases with management actions outstanding are sent out by senior administration staff to relevant senior managers to help ensure that the appropriate actions are taken.

6.7 Further investigation into performance management will be covered within an upcoming internal audit planned in 2025.26.

7.0 Responsibility for Management Interventions

7.1 At the time of audit testing, there were 142 outstanding management actions, including interventions at all levels of escalation in the procedure for short and long-term absences.

7.2 Of these outstanding actions, 14 absence cases had no line manager listed as being in post due to vacancies and in seven cases, the line manager was absent and therefore unable to conduct the review.

7.3 Where there are vacancies or long-term absence affecting line manager posts, email notifications of required management actions are not able to be diverted to an alternative manager as they are not the post holder recognised by the system and this includes temporary staff such as agency workers. In a small number of cases, posts are managed by NHS managers and absence management in these situations, is supported by the HR System Developer by email to ensure the system is kept up to date with actions.

7.4 Delegated authority can be set up within the management system for reporting absences and the marking of the return to work however, a manager must be responsible for undertaking the management of absence through the interventions as set out in the policy.

7.5 The responsibility for sickness absence management in the absence of the line manager, is delegated to the next level of management. With no notification mechanism available in these cases, checking the absence dashboard on MyView is essential to ensure continuity of sickness absence management. (See recommendation 5)

7.6 To clarify procedures for managers and employees with respect to cases where there is a line manager vacancy or absence, the sickness absence policy should be updated with the

expected process for reporting, maintaining contact and carrying out interventions where required. A recommendation has already been made with respect to reviewing the policy and this is included within that. (See recommendation 1)

7.7 Going forward, future systems should offer more flexibility to ensure there is continuity in sickness absence management in the case of manager vacancies or absence. (See recommendation 3)

8.0 Reasons for Management Interventions Outstanding

8.1 To understand the cause of outstanding interventions, further investigation into ten cases of absence with outstanding management actions revealed that out of these cases, nine had involved some level of management, ranging in levels of variation to policy.

8.2 In six of the cases, the proper use of management discretion requests could have prevented the actions as having been recorded as 'outstanding'. If these variations had been requested and authorised, this would have reflected the fact that they are being managed in some way. There are limits to discretion within the policy however, in exceptional circumstances, with agreement from Human Resources, this can be reviewed.

8.3 In one case, user error in using the MyView system meant that the review conducted was not recognised as complete. In one case, Council policy was not followed and in one case, a management absence or vacancy was an issue as previously identified.

8.4 Guidance on applying management discretion is set out in the Sickness Absence Policy as well as within one of the supporting guides for managers available on MyView, however the importance of ensuring that variations to the policy are approved, is not made clear in terms of how it impacts performance reporting.

8.5 As part of the policy review, the importance of requesting management approval for variations to the policy and linking to the process for this should be included. This is reflected in Recommendation 1.

8.6 We would also suggest that an HR briefing be circulated to all managers to explain the process of requesting discretion and the importance of this when applying variations of the policy to sickness absence management.

8.7 One case was identified where the management action was listed as 'Outstanding' however the appropriate form was visible on the system. Due to this, the testing was expanded and a further 10 cases were reviewed to check for system errors.

8.8 The first case was subsequently found to be a case of user error in how the document was uploaded as previously described at section 8.3 of this report.

8.9 A second case was identified where appropriate management actions were taken and uploaded correctly to the system within expected timescales, however these were still showing as 'Outstanding'.

8.10 This issue was not due to a system error but was due to a 're-triggering' of a Return-to-Work interview. This was because there had been three periods of absence within the previous six months, in line with the rolling system of triggers in the short-term absence procedure. In this case, a third period of absence (of a total of three in six months) occurred in October 2024 however the trigger was created in December 2024, when the end of a three-month monitoring period ended. A recommendation on simplification of the policy has already been made (See recommendation 1).

8.11 Where managers identify that a management action remains outstanding despite actions taken according to policy, they should contact the MyView support email address where the issue can be identified and if possible, rectified. If this happens consistently, any perceived system issues can be investigated and action taken to avoid management actions being reported incorrectly as 'outstanding' and affecting performance indicators.

8.12 A feedback mechanism on the management of the sickness absence process should be developed to be used by management to monitor compliance. This would support meaningful conversations around the management of sickness absence, provide opportunities to discuss any issues, patterns and/or trends and identify training needs or the need for more support in this area for all line managers.

Recommendation 6

9.0 Data Reporting

9.1 Sickness absence levels are regularly reported to senior management and the Council. Quarterly reports are provided to the Corporate Leadership Team and six-monthly reports are presented to the relevant Committee.

9.2 The process of inputting actions and uploading documents to the MyView system is not consistently followed. This affects the reliability of the data reported.

9.3 Within the six-monthly performance reports, trend charts are included to highlight any trends in sickness absence rates or the level of management interventions completed. The graph currently includes a mix of data from the quarterly reports and the six-monthly reports.

9.4 We recommend that the trend charts included in performance reports includes only six-monthly data to allow for accurate comparison and include a wider sample size to increase reliability.

Recommendation 7

10.0 Data Analysis

10.1 Absence data is available on the MyView system, which allows managers to access records for their team(s) and analyse trends within their directorate/service/department/team/workplace.

10.2 The Absence Performance Indicator (PI) Dashboard provides detailed information on sickness absence, including reasons and duration.

10.3 As part of the audit, data analysis was conducted on absences in 2023/24 to identify trends in frequency, reasons and job roles. It was possible to highlight various trends that could support understanding of underlying issues behind high levels of sickness absence as well as provide an opportunity to develop targeted solutions to address it.

10.4 Without specific data, it is difficult to identify recurring issues or areas that require targeted interventions. A significant proportion of absences, including long-term absences, are categorised under 'Minor Illness/Conditions'. This broad category lacks specificity, making it difficult to identify and address the underlying causes of these absences. Similarly, the 'Other' category is used frequently which is also vague.

10.5 Without guidance on reporting on the reasons for absence, there may be inconsistencies in how managers report these, leading to difficulties when trying to analyse the data.

10.6 We recommend that within the policy review, more guidance is provided to assist managers in reporting the absence reasons as well as the importance of this being as accurate as possible and updated where the reasons have changed during an absence. This is included within Recommendation 1.

10.7 The recording of subcategories for Minor Illness/Conditions should be mandatory on the system to support the identification of underlying causes of absences more easily. When recording an absence as 'Other', a reason should be given within a comments box to reduce the risk of incorrectly recording a sickness absence in the case of unauthorised absence. This is not feasible within the current system but has been included in Recommendation 3 for future systems.

10.8 To support effective strategies for reducing sickness absence, data analytics should be used to highlight trends in absence levels and reasons within teams.

10.9 Future HR systems designed to support the management of sickness absence should have the capability to offer automated insights on trends and patterns to managers on a regular basis so this information can be used to inform planning and decision making with the aim of reducing sickness absence overall (See Recommendation 3).

11.0 Training

11.1 Training on sickness absence management is available as part of the corporate learning programme. As part of the People Management Toolkit, an iLearn training course is being developed on the use of MyView. This includes short 'How To' videos and is due to be launched soon. This will provide practical support for managers in managing sickness absence.

11.2 Training is not mandatory for managers. This is likely one of the root causes of the inconsistent application of the policy across the organisation. Data on training attendance has not been consistently collected until recently. This makes it difficult to assess which managers have received training and which have not, however, attendance is now being recorded and there are plans in place to seek feedback to support continuous improvement.

11.3 Managers are responsible for using the MyView system to report and monitor sickness absence. This is meant to be a 'self-serve' system and therefore, training is essential to ensure it is being used appropriately.

11.4 Sickness absence training for managers should be mandatory. This should include the soon to be released iLearn course with technical guidance on using MyView including how to make use of the absence dashboard for data analysis purposes.

Recommendation 8

12.0 Wellbeing Initiatives

12.1 The Council has implemented several wellbeing initiatives, including a Wellbeing Hub, Employee Assistance Programme, and various mental health and wellbeing policies and these are accessible and well promoted.

12.2 The annual 'Good Conversations' process along with regular 1-to-1s has the aim to enable meaningful conversations which help build relationships, provide support and keep individuals feeling valued, motivated and engaged. They are meant to boost confidence and morale as well as help produce high performing individuals and teams. Across the Council, the completion rate of these is at 75% based on the most recent performance reports presented to the Council.

12.3 Training for managers on mental health is available and there are plans to appoint Wellbeing Champions to promote and support wellbeing initiatives and provide feedback to inform planning around the targeting of efforts in supporting employee wellbeing.

12.4 To enhance effectiveness, it is recommended to develop methods to measure the success of these initiatives against employee wellbeing.

Recommendation 9

Action Plan

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
<p>1. A comprehensive review of the sickness absence policy is recommended to incorporate current procedure and updates required. This includes:</p> <ul style="list-style-type: none"> • Data protection considerations • Making use of links to related policies, resources and MyView guides • Considering simplifying short term absence procedures • Adding procedures in the event of a line manager vacancy including delegation • Clarifying the importance of applying for management discretion where appropriate • Including guidance on reporting the reasons for absence • Return to work discussion template and guidance designed for returns from long-term absence 	Medium	<p>Review of policy and supporting guidance and documentation to be carried out.</p> <p>Operational procedure will be reviewed following implementation of the revised Council HR and Payroll system in 2027/28 to ensure the process can make full use of all system functionality.</p>	Service Manager Human Resources Operations	31 March 2026
<p>2. It is recommended that the access control policy be finalised and implemented without further delay.</p>	High	<p>The access control policy is fully drafted and will be implemented after a final check that no revisions are required.</p>	Head of Human Resources and Organisational Development	30 June 2025
<p>3. It is recommended that considerations for the future system include:</p> <ul style="list-style-type: none"> • Document retention management capabilities. 	Medium	<p>Whilst progressing the medium term system procurement, explore</p>	Head of Human Resources and	31 March 2026

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
<ul style="list-style-type: none"> • Accessible online forms for absence reviews, pre-populated where possible for efficiency. • Automated prompt emails for employees to ensure that self-certification is submitted for absences of seven days or less. • A process to delegate management interventions to an appropriate alternative manager in the case of vacancies and long-term absences. • Mandatory subcategories for minor illness/conditions and 'other' categories. • Capability to offer automated insights on trends and patterns to managers on a regular basis so this information can be used to inform planning and decision making with the aim of reducing sickness absence overall. 		<p>potential for interim options to enable:</p> <p>(1) alternative manager to be able to manage absence interventions where a management post is vacant or manager is absent on a long-term basis.</p> <p>(2) mandatory sub-categories of reasons for sickness absence to be implemented.</p> <p>(3) standard forms to be built in system rather than having to be uploaded.</p>	Organisational Development	
<p>4. Within the sickness absence entry screen, there is a tick box to indicate confirmation that the absence is complete and that all required documentation has been attached. To prompt managers to ensure a self-certification has been submitted, the wording beside the tick box should be updated to include "If this box is left unchecked, the manager can see the case within the dashboard as having missing information until they update the absence once all required actions have been taken."</p>	Medium	<p>The current wording is already a bespoke feature requested from the Service provider. The wording can be altered and updated as suggested on request to Zellis. There will be a consultancy charge for this request payable by the Council.</p>	Head of Human Resources and Organisational Development	30 September 2025
<p>5. We recommend that an automated email is send out to all managers to remind them check their absence dashboard and</p>	Medium	<p>An automated email of this nature cannot be</p>	Head of Human Resources and	Complete

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
address any outstanding requirements. A process should be put in place to monitor the impact of this.		sent via the ResourceLink system, however regular reminder emails to people managers have now been introduced to prompt manager intervention actions in the lead up to performance management reporting. Early indications show an improvement in compliance levels following this initiative and this will remain under review. The system already produces automated emails alerting managers to individual interventions they require to complete.	Organisational Development	
6 A feedback mechanism on the management of the sickness absence process should be developed to be used by management to monitor compliance. This would support meaningful conversations around the management of sickness absence, provide opportunities to discuss any issues, patterns and/or trends and identify training needs or the need for more support in this area for all line managers.	Low	Additional guidance will be added to the Good Conversations procedure to highlight performance management generally to be an area for discussion, including the	Service Manager for Organisational Development	31 March 2026

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
		topic of sickness absence management.		
7. We recommend that the trend charts included in performance reports includes only six-monthly data to allow for accurate comparison and include a wider sample size to increase reliability.	Low	Intend to implement this recommendation in future performance reporting.	Service Manager for Improvement and Performance	31 March 2026
8. Sickness absence training for managers should be mandatory. This should include the soon to be released iLearn course with technical guidance on using MyView including how to make use of the absence dashboard for data analysis purposes.	Medium	Training is already provided to managers on the sickness absence management policy and in respect of the practical operation of procedures within ResourceLink, however attendance is not 'mandatory'. Sickness Absence training for managers is included in the review of mandatory training planned as part of the Learning and Development refresh.	Service Manager for Organisational Development	31 March 2026
9. To enhance effectiveness, it is recommended to develop methods to measure the success of wellbeing initiatives against employee wellbeing.	Low	A variety of methods will be explored to measure success of wellbeing initiatives in addition to the existing monitoring of absence levels and trends. A satisfaction	Service Manager for Organisational Development	31 March 2026

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
		survey has already been included as part of the new Wellbeing pages on the Staff Hub and responses will be analysed on a regular basis to inform future developments.		

Key to Opinion and Priorities

Audit Opinion

Opinion	Definition
Substantial	The framework of governance, risk management and control were found to be comprehensive and effective.
Adequate	Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective.
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Recommendations

Priority	Definition	Action Required
High	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium	Weakness in governance, risk management and control that if unresolved exposes the organisation to a significant level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.