



Internal Audit Draft Report

Statement of Particulars of Employment

Directorate: Cross cutting
Date: June 2006

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1. Introduction

- 1.1. An audit review was undertaken of systems in place across all directorates to ensure that a Written Statement of Particulars of Employment is sent out to employees within the statutory 8 week period as part of the 2005/06 audit plan.
- 1.2. Guidelines from the Department of Trade and Industry have been used with regard to the content of and entitlement to the statements.
- 1.3. A contract of employment exists as soon as an employee starts work and, by doing so, proves he or she accepts the terms and conditions offered by the employer. Both employer and employee are bound by the terms offered and accepted. Most employees are entitled by law to be given a written statement setting out the main particulars of their employment. This statement will not necessarily cover every aspect of the contract, but can provide important evidence of the main terms and conditions.
- 1.4. A qualifying employee, who is dissatisfied because he or she has received no written statement of employment particulars, or no notification of a change in those particulars, may refer the matter to an employment tribunal.
- 1.5. The audit included discussions with personnel, the review of policies and procedures, and also examined detailed records where required. A sample of 20 employees per Directorate was chosen to trace back to personnel files. A reduced sample of 5 employees was chosen for County Borough Supplies Staff.
- 1.6. This report sets out the findings of the review and makes recommendations, where it is felt that improvements should be made. It is a report by exception and therefore only where issues have been identified have they been commented on.

2. Objectives of the Audit

2.1. The main objectives of the audit were:

- To ensure an appropriate written Statement of Particulars of Employment, including job description, is sent out within two months of the date when the employees' employment begins
- To establish the existence of any backlog and review management's plans for addressing the backlog
- To document systems of control in place in each directorate with regard the process for sending out Statements of Particular of Employment.
- To review personnel files to ensure copies are retained
- To establish the role played by Trent in each directorate in the above process and its future development

3. Audit Opinion

3.1 The audit sample size totalled 103 written statements of particular. From these, the following conclusions can be drawn:-

- Only 26% of the sample received their written statement of particulars within the relevant timescale
- In 15% of the cases, there was no evidence of a written statement of particulars being sent
- 60% of the sample did not sign and return their statement
- 65% of the sample were provided with a job description
- Personnel files could not be located for 3 of the employees

3.2 In addition to the statistical findings, the audit revealed the following areas that require further management attention:-

- The only directorate currently sending a written statement of particulars to 'casual staff' is Environmental and Planning
- Trent is not being used to its full potential in the issuing and monitoring of the statements
- The Personal Services Directorate indicates that the WSOP contains a full list of personnel policies. It was noted that the list contained was not up to date.

3.3 The overall audit opinion, therefore, is that although initial procedures have been put in place and continue to develop, there is significant and sustained effort required to improve the process within each Directorate. The results of the sample testing indicate that the process is **inadequately controlled** at present, with the majority of employees not having signed statements on their personnel files. Consequently, the Authority is leaving itself open to the risk of employment tribunals and subsequent fines.

4. FINDINGS AND RECOMMENDATIONS

Risk may be viewed as the chance, or probability, of one or more of the organisation's objectives not being met. It refers both to unwanted outcomes which might arise, and to the potential failure to realise desired results.

The **recommendations** column is categorised on the following basis:

- Fundamental* - action that is considered imperative to ensure that the organisation is not exposed to high risks;
- Significant* - action that is considered necessary to avoid exposure to significant risks;
- Merits attention* - action that is considered desirable and should result in enhanced control or better value for money.

	Findings and risk	Categorisation	Recommendation	Management Comment	Implementation Date
1	Discussion with relevant personnel officers throughout the course of the audit indicated that limited use was made of TRENT in the WSOP process. Specific reference is made to Written Statements Of Particulars on the Trent system, and the generation of reports/reminders would prove extremely useful in the WSOP process.	MA	It should be further investigated corporately, whether a function of Trent could be utilised to prompt personnel officers to send WSOP's, to issue reports where the two month breach is being approached, and to regularly prepare reports for employees who have not returned their WSOP's in order for reminders to be sent.		

	Findings and risk	Categorisation	Recommendation	Management Comment	Implementation Date
2	<p>Discussions with relevant personnel officers identified that there are certain pockets of staff that have not been sent WSOP. Common to most directorates are employees that fall under the 'casual' category.</p> <p>Non-compliance with the legislation could result in employment tribunals.</p>	MA	<p>Induction checklists for casual members of staff should incorporate the completion of WSOP's. Guidance on the content of these WSOP's should be sought centrally before implementation to ensure compliance with employment law.</p> <p>Personnel officers need to address those pockets of staff that do not currently have a WSOP.</p>		

	Findings and risk	Categorisation	Recommendation	Management Comment	Implementation Date
3	<p>Testing indicated that all directorates have, in the last 2-3 years, carried out exercises to ensure that staff joining pre-2004 have been issued with WSOP's. No specific follow up exercises have been carried out to ensure that responses have been received to each of the WSOP's sent out. A signed copy of the WSOP indicates acceptance by the employee of his terms and conditions, and that he is aware of relevant policies.</p>	S	<p>Follow up exercises need to be implemented in each directorate to ensure that responses are received from each employee that has been sent a WSOP.</p> <p>Where responses are not forthcoming from employees, a further letter should be sent indicating that the WSOP is an integral part of the contract of employment between the employee and the authority and that it is a fundamental document under employment law. The employee should be informed that a copy of the second chaser letter will be maintained on his/her personnel file as a record of the fact that they have been formally provided with a WSOP but that they have failed to comply with the request to acknowledge receipt.</p>		

	Findings and risk	Categorisation	Recommendation	Management Comment	Implementation Date
4	<p>A review of individual WSOP's in Personal Services indicated that 3 in the sample did not refer specifically to the Disciplinary and Grievance Policies. BCBC are required by law to make particular reference to these in WSOP's. Recent pro-forma's being used by Personal Services now make reference within the document which is the practice adopted by other directorates.</p> <p>Corporate Services and Chief Executive's, however, make specific reference to these policies in a covering letter, which we promote as good practice.</p>	MA	<p>When WSOP's are sent out by the personnel officers, the covering letter should include the following statement:-</p> <p>'In addition to the information contained in the statement the authority has a wide range of personnel policies. Copies of these policies are located within the Employee Handbook, your Personnel section and on the Intranet. I am required by law to specifically draw your attention to the policies on discipline, grievance and health and safety.'</p>		
5	<p>A review of the covering letter sent with the WSOP's in Personal Services highlighted the following statement:-</p> <p>'The authority has a wide range of personnel policies, a full list of these is enclosed with this statement.'</p> <p>Upon review of the list enclosed, several of the newer policies were noted to be missing – e.g. Age and Employment, Criminal Records, Flexible retirement, Homeworking, Nightworkers health assessment, Legionella, Management of contractors and Redeployment protocols.</p> <p>Such a prescriptive covering letter easily leads to the list becoming out-of-date.</p>	MA	<p>The covering letter currently being used by Personal Services when sending out WSOP's should be reviewed to ensure that employees are aware that new policies are introduced by the authority and where the employee can access and updates/new policies in the future.</p>		

	Findings and risk	Categorisation	Recommendation	Management Comment	Implementation Date
6	<p>Testing has indicated that although directorates have attempted to reduce the backlog of WSOP's and for newer employees, WSOP's are generally sent within the prescribed time scales, there is still a poor response from the employees themselves.</p> <p>Good practice was noted in Education & Leisure in that recent WSOP's are sent out with the provisional offer for the post in question. A line is included in the acceptance letter to indicate they have received their terms and they are willing to accept them.</p> <p>Implementation of this practice, should improve the response rate in other directorates.</p>	MA	The acceptance of the WSOP should be included in the provisional offer of acceptance of post letter to improve the response rate from employees.		

Appendix 1 – Results of sample testing

Directorate	Sample size	WSOP sent within timescale	WSOP sent but not within timescale	No evidence of WSOP being sent	WSOP signed and returned	No evidence of WSOP being signed and returned	Job description evidenced	No evidence of Job description	Unable to locate file
E&P	20	5	14	1	9	11	9	11	0
PS	20	7	7	6	4	16	14	6	0
Ed & L	20	3	13	4	10	10	14	6	0
CE	20	7	9	2	6	12	11	7	2
CS	18**	5	10	2	9	8	14	3	1
CBS	5	0	5	0	1	4	5	0	0
TOTAL	103	27	58	15	39	61	67	33	3

** Two of the original sample in Corporate Services are Registrars, hence are not official BCBC employees.

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