

Appendix 4 – HR and Payroll - Detailed response to recommendations

REF	Recommendation	Priority	Management Response	Responsibility and Target Date	HR Improvement Plan Reference
R1	Meetings of the Pay and Governance Board should be reinstated at the earliest opportunity	High	<p>Further consideration has been given to ensure there is an effective process to review additional payments such as market supplements.</p> <p>The Pay Governance Board is a narrow group of senior managers that review existing payments on a quarterly basis.</p>	<p>Organisational HR Manager/HR Business Leads</p>	<p>Pay Policy 4 Reintroduce Pay Governance body</p>
R3	HR & EDI should reinstate regular payment monitoring outlined in the Special Payments Guidance (part of the Pay Policy).	High	<p>The pay governance arrangements are being reconfigured to be more effective with each Directorate Leadership Team/Director reviewing the relevant data for their respective areas on a quarterly basis. This process will be led by the HR business lead for each directorate with information provided by the Organisational HR team.</p> <p>To ensure there is oversight of the overall corporate position the Director for HR & EDI and Organisational HR Manager will review the whole information on a quarterly basis reporting any anomalies to the Corporate Director of Finance and Resources (Section 151 Officer)</p> <p>The revised pay governance arrangements will be reflected in the updated Pay Policy.</p>	<p>Q1 & 2 information to be reviewed by DLTs/Director in October</p> <p>Director HR/EDI Organisational HR Manager</p> <p>Q1&2 corporate data to be reviewed October</p>	<p>Partnering 2 Process/Policy Improvement</p>
R2	HR & EDI should review the Special Payments Guidance to ensure the policy is fit for purpose and ensure persons administering the process are	Medium	<p>Ensure HR colleagues are aware of the requirements in relation to current arrangements for Special Payments & able to effectively support managers</p>	<p>HR Business Leads</p> <p>Q2 2023/24</p>	

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	trained on the policy in order to prevent inconsistent application		The Pay Policy and Special Payments Guide are scheduled to be reviewed and updated once the work described above is concluded and wider revisions to the Pay Policy, that are currently subject to securing a collective TU agreement, are concluded. Guides on how to effectively implement pay policy will be included.	Organisational HR Manager / HR Systems Team Leader/ HR Business Lead CERS Q3/4 2023/24	Pay Policy 4 Reintroduce Pay Governance body Partnering 2 Process/Policy Improvement
R4	HR & EDI should update the NCC Policy Library to include all key policies and strategies	Low	The Council's Statutory Pay Policy Statement is available in the Policy Library each year. In addition, it has been agreed, with Policy and Performance, that the Pay Policy and Special Payments Guidance will also be published in the Policy Library once the revisions have been drafted, consulted and negotiated with the TUs and agreed.	Organisational HR Manager April 2024	Pay Policy 7 Review/Revise Pay Policy to incorporate all new changes
R5	HR & EDI should work with EMSS and others to investigate and determine the cause of the failure of systems to increase pay [for employees] In the interim an exception report should be developed and used to highlight employees who may have not received a pay progression increase.	High	Audit initially identified 374 possible issues and audited 10 of which 3 were confirmed as errors and have now been rectified. The auto progression process is run on a monthly basis, prior to Payroll, by the Sys Admin Team in EMSS. This was first run in May 2022 (there was manual entry by HR & EDI on a monthly basis prior to this) as there had to be 12 months payroll data in the system for this to be automated in this way. Between May and December 2022, reports were scheduled from the system on these changes and were checked manually. All expected progressions were successfully enacted by the system.	HR Systems Team Leader/EMSS/ Internal Audit Resolved	

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			<p>Further exception reporting is scheduled by payroll, as part of their payroll exception activity.</p> <p>The changes to the NCC Pay Tables, as part of the organisation's response to the IAB Instruction ("Ensure the Council's new pay policy demonstrably assists effective recruitment and retention") means that all grades and grade steps are being amended, from grades B (there is the removal of grade A due to the NJC agreement) to SLMG1. Due to the complex nature of this implementation, manual checks will have to be performed for the following 12 months after the implementation date (01 July 2023, being applied in September 2023) to ensure that the integrity of the preceding progression date (and not the 01 July 2023) date is used for employee progression to the next step. This will be led by HR & EDI, with support from Payroll in EMSS. After the 01 July 2024, auto progression will again be implemented on this date.</p>		
R6	HR & EDI should investigate all remaining employees (364) identified as possibly being underpaid due to the failure of automated systems.	High	<p>There are some issues with the data/report used by audit to identify these errors and the above automated process identified above is operating effectively.</p> <p>The additional increment being paid to all employees in September will allow an additional check to the pay progression of employees</p>	Organisational HR manager / HR Systems Team Leader	Pay Policy 1 Implement Additional Increment for all colleagues
R7	HR & EDI should develop a method to identify employees under TUPE protections.	Medium	All employees that join via TUPE are identified by their separate Pay Table (these are held centrally in HR&EDI).		Partnering 2 Detailed plan for process/policy

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(R1 '21)	<p>TUPE should also be identified on the Starters & Leavers Report within the 'Action' or 'Reason' column</p> <p>Pre-employment checks completed for all TUPE transfers should be uploaded to the Castle documentation system</p>		<p>All employees that leave via a TUPE process have the Leaving Reason as TUPE out.</p> <p>Full process mapping of entire TUPE process will be conducted, in conjunction with the responsible HRBL, and documented with a master copy held by ER in HR&EDI</p>	<p>HR Business Lead CERS September 2023</p>	<p>improvement and associated upskilling of HR colleagues and managers to facilitate efficient/effective self-serve</p>
R8	<p>HR & EDI should ensure an adequate system is in place to store documentation and evidence about pay and other HR & employment decisions.</p>	Medium	<p>Work is ongoing with IT colleagues to scope an effective document management system replacement.</p> <p>Process mapping/improvement work will ensure there is clarity among HR colleagues and managers about document requirements</p>	<p>IT leading</p> <p>HR systems team leader / HR Business Lead CERS Q4 2022/23</p>	<p>System 7 Embedding of Self-Serve Oracle Fusion Partnering 2 Process Maps</p>
R1 Aug '22	<p>We recommend HR & EDI develop process requirements for management of the employment establishment clearly setting out roles and responsibilities. We have obtained a policy from Westminster City Council</p>	High	<p>The Management of staffing establishments is a fundamental management control for the Council. Having robust mechanisms that facilitate the provision of effective and accurate establishment data for reporting at a statutory and organisational level is of paramount importance. Findings of initial review undertaken by PWC LLP over 6 months to end of last financial year found the need for establishing a single version of the truth through establishment of robust control framework.</p>	<p>Director HR & EDI / Director Finance Q2/3 2022/23</p>	<p>System 1 Establishment Control</p>

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	which could be used as an example to develop for our use.		<p>Following agreement with CLT an Establishment Control project has been established led by the Director of HR and EDI. The project is a key activity in supporting delivery of the HR improvement Plan and aligns to the FIP. There are 4 mutually exclusive workstreams to this project:</p> <ol style="list-style-type: none"> 1). Rollout a baseline reconciliation of Fusion HCM across all directorates. 2). Implement the data HR hierarchy to provide a single view of the establishment. 3). Implement a monthly process for payroll control and sign off. 4). Develop and roll out an establishment control dashboard for budget holders to review and sign off. 		
R2 Aug '22	As part of the process requirements, we recommend HR & EDI undertake regular data quality reviews of Oracle Fusion employee information. This should be reported to Director HR & EDI, Chief Exec & Corporate Director of Finance & Resources (cc HoIA & DoF to support audit planning and budgeting	Medium	See response to R1 Aug '22		

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	respectively). Data Quality issues should be resolved by either HR & EDI or the appropriate managers and resolution reported in the subsequent report as above.				
R3 Aug '22	We recommend HR & EDI communicate requirements to all Line Managers detailing their responsibilities to complete establishment control checklists contained within Oracle Fusion such as New Starters Checklist, Probation Details and Leavers Checklist. Such communication should form part of the process requirements recommended above.	High	See response to R1 Aug '22 Support to improve the take up of manager self-serve alongside providing clear simple guidance for processes outside of the Oracle Fusion system are central to the HR improvement programme	Director HR & EDI HR Systems Leader HR Business Lead CERS	System 1 Establishment Control System 7 Self-serve Oracle Fusion Partnering 2 Process / Policy improvement
R4 Aug '22	We recommend HR & EDI undertake a regular monitoring programme for the completion of Oracle Fusion Checklists as part of the process	Medium	See response to R1 Aug '22 Oracle Fusion reporting developments from update 23B onwards will further enhance system capability allowing	HR Systems Team Leader	Systems 1 Establishment Control BAU

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	requirements recommended above.		for automated reminders to be sent to managers and enable improved exception reporting		
R5 Aug '22	An annual establishment check should be carried out including verification of establishment by managers.	High	See response to R1 Aug '22		
R6 Aug '22	Data relevant to establishment control should be reconciled periodically and any issues investigated and corrections made	High	See response to R1 Aug '22		
R7 Aug '22	We recommend a warning is placed at the top of the HRT7 report to inform individuals that employee assignments may be duplicated and explain how data quality issues should be reported.	Low	Complete		
R8 Aug '22	HR & EDI review capacity within relevant teams including HRMI to ensure adequate resourcing of the areas to be responsible for the issues identified in this report. The review should include the	Low	Capacity within the existing structure will be considered as an overarching issues relating to the HR Improvement Plan.	Director HR & EDI March 2024	

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	potential for single points of failure and succession plans.				

