Hywel Dda University Health Board

Electronic Staff Record (ESR) System

Final Internal Audit Report

December 2019

Private and Confidential

NHS Wales Shared Services Partnership

Audit and Assurance Services

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Review reference:	HDUHB-1920-31
Report status:	Final Internal Audit Report
Fieldwork commencement:	17th September 2019
Fieldwork completion:	12th November 2019
Draft report issued:	22nd November 2019
Management response received:	29th November 2019
Final report issued:	4th December 2019
Auditor:	Sian Bevan
Executive sign off:	Lisa Gostling (Executive Director of WOD)
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Committee:	Audit & Risk Committee

Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors.

ACKNOWLEDGEMENT

NHS Wales Audit & Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

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1. Introduction and Background

The review of the deployment of the Electronic Staff Record (ESR) Self Service modules within Hywel Dda University Health Board was completed in line with the approved 2019/20 Internal Audit Plan.

The relevant lead Executive Director for the review was the Director of Workforce and Organisational Development.

2. Scope and Objectives

The objective of the audit was to assess the adequacy of the arrangements in place for the deployment of the ESR and subsequent utilisation of the system, in order to provide assurance to the Health Board that risks material to the achievement of the system's objectives are managed appropriately.

The objectives of the review was to seek to provide assurance that:

- The Health Board has appropriate arrangements in place to support the deployment of ESR (self-service modules);

- There is appropriate guidance/procedures in place for the use of ESR.

- Ascertain the level of adoption within the Health Board and provide an insight into good practice areas or barriers to using ESR; and

- Training was appropriately planned and provided to relevant staff.

3. Associated Risks

The potential risks considered in this review were as follows:

- Full functionality of ESR is not being utilised by the Health Board;

- Duplication of effort in relation to staff management activities due to concurrent or outdated processes being maintained; and

- Erroneous, untimely or missing staff information recorded within the ESR system, specifically sickness, annual leave and mandatory training compliance due to lack of appropriate training or guidance documents.

OPINION AND KEY FINDINGS

4.   Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review. The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with the Electronic Staff Record System is **Reasonable** assurance.

RATING	INDICATOR	DEFINITION
Reasonable Assurance		The Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with **low to moderate impact on residual risk** exposure until resolved.

The review highlighted that positive initial progress was made with the roll out of the ESR Manager Self Service (MSS) module across the Health Board; along with proactive training approach to areas of low compliance by the ESR Team, as well as arrangements to provide the Health Board with their compliance position against the All Wales Dashboard.

However, the audit has highlighted that there are issues regarding the use of MSS functionality with manual processes still being used in a number of instances. Management need to provide clarity regarding the use of MSS functionality and make improvements in the provision of guidance and training. Three medium priority recommendations have been made to enhance the utilisation of the system to improve the efficiency of the process and maximise the benefits of the system.

5.   Assurance Summary

The summary of assurance given against the individual objectives is described in the table below:

Audit Objective		Assurance Summary*			
1	The Health Board has appropriate arrangements in place to support the deployment of ESR (Self Service Modules)			✔	
2	There is appropriate guidance/procedures in place for the use of ESR			✔	
3	Ascertain the level of adoption within the Health Board and provide an insight into good practice areas or barriers to using ESR			✔	
4	Training was appropriately planned and provided to relevant staff			✔	

The above ratings are not necessarily given equal weighting when generating the audit opinion.

Design of Systems/Controls

The findings from the review have highlighted **two** issues that are classified as weaknesses in the system control/design for the Electronic Staff Record System. These are identified in the Management Action Plan as (D).

Operation of System/Controls

The findings from the review have highlighted **one** issue that is classified as a weakness in the operation of the designed system/control for Electronic Staff Record. This is identified in the Management Action Plan as (O).

6.   Summary of Audit Findings

The key findings are reported in the Management Action Plan at Appendix A.

OBJECTIVE 1: The Health Board has appropriate arrangements in place to support the deployment of ESR (Self Service modules)

The rollout of ESR Self Service modules across the Health Board is monitored and scrutinised by the Workforce Information Systems (WfIS) Programme Group, which is a sub-group of the Workforce & Organisational Development (OD) Sub-Committee.

Internal Audit noted the significant progress made since 2016 when the Health Board was 62% through its project plan to deploy ESR Self Service. The minutes of the WfIS Programme Groups for the meeting in June 2019 confirmed that the Manager Self Service module had been 100% rolled out across the Health Board. However it appears that there is a lack of clarity around the consistent use of the functionality with ESR Self Service.

In July 2018, the ESR Support Hub was launched to provide ESR Self Service support to all NHS Wales Organisations, with employees able to contact the Hub via e-mail, Live Chat or telephone.

See Finding 1 at Appendix A.

OBJECTIVE 2: There is appropriate guidance/procedures in place for the use of ESR.

Health Board employees have access to a wide range of guidance documents across internet and intranet sites, in addition to the dedicated ESR Portal which is hosted and managed by the NHS Wales Shared Services Partnership.

The ESR Portal allows users to access comprehensive interactive 'How to' guides on numerous topics for functions such as Employee Self Service, Manager & Supervisor Self Service, Administrator Self Service, Learning Management and ESR Business Intelligence.

However, the ESR Portal was not easily accessible from the Health Board's internet and intranet pages. We also noted that the ESR page on the Health Board's intranet site contained outdated links and inoperative documents. In addition, the forms library on the intranet site continues to allow staff to download and complete forms manually, when they should be undertaken via the Self Service module.

See Finding 3 at Appendix A.

OBJECTIVE 3: Ascertain the level of adoption within the Health Board and provide an insight into good practice areas or barriers to using ESR.

To establish the level of ESR adoption across the organisation, the Workforce & OD Sub-Committee are provided with regular Workforce Intelligence Reports, which demonstrates the performance of the Health Board in comparison to NHS Wales. The latest Workforce Intelligence Report submitted to the Workforce & OD Sub-Committee in September 2019 noted the improvement of Hywel Dda's performance position in comparison to the previous year and against national targets.

AREA	WG TARGET	HYWEL DDA	NHS WALES
Personal Appraisal Development Review	85%	80.6%	69.5%
Core Skills Training Framework	85%	81.2%	79.3%

The Workforce Intelligence Report identified specific areas of low compliance that are under constant review by the Workforce Information Team. A review of a cost centre with low Core Skills Training Framework (CSTF) compliance was selected (GGH Chaplains) to ascertain the reasons behind their poor compliance (2% as at May 2019). We can confirm that the ESR Team are proactive in identifying and supporting non-compliant departments, to provide assistance and arrange further training.

All changes, terminations and new hires are required to be made via the Self Service modules with the Payroll Department only processing manual forms in exceptional circumstances with prior authorisation. However, an 'Overpayments Case Review' paper was submitted to the Audit & Risk Assurance Committee in October 2019 that identified a number of cases where employees had been overpaid. A finding in the report noted:

"The default process for terminating a staff member or changing the employment circumstances of a staff member is that the line manager of the leaver/changer completes the necessary updates via ESR Managers Self Service. The process, in most instances, will be rarely used by managers leading to unfamiliarity with the process."

This again highlights that there is a lack of clarity around the consistent use of the functionality with ESR Self Service.

See Finding 1 at Appendix A.

OBJECTIVE 4: Training was appropriately planned and provided to relevant staff.

The ESR Implementation Team provided instructor-led training sessions at libraries across the Health Board when ESR was introduced in 2011. We can confirm that the ESR Team maintained a register of all wards and departments that have received training.

In subsequent years, the ESR Implementation Team have evolved their approach to training based on feedback that highlighted inefficiencies with removing staff from their duties to attend training. In 2017, the ESR Implementation Team presented papers to the Governance Scrutiny Board (GSB) with the proposal of retiring the ESR Training Team and adopting a different approach of 'Train the Trainer'. This approach was approved by the GSB and the production of training manuals were provided to all staff.

Following the rollout of instructor-led training sessions, the ESR Team indicated that they plan to develop an action plan to revisit each Health Board site to ascertain that their core structure within ESR is satisfactory and to determine further training requirements. However, at the time of fieldwork no action plan has been produced.

See Finding 2 at Appendix A.

7. Summary of Recommendations

The audit findings and recommendations are detailed in Appendix A together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	0	3	0	3

Finding 1 - Use of Self Service (O)	Risk
Whilst Manager Self Service functionality has been rolled out across the UHB it is not currently being fully utilised with manual processes still being followed.	Full functionality of ESR is not being utilised by the Health Board.
Recommendation 1	**Priority level**
Management should review current utilisation of MSS to ensure appropriate usage of the functionality and provide clarity and guidance with regards to its use.	**MEDIUM**
Management Response	**Responsible Officer/ Deadline**
The ESR team will work with payroll to eliminate any processes performed manually that should be undertaken electronically through Manager Self Service. The ESR team will run a report monthly to review any changes performed manually and liaise with managers and payroll to ensure managers are fully aware of the process and are able to access all guidance on the functionality of ESR employed within Hywel Dda UHB. A global communication email to be sent out clarifying the changes that are required to be done via Manager Self Service.	ESR Administrator/Workforce Information Manager 31st January 2020

Finding 2 - Action Plan (D)	Risk
Following the rollout of instructor-led training sessions, the ESR Team indicated that they plan to develop an action plan to revisit each Health Board site to	Full functionality of ESR is not being utilised by the Health Board.

ascertain that their core structure within ESR is satisfactory and to determine further training requirements. However, at the time of fieldwork no action plan has been produced.

Recommendation 2	Priority level
The ESR Team should develop an action plan to ensure Health Board staff are fully utilising the ESR Self Service function correctly and provide additional training when required.	**MEDIUM**
Management Response	Responsible Officer/ Deadline
The action plan currently being developed to provide regular onsite training to be finalised and the dates published / communicated to all Managers on ESR. The objectives of the onsite training will be to address any queries / issues managers have identified, to clarify the functionality within ESR Manager Self Service that managers are required to complete via Manager Self Service, and how to access the ESR Portal and the guidance on the intranet.	ESR Administrator/Workforce Information Manager 31st March 2020

Finding 3 - Guidance (D)	Risk
The ESR Portal was not easily accessible from the Health Board's internet and intranet pages. We also noted that the ESR page on the Health Board's intranet site contained outdated links and inoperative documents. In addition, the forms library on the intranet site continues to allow staff to download and complete forms manually, when they should be undertaken via the Self Service module.	Full functionality of ESR is not being utilised by the Health Board.

Recommendation 3	Priority level
Management to review the current guidance provision in line with current practice and also the inclusion of a direct link from the homepages to the ESR Portal and ESR Support Hub.	**MEDIUM**
Management Response	Responsible Officer/ Deadline
The ESR page on the Health Board's intranet site to be reviewed / updated every month to ensure all links and documents are current and relevant. The forms on the forms library on the intranet site are still required for some changes not all changes can be undertaken via the Manager Self Service module, the ESR team will send out clarification on changes that are required to be performed via Manager Self Service and changes that still require a paper form to be completed. One of two links were put on all desktops / laptops in July 2018, the ESR Team will liaise with IT to ensure these are still in place. The ESR team will send out a reminder via the global communication email to remind staff how they can access ESR via the icons and the intranet.	ESR Administrator/Workforce Information Manager 31st January 2020

Appendix B - Assurance Opinion and Action Plan Risk Rating

2019/20 Audit Assurance Ratings

Substantial Assurance - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.

Reasonable Assurance - The Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with **low to moderate impact on residual risk** exposure until resolved.

Limited Assurance - The Board can take **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **moderate impact on residual risk** exposure until resolved.

No Assurance - The Board has **no assurance** arrangements in place to secure governance, risk management and internal control, within those areas under review, which are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are generally issues of good practice for management consideration.	Within Three Months*

* Unless a more appropriate timescale is identified/agreed at the assignment.

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