Compliance Culture

Conwy County Borough Council

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The team who delivered the work comprised Melanie Watson (KPMG LLP) and Gwilym Bury (Wales Audit Office).

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Summary report

Summary

1. Conwy County Borough Council (the Council) has a policy and procedure framework in place that sets out how Council staff and members should act or behave in a wide range of scenarios such as those related to employment conditions, how they deal with the public, and how they deliver Council services.

2. The Council has experienced a number of incidents of non-compliance with contracting and procurement procedures by staff in recent years. A report by KPMG in July 2012 concluded that the Council should determine the reasons for this and take action to improve future compliance. Following the report, the Council adopted an action plan and activity is underway to improve compliance with contracting and procurement procedures.

3. This review sought to answer the following question:

   Is non-compliance with Council policies by staff a widespread issue across the Council?

4. Our review focused on three service areas: Adult Social Care (including the Provider Unit); Regulatory Services; and Leisure Services. We interviewed a sample of nine staff who had joined the Council within the previous 18 months and had undergone an induction programme. We also tracked the application of the policies that are introduced to staff during their induction process (both corporate and departmental induction) to determine:

   - staff awareness of specific policies;
   - the effectiveness of communication about policies and the need to comply;
   - understanding of the importance to the organisation of compliance with particular policies; and
   - barriers to policy compliance such as management culture.

5. Our review found no evidence of widespread non-compliance with Council policies, although improvements to some controls are needed. We reached this conclusion because:

   - we found that corporate processes to induct new staff and make them aware of policies are good, although the quality of induction at departmental level is variable; and
   - we found no evidence of cultural barriers to policy compliance but ongoing controls to ensure that staff understand policies and comply with them need to be better.

Proposals for improvement

Induction process – corporate

R1   The Council should ensure that all staff, including temporary staff, receive a comprehensive and timely corporate induction soon after they start employment.

Induction process – departmental

R2   While local induction needs to be tailored, to some extent, to each department's needs, line managers should ensure that key elements of the induction process, such as checking the understanding of corporate policies, are consistently and robustly applied.

Policy awareness

R3   The Council should ensure line managers periodically check staff understanding of, and compliance with, policy and procedure changes and their implications for the team. This could be done at team meetings or during one-to-one meetings.

Policy compliance

R4   The Council should develop an auditable system that periodically tests or verifies staff understanding of key corporate policies.

Detailed report

We found no evidence of widespread non-compliance with Council policies, although improvements to some controls are needed

Corporate processes to induct new staff and make them aware of policies are good, although the quality of induction at departmental level is variable

The Council's corporate induction programme is comprehensive and useful to new employees

6. The Council holds a day-long corporate induction presentation at regular intervals throughout the year. The event includes a presentation from the Leader to introduce the Council and its values, and sessions by lead officers on health and safety, HR policies, staff benefits, customer service, and the Welsh language requirements. Policies referred to at the event include data protection and information management, equality and diversity, staff conduct, the disciplinary policy, and the register of interests.

7. Most people interviewed received corporate induction within the first few months of starting at the Council with an average wait being four months. However, three members of the nine staff interviewed had to wait in excess of six months between starting work at the Council and attending the corporate induction. Most of these staff had originally joined the Council on temporary contracts that were then extended or made permanent.

8. Staff felt that the corporate induction day provided good coverage of the issues and the information they needed to know as new employees and no information gaps were identified. Staff found the session on the Welsh language the most useful. Welsh speakers appreciated the emphasis it was given and non-Welsh speakers appreciated the practical and accessible support that was available. Attendees also found the sessions on health and safety and HR policies useful. One person felt it would be helpful at the induction session to clarify the use of social media – the rules for its use and the way it could be used to appropriately enhance Council services.

9. The Council has developed Employee Induction Guidance that is available on the intranet for line managers undertaking departmental inductions. It sets out guidance and checklists for activities or information to be covered on the first day, in the first week, and at the six month probationary meeting with a new employee. In addition some departments have their own approach to local induction. The Leisure Services Department has an additional induction checklist with specific requirements depending on job role. The Adult Social Care Department has recently developed an induction workbook which sets out key areas that new staff must work through to build their understanding, such as the principles of care, safe working practices and understanding Council policies and procedures. Completion of the workbook is then signed off by both the staff member and line manager. While this represents potentially good practice, staff interviewed for this review had not used the workbook as part of their induction, as it had not been available at the time they joined the Council. Adherence to the new approach has therefore not been tested as part of this review.

10. Each staff member interviewed had received an induction at departmental level with their line manager. Although the basics, such as building orientation, health and safety awareness, and signing-in procedures were undertaken well, the overall quality of the inductions was inconsistent. For example, a minority of staff interviewed received well-structured inductions and were taken through key policies such as IT security to check their understanding of what was required. These staff also signed to confirm they had read specific policies. The majority of staff interviewed experienced more ad hoc or less well-structured inductions where they were shown where they could access policies and asked to read them, but managers undertook no subsequent checking of their understanding. In two cases, staff indicated they had gaps in their understanding of procedures, such as the flexi-time rules and how to deal with complaints from the public.

We found no evidence of cultural barriers to policy compliance but ongoing procedures to ensure staff understand policies and comply with them need to be better

Staff find it easy to find key corporate policies

11. The Council posts its key corporate policies onto the intranet, and in addition some departments, such as Adult Social Care, have local policies on shared drives. All staff agreed that the Council's intranet is very easy to navigate and consequently they are fully aware of the location of, and how to access, corporate policies and plans online. Staff are also helpfully kept up to date with policy changes via e-mail alerts on the Postmaster system.

Controls to ensure that staff understand policies and comply with them are generally not strong enough but work is in progress to improve compliance with procurement and contracting processes

12. Staff interviewed felt they understood the requirements of policies and rules such as the IT security policy, and those relating to health and safety and HR (sickness absence, leave etc). Staff involved in purchasing goods and services were sufficiently aware of procurement rules and delegations for purchase sign-offs.

13. Staff are made aware of any changes or updates to policies via e-mail alerts. However, line managers do not check that staff have read and understood these policy changes or the implications for the team or service. The importance of compliance with Council policies and procedures is not discussed explicitly in one-to-one meetings. In addition, staff were unable to identify actions the Council was taking to ensure compliance with policies. For example, most staff were aware of policies to ensure data security. While one had experienced clear-desk audits happening at their place of work, most had not. The Council does not have explicit controls in place to periodically check staff understanding of and compliance with corporate policies or to refresh this through training. For example, mandatory update training or the signing off of policy updates would help keep staff up to date with any changes and also emphasise the importance the Council puts on policy compliance. This could be done via a mandatory e-learning process where, at the end of an online presentation, staff take a test to verify their understanding, or could involve one-to-one or team meetings with line managers where policy compliance is discussed and then signed off by each team member. Many of the staff interviewed had been working for the Council for at least 12 months at the time of the review, but none had received refresher training or mandatory e-learning. If staff are not aware that the Council is carrying out checks of policy compliance then there is a greater likelihood that non-compliance may occur. This is particularly the case with longstanding members of staff who, anecdotally, may be less inclined to keep up to date with policy or procedure changes.

14. The Council is demonstrating that it takes action to improve compliance with procurement and contracting processes. In response to KPMG's Contracting Report of July 2012, the Council is working through an action plan to improve compliance by February 2013. This has included the establishment of a Contracts Forum (the Forum), which brings together officers from across the Council with an interest in or direct responsibility for procuring goods or agreeing contracts. The Forum has been useful in identifying the underlying 'causes' of non-compliance, such as an officer procuring goods before receiving appropriate training in procurement procedures. The Forum is proving beneficial in sharing learning and expertise across the Council on contracting matters and will remain in place once the action plan has been implemented.

We found no evidence of cultural barriers to policy compliance

15.   The majority of staff interviewed for this review had never witnessed or experienced inconsistent or incorrect application of Council policies. Where minor breaches were experienced, such as a leaflet not complying with the Welsh Language Policy, this was quickly identified and resolved.

16.   No staff members interviewed had ever been encouraged by a colleague or manager to not comply with Council policies or procedures. Staff generally knew that the Council had a Whistleblowing Policy in place, and most felt they would be able to raise an issue with their line manager if they witnessed an incidence of non-compliance. Those currently on temporary contracts felt less confident in raising concerns with managers than those on permanent contracts.

17.   Two members of staff in the review sample have, however, experienced what they perceived as the inconsistent application of some HR rules. In one case, a line manager was seen to be giving conflicting advice on the application of time off in lieu to different staff members, demonstrating the need for greater clarity on the application of flexi-time rules. In another case, a staff member experienced the inconsistent application of recruitment policies, which was seen to be unfair by the team concerned. These were isolated incidences that appeared to be linked to the specific approach (or lack of knowledge) of individual managers rather than due to a more widespread cultural approach to non-compliance.