



Ministry
of Defence

Defence Internal Audit
Ministry of Defence
Building 405
Westwells Road
Corsham SN13 9NR
United Kingdom

E-mail: DGFinance-SecParliamentaryFOI@mod.uk

Reference: **FOI2016/02034**

[REDACTED]

E-mail: [REDACTED]

Date: **7 March 2016**

Dear [REDACTED]

Your correspondence dated 11 February 2016 has been considered to be a request for information in accordance with the Freedom of Information Act 2000. You requested the following information:

Under the Freedom of Information Act 2000, please can I have a copy of the DIA Audit referred to in section 4 of the MOD Police force orders on the 7th January 2016.

A search for the information has now been completed within the Ministry of Defence, and I can confirm that information in scope of your request is held.

Please find attached "20151021-HOCS MDP Capability Handling Sickness Management Report Final-O" audit report.

Section 40(2) has been applied to some of the information in order to protect personal information as governed by the Data Protection Act 1998. Section 40 is an absolute exemption and there is therefore no requirement to consider the public interest in making a decision to withhold the information.

If you are not satisfied with this response or you wish to complain about any aspect of the handling of your request, then you should contact me in the first instance. If informal resolution is not possible and you are still dissatisfied then you may apply for an independent internal review by contacting the Information Rights Compliance team, 1st Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.uk). Please note that any request for an internal review must be made within 40 working days of the date on which the attempt to reach informal resolution has come to an end.

If you remain dissatisfied following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not investigate your case until the MOD internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website, <http://www.ico.org.uk>.

I hope you find this helpful.

Yours sincerely,

Defence Internal Audit



Ministry
of Defence

Defence Internal Audit Report

HOCS – MDP Capability Handling & Sickness Management

Group Head of Internal Audit [REDACTED]

December 2015

Audit Code: 3029/02/15

Assistant Head: [REDACTED]

Team Leader: [REDACTED]

Team Member [REDACTED]

Entity Owner: Deputy Chief
Constable MDP

Contents

<u>Executive Summary</u>	1
<u>Annex A – Detailed Findings & Agreed Management Actions</u>	A – 1
<u>Annex B – Audit Objective and Scope</u>	B – 1
<u>Annex C – Audit Opinion and Findings Categories</u>	C – 1

Executive Summary

Introduction

1. Defence Internal Audit (DIA) is responsible for providing PUS and the Defence Audit Committee with an independent, objective assurance on the effectiveness of MOD's systems of governance, risk management and internal control.
2. This audit was included in our 2015/16 programme to contribute to that assurance. It reviewed the control framework that was in place to manage the risks associated with HOCS - MDP Capability Handling & Sickness Management (CHASM). Fieldwork was conducted during September 2015 primarily within MDP but also the MDP specific DBS Sickness Case Management Service (SCMS).¹
3. Annex A reports our detailed findings, and agreed management actions, for areas where we found weaknesses in control design or effect. Annex B is the text of the agreed Audit Remit. Annex C lists our audit opinion and findings categories.

Audit Opinion & Conclusion

The framework of controls to maintain an effective, healthy and capable workforce, which can deliver the operational outputs of the MDP were established and found to be working as intended.

Substantial Assurance

However, there were weaknesses with the MDP Reasonable Adjustment & Capability Policy, communication of the SCMS role, CHASM Team site visits, CHASM Bulletins, Management Information (MI) Statement of Requirement (SOR) and the Remedy System and MI. There were further minor weaknesses in relation to access to CHASM policies and the CHASM Governance Group/Working Group TOR.

Key Findings

4. The significant issues in support of our opinion and conclusion are as follows:
 - MDP Reasonable Adjustment & Capability Policy
At the time of fieldwork the Defence Police Federation were being consulted on the draft Reasonable Adjustment & Capability Policy.
 - Communication of the SCMS Role
During fieldwork it was evident not all supervisors/officers were aware of the roles/responsibilities of the SCMS. This was further compounded at senior supervisory level, where there was the view these had not been formally communicated within MDP.
 - CHASM Team Site Visits
The CHASM Team had visited key sites i.e. those that had a large number of historical Long Term Sickness (LTS)/capability cases. However, the transactional nature of CHASM Team activity resulted in supervisors/officers having the view the CHASM Team had been set up for line management with 'problem children' and not for general support/education. Ultimately transactional activity is the Line Manager's responsibility.
 - CHASM Bulletins
CHASM Bulletins were regularly produced and DIA were informed they had initially been used to address misunderstanding. However, our fieldwork demonstrated that

supervisors/officers still held the view that CHASM Policies had been introduced primarily to reduce force numbers.

- MI Statement of Requirement

DIA established there was a defined SOR between DBS/MDP. However, although MDP had access to MI, DBS had not yet delivered on what had been promised. That said DIA were provided with evidence there was continuing dialogue and a fresh focus between DBS/MDP regarding quality MI.

- Remedy System/MI

DIA established the Remedy System was used to provide MI. However, during testing it was not evident how the data being collated or detailed within Remedy could be used to provide effective or accurate reporting against targets.

- Access to CHASM Policies

Although DIA were able to access published MDP CHASM policies on DII/MDPNET, during fieldwork it was evident that not all MDP staff had access to DII/MDPNET.

- CHASM Governance Group (GG)/Working Group (WG) TOR

At the time of fieldwork the CHASM GG TOR could not be provided. However, the CHASM strategy was being re-drafted, which would subsequently refresh the GG processes and their TOR. Also, there were inconsistencies between the WG TOR and the Police Committee Deep Dive Paper regarding the standing members of the WG.

5. There were several areas of the current assurance framework in which controls were found to be effective and working as intended. These included:

- CHASM Policies

CHASM Policies on Police Restoring Efficiency Programme (PREP), Unsatisfactory Police Performance (UPP) and Line Manager's Guide to Mental Health Issues had been produced and communicated to staff via Force Order and Staff Notices

- DBS SCMS

Initial liaison had taken place between MDP/DBS on the creation of the SCMS. All HR Consultants (HRC) within the SCMS had relevant experience of LTS casework and spent 100% of their time on MDP issues. The SCMS had a set of targets by which their performance was measured and the Team Leader attended both the GG/WG.

- CHASM Team – Partnership with DBS

There was an effective working partnership between the CHASM Team and DBS SCMS, which was seen in action at the Sep 15 case scrub attended by DIA.

- MI/Case Scrub

The monthly case scrub was also used to generate MI. Information was taken from an HRMS 28 day open access report and summary sheets completed by MDP line management. This snapshot in time was made more current via access to Remedy, which was provided by the DBS HRC who attended the case scrub.

- Management Oversight

This was provided at both the CHASM GG/WG at which relevant SME were in attendance to address issues/deal with all actions raised. These were monitored via the WG Action Plan that was updated after each meeting. There was a link between both Groups, as the WG Chair also attended the GG.

Detailed Findings and Agreed Management Actions

**Annex A to
3029/02/15
Dated (Dec/2015)**

Business Objective: To maintain an effective, healthy and capable workforce, which can deliver the operational outputs of the MDP

Area of Risk 1: MDP HR – Policy Delivery

No	Finding	Risk	Priority	Management Action	Person Responsible & Target Date
1.1	<p>MDP Reasonable Adjustment & Capability Policy MDP should have the relevant policies in place in order to achieve the Business Objective in relation to Capability Handling and Sickness Management (CHASM). Although a number of CHASM policies had been produced, at the time of fieldwork Hd of MDP HR confirmed consultation was underway regarding the draft Reasonable Adjustment & Capability Policy – which had been sent to the Defence Police Federation (DPF) on 11th September 2015.</p>	Without having the appropriate agreed standard in place, staff are unaware of what is required of them from a capability perspective	Medium	MDP Reasonable Adjustment & Capability Policy to be agreed by DPF and published with appropriate communications including a Force Order & Staff Notice (FOSN).	[Redacted] 31 st Dec 2015

As a result this policy had yet to be issued.

Area of Risk 2: DBS - Sickness Case Management Service (SCMS)

No	Finding	Risk	Priority	Management Action	Person Responsible & Target Date
2.1	<p>Communication of SCMS Role The effective communication of the roles/responsibilities of the SCMS are considered key to ensuring all aspects of sickness case management are fully/effectively utilised</p> <p>During fieldwork with supervisors/officers it was evident they were not all aware of the roles/responsibilities of the SCMS.</p> <p>This was further compounded at senior supervisory level, where there was the view the SCMS role had not been formally communicated within MDP.</p>	<p>There is a risk line management are not fully and/or effectively utilising the SCMS.</p>	Medium	<p>To effectively communicate to the Force the transitional arrangements for the drawdown of the DBS/MDP contract and the future role of DBS HR Consultants.</p>	<p>Performance & Attendance Unit (PAU) 31st Jan 2016</p>

Area of Risk 3: MDP CHASM Team – Partnership with DBS

No	Finding	Risk	Priority	Management Action	Person Responsible & Target Date
3.1	<p>CHASM Team Site Visits The CHASM Team has visited key sites to educate, explain and ensure supervisors/officers act or absence/non-capability.</p> <p>During interview Hd of CHASM Team confirmed they had visited key sites in order to educate, explain and ensure supervisors act on absence/non-capability. The criteria by which key sites were selected were</p>	<p>There is a risk the CHASM Team are not fully and/or effectively being utilised to ensure line management act on absence/non-capability.</p>	Medium	<p>To effectively communicate to the Force the role and purpose of the PAU including the revised arrangements for UPP Attendance and Performance cases and the Performance & Attendance Governance structure.</p>	<p>PAU 31st Dec 2015</p>

HOCs – MDP Capability Handling & Sickness Management

No	Finding	Risk	Priority	Management Action	Person Responsible & Target Date
3.1 Contd	<p>those that had a large number of historical LTS/ capability cases.</p> <p>However, the transactional nature of CHASM Team activities - i.e. concentrating on assisting with specific LTS cases - resulted in there being a perception within the supervisors/officers D A interviewed that the CHASM Team had been set up for line management with 'problem children' and not for day to day issues or education purposes.</p>				
Area of Risk 4: Supervisor/Officer understanding of Policy					
4.1	<p>CHASM Bulletins</p> <p>CHASM Bulletins are regularly produced to inform all MDP staff on current state of SCMS and CHASM issues.</p> <p>Hd of CHASM Team explained CHASM Bulletins were regularly produced, which DIA were able to confirm during testing.</p> <p>Hd of CHASM Team also explained that CHASM Bulletins had initially been used to address misunderstanding.</p> <p>However, our fieldwork with supervisors/ officers demonstrated that the perception</p>	<p>There is a risk that line management's CHASM policies is resulting in them not being fully and/or effectively utilised.</p>	Medium	<p>To produce regular Performance & Attendance bulletins to inform staff of key messages, changes to policies and processes and address any performance and attendance related issues arising.</p>	<p>PAU 31st Jan 2015</p>

HOCS – MDP Capability Handling & Sickness Management

No	Finding	Risk	Priority	Management Action	Person Responsible & Target Date
4.1	within the culture still remained that CHASM Policies had been introduced to reduce force numbers and not assist in getting staff back to work at the earliest opportunity.				
4.2	<u>Access to CHASM Policies</u> MDP CHASM policies should be accessible to all staff via DII/MDPNET. DIA were able to access the published MDP CHASM policies on DII/MDPNET. However during our fieldwork with supervisors/officers it was evident that not all MDP staff had easy access to DII or MDPNET. This was due to lack of computers and the requirements of shift-working.	There is a risk that line management are unable to access the relevant CHASM policies when required.	Low	To ensure all communications and key documents are accessible on both DII and MDPNET and that policies and processes are clearly signposted by creating and updating existing areas on each network.	PAU 31 st Dec 2015
Area of Risk 5: Management Information (MI)					
No	Finding	Risk	Priority	Management Action	Person Responsible & Target Date
5.1	<u>MI Statement of Requirement (SOR)</u> Defined SOR for MI between DBS MI Centre of Excellence (MICOE)/MDP. During interview Hd of Corporate Services confirmed there was a defined SOR between DBS/MCP. Subsequently Hd of Corporate Services provided DIA with a	Defined SOR for MI is not delivered, resulting in the MI not being totally automated and labour intensive to produce.	Medium	To provide a draft PAU MI analysis report including key data, utilising the interactive absence dashboard. To provide the MICOE with feedback on the interactive absence dashboard, to include any amendments/additions required.	31 st Dec 2015 30 th Nov 2015

HOCS -- MDP Capability Handling & Sickness Management

No	Finding	Risk	Priority	Management Action	Person Responsible & Target Date
5.1	<p>document entitled 'MDP HR Casework SOR v 0.2' which stated its purpose was 'To develop a suite of MI/overarching dashboard that supports/automates a monthly snapshot from across a range of HRMS and/or Remedy data'.</p> <p>Hd of Corporate Services also explained although MDP were provided with MI, DBS had not yet delivered what they had promised i.e. MI was not fully automated, could not be readily interrogated, did not take into consideration trends or analytics and was labour intensive to produce.</p> <p>That said Hd of Corporate Services provided evidence demonstrating there was continuing dialogue between MICOE/MDP regarding a fresh focus and a new promise of DBS quality MI although the end product inclusive of Remedy was some months away.</p>	<p>Casework being mis-categorised on Remedy system, resulting in inaccurate reporting against target dates.</p>	<p>Medium</p>	<p>To ensure that UPP stats are included in the interactive absence dashboard.</p>	<p>[Redacted] 31st Mar 2016</p>
5.2	<p>Remedy System/MI</p> <p>Remedy system is used to provide MI in the required format.</p> <p>During interview CBS Team Leader confirmed the Remedy system was used to provide MI.</p> <p>However, during testing it was not evident how the data being collated or detailed</p>	<p>Casework being mis-categorised on Remedy system, resulting in inaccurate reporting against target dates.</p>	<p>Medium</p>	<p>To work closely with DBS MICOE and HR Consultant team to explore MI from Remedy being made more readily available whilst ensuring accuracy.</p>	<p>[Redacted] 31st Jan 2016</p>

HOCS – MDP Capability Handling & Sickness Management

No	Finding	Risk	Priority	Management Action	Person Responsible & Target Date
----	---------	------	----------	-------------------	----------------------------------

5.2 within Remedy could be used to provide effective or accurate reporting against target dates. For example, Remedy included numerous category headings, such as HRMS, Pay SME, Gifts & Hospitality, uncategorised, although the DBS targets related specifically to Long Term Sickness, Temporary Non Capable and Long Term Tailored Reasonable Adjustment. In addition, there were differences in how cases were categorised. DIA were informed the majority of the above mentioned targets required OH Reports and were provided with the following information as at 15th Sep 2015:

- Live cases - LTS 49 and OH 119;
- Resolved cases - LTS 74 and OH 351.

There was no obvious correlation on Remedy between the overall casework figures and those classed as OH.

Area of Risk 6: Management Oversight – CHASM Governance/Working Group

No	Finding	Risk	Priority	Management Action	Person Responsible & Target Date
6.1	<p><u>CHASM Governance Group (GG) Terms of Reference (TOR)</u></p> <p>CHASM GG should have a TOR setting out their roles/responsibilities, which includes key standing members/relevant areas of expertise.</p> <p>During fieldwork CHASM GG were unable to provide DIA with a copy of their TOR, as it had been misplaced. However, DIA were provided with a paper regarding a deep dive carried out at the MDP Police Committee, which included the following statement regarding the CHASM GG:</p> <p>The CHASM GG is chaired by the T/DCC and consists of the Chair of the WG (Operations Superintendent), HRD Senior HRBP and the DBS Team Leader. The aim of the group is to oversee and guide the CHASM programme and WG, ensuring the DBS contract is adhered to, and that MI is provided effectively and in a timely manner for strategic purposes as well as for internal assurance.</p>	<p>CHASM GG unaware of their roles/responsibilities and the standard by which they are required to work.</p>	Low	<p>Revised TOR for the Performance & Attendance Governance Group to be agreed and communicated effectively to the Force.</p> <p>To effectively manage the Performance & Attendance Governance Group ensuring the TOR are adhered to, and actions are accurately recorded and completed.</p>	<p>PAU</p> <p>TOR Agreed 2nd Nov 15</p> <p>TOR Comms 31st Dec 2015</p> <p>PAU</p> <p>31st Dec 2015</p>
6.2	<p><u>CHASM Working Group (WG) TOR</u></p> <p>CHASM WG should have a TOR setting out their roles/responsibilities, which includes</p>	<p>CHASM WG unaware of their roles/responsibilities and the standard by which</p>	Low	<p>Revised TOR for the Performance & Attendance monthly meetings to be agreed and communicated effectively to</p>	<p>PAU</p> <p>TOR Agreed 2nd Nov 15</p>

HOCS – MDP Capability Handling & Sickness Management

No	Finding	Risk	Priority	Management Action	Person Responsible & Target Date
6.2 Ctd	<p>key standing members/relevant areas of expertise.</p> <p>During fieldwork DIA were provided with a copy of the CHASM WG TOR dated 30th Sep 14 and the Police Committee Deep Dive Paper dated 4th Mar 15. Both documents mentioned the standing members of the WG and their relevant areas of expertise. However, they were not consistent, for example the earlier dated document contained more up-to-date information regarding Hd of CHASM Team.</p>	they are required to work.		<p>the Divisions/Departments and the Force.</p> <p>To effectively manage the Performance & Attendance monthly meetings ensuring the TOR are adhered to, and actions are accurately recorded and completed.</p>	<p>TOR Comms 31st Dec 2015</p> <p>PAU 31st Dec 2015</p>

¹ The DAC now monitor the implementation of Agreed Management Actions. In the case of a Process Owner report separate reports will be issued to the TLBs visited as part of the testing regime for the audit.



Ministry
of Defence

Annex B to
3029/02/15
Dated (Dec/2015)

Defence Internal Audit Remit

**HOCS – MDP Capability Handling &
Sickness Management**

Audit Code: 3029/02/15
Entity Owner: Deputy Chief
Constable MDP
Date: 13th August 2015

Introduction

1. Defence Internal Audit (DIA) is responsible for providing PUS and the Defence Audit Committee (DAC) with an independent and objective assurance on the effectiveness of MOD systems of governance, risk management and internal control. This audit was included in our 2015/16 programme to contribute to that assurance.

Audit Objective

2. The objective of the audit will be to provide an independent and objective opinion on the adequacy and effectiveness of controls, and the management of risks, associated with HOCS – MDP Capability Handling & Sickness Management (CHASM).

Audit Scope

3. The audit will assess the adequacy and effectiveness of controls in the areas identified below. Our work shall not necessarily be restricted to these areas. Testing may extend to other areas and risks, identified during the audit, that are not stated here but may be relevant to the formation of our opinion

Business Objective	To maintain an effective, healthy and capable workforce, which can deliver the operational outputs of the MDP
Area of Risk 1	MDP HR – Policy Delivery
2	DBS - Sickness Case Management Service
3	MDP CHASM Team – Partnership with DBS
4	Supervisor/Officer understanding of Policy
5	Management Information
6	Management Oversight – CHASM Governance/Working Group

Audit Approach

4. In response to management request, we will also review whether DBS have kept their original service promises and assess whether there is reasonable supporting evidence to demonstrate value for money.

5. Using a risk based approach we will conduct the audit with due professional care in accordance with established audit practice and DIA Standards. These require us to plan and perform audits to obtain reasonable assurance that controls are working as intended and may be relied upon. We will review files, records and other evidence, both manual and electronic, and where necessary interview relevant personnel. This will form the basis of our opinion on the effectiveness of control.

6. The nature of testing and the inherent limitations of an audit (and those of any system of internal control) mean that there is an unavoidable risk that some weaknesses may not be identified. Although DIA audits can point to weaknesses where there is a risk of fraud occurring, they cannot be relied upon to identify instances of fraud or irregularity. It is

management's responsibility to ensure that internal control systems are adequate to manage risk and to prevent and detect fraud.

Responsibilities of Management

7. We expect to have access to all the personnel, files, records, information and assets necessary to perform our work and form our opinion. Management's agreement of the Audit Remit will be taken as a commitment to ensure that all personnel and resources required for the audit will be made available. Any failure to meet these requirements will cause delay to the audit process and cannot be attributed to us.

Planned Dates

Notification of Audit	16 th July 2015
Audit Planning	16 th July 2015
Start of Fieldwork	10 th August 2015
End of Fieldwork	30 th September 2015
First Draft Report	14 th October 2015
Closing Conference	28 th October 2015
Final Report	11 th November 2015

Audit Team

Team Leader	
Team Member	

**Annex C to
3029/02/15
Dated (Dec/2015)**

Audit Opinion and Findings Categories

Audit Opinion



System of internal control established and operating effectively.

Substantial Assurance

System of internal control established and operating effectively with some minor weaknesses.



System of internal control operating effectively except for some areas where significant weaknesses have been identified.



System of internal control poorly developed or non-existent, or major levels of non-compliance identified.

Audit Findings

High Priority

Critical control weaknesses that result in serious risks and/or an unacceptable level of risk to the delivery of key objectives.

Medium Priority

Control weaknesses that carry a risk of undesirable effects in loss, exposure, poor value for money or missed business opportunities and benefits.

Low Priority

Minor control weaknesses and/or areas that would benefit from the introduction of improved working practices.