

Internal Audit Report

Appointment of Agency Workers

Corporate-wide

12 April 2019

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The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.

We emphasise that the responsibility for a sound system of internal control rests with management, and work performed by Internal Audit may not be relied upon to identify all system weaknesses that may exist. Neither should Internal Audit be relied upon to identify all circumstances of fraud or irregularity should there be any, although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of control may not be proof against collusive fraud. Internal Audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.

From 1st April 2013, new Public Sector Internal Audit Standards came into effect. These replace previous guidance and provide a coherent and consistent internal audit standards framework for the whole of the public sector. Local authorities are required to demonstrate full implementation and compliance with the Standards by 31 March 2018.

1. Executive Summary

- 1.1 An audit has been conducted of the 'Appointment of Agency Workers' system. Audit testing was conducted in relation to compliance against the 'Agency Workers' procedure/process documented and available via the intranet; however, a review of the associated procedures was also included.
- 1.2 The objective of the audit was to assess the robustness of the system for appointing agency workers through the corporate contract with Matrix, and the robustness of the process when the corporate contract is not utilised.
- 1.3 The key findings from the review:
 - 1.3.1 Guidance relating to appointing agency workers is available via the intranet; although streamlining and enhancing the procedure/process in place is required to further develop the system.
 - 1.3.2 A Corporate Contract is in place with Matrix SCM Ltd for providing Agency Staff. The occasions when it is required to source staff outside of this contract appear limited; however, procedures for such circumstances should be enhanced to ensure an effective and efficient process.
 - 1.3.3 Details regarding agency workers are shared on a regular basis with senior managers and Members. A robust analysis of the use of agency/interim workers, by management teams across the organisation, is required to further enhance the process.
 - 1.3.4 Contract management and ongoing contract monitoring must be strengthened; including raising purchase orders and subsequent payment of invoices, and adherence to Contract Procedure Rules when appointing agency/interim workers outside of the corporate contract.
 - 1.3.5 A member of staff has been assigned as the 'Agency Staff Project Lead', and is taking steps to drive improvements through the system. Work includes developing a standard electronic system (referred to as the DASH system) for requesting and authorising the use of agency workers.
 - 1.3.6 A process is in place through the Matrix system to retain agency worker references, although clarification of the level of detail expected, and time period to be covered is required (including for those workers appointed outside of the Matrix contract).
 - 1.3.7 An agreement (in the form of a contract or service level agreement) is required to always be put in place when appointing an agency/interim worker outside of the corporate contract, to facilitate ongoing monitoring.
 - 1.3.8 The Council has determined that all job roles and all appointments through Matrix are within the remit of IR35. It is necessary to ensure application of the guidance (available via the intranet) for all appointments when the corporate contract has not been utilised.
- 1.4 The audit resulted in 9 recommendations:

High	Medium	Low
5	2	2

2. Introduction

2.1 An audit has been conducted of the 'Appointment of Agency Workers' system.

2.2 At the meeting of Audit and Risk Management Committee on 11 March 2019, it was agreed: to provide Councillors and management with assurances regarding the efficiency and effectiveness of:

- Appointment and employment status of Interims/Contractors.

The definition utilised for 'Interims/Contractors' is any person appointed by the Council via an Agency (whether through the corporate contract with Matrix, or not) or a Limited Company, and who is operating in a similar capacity to a permanent staff (e.g. has a wirral.gov.uk email address/has access to corporate networks).

2.3 The audit evaluated the effectiveness of the controls within the system in mitigating the identified risks.

2.4 This report details the resulting findings and recommendations. Due to the corporate nature of the review, a draft report was issued (on 9 April 2019) for consideration by Paul Satoor (Corporate Director for Business Management), Shaer Halewood (Director of Finance and Investment) and Phil McCourt (Director of Governance and Assurance).

3. Audit Objectives and Scope

3.1 The objective of the audit was to review the appointment process for agency workers and, using an audit sample, verify accuracy, validity and compliance with corporate policy and procedure, and ensure good governance was in operation.

3.2 In terms of the scope, the audit focussed on reviewing:

- The procedure/process when considering the appointment of an agency member of staff.
- The procedure/process to be followed when appointing an agency member of staff (through the corporate contract or via an alternative method); and whether the procedure/process (including adherence to Contract Procedure Rules and, where appropriate, the utilisation of Procedure Rules Approval Documents (PRAD)) has been applied for a sample of cases (utilising cases in and outside of the corporate contract).
- The procedure/process for obtaining and evidencing references – and whether they appear reasonable.
- The agreement put in place when appointing an agency worker outside of the corporate contract with Matrix.
- The procedure for determining and communicating IR35 status when the Matrix contract has not been utilised (also confirming that all job

appointments through Matrix are assessed and communicated as being within IR35).

- The process applied in relation to the raising of purchase orders and subsequent payment of invoices, for agency workers appointed outside of the corporate contract.

4. Areas of Effective Control

- 4.1 Guidance relating to appointing agency workers is available via the intranet.
- 4.2 A Corporate Contract is in place with Matrix SCM Ltd for providing Agency Staff. The guidance available highlights the corporate contract with Matrix to be mandatory. The occasions when it is required to source staff outside of the corporate contract appear to be limited.
- 4.3 Procedure Rules Approval Documents are available, through Contract Procedure Rules, for completion, in order to approve instances when not utilising the corporate contract.
- 4.4 Details regarding agency workers are shared on a regular basis with senior managers and Members.
- 4.5 A member of staff has been assigned as the 'Agency Staff Project Lead', and is taking steps to drive improvements and efficiencies through the system.
- 4.6 Work is being undertaken to develop a standard electronic system (referred to as the DASH system) to be utilised across the organisation for requesting and authorising the use of agency workers.
- 4.7 A process is in place through the Matrix system to retain agency worker references.
- 4.8 The Council has determined that all job roles and all appointments through Matrix are within the remit of IR35. Within the Agency Workers part of the intranet is a section entitled: "IR35 Legislation Changes – effective 6 April 2017" and a link to a document highlighting what has been done by the Council and the onus on the Council to assess the role accordingly.
- 4.9 However, it should be noted that weaknesses, and opportunities to enhance the system, were identified and are highlighted within the following section of the report.

5. Findings and Recommendations

The audit found that there were weaknesses in the controls reviewed. The following table gives the detail of the findings, the risks and potential implications of these, and the recommendations made.

Detailed Findings and Recommendations

Ref	Risk and Potential Implications	Finding	Recommendation	Priority Level
5.1	<p>If procedures and guidance available are not clear and robust, it is unlikely the operation of the system for appointing agency workers will be efficient and effective.</p>	<p>Guidance/process relating to 'agency workers' exists in two different areas of the intranet; firstly within "People, HR Forms, How Do I?"; and secondly within "People, Recruitment, Agency Workers". The information within these areas of the intranet is different and inconsistent.</p> <p>The guidance provided is not clear and robust. Whilst a reasonable amount of detail is included, this does not facilitate easy navigation through the process.</p> <p>The guidance available highlights the Matrix contract to be mandatory; however, there are potentially extenuating circumstances when Matrix is unable to fulfil a request. However, the guidance does not provide details of the process to be applied when this is the case.</p> <p>Procedures for executive interims/agency staff are not clear.</p> <p>There is also a need for the controls indicated within procedures to be included within the actual process e.g. within procedures it states "Once approval has been given by your Assistant Director/Head of Service and Accountancy have confirmed the</p>	<p>i) Guidance and details of the process to be applied, for appointing an agency worker, must be streamlined to one designated area of the intranet.</p> <p>ii) The guidance and procedure should be clear and robust.</p> <p>iii) The guidance should include details of the process to be applied in those extenuating circumstances where the corporate contract is unable to be utilised.</p> <p>(providing detail such as: whether recruitment through Matrix must have been attempted a certain number of times; whether agreement must be reached with Matrix to look at alternatives; what steps can be taken to bring the agency under the Matrix umbrella; whether agreement should be provided by the Matrix Contract Manager; which PRAD documentation must be completed. It must also be made clear as to the contractual arrangements and performance monitoring arrangements that must be put in place.</p> <p>iv) Procedures should fully reflect the process for</p>	<p style="color: white; font-weight: bold; font-size: 1.2em;">High</p> <p style="color: white; font-size: 0.8em;">(A matter that is fundamental to the system under review)</p>

Ref	Risk and Potential Implications	Finding	Recommendation	Priority Level
		<p>funding, managers can log on to Matrix”; however, in practice, this authorisation process can be bi-passed, as the control is not in-built within the system.</p> <p>It has been confirmed that a new system is being developed (DASH) that will provide a complete electronic method for requesting, authorising and monitoring agency staff, in addition to the process required through Matrix.</p>	<p>appointing ‘executives’ i.e. those above equivalent scale point 74/EPO25; and the authorisation process should align to those as if it were a permanent member of staff.</p> <p>v) Where practicable, the new system should have the controls in-built to reflect the agreed process (e.g. the application should not progress through the system without relevant authorisation; potential inclusion of set-up forms such as the existing C03 forms and ICT Access Request Forms). Testing of the new system should continue; and where appropriate advice regarding risks and internal controls should be sought from Internal Audit.</p>	
5.2	<p>If agency workers are not being utilised in line with guidance, and the use of agency staff is not robustly monitored, it is likely to have a financial impact on the organisation, and may impact upon working</p>	<p>It was identified that 105 agency workers were employed via the Matrix contract as at 4 March 2019 (66 of these related to Children’s Services). Nearly 50% of the appointments at that point in time had been in post for nearly 12 months or longer (52 appointments having been made prior to 1 April 2018). This does not seem to align to the guidance, in terms of the way in which agency workers should be being utilised.</p> <p>This issue was discussed with the contract lead, who confirmed it to be an issue that is being discussed with management across the organisation.</p> <p>It was confirmed that details regarding agency</p>	<p>i) The way in which agency workers are utilised must continue to be evaluated by management across the organisation. The reason for utilisation of an agency worker should be clearly documented and align to the reasons documented within procedures.</p> <p>ii) The process to evaluate the use of Agency workers across the organisation, must include providing justification as to the length of time existing agency workers have been in post (e.g. for all agency workers employed for a period greater than 12 months).</p> <p>iii) Managers should be reminded of the need to</p>	<p>High</p> <p>(A matter that is fundamental to the system under review)</p>

Ref	Risk and Potential Implications	Finding	Recommendation	Priority Level
	relationships between staff operating at the same level.	<p>workers are shared on a regular basis with senior managers and Members.</p> <p>It was highlighted by the contract lead that some agency workers move posts without a new request being submitted through Matrix. Hence the details held within the system are inaccurate e.g. post being covered, manager details, which has implications regarding authorisation processes.</p> <p>It was further added, that this tends to relate to agency social workers in Children's Services where they may have to move around teams to provide necessary cover. In such cases, Human Resources highlighted that it would be disproportionate in terms of time and effort to end a placement and start a new one in Matrix. However, for agency workers in other areas of the organisation, who may be retained but change role, it would be necessary to make the necessary changes in Matrix (i.e. end the current placements and generate a new one).</p>	<p>update details in the Matrix system should an agency worker change their role. In conjunction with this, relevant managers should be requested to review and confirm whether the current details held in the Matrix system are correct.</p> <p>A decision should be taken, and included in procedures, to confirm to which roles (e.g. social workers within Children's Services) this process (i.e. ending and creating a new placement within Matrix) will not apply, and how this should be recorded to ensure robust information is utilised for monitoring and reporting purposes.</p>	
5.3	If 'general housekeeping' of forms, utilised when setting-up an agency worker on Council systems, is not robust; a full	<p>A 'Request for Recruitment of Agency' template is in place (although not available via the intranet). However, the process for filing such forms, utilised in setting up agency workers on Council systems, means they are either not available for reference, or would take an imbalanced amount of time to locate.</p> <p>The removal of agency workers from the system, once they have finished, is also not robust and not</p>	i) In conjunction with reviewing process/procedures, the set-up forms for agency workers should be reviewed/ streamlined. It should be ensured the set-up forms, and necessary authorisations, are completed electronically, and retained as such for easy reference (this also links to the development of the new in-house 'DASH' system)	<p>Low</p> <p>(A matter that requires attention and would improve the system under review)</p>

Ref	Risk and Potential Implications	Finding	Recommendation	Priority Level
	audit trail is unlikely to exist, and a weakened approach to system may ensue.	always undertaken; including the notification to IT.	ii) A robust process must be put in place, and adhered to, for managers to remove agency workers from self-serve and to inform IT when the placement has ended.	
5.4	If adherence to procedure rules is not always achieved; and a contract (or service monitoring agreement) is not in place; it is unlikely the process for appointing agency/interim workers outside of the corporate contract will be effective.	<p>Whilst the process to be followed when appointing outside of the Matrix contract, is not clearly documented, and is covered in a separate recommendation; adherence to existing guidance and contract procedure rules is not always achieved in full.</p> <p>The ability to by-pass the corporate contract is also an issue, although this should be eliminated through the introduction of the corporate No Purchase Order No Pay Policy (introduced from 1 April 2019).</p> <p>When not utilising the corporate contract, issues were identified relating to the completion of some Procedure Rules Approval Documents (PRADs):</p> <ul style="list-style-type: none"> - Contract periods were not always covered by a PRAD 1 (Exceptions to Contract Procedure Rules). - Where a breach has occurred, a PRAD 6 – Breach Reporting, had not always been completed. - Authorisation on some PRADs was subsequent to the start date of the contract (albeit only by a couple of days). - Dates stated on the Chest (the web-based system 	<p>i) Adherence to the procedures (which need to be reviewed – included in prior recommendation) should be monitored and appropriate action taken in relation to cases of non-adherence.</p> <p>ii) Contract management and ongoing contract monitoring must be strengthened.</p> <p>This should include:</p> <ul style="list-style-type: none"> a) Ensuring a PRAD has been completed and authorised in advance, to cover the contract period. b) Details recorded on the Chest should be accurate. Details entered should be checked for accuracy, and amended if necessary. It should also be ensured that all relevant supporting documentation is uploaded and available to view. c) Ensuring a formal contract is in place between the Council and the contractor; against which performance should be monitored. 	<p>High</p> <p>(A matter that is fundamental to the system under review)</p>

Ref	Risk and Potential Implications	Finding	Recommendation	Priority Level
		<p>the Council utilises for handling tender opportunities) did not always correspond fully to the details on the PRAD (although it was explained this is because for contracts shorter than 12 months they need to be entered as a 12 month contract for spend monitoring purposes).</p> <p>A formal contract (or something along the lines of a Service Level Agreement) was not always in place between the Council and the company providing the agency/interim worker.</p>		
5.5	<p>If adherence to procedure rules is not always achieved; and contracts, outside of the corporate contract for agency/interim staff, are not always monitored in a robust manner, it is unlikely the Council will achieve maximum value for money through such a</p>	<p>When not utilising the corporate contract, issues were identified:</p> <p>a) where a Procedure Rules Approval Document (PRAD) had been completed, the associated Purchase Order had not always been raised to align to its value.</p> <p>b) even in instances where a Purchase Order had been raised against the value of the completed PRAD, payments were sometimes made as 'freestanding'.</p> <p>It is acknowledged application and adherence to the corporate No Purchase Order No Pay Policy (implemented on 1 April 2019) should eliminate this issue.</p> <p>c) payments do not appear to always be monitored in</p>	<p>i) Contract management and ongoing contract monitoring must be strengthened.</p> <p>This should include:</p> <p>a) ensuring Purchase Orders are always raised to align to the value of the contract/PRAD.</p> <p>b) ensuring payments are always made against the Purchase Order aligned to the contract/PRAD.</p> <p>Under no circumstances should invoices be paid as freestanding.</p> <p>Application and adherence to the corporate No Purchase Order No Pay Policy (implemented on 1 April 2019) is imperative.</p>	<p>High</p> <p>(A matter that is fundamental to the system under review)</p>

Ref	Risk and Potential Implications	Finding	Recommendation	Priority Level
	process.	<p>a robust manner, to ensure they align to the details included on the PRAD, and ultimately delivery of the contract (e.g. the duration of the contract as per the PRAD is 12 months; however, the amount paid 6 months in to the contract is close to the full value stated on the PRAD). Hence without such monitoring, the likelihood of incurring additional costs, and not completing the necessary PRAD, will increase.</p> <p>d) Invoices submitted did not always contain an appropriate level of detail to clarify the specific work undertaken; and receipts were not always attached to the invoice when claiming expenses (n.b. it was assumed such a level of detail would be required and that expenses would be allowable, in the absence of a contract to determine otherwise).</p>	<p>c) monitoring payments to ensure they align to work progressed against the contract, and hence the value of the contract/PRAD.</p> <p>If it appears payments are going to exceed the value of the original contract/PRAD, investigations should be undertaken, and, if the original value is to be exceeded, an additional PRAD should be completed and authorised.</p> <p>d) ensuring invoices submitted contain an appropriate level of detail to clarify the work undertaken; that receipts are always submitted where expenses are claimed (assuming they are allowable as part of the contract); and that the invoice is fully reviewed prior to authorisation.</p>	
5.6	If weaknesses exist in the process of becoming a user of the corporate agency worker request system, the potential for ineffective administration is likely to increase.	<p>When authorising a request to become a user of the Matrix system, the verification process appears to be limited (e.g. the manager, of the person requesting access, is not required to provide authorisation).</p> <p>This means, technically someone could register as a user of the Matrix system and raise an order for an agency worker. It would be hoped that controls further 'down the line' in the system would prevent this leading to the possibility of fraudulent activity (though potentially not, depending upon the seniority of the officer).</p>	<p>A more robust process should be put in place to register 'managers' on the matrix system.</p> <p>Assuming the authorisation process is unable to be in-built (or not easily in-built) in to the Matrix system (as it is not a custom built system to Wirral Council); it would seem prudent to include a formal authorisation process when the registration request is sent through from Matrix (i.e. authorisation should be requested, potentially in the form of an email, from the manager of the person being set-up on the system).</p>	<p>Low</p> <p>(A matter that requires attention and would improve the system under review)</p>

Ref	Risk and Potential Implications	Finding	Recommendation	Priority Level
		<p>(n.b. this issue also links to the finding at 6.7)</p> <p>Please note that there was no evidence of this happening in any of the cases reviewed; it was just an observation of the system.</p>		
5.7	<p>If a separation of duties can be by-passed when raising and authorising a request for an agency worker, the potential for ineffective administration is likely to increase.</p>	<p>Within the Matrix system it is possible for the same person to raise and authorise a request for an agency worker – hence a separation of duties is not in place. It is acknowledged the Matrix system is utilised across the country in a variety of sectors (and having such controls within the system could be a hindrance to many other organisations), so it is important and necessary for internal procedures to be robust.</p> <p>At present the internal process for authorising an agency worker is not robust (n.b. this issue is highlighted within the finding/recommendation at 6.1; and it is acknowledged that significant steps are being made to introduce a new electronic system). Potentially the person raising and authorising a request for an agency worker could also be the budget holder. The same person would also be the person to sign-off the timesheets.</p> <p>Please note that there was no evidence of this happening in any of the cases reviewed; it was just an observation of the system.</p>	<p>It must be ensured that a separation of duties is in place within the process for raising and authorising a request for an agency worker.</p> <p>It is acknowledged it has been stated this is not possible within the Matrix system; however, it is expected through the in-house (DASH) system being developed, that the initial request will only proceed once approved (so, in effect, the same person could generate and subsequently authorise the request in Matrix; with an electronic in-house approval layer in-between; thus providing a separation of duties)</p>	<p>Medium</p> <p>(A matter that is significant to the system under review)</p>

Ref	Risk and Potential Implications	Finding	Recommendation	Priority Level
5.8	If it is unclear as to the level of detail and period to be covered, for references of all agency/interim workers, inconsistencies will be present and likelihood of appointing someone without the necessary pedigree, is likely to increase.	It is unclear as to the minimum level of detail required for references when appointing an agency/interim worker. This is particularly relevant when appointing an agency/interim worker outside of the corporate contract with Matrix. 5 cases processed through the Matrix system were reviewed and it was identified for the 3 recent appointments, the level of detail and time period covered (5 years) was substantial. For the two 'historic' cases – in one case, no reference was shown on the system as they had been transferred over from the old system (having been appointed over 7 years ago); and in the other case one reference was saved on the Matrix system which simply confirmed previous employer and dates employed.	i) It should be clarified and confirmed as to the period (i.e. length of time to be covered), and level of detail, required for references for agency workers. (This will also require engagement/ discussion with Matrix; n.b. recent examples highlighted appropriate level of detail and a 5 year employment history). ii) The requirements expected for references should be implemented in practice; and commissioning managers should alert the contract manager and Matrix where details appear inadequate. iii) Agreed reference requirements should be included in policy/ procedures, so as to ensure application and adherence to agency appointments outside of the Matrix contract.	Medium (A matter that is significant to the system under review)
5.9	If the Council does not assess IR35 status when appointing a consultant/interim/agency outside of the Matrix contract, the Council will	Robust and clear procedures are not in place to outline the process when not utilising Matrix to appoint an agency worker, including the need to assess IR35 status. Within the Agency Workers part of the intranet is a section entitled: "IR35 Legislation Changes – effective 6 April 2017" and a link to: You can read more information on the IR35 changes here. This document highlights what has been done by the	i) It must be ensured that IR35 status is appraised and details recorded for all agency/interims/ contractors operating outside of the Matrix contract (irrespective of whether it is through an agency or a ltd company). ii) Procedures should further clarify the requirement regarding IR35 status; who is responsible (currently the employing manager) for ensuring the assessment is completed and	High (A matter that is fundamental to the system under review)

Ref	Risk and Potential Implications	Finding	Recommendation	Priority Level
	<p>not fulfil its requirement as outlined by HMRC.</p>	<p>Council and the onus on the Council to assess the role accordingly.</p> <p>Whilst this is extremely useful, and necessary, it is not formulated in easy to follow procedures for appointing a consultant/interim/agency outside of the Matrix contract (and the need to evaluate the IR35 status).</p> <p>In the nine of the eleven cases of agency/interim workers identified outside of the Matrix contract, it was confirmed through conversations with the relevant managers that the post/person was considered to be within the remit of IR35. The managers explaining that by looking at the invoices from the agencies – necessary deductions were being made. However, it should be noted that in no case was there evidence of a formal assessment (or utilisation of existing assessments).</p> <p>In the other two cases it was unclear; and it was confirmed that no IR35 assessment had been undertaken by the Council.</p>	<p>communicated; and where details of the assessment should be stored.</p>	

6. Next Steps

- 6.1 Many thanks for the pro-active and assured steps taken during the end of audit process.
- 6.2 It is acknowledged that, in advance of issuing the report as final, you have taken the very positive step in formulating an achievable plan for implementing the recommendations; and this is reflected for reference within Section 7.
- 6.3 Please ensure your 'Plan for Implementation' is progressed in-line with the 'Expected Implementation Date' as detailed in Section 7.
- 6.4 Please ensure that I am kept updated of your progress in implementing the recommendations.
- 6.5 Internal Audit will undertake a follow-up audit within four months of the date of this report, so as to obtain evidence of your progress in implementing the recommendations. If you have not implemented recommendations within a reasonable timescale, the Audit and Risk Management Committee and Chief Executive will be notified. It is likely that you will be asked to attend the Committee to explain your reasons for this.
- 6.6 Your feedback is very important to us. Please complete the Customer Feedback form in section 8, and return this with your completed report. We may contact you to discuss this.
- 6.7 Thank you for your help and co-operation during the audit. Please contact Mark Niblock if you wish to discuss the report further.

7. Action Plan - Recommendations

Report Ref	Recommendation	Priority Level	Agreed Y/N	Plan for Implementation	Expected Implementation Date	Responsible Officer
5.1	<p>i) Guidance and details of the process to be applied, for appointing an agency worker, must be streamlined to one designated area of the intranet.</p> <p>ii) The guidance and procedure should be clear and robust.</p> <p>iii) The guidance should include details of the process to be applied in those extenuating circumstances where the corporate contract is unable to be utilised.</p> <p>(providing detail such as: whether recruitment through Matrix must have been attempted a certain number of times; whether agreement must be reached with Matrix to look at alternatives; what steps can be taken to bring the agency under the Matrix umbrella; whether agreement should be provided by the Matrix Contract Manager; which PRAD documentation must be completed. It must also be made clear as to the contractual arrangements and performance monitoring arrangements that must be put in place.</p> <p>iv) Procedures should fully reflect the process for appointing 'executives' i.e. those above equivalent scale point 74/EPO25; and the authorisation process</p>	<p>High</p> <p>(A matter that is fundamental to the system under review)</p>	Y	<p>New procedures and guidance are currently being developed and will be published on the intranet</p> <p>A communication campaign will ensure that all Managers are aware of the new procedures</p> <p>A new agency approval process will be implemented via the DASH system to ensure Matrix requests can only be commissioned following corporate authorisation</p> <p>Details of all agency workers</p>	13 May 19	Head of Human Resources / Agency Staff Project Lead

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	<p>should align to those as if it were a permanent member of staff.</p> <p>v) Where practicable, the new system should have the controls in-built to reflect the agreed process (e.g. the application should not progress through the system without relevant authorisation; potential inclusion of set-up forms such as the existing C03 forms and ICT Access Request Forms). Testing of the new system should continue; and where appropriate advice regarding risks and internal controls should be sought from Internal Audit.</p>			<p>will be recorded and maintained on the HR system via Manager Selfserve</p> <p>HR Business Partners and Operations Team will monitor agency usage and report progress/issues to monthly DMTs</p> <p>The Agency Staff Project Lead will work closely with Services to monitor agency usage and alternative options</p>		
5.2	<p>i) The way in which agency workers are utilised must continue to be evaluated by management across the organisation. The reason for utilisation of an agency worker should be clearly documented and align to the reasons documented within procedures.</p> <p>ii) The process to evaluate the use of Agency workers</p>	<p>High</p> <p>(A matter that is fundamental to the system under review)</p>	Y	<p>Prior to any agency request, the alignment of recently appointed HR Business Partners to Service areas</p>	13 May 19	<p>Head of Human Resources / Agency Staff Project Lead</p>

Report Ref	Recommendation	Priority Level	Agreed Y/N	Plan for Implementation	Expected Implementation Date	Responsible Officer
	<p>across the organisation, must include providing justification as to the length of time existing agency workers have been in post (e.g. for all agency workers employed for a period greater than 12 months).</p> <p>iii) Managers should be reminded of the need to update details in the Matrix system should an agency worker change their role. In conjunction with this, relevant managers should be requested to review and confirm whether the current details held in the Matrix system are correct.</p> <p>A decision should be taken, and included in procedures, to confirm to which roles (e.g. social workers within Children's Services) this process (i.e. ending and creating a new placement within Matrix) will not apply, and how this should be recorded to ensure robust information is utilised for monitoring and reporting purposes.</p>			<p>will assist Managers regarding alternative resourcing options</p> <p>Agency usage will be monitored by HR, Procurement and Finance and reported to monthly DMTs</p> <p>The business case will need to be robust and will be challenged and approved by a corporate panel</p> <p>The matrix system does not allow managers to change the reason during the engagement If a role changes, the former arrangement</p>		

Report Ref	Recommendation	Priority Level	Agreed Y/N	Plan for Implementation	Expected Implementation Date	Responsible Officer
				should be ended and a fresh approval process will need to be made		
5.3	<p>i) In conjunction with reviewing process/ procedures, the set-up forms for agency workers should be reviewed/ streamlined. It should be ensured the set-up forms, and necessary authorisations, are completed electronically, and retained as such for easy reference (this also links to the development of the new in-house 'DASH' system)</p> <p>ii) A robust process must be put in place, and adhered to, for managers to remove agency workers from self-serve and to inform IT when the placement has ended.</p>	<p>Low</p> <p>(A matter that requires attention and would improve the system under review)</p>	Y	<p>A new agency approval process will be implemented via the DASH system to ensure Matrix requests can only be commissioned following corporate authorisation</p> <p>Details of all agency workers will be recorded and maintained on the HR system via a new Manager Selfserve process and HR Operations QA and monitor this</p>	13 May 19	Head of Human Resources

Report Ref	Recommendation	Priority Level	Agreed Y/N	Plan for Implementation	Expected Implementation Date	Responsible Officer
5.4	<p>i) Adherence to the procedures (which need to be reviewed – included in prior recommendation) should be monitored and appropriate action taken in relation to cases of non-adherence.</p> <p>ii) Contract management and ongoing contract monitoring must be strengthened.</p> <p>This should include:</p> <p>a) Ensuring a PRAD has been completed and authorised in advance, to cover the contract period.</p> <p>b) Details recorded on the Chest should be accurate. Details entered should be checked for accuracy, and amended if necessary. It should also be ensured that all relevant supporting documentation is uploaded and available to view.</p> <p>c) Ensuring a formal contract is in place between the Council and the contractor; against which performance should be monitored.</p>	<p>High</p> <p>(A matter that is fundamental to the system under review)</p>	Y	<p>The new DASH approval process will eliminate the ability for officers to act outside of the agreed procedure</p> <p>Managers will be formerly held to account for the use of agency</p> <p>The new procedures will ensure these processes are clearly explained and understood</p> <p>All placements outside of matrix will be through the Agency Staff Project Lead who will monitor with HR and Finance colleagues</p>	13 May 19	Agency Staff Project Lead

Report Ref	Recommendation	Priority Level	Agreed Y/N	Plan for Implementation	Expected Implementation Date	Responsible Officer
5.5	<p>i) Contract management and ongoing contract monitoring must be strengthened.</p> <p>This should include:</p> <p>a) ensuring Purchase Orders are always raised to align to the value of the contract/PRAD.</p> <p>b) ensuring payments are always made against the Purchase Order aligned to the contract/PRAD.</p> <p>Under no circumstances should invoices be paid as freestanding.</p> <p>Application and adherence to the corporate No Purchase Order No Pay Policy (implemented on 1 April 2019) is imperative.</p> <p>c) monitoring payments to ensure they align to work progressed against the contract, and hence the value of the contract/PRAD.</p> <p>If it appears payments are going to exceed the value of the original contract/PRAD, investigations should be undertaken, and, if the original value is to be exceeded, an additional PRAD should be completed and authorised.</p>	<p>High</p> <p>(A matter that is fundamental to the system under review)</p>	Y	<p>All placements outside of matrix will be through the Agency Staff Project Lead who will monitor payments with Finance colleagues</p>	13 May 19	Agency Staff Project Lead

Report Ref	Recommendation	Priority Level	Agreed Y/N	Plan for Implementation	Expected Implementation Date	Responsible Officer
	d) ensuring invoices submitted contain an appropriate level of detail to clarify the work undertaken; that receipts are always submitted where expenses are claimed (assuming they are allowable as part of the contract); and that the invoice is fully reviewed prior to authorisation.					
5.6	<p>A more robust process should be put in place to register 'managers' on the matrix system.</p> <p>Assuming the authorisation process is unable to be in-built (or not easily in-built) in to the Matrix system (as it is not a custom built system to Wirral Council); it would seem prudent to include a formal authorisation process when the registration request is sent through from Matrix (i.e. authorisation should be requested, potentially in the form of an email, from the manager of the person being set-up on the system).</p>	<p>Low</p> <p>(A matter that requires attention and would improve the system under review)</p>	Y	Only Managers on the Approved User List may place an order using Matrix. Any requests to become a Matrix User must be made and sanctioned via the Agency Staff Project lead. It is not possible to register on Matrix unless you are an authorised User	13 May 19	Agency Staff Project Lead
5.7	<p>It must be ensured that a separation of duties is in place within the process for raising and authorising a request for an agency worker.</p> <p>It is acknowledged it has been stated this is not</p>	<p>Medium</p> <p>(A matter that is significant to the system under review)</p>	Y	The new agency approval process will ensure that no Manager is able to request and authorise	13 May 19	Agency Staff Project Lead

Report Ref	Recommendation	Priority Level	Agreed Y/N	Plan for Implementation	Expected Implementation Date	Responsible Officer
	possible within the Matrix system; however, it is expected through the in-house (DASH) system being developed, that the initial request will only proceed once approved (so, in effect, the same person could generate and subsequently authorise the request in Matrix; with an electronic in-house approval layer in-between; thus providing a separation of duties)			independently of without line manager knowledge		
5.8	<p>i) It should be clarified and confirmed as to the period (i.e. length of time to be covered), and level of detail, required for references for agency workers.</p> <p>(This will also require engagement/ discussion with Matrix; n.b. recent examples highlighted appropriate level of detail and a 5 year employment history).</p> <p>ii) The requirements expected for references should be implemented in practice; and commissioning managers should alert the contract manager and Matrix where details appear inadequate.</p> <p>iii) Agreed reference requirements should be included in policy/ procedures, so as to ensure application and adherence to agency appointments outside of the Matrix contract.</p>	<p>Medium</p> <p>(A matter that is significant to the system under review)</p>	Y	<p>References are provided by Matrix in line with the contract.</p> <p>We will engage with Matrix to ensure requirements are understood</p> <p>Procedures and guidance will require Managers to report inadequate references to Agency Staff Project Lead who will follow up with Matrix</p>	30 June 19	Agency Staff Project Lead

Report Ref	Recommendation	Priority Level	Agreed Y/N	Plan for Implementation	Expected Implementation Date	Responsible Officer
				References for appointments outside Matrix will be undertaken in accordance with the normal recruitment policy		
5.9	<p>i) It must be ensured that IR35 status is appraised and details recorded for all agency/ interims/ contractors operating outside of the Matrix contract (irrespective of whether it is through an agency or a ltd company).</p> <p>ii) Procedures should further clarify the requirement regarding IR35 status; who is responsible (currently the employing manager) for ensuring the assessment is completed and communicated; and where details of the assessment should be stored.</p>	<p>High</p> <p>(A matter that is fundamental to the system under review)</p>	Y	All appointments outside Matrix will require a copy of the HMRC assessment questionnaire which will be completed by the Manager and quality assured by HR and the Agency Staff Project Lead. The QA'd version will be stored in a central repository	13 May 19	Agency Staff Project Lead

8. Customer Feedback

How satisfied were you with the overall service received from Internal Audit? (please ✓ to indicate)							
Very Satisfied		Satisfied		Dissatisfied		Very Dissatisfied	
Please provide any additional comments:							

If you would like to discuss any aspect of this audit, please contact the Chief Internal Auditor.

Completed by:..... Signed:..... Date:.....