



Cairngorms National Park Authority

Internal Audit Report 2022/23

Workforce Management and Planning

July 2022



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Executive Summary

Conclusion

The importance of an effective recruitment and retention approach cannot be underplayed within the current economic conditions and challenging recruitment market that most organisations find themselves facing. This is in addition to the specific challenges that the Cairngorms National Park Authority (CNPA) faces due to its rural location, the increase in staff numbers associated with major externally funded projects/programmes and new ways of working in a post pandemic world. CNPA also continues to work within the scope of the Scottish Government's no compulsory redundancy policy.

CNPA's workforce planning arrangements, whilst generally well designed and working effectively, are not informed by an up to date and comprehensive Workforce Strategy. The current strategy, developed pre-pandemic in 2018, does not include succession plans for a range of critical activities/services nor demographic and other intelligence that could be used to identify the workforce risks and support effective decision making. In addition the longer-term flexible working arrangements are not yet clear, with a trial ongoing until June 2023. We note the Workforce Strategy is reviewed and developed in line with the Corporate Strategy, however the organisation is currently between strategies, though the likelihood of risk to CNPA in the intervening period is mitigated by a transitional delivery and staffing plan for the 2022/2023 period.

We found that the Workforce Strategy links to an Establishment Plan and that the Recruitment Policy addresses the overarching principles, external and internal pressures, decision making, posts, a fully costed and affordable staffing complement within CNPA's budget. We also noted that wellbeing is being addressed through communications, surveys and a flexible working trial.

Background and scope

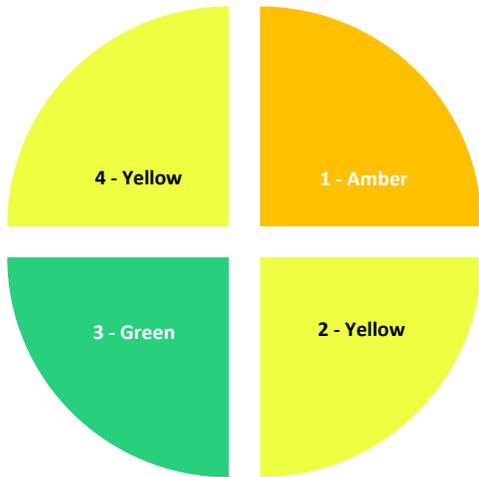
Workforce planning is the process that organizations use to ensure that they have the right people with the right skills in the right place at the right time. This can be challenging; the size and structure of the workforce should be shaped by an organisation's current and future strategic objectives, the needs of its service users and of potential users over the planning period, the amount, and sources of funding available and the wider policy and legislative environment in which it operates.

Public sector finances will remain under pressure for the foreseeable future meaning that public organisations may need to consider further workforce changes, whilst balancing the public sector restrictions such as no redundancies. Therefore, effective scrutiny of workforce planning, and management arrangements is essential.

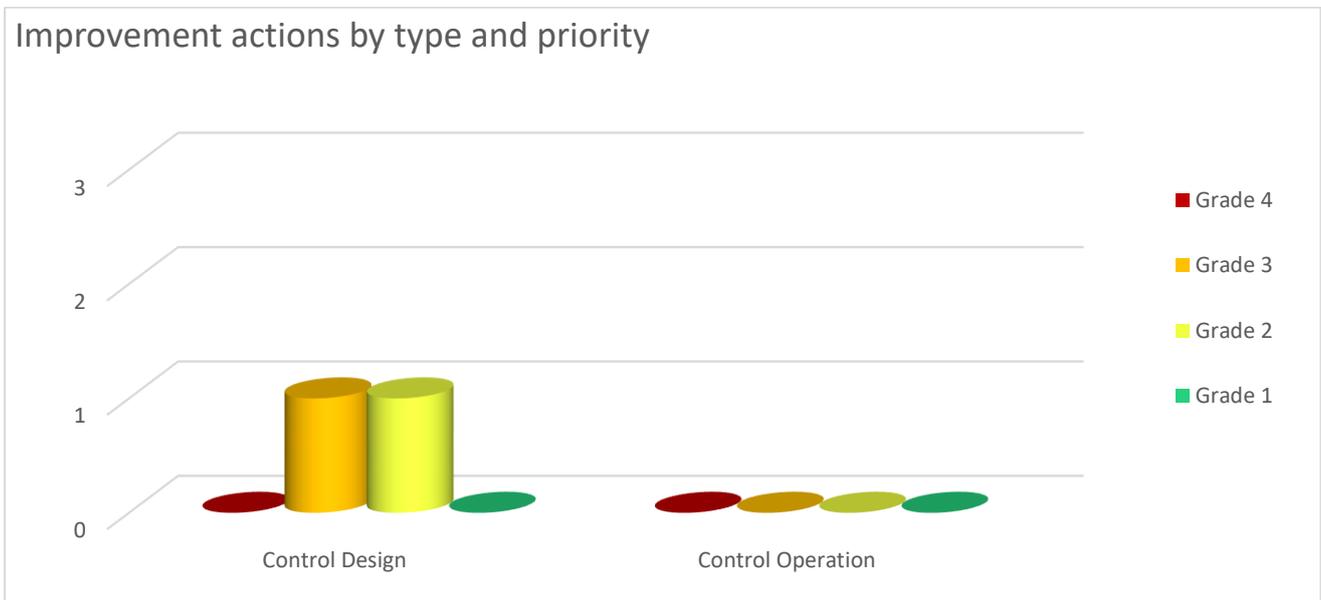
In accordance with the 2022/23 Internal Audit Plan, we reviewed the arrangements in place for planning future workforce needs to deliver strategies and corporate plans. We also considered the recruitment and retention arrangements in place for staff and ongoing staff wellbeing initiatives, particularly in the context of covid-19 impact.

Control assessment

- 1. There is a workforce plan in place that articulates the current and future staffing needs of the organisation and considers the likely impacts of workforce demographics and past patterns of change.
- 2. The recruitment and retention approach includes consideration of key roles, internal and external recruitment factors and available resourcing options.
- 3. Management information is sufficiently comprehensive and robust to enable reporting on recruitment and resourcing issues, with agreed actions documented and followed up timeously.
- 4. CNPA have arrangements in place to communicate with staff and ensure their wellbeing that consider the impact of remote, lone and hybrid working arrangements.



Improvement actions by type and priority



Two improvement actions have been identified from this review both of which relate to the design of controls. See Appendix A for definitions of colour coding.

Key findings

Good practice

- There is a defined corporate planning process in place to ensure that CNPA's Workforce Strategy is reviewed and approved by senior management and the Board, on development of a new strategic plan.
- The workforce establishment is strongly linked to the CNPA's financial plans and budget monitoring process, with the current plan fully costed and affordable within CNPA's budget.
- Finance prepare detailed financial forecasts, including workforce costs, that we have confirmed are monitored regularly by the Senior Management Team.
- Business cases are developed for all posts being recruited to, with these required to consider alternative recruitment options, e.g. secondments, interns, restricting services etc, in order to help mitigate the risks associated with the loss of key skills and the awareness of the external recruitment challenges faced by the organisation. All cases are approved by the Senior/Operational Management Team.
- The recruitment process is well documented, including the need to consider alternative recruitment processes to fill posts, and our testing confirmed that the expected controls, in terms of advertising, decision making, and appointment are operating effectively.
- The Resources Committee routinely challenge and scrutinise reports on workforce management and costs.
- Well-being forms an integral part of the performance management process and ongoing management activities post-COVID, with staff feedback being sought on the effectiveness of processes.

Areas for improvement

We have identified a small number of areas for improvement which, if addressed, would strengthen CNPA's control framework. These include:

- Updating the Workforce Strategy to reflect the post-pandemic working environment and CNPA's new Corporate Plan.
- Providing additional information within the Workforce Strategy and Establishment Plan on activities/services delivered by the various teams and put in place appropriate succession plans for the identified activities/services and where appropriate key posts.
- Developing the range of intelligence used to support the workforce planning process to ensure more effective decision making.

These are further discussed in the Management Action Plan below.

Impact on risk register

The CNPA corporate risk register (dated January 2022) included the following risks relevant to this review:

- A12.2: Resourcing: future community led local development funding currently delivered through LEADER, together with wider funding previously from EU structural and agricultural sources is lost and creates a significant gap in our capacity to deliver against our development priorities
- A9.3: Staffing: additional externally funded projects strains staff workload capacity with increased risks of stress and reduced morale.
- A28: Staffing: delivery of key outcomes is impacted by staff turnover, particularly in project teams.

Management have a transitional delivery plan for 22/23, and a fully costed staffing plan for 22/23 which includes identified and SMT approved staff recruitment plans. However, with CNPA in transition between corporate strategies, the out of date and incomplete (e.g. embedding wellbeing) Workforce Strategy there may be some increase to the risk of delivery of objectives. Management should therefore consider and fully document the key risks to CNPA as a result of the absence of an up to date and comprehensive Workforce Strategy, taking account of the issues highlighted in this report and escalating within the risk framework as appropriate.

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

Management Action Plan



Amber

Control Objective 1: There is a workforce plan in place that articulates the current and future staffing needs of the organisation and considers the likely impacts of workforce demographics and past patterns of change.

1.1 Workforce Strategy

CNPA review their Workforce Strategy in line with the development and review of the Strategic Plan. The current Strategic Plan has ended, and the new plan is being developed over the course of 2022. In the intervening period, we note that due to the impact of the pandemic there have been many changes to working arrangements that CNPA has had to adopt, meaning the current Workforce Strategy (dated 2018) is not wholly reflective of the current landscape in which CNPA is operating.

While we note that many of the challenges outlined in the 2018 Workforce Strategy, such as rurality, remain, additional challenges such as COVID-19 and increased partnership funding have not yet been incorporated within the strategy. We have confirmed the workforce risks associated with these additional challenges have been partially recognised/mitigated by ad hoc papers to the Board and Resources Committee, including those on turnover and recruitment difficulties, along with papers to the Performance and Resources Committee on staffing of major projects and programmes as they are developed.

Our review of these documents identified that while they provide a good foundation for workforce planning, there is limited information on the workforce skills required over the short, medium and long term. This is particularly relevant for those posts where specific knowledge or on the job experience is required and was an action specifically required by the 2018 Workforce Strategy. This information is essential to maintain effective succession planning and manage the associated risks.

Risk

There is a risk that management information is not sufficiently comprehensive and robust, resulting in inappropriate decisions and consequently a failure to achieve objectives.

Recommendation

We recommend the new Workforce Strategy is updated to reflect the new operating environment now faced by the organisation, the workforce risks any changes pose and the actions required to mitigate these.

Further, we recommend the Workforce Strategy is updated to include a statement on the process for succession planning. This should be supported by a detailed analysis of teams and their contribution to CNPA objectives and services, along with appropriate contingency plans. that would require plans to be in place.

Management Action

We accept the recommendation. Going forward, we will update the Workforce strategy to include the process for succession planning. Succession planning is a challenge for a small organisation with some roles being “lone” roles but which require a unique skill set that cannot be easily developed by other officers, nevertheless we recognise we could analyse team data and coordinate teams developing appropriate contingency plans.

Action owner: Head of Organisational Development

Due date: Q4 2022/23

1.2 Workforce intelligence

As the impact of the pandemic and Brexit on the labour market become clearer, most organisations are seeing changes within their workforce and face a challenging recruitment market to fill any vacancies that arise. With an increasing number of posts to fill, it is important for CNPA to make use of demographic and internal/external intelligence to support more effective workforce planning and minimise the likelihood and impact of resourcing shortfalls.

We identified that the Workforce Strategy and Establishment Plan modeller includes limited information on staff aspirations (such as retirement, career progression and development) and associated demographic analysis. While this information is being identified on an ad hoc basis through performance discussions, general operational management meetings and recruitment business cases, the information is not formally documented in such a way that could be best used to support workforce planning.

Risk

There is a risk that management information is not sufficiently comprehensive and robust, resulting in inappropriate decisions and consequently a failure to achieve objectives.

Recommendation

The workforce strategy should be updated to include a statement on wider demographic and internal intelligence. CNPA should consider both its own workforce demographics and issues, as well as national trends, to generate a rounded set of assumptions that can then inform workforce planning. This should include for example, assumptions on parental leave, sickness absence rates, staff turnover, part-time working and retirement ages that are applied to the demographics of CNPA's workforce to predict future patterns of staff changes.

Management Action

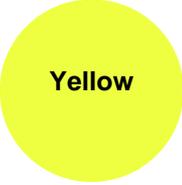
Grade 2
(Design)

We accept this recommendation. We propose in addition gathering data around staff and leaver length of service and age which may inform future forecasts and associated recruitment plans. We will aim to use this together with HR reporting data to develop a set of assumptions to inform workforce planning.

Action owner: Head of Organisational Development

Due date: Q4 2022/23

Control Objective 2: The recruitment and retention approach includes consideration of key roles, internal and external recruitment factors and available resourcing options.



Yellow

2.1 Decision making

We confirmed the Workforce Strategy is supported by a well-defined recruitment policy and process (as confirmed by our testing) that considers all available resourcing options and seeks approval from senior/operational management team for the course of action recommendation. The business case process seeks confirmation that all possible internal and external recruitment options have been considered, including restructuring, replacement, redeployment, secondments etc and a proposal of the most appropriate option. This helps to manage the impact of the Scottish Government's no compulsory redundancies policy. However, as indicated in MAP 1.1 key activities/services (teams) are not identified in advance but as part of each post assessment.

Should the recruitment context in which CNPA is operating change in the medium to longer term, then there is the opportunity to streamline the decision-making process by only seeking approval from senior managers for exceptions to the workforce establishment plan and the associated succession plans as per MAP 1.1.

We have assessed this control objective as yellow to highlight the link to the risk as identified in MAP 1.1.

Control Objective 3: Management information is sufficiently comprehensive and robust to enable reporting on recruitment and resourcing issues, with agreed actions documented and followed up timeously.



No weaknesses identified

The Workforce Strategy is updated in line with the changes to the corporate strategy, with the supporting Establishment Plan and budget management reporting processes ensuring that issues are highlighted as part of the regular reporting to the quarterly Resources Committee. In addition, ad hoc reports are presented to the Committee on HR issues such as staff turnover and recruitment.

Further, we confirmed that all post changes/amendments and recruitment activity are considered by the joint senior and operational management teams.

The Deputy Chief Executive also supports senior managers by providing information on the financial impact of any proposed workforce scenario as part of ongoing financial monitoring and decision-making activities.

Control Objective 4: CNPA have arrangements in place to communicate with staff and ensure their wellbeing that consider the impact of remote, lone and hybrid working arrangements.



Yellow

No reportable weaknesses identified

At the time of the audit a formal home working communications plan is not currently in place (this was an agreed internal audit action as recommended in the COVID Recovery Audit of 2020/21).

In practice however, we confirmed communications on wellbeing have been included within the established communications activity of weekly summary emails, Wellbeing Wednesday emails and the Performance Management Policy. Further, CNPA has undertaken periodic staff surveys to ensure that guidance and policy is being applied in practice, with good engagement by staff and the most recent survey indicating that the majority of staff read the communications issued. We also have identified action being taken as a result of the surveys, for example feedback has resulted in a mid-week coffee social and management noted the popularity with many staff enjoying the opportunity to meet up with others informally at this time.

CNPA has not yet defined the organisation's expectations around longer-term hybrid working arrangements, including the additional controls that will be required to manage the risks that a permanent change to working arrangements represents in terms of managing employee wellbeing, maintaining a strong organisational culture and effective two-way communication between staff and management.

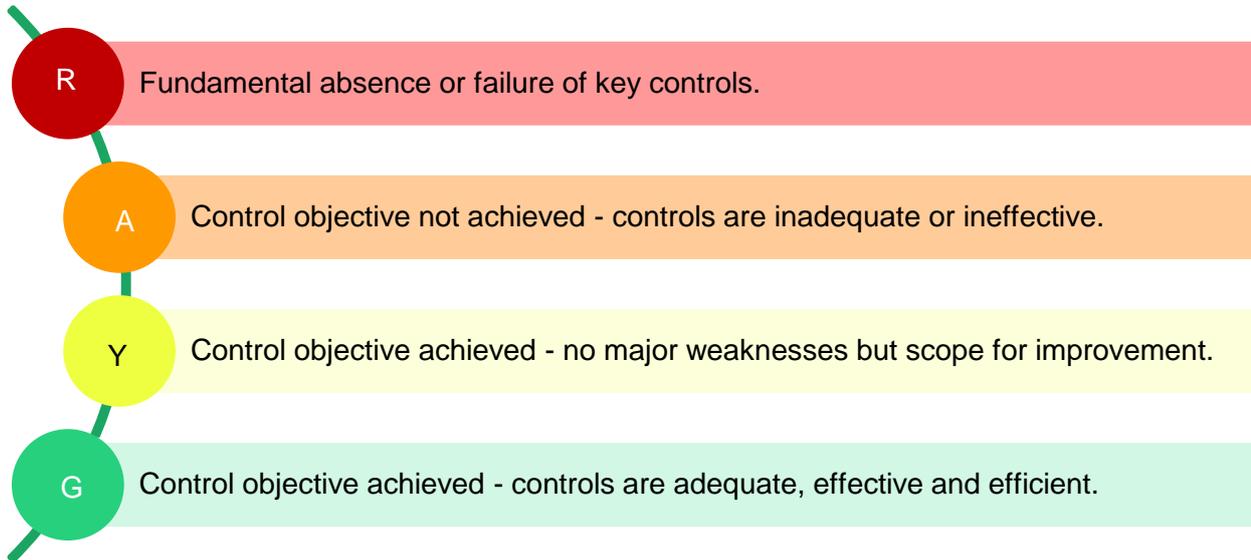
The organisation is though currently trialling a hybrid working approach, due to complete in mid-2023, to determine the longer-term flexible working policy (staff surveys indicate a strong preference for flexible working e.g. in the June 2021 survey 84% of staff indicated they prefer hybrid working). The trial policy outlines specific areas for consideration throughout the trial such as wellbeing, practicalities (e.g. DSE assessments and working hours), expectations and principles and with staff and their managers will sign up to these if they are approved for trial participation.

A review of the effectiveness of the arrangements by the employee and line manager will take place at six and 12 months, after which time if working effectively then a permanent contractual change can be made. Formal feedback will be fed through HR and the ongoing staff surveys to inform the organisations approach moving forward.

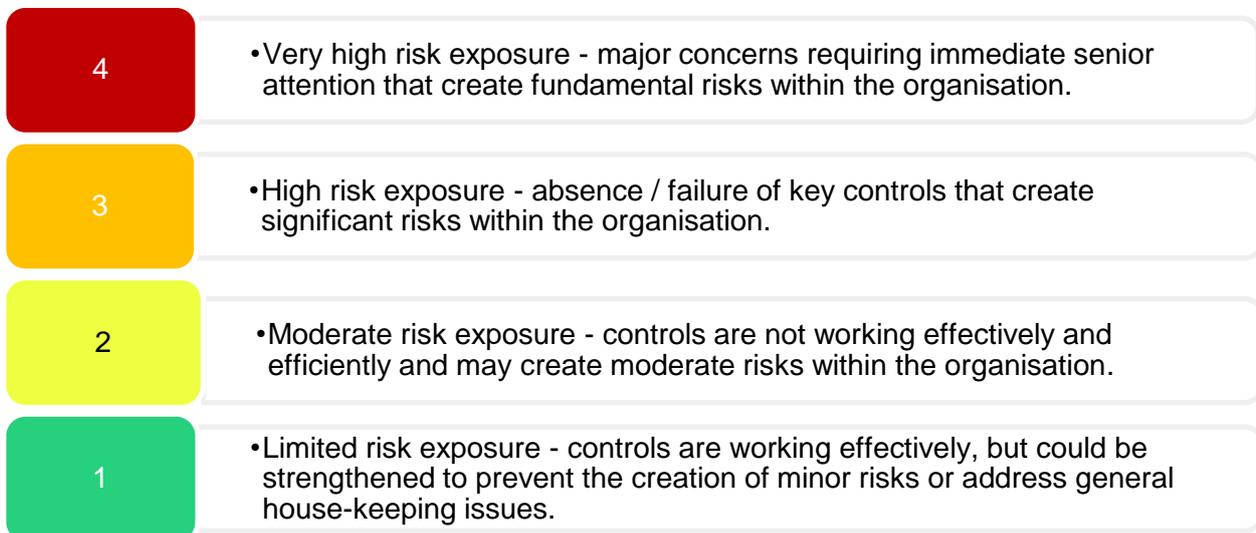
We have assessed this control objective as yellow to reflect the ongoing work to identify, formally agree, and document the hybrid working approach and the completion of the outstanding internal audit action from 2020/21.

Appendix A – Definitions

Control assessments



Management action grades



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