

SICKNESS ABSENCE LEVELS
Report of the Comptroller & Auditor General
Tuesday, 16 May 2006

Introduction

1. During 2004, the Shadow Public Accounts Committee (SPAC) carried out a review into the level of sickness absence recorded by the States, the means by which absence levels were recorded and factors which might affect sickness absence levels. A report on the outcome of this review was published by the SPAC in December 2004 (a copy of that report is attached as Appendix 1).
2. The SPAC report included an “action plan” of steps which had been produced by the States’ Human Resources Department aimed in large part at improving the systems by which sickness absence was recorded.
3. At the end of February 2006, some days before the retirement of the Corporate Director of Human Resources, the States published a report on sickness absence levels recorded during the year ended 30 June 2005. (This report is attached as appendix 2). This report:
 - (1) referred to the SPAC’s report published in December 2004, and
 - (2) asserted that sickness absence levels had continued to improve.
4. With the encouragement of the Public Accounts Committee, I carried out a limited review of the States’ report. This paper is the outcome of that limited review.

Background

5. The SPAC’s interest in sickness absence levels within the States arose partly from an understandable interest in the effectiveness of the States’ management of its resources. The cost of employing staff is, after all, one of the largest costs incurred by the States.
6. There are other reasons for being interested in sickness absence levels. All of the services provided by the States are based in some way upon the work of the States’ staff. Naturally, the quality of those services will be affected by the morale and commitment of the States’ employees. Sickness absence levels are also interesting because they can be a symptom of the morale of the people who are employed by the States.

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7. Variations in sickness absence levels may be symptomatic of changes in the degree of stress, tension and alienation being experienced by staff.

Review

8. My review consisted of two enquiries:

- (1) an enquiry of the Health and Social Services department concerning the management action which had been taken to achieve this significant improvement in sickness absence reported in the States' report. I made this enquiry because the Health and Social Services department has a large number of employees and consequently has a significant effect upon the absence levels recorded by the States generally. It was evident from the report issued by the States that a significant improvement in sickness absence experienced by the Health and Social Services Department had a significant effect upon the overall improvement that was reported.
- (2) an enquiry of the new Corporate Director of Human Resources concerning the department's implementation of the steps in the agreed action plans set out in the SPAC report published in December 2004.

9. The outcome of each of these two enquiries is set out below.

Health and Social Services Department

10. On enquiry, the Department was not able to point to any management initiatives which might have led to the reported improvement in sickness absence levels. The Department agreed to review the calculations that had led to the figures reported in the States' report.
11. The outcome of this work was that the level of sickness absence included in the initial report was shown to be incorrect. The correct figure for Health and Social Services Department should have shown a smaller improvement in the Department's experience of sickness absence.¹

¹ The original report showed that the average percentage of working time lost per full time employee was 2.74%. The revised figure was 3.00%. These figures may be compared with the figure for the immediately preceding period which was 3.17%.

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12. The reason for the error was that the Department collects information on sickness absence manually and had not received returns from all its sections before returns had to be made to the Human Resources Department.
13. When the correct number is inserted in the calculation of the States' overall experience the overall calculation shows a slight deterioration in overall performance rather than the slight improvement claimed in the States' original report.²

Action plan

14. The response provided by the new Director of Human Resources, Ian Crich, to my enquiry about implementation of the action plan suggests that many of the action steps which appeared to have been agreed for inclusion in the action plan had not been implemented by 30 June 2005. Moreover, they have not yet been implemented.
15. Many of the action steps included in the action plan involved the implementation of a computer system referred to as 'one click'. The decision has now been made to replace this system, which was not used in a single form throughout the States, and to introduce a new system: Human Resource Information System (HRIS). This process will take some time not least to ensure that there is time to design and make the necessary changes to departmental procedures surrounding HRIS.

Observations

16. This limited review suggests that:
- (1) The report published in February 2006 contained information which was not entirely reliable.
 - (2) This appears to result from inconsistencies within the States' current systems and appears to have been the case for some time.³

² The overall percentage per Full Time Employee should have been 3.77% rather than 3.68%. This should be compared with the percentage for the immediately preceding period which was 3.75%.

³ The SPAC report published in December 2004 observed: 'It has only been recently, with the full implementation of the One Click System, that the States of Jersey is in a position to measure absence properly. Previously reporting has been patchy and it has not been possible to make comparisons between

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- (3) This is a matter of significant current concern to the new Director of Human Resources who is taking steps to implement new systems with a view to improving their effectiveness.
- (4) In view of the unreliability of the underlying information, it is difficult to assess the value of the sickness absence level report as a guide to the effectiveness of Human Resource management within the States.
- (5) The action plan contained in the SPAC's December 2004 report was proposed by the Human Resources Department itself but envisaged actions that were not entirely within the control of the Department. At the time, human resources staff were not directly controlled by the central Human Resources Department but were managed within each individual service department.

17. There is no doubt that human resource management within the States in part depends upon the availability of relevant and reliable management information. The new Chief Officer understands this and is working to improve the position by replacing the present systems. These new systems will supersede the proposals contained in SPAC's December 2004 report with the effect that there is little point in now pursuing that plan.

Christopher Swinson
Comptroller & Auditor General
Morier House, Halkett Place, St Helier, JE1 1DD
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departments, between organisations or indeed to monitor trends over time. Hopefully these fundamental shortcomings will now become a thing of the past.' Paragraph 19.

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