

**Electoral Office for Northern Ireland**

**Internal Audit report 2008/09**

**Human Resource Management and Training**

**11 November 2008**

Ref: BC/PP/ab

**Private and Confidential**

D Bain Esq  
Chief Electoral Officer  
Electoral Office for Northern Ireland  
2<sup>nd</sup> Floor  
St Anne's House  
15 Church Street  
Belfast  
BT1 1ER

11 November 2008

Dear Sir

**Re: Fieldwork visit – Human resource management and training**

**Introduction**

1. We recently completed our internal audit fieldwork visit in respect of the 2008/09 financial year in relation to Electoral Office for Northern Ireland's ("EONI's") system for human resource management and training. This report summarises our findings.

**Background**

2. During the 2007/08 year, EONI commissioned the Department of Finance and Personnel's Business Consultancy Service to undertake an evaluation of staff grading. The aim of the review was to evaluate the grades of a number of staff across EONI against Northern Ireland Civil Service ("NICS") grading standards. We understand that this process resulted in a number of posts being upgraded. We note that the cost of these upgrades was financed from within the existing budget.

3. At the time of preparing this report, November 2008, EONI's staffing complement comprises 57, which equates to 53 full time staff. EONI also recruits approximately 4,500 staff, on a temporary basis, to work in polling stations and count centres for Council, Assembly, Westminster and European elections. The allocated budget in relation to training for the 2008/09 year amounts to approximately £36,000.

4. The Human Resources Unit comprises two members of staff. We note that the Human Resources Officer has attained the Chartered Institute of Personnel and Development ("CIPD") qualification. We also note that the Human Resources Unit receives regular updates from Legal-Island, an organisation specialising in the provision of advice in relation to employment law and from the Labour Relations Agency.

## **Scope**

5. In line with EONI's Strategic Internal Audit Plan, approved by the Management Board on 21 August 2008, the fieldwork visit focused on assessing the following control objectives in respect of the system of human resource management and training:

- a) to ensure that staff receive adequate training and development;
- b) to ensure that the human resources function is properly managed;
- c) to ensure that key staff are replaced when they leave;
- d) to ensure that factors influencing the recruitment and retention of staff are identified;
- e) to ensure that a sufficient staff complement is recruited for elections and canvassing;
- f) to ensure that staffing levels are reviewed on a regular basis to identify the need for additional funding;
- g) to ensure that absence statistics are monitored; and
- h) to ensure that staff views on human resource management and training issues are obtained.

6. This report is addressed to the Chief Electoral Officer and as required by our terms of appointment, copies of all finalised reports are also issued to the NIO's Head of Internal Audit, the Northern Ireland Audit Office and the Rights, Elections and Legacy Division (previously the Rights and International Relations Division) – the relevant sponsoring division within the NIO. No duty of care is accepted to any party other than those to whom the report is addressed. No responsibility is accepted for any reliance placed upon our report, should it be used for any purpose other than that stated above.

## **Basis of assurance**

7. We conducted our internal audit work in accordance with the Government Internal Audit Manual ("GIAM"). Our work included an examination, on a test basis, of transactions processed in accordance with EONI's system of internal control.

8. This review has been conducted within the context of an internal audit review process designed to address key risks on an annual basis. Only three days was allocated to this review and consequently there was a requirement to conduct a general assessment of the key aspects of the systems and then to focus on a limited number of specific areas. In these circumstances, this review should not be regarded as being an extensive and detailed review sufficient to test and assess all aspects of EONI's human resource management and training activities.

9. We planned and performed our internal audit work to obtain reasonable assurance that the systems were operating as described. However, you should not rely on our work to identify all instances of fraud or error. The responsibility for these matters rests with management and the Chief Electoral Officer.

## **Findings**

10. Our review identified that a number of human resource related policies have been formally documented and made available to staff via the “TRIM” system (the electronic document management system). We noted that human resource related policies issued to date include staff learning and development, managing attendance and recruitment and selection. We also noted that absence reports are presented to, and reviewed by, the Senior Management Team on a monthly basis.

11. Whilst undertaking our detailed testing, we identified instances where individual performance appraisals had not resulted in the identification of training needs and instances where training needs had been formally identified but had not been formally documented in the action plan. We also identified an instance where an induction checklist had not been signed off in accordance with established procedures.

12. The key findings of our review are provided in *Appendix A* as follows:

<b>Area</b>	<b>Appendix</b>
Miscellaneous “housekeeping” issues	A

13. The findings included in this report were discussed with Mrs Margaret McMullen (Head of Corporate Services) and Mr Peter Mullan (Finance Officer) on 14 October 2008. A draft of this report was issued to EONI on 4 November 2008. An amended draft of this report was issued for management comments on 6 November 2008.

## **Management responses**

14. We have attached an implementation table at *Appendix B* which records management’s responses and implementation dates for each of the audit recommendations.

## **Assurance rating – satisfactory**

15. In our opinion, there are a small number of improvements which could be incorporated within EONI’s internal control system for Human resource management and training particularly, in relation to ensuring that training needs are formally identified via the performance appraisal process and are subsequently documented in the action plan. However, the existing controls in place within Human resource management and training are basically sound and provide **satisfactory** assurance regarding the effective and efficient achievement of EONI’s objectives in relation to Human resource management and training.

16. We have attached a definition of the assurance ratings at *Appendix C*.

## **Other matters**

17. We would take this opportunity to thank EONI’s management and staff for their assistance and co-operation during the course of this assignment.

18. If you have any queries in relation to this correspondence, please do not hesitate to contact Brian Clerkin or Pauline Poots.

Yours faithfully

ASM Horwath

e-mail: [brian.clerkin@asmhorwath.com](mailto:brian.clerkin@asmhorwath.com)  
[pauline.poots@asmhorwath.com](mailto:pauline.poots@asmhorwath.com)

## Miscellaneous “housekeeping” issues

A

### Weaknesses

A1. Our discussions with EONI management identified that performance appraisals are undertaken on an annual basis with a mid year review. We understand that training and development needs are formally identified through the appraisal process and are recorded on an “action plan”. The “action plan” provides the basis by which EONI identifies and monitors the ongoing training needs for the organisation.

A2. While undertaking our detailed testing, we selected and reviewed a sample of six personnel files to ensure that performance appraisals had been undertaken on a timely basis and that training needs had been identified and recorded on the action plan. We noted the following:

- a) in two out of the six instances considered, we noted that training needs had not been formally identified;
- b) from the four instances where training needs had been formally identified, in only two of these instances had training needs been formally recorded on the action plan. Our discussions with management identified that in both instances, these members of staff had moved departments and that the training needs identified during the appraisal process were no longer applicable. Our subsequent discussions with management indicated that procedures have recently been established to ensure that, in instances where members of staff are changing departments with the result of changes in responsibilities that a revised training needs analysis will be prepared and the revisions will be documented in the action plan.

A3. Our discussions with management identified that a recent procedure has been implemented whereby all new starts undertake a formal induction process. This process is evidenced by the completion of an induction checklist, which is signed and dated by the relevant line manager. We selected and reviewed a sample of two recent new starts and noted that in one out of two instances, the induction checklist had not been signed by the line manager.

### Effects

A4. Failure to formally identify training needs through the performance appraisal process increases the likelihood that members of staff will not receive the appropriate training.

A5. Failure to ensure that the “action plan” is complete increases the risk that all training needs will not be identified and that the appropriate training will not be provided to the organisation.

A6. Failure to evidence the completion of the induction checklist by signature and date increases the risk that new starts are not formally inducted in accordance with established procedures.

### Recommendations

A7. We recommend that management ensure that training needs are formally identified via the performance appraisal process and that all training needs are recorded in the “action plan.

A8. We also recommend that management are reminded of the requirement to sign off all induction checklists.

**Summary of recommendations and implementation schedule**

**B**

<b>Reference</b>	<b>Recommendation</b>	<b>Management response</b>	<b>Action Taken / To be Taken</b>	<b>Implementation Date</b>
A6.	We recommend that management ensure that training needs are formally identified via the performance appraisal process and that all training needs are recorded in the action plan.	Accepted.	This is already a requirement of the current procedures. Reminder issued to all staff on 6 November 2008.	Completed.
A7.	We also recommend that management are reminded of the requirement to sign off all induction checklists.	Accepted.	Reminder issued on 6 November 2008 to all staff with management responsibility.	Completed.

## Assurance rating definitions

C

**Substantial** – There is a robust system of risk management, control and governance which should ensure that objectives are fully achieved.

**Satisfactory** – There is some risk that objectives may not be fully achieved. Some improvements are required to enhance the adequacy and / or effectiveness of risk management, control and governance.

**Limited** – There is considerable risk that the system will fail to meet its objectives. Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance.

**Unacceptable** – The system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance.