

Human Resources (HR) Manual

Document version control				
Version number	Modified by	Modifications made	Date modified	Status
1.0		Created master template copy	23/04/2024	

Chapter 1 - Vision

To learn more, please click [here](#) to visit the Organisation Development Plan page on Merlin.

Chapter 2 - Behaviours

The Framework of Behaviours can be found on the performance management pages.

Chapter 3 - Diversity and Inclusion

Purpose

Our approach to Diversity and Inclusion underpins all of the policies and processes set out in the HR Manual although specific chapters may be particularly relevant:-

Chapter 5: Recruitment and Selection

Chapter 7: Pay

Chapter 11A: Health and Wellbeing

Chapter 12B: Disability Leave

Chapter 14: Performance Review

Chapter 15: Promotion

Chapter 18: Staff Complaints

Chapter 19: Managing Misconduct

1. Diversity and Inclusion Vision

Diversity and Inclusion is about seeing people as unique individuals and embracing all identities and perspectives. It is important that everyone feels valued and able to contribute regardless of their background or working style.

Our ambition is to be an exemplar organisation for Diversity & Inclusion (D&I), one that others look to learn from. We want colleagues to feel confident being themselves and to see the NAO as a fantastic place to develop their career. This vision is woven into our value of inclusion and respect and is voiced through our belief that the NAO is at its strongest when we embrace all our unique characteristics.

The benefits of adopting Diversity and Inclusion vision

As well as complying with the law (see [Appendix 1](#)), adopting a diversity and inclusion vision brings immense benefits to the NAO:-

- By creating a working environment where all employees are equally valued and are able to contribute to the NAO's corporate objectives, we can maximise our performance.
- By employing people from diverse backgrounds and skills we can enhance the quality of our work.
- To maintain our competitive advantage in public sector audit we can demonstrate that we value the diversity amongst our clients and stakeholders and can contribute to meeting their diverse priorities.

2. Diversity and Inclusion Statement

The NAO is committed to diversity and inclusion in all aspects of employment and to proactively improve the working environment for all of our people.

We will ensure that, whether you are a job application or an existing member of staff, you will receive equal treatment which is free from discrimination due to:

- the following protected characteristics: sex, age, gender reassignment, pregnancy and maternity, marriage and civil partnership, race (including ethnic or national origins, colour and nationality), disability, sexual orientation, religion or belief ("the Protected Characteristics" covered under the Equality Act);
- your social background, specifically if you are from a less advantaged background
- your contractual arrangements, whether these be part-time, fixed-term or temporary
- other extraneous factors such as, but not limited to, body size and weight or genetic factors that may increase the risk of inherited diseases.

We will ensure that we follow all people related procedures impartially and objectively. This includes decisions relating to training and development, performance management, reward and benefits and promotion. We will make sure that our colleagues work in an environment of dignity and respect, knowing that any examples of harassment, bullying and victimisation will not be tolerated.

To support the continual development of our approach to Diversity and Inclusion we produce a Diversity & Inclusion Strategy including a detailed action plan which is reviewed periodically. Our current Strategy for 2021 – 2025 can be found here:

[NAO Diversity and Inclusion Strategy 2021-2025](#)

Progress against the action plan is reviewed quarterly by the Diversity & Inclusion Operating Committee (DIOC) and regularly by the Executive Team and NAO Board. The NAO also produces a Diversity & Inclusion Annual Report which is published alongside the NAO's Annual Report & Accounts

3. Diversity and Inclusion Strategy

The D&I Strategy 2021-25 is built on the following key priority areas:

Proactively strengthen the diversity of our pipeline – a diverse workforce helps us understand the challenges our clients and their service users face and provides us with flexibility to adapt to the dynamic and complex environment in which we operate. Developing an inclusive approach to promoting and cultivating talent is important in building diversity at all levels of our organisation. We need to tackle systemic challenges that arise early in the careers of our people and integrate D&I into our core decision-making processes.

Maximising the potential of all our people – while diversity in the representation of our workforce creates the potential for richness of thought and ideas, it is inclusion that allows that potential to be maximised. Blending behavioural change with inclusive processes which offer opportunity to all is fundamental to securing full value from the diversity our people bring us. We will focus on supporting our people to be inclusive, empathetic leaders and colleagues, offering fully integrated training so that inclusion is a fundamental part of every person's role.

Building a culture of inclusion and respect for others – inclusion goes further than ensuring we have diverse representation and create fair opportunities for all. It is about creating an environment where our people feel accepted as unique individuals, where they can be their authentic self, and can be proud of the value they bring to our organisation. We are committed to creating a culture where our people are curious about the experience of others and prepared to question their own prejudices and beliefs. By creating such an environment, we will bring a broader perspective to our work, benefit from deeper insights, and deliver better outcomes for our stakeholders and the wider public.

Setting clear ambitions and holding ourselves to account – our journey to becoming an exemplar employer for D&I will require ongoing commitment and re-enforcement over the full period of our new

four-year Strategy and beyond. As we make progress against the Strategy, we will need to recognise that our actions and priorities may need to adapt to changes in the wider world and the expectations set by organisations which are already recognised as being leaders in the D&I field.

Having clear progress measures and a robust approach to holding ourselves to account will ensure we remain focused on the timely delivery of initiatives under the Strategy and regularly review the impacts they are having.

4. Responsibilities

All of us have responsibility to comply with the law and to demonstrate that we act in accordance with our corporate values, including our value of inclusion and respect for others. Specific responsibilities are as follows.

Individual responsibilities

All employees are expected to:

- act in compliance with the law at all times and not unlawfully discriminate against fellow workers (including contractors, consultants, and agency staff) or outside contacts
- behave in a way which does not embarrass or offend others and treat all employees, clients and the public with equal respect and dignity. We will not tolerate abuse, bullying, harassment or victimisation of fellow employees either in the office or while working away from the office or outside working hours.
- participate actively in any training or development which aims to further diversity and inclusion within the NAO.
- report to their performance coach or director if they witness or experience any discrimination, bullying or harassment. Dignity at Work leads are available to help staff talk through how they can best report such actions.
- support the office to monitor the delivery of its Strategy by keeping their diversity information up to date on Financial Force.

Senior Leadership

Leadership commitment and accountability is imperative to help drive and instil permanent change. The C&AG sits at the head of our established D&I governance structure, with each executive director acting as a sponsor for one of our diversity networks. Our senior leaders are personally and collectively committed to diversity and inclusion and demonstrate this through: having an open mindset and understanding of their own vulnerability to unconscious bias; acknowledging blind spots; encouraging diversity of thinking; and creating a culture where talking about diversity and inclusion is the norm. Abdool Kara is the executive director lead for D&I and chairs the Diversity and Inclusion Operating Committee (DIOC)

People Development Directors (PPDs)

PDDs have a specific responsibility, acting with their executive director, to promote diversity and inclusion within their groups and ensure that each of our people processes are delivered in compliance with our D&I statement. PDDs also take an active role in sponsoring one of our diversity networks

Performance Coaches

Performance coaches have direct management and career development responsibilities for their people. They are tasked with unlocking the potential of all those assigned to them and ensuring they get the support they need to reflect their development needs. They should act as a role model by setting a positive example to others and should ensure that any examples of unfair treatment or harassment are reported and acted upon

Diversity Manager

The Diversity Manager (Meredith Brown) is responsible for leading a small team of professionals to realise the aspirations of our D&I Strategy. She takes responsibility for developing and updating the Strategy and the action plans which sit beneath it, engaging with external organisations to identify latest best practice, and monitoring our equality data against targets. The Diversity Manager also produces the NAO's D&I Annual Report

Diversity Team

Each member of the team takes responsibility for a detailed action plan covering a specific area of focus under the Strategy. They will also liaise with the relevant diversity network to ensure actions are delivered and their views listened to.

5. Employing people with a disability

The NAO is committed to improving the representation of disabled staff within the NAO and will make every effort to facilitate the recruitment of disabled candidates and to keep in employment any employee who becomes disabled. A person has a disability if they have a physical or mental impairment and the impairment has a substantial and long-term adverse effect on their ability to carry out normal day to day activities. Disability can be either permanent or temporary. In such cases the NAO is under a duty to make workplace adjustments to help overcome disadvantage resulting from the impairment to facilitate recruitment, continued employment and career progression, such as:

- making adjustments to selection tests
- providing an interpreter
- making arrangements for training and development
- adjustments to working hours or duties
- physical adjustments to premises or to equipment

This is not an exhaustive list and more information about reasonable adjustments is available from the NAO website and the Diversity Manager.

We will not discriminate against people who have a genetic profile which may increase the risk of an inherited disease and may result in a disability.

6. Legal Rights

Employees should aim to resolve any complaints informally. Where this is not possible then they can raise the issue formally through the Staff Complaints procedure (see **Chapter 18**). This is a statutory procedure that employees, in most cases, must invoke if they wish to subsequently use the complaint as the basis for an application to an employment tribunal.

Whilst the Office is confident that it has robust procedures in place to prevent unfair discrimination and will take appropriate disciplinary action against those who fail to abide by its policies, staff are also entitled to take legal action.

- Individual employees and job applicants have the right to bring a complaint to an employment tribunal, in respect of discrimination by an employer.
- Employees and ex-employees may also bring other legal claims to a tribunal including equal pay, unfair dismissal or certain types of victimisation.
- Any complaint to a tribunal must not prejudice any internal investigations and procedures, which should continue in the normal way.
- An employee who has brought a tribunal complaint in good faith, or who has supported someone else in their complaint, must not be subjected to any form of discrimination, victimisation, or unfavourable treatment for so doing.

There is generally a three-month time limit for bringing a tribunal claim.

Note: Nothing in the NAO's diversity and inclusion policy or its internal procedures is intended to deprive an individual of his/her statutory rights to seek legal redress.

Appendix 1: A brief guide to the law

The Equality Act 2010 amends or replaces previous equality legislation and sets out the rights and responsibilities associated with the following Protected Characteristics:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sex
- Sexual orientation

Types of discrimination: definitions

Direct discrimination occurs when a person is treated less favourably than others are (or would be) treated because of a Protected Characteristic or because they associate with someone who has a protected characteristic. This type of discrimination can arise in all aspects of recruitment and work-related matters.

For example, the following types of conduct could constitute unlawful direct discrimination:

- denying a woman a job because she is pregnant or has recently had a baby
- preventing an employee from transferring to another section because he would be the only member on the section from an ethnic minority
- refusing to make a workplace adjustment for someone with a visual impairment
- subjecting someone to religious harassment
- failing to deal adequately with someone's complaints of discrimination

In the case of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation, marital status or civil partnership, maternity or pregnancy, the person complaining of direct discrimination does not need to have the relevant protected characteristic. This means that less favourable treatment because of a person's association with a person possessing one of these protected characteristics ("Association Discrimination") and less favourable treatment because of an incorrect assumption that a person possesses one of these protected characteristics ("Perception Discrimination") are also unlawful.

For example, the following type of conduct could constitute unlawful Association Discrimination:

- denying a person a job even though they are the best-qualified person, just because the applicant tells the interviewer they have a disabled partner.

The following type of conduct could constitute unlawful Perception Discrimination:

- not giving an applicant a job, even though they are the best-qualified person, because the interviewer incorrectly thinks the applicant is gay. This is still direct discrimination because of sexual orientation.

Indirect discrimination occurs when an apparently neutral practice, provision or criteria is applied equally to everyone, but where the application of the practice, provision or criteria puts, or would put, persons with whom the complainant shares a relevant protected characteristic at a particular disadvantage when compared with persons with whom the complainant does not share that protected

characteristic. Indirect discrimination is unlawful unless the practice, provision or criteria can be objectively justified. Again, this type of discrimination can occur in all aspects of employment such as the following examples:

- blanket refusal for a woman with childcare responsibilities a chance to work part-time or to job-share
- a requirement that an applicant be a recent graduate.
- refusing to allow someone to wear a particular garment which is a religious or cultural requirement of their ethnic grouping

Disability Discrimination

Discrimination against disabled people can also occur:

- Where a person is treated unfavourably because of something arising in consequence of a person's disability where that treatment cannot be shown to be a proportionate means of achieving a legitimate aim; or
- Where an employer fails to make a workplace adjustment to accommodate the needs of a disabled person.

For example:

- A requirement for a member of staff to hold a driving licence for a job which involves little travelling.
- Failure to recruit someone with hearing difficulties for a job which requires spoken communication without first considering whether suitable adjustments can be made to working arrangements.

Appendix 2: Equality Legislation

The Equality Act 2010 (the Equality Act) harmonises and amends or replaces most previous legislation relating to Equality and Diversity Law including:

The Equal Pay Act 1970

The Sex Discrimination Act 1975

The Race Relations Act 1976

The Disability Discrimination Act 1995

Race Relations Amendment Act 2000

Employment Act 2002 (Family - friendly policies)

The Employment Equality (Sexual Orientation) and (Religion or Belief) Regulations 2003

The Employment Equality (Age) Regulations 2006.

Chapter 3A - Dignity At Work

Purpose

This policy covers inappropriate behaviour displayed by, and towards, employees, contractors, and agency staff.

Introduction

The NAO is committed to having an inclusive work environment, free of harassment and bullying, where everyone is treated with dignity and respect, regardless of their background and culture. All employees are expected to behave in a manner which respects the dignity of others at all times.

Inappropriate behaviour, including harassment and bullying, can have very serious consequences for individuals and the NAO, with potential impacts on an individual's health, morale and work performance, and consequential impacts on the Office's reputation, both internally and externally.

The NAO will not tolerate bullying and harassment of any kind. All allegations will be investigated quickly, sensitively and fairly. The NAO will also not tolerate victimisation of a person for making an allegation in good faith or supporting someone to make such a complaint. Employees who are found to have carried out harassment or bullying will face disciplinary action, potentially including dismissal. Serious harassment may also be a criminal and/or civil offence.

This policy covers inappropriate behaviour displayed by, and towards, employees, contractors, and agency staff. It covers inappropriate behaviour in the workplace and in any work-related setting outside the workplace, e.g. at client premises, external training courses, work related social events.

What is bullying?

Bullying is offensive, intimidating, malicious or insulting behaviour, and/or an abuse or misuse of power that is meant to undermine, humiliate or injure the person on the receiving end. Bullying can undermine an individual's self-confidence, competence and self-esteem. Bullying can take the form of physical, verbal and non verbal conduct, and can be intentional or unintentional. Bullying does not include legitimate and constructive criticism of an employee's performance or behaviour, or reasonable requests made of employees in the course of their employment, providing this is communicated in an appropriate manner.

Examples of bullying can be found in Annex 1.

What is harassment?

Harassment is defined by the Equality Act 2010 as unwanted conduct related to relevant protected characteristics, which are sex, gender reassignment, race (which includes colour, nationality and ethnic or national origins), disability, sexual orientation, religion or belief and age, that:

- has the purpose of violating a person's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that person; or
- is reasonably considered by that person to have the effect of violating their dignity or of creating an intimidating, hostile, degrading, humiliating or offensive environment for them, even if this effect was not intended by the person responsible for the conduct.

Conduct may be harassment whether or not the person behaving in that way intends to offend; harassment is determined by the impact on the recipient and not the intention of the harasser.

The NAO also doesn't tolerate harassment relating to marital status or civil partnership, pregnancy or maternity or any other characteristic.

Different people find different things acceptable. Everyone has the right to decide what behaviour is acceptable to them and to have their feelings respected by others. Behaviour which any reasonable person would realise would be likely to offend will be harassment without the recipient having to make it clear in advance that it is not acceptable to them. It may not be so clear in advance that some other forms of behaviour are unwelcome to a particular person, e.g. certain office 'banter', asking someone for a private drink after work. In these cases, first-time conduct which unintentionally causes offence may not be harassment but it will become harassment if the conduct continues after the recipient has made it clear, by words or conduct, that such behaviour is unacceptable to them. A single incident can also be harassment if it is sufficiently serious.

Harassment may also occur where a person engages in unwanted conduct towards another because they perceive that the recipient has a particular characteristic (for example, a perception that they are gay or disabled), when the recipient does not, in fact, have that characteristic. For example, it would be harassment for an individual to tease repeatedly an individual because of an incorrect belief that that the recipient is deaf. Similarly, harassment could take place where an individual is bullied or harassed because of another person with whom the individual is connected or associated, for example, if their child is disabled.

There may also be circumstances in which an individual is subjected to unwanted conduct from a third party, such as a client. For example, it might be that a client makes a series of racist remarks to a BAME employee. If an employee feels that they have been bullied or harassed by a third party, they should raise this with their line manager in the first instance. Bullying or harassment by employees towards third parties, such as a client or a supplier, will be dealt with through the disciplinary procedure.

Examples of harassment can be found in Annex 2.

What is victimisation?

Victimisation in this context is subjecting a person to a detriment because they have, in good faith, complained (whether formally or otherwise) that someone has been bullying or harassing them or someone else, or supported someone to make a complaint or given evidence in relation to a complaint. This would include isolating someone because they made a complaint or giving them a heavier or more difficult workload.

Provided that an employee acts in good faith, i.e. they genuinely believe that what they are saying is true, they have a right not to be victimised for making a complaint or doing anything in relation to a complaint of bullying or harassment. The NAO will take appropriate action to deal with any alleged victimisation, which may include disciplinary action.

The NAO may take disciplinary action against an employee who makes a complaint that they know to be untrue, or who gives evidence that they know to be untrue.

Further guidance

Further information on the roles and responsibilities of employees, line managers, DAW Group leads and HR can be found here Annex 3. A list of DAW Group leads can be found here. Further guidance on dealing with bullying and harassment can be found here Annex 4

Annex 1 - Examples of bullying

Examples of unacceptable behaviour that are covered by this policy include (but are not limited to):

- overbearing supervision, including the excessive or unreasonable use of electronic or other media
- physical or psychological threats
- ridiculing, demeaning, humiliating or unwarranted criticism of an employee
- making threats or comments about someone's job security without good reason;
- deliberately undermining an employee by overloading with work and/or constant criticism
- inappropriate or derogatory remarks about an employee's performance
- shouting at colleagues in public or private
- unreasonably withholding information, removing areas of responsibility or allocating inappropriate tasks which are outside the scope of an employee's job
- unreasonably excluding colleagues from meetings or communications
- unreasonably blocking training or promotion opportunities
- setting impossible deadlines
- setting unachievable objectives
- undermining an employee's authority or dignity
- taking credit for another person's work
- cyber bullying, i.e. any form of bullying which takes place online or through a mobile phone

Annex 2 - Examples of harassment

Examples of unacceptable behaviour that are covered by this policy include (but are not limited to):

- unwanted physical conduct ranging from unwelcome touching to serious assault;
- unwelcome sexual advances or offensive flirtations;
- the offer of rewards for going along with sexual advances, e.g. promotion, access to training;
- threats for rejecting sexual advances, e.g. suggestions that refusing advances will adversely affect the employee's employment;
- demeaning comments about a person's appearance or dress;
- unwelcome jokes or comments of a sexual or racial nature or about an individual's age, disability, sexual orientation or religion;
- questions or speculation about a person's private life;
- unwanted nicknames related to a person's age, race or disability;
- the use of obscene gestures;
- excluding an individual because they are associated or connected with someone with a protected characteristic, e.g. their child is gay, spouse is black or parent is disabled;
- ignoring an individual because they are perceived to have a protected characteristic when they do not, in fact, have the protected characteristic, e.g. an employee is thought to be Jewish, or is perceived to be a transsexual;
- the open display of pictures or objects with sexual or racial overtones, even if not directed at any particular person, e.g. magazines, calendars or pin-ups;
- the sending, by any means, of written or visual materials of a sexual nature which may cause offence to an employee
- spreading malicious rumours or insulting someone;
- ridiculing someone;
- excluding someone from conversation or social activities
- continual pressure for social activity outside work after it has been made clear that such suggestions are unwelcome

Annex 3 - roles and responsibilities

All **employees** are responsible for:

- Ensuring they are aware of the Dignity at Work Policy.
- Creating an inclusive working environment, treating all colleagues with dignity and respect and making it clear that they find harassment and bullying unacceptable;
- Seeking to avoid conduct that might give rise to reasonable complaints, and changing their behaviour if necessary. Every employee should consider whether their words or conduct could be offensive to others whether intentionally or not. Even unintentional harassment or bullying is unacceptable.
- Seeking to resolve any complaints informally (where appropriate) through their line manager in the first instance.
- If a complaint cannot be resolved informally, or through mediation, raising a complaint in writing under the formal procedure.
- Co-operating with management in seeking to resolve issues in a constructive manner
- Co-operating with investigations if required as a witness.
- Conducting themselves in a sensitive and confidential manner if they are involved in any informal or formal proceedings.
- Speaking up if they feel someone's behaviour is inappropriate, even if that person is more senior;
- intervening, if appropriate, to stop harassment or bullying and giving support to recipients;
- if a complaint of harassment or bullying is made, not prejudging or victimising the complainant or alleged perpetrator.

All **line managers** are responsible for:

- creating an inclusive work environment for their team and setting a good example by their own behaviour
- ensuring they and their staff are aware of the Dignity at Work Policy and know what standards of behaviour are expected of them ;
- acting promptly and fairly to all parties when attempting to resolve a complaint;
- handling all complaints seriously, sensitively and confidentially;
- taking responsibility for follow-up actions resulting from a complaint as appropriate.
- intervening to stop bullying or harassment;
- reporting promptly to their Line Manager or HR any complaint of bullying or harassment, or any incident of bullying or harassment witnessed by them.

DAW Group leads are responsible for:

- providing a confidential, informal, listening ear to colleagues with DAW issues.
- signposting appropriate guidance (for example the NAO's Staff Complaints Procedure)
- offering informal advice on dealing with inappropriate behaviour, including options available and how best to approach each of these. Specific scenarios might involve; advising someone on what to do after they see a manager harass a colleague, or providing a second opinion on whether a robust performance discussion with a manager amounts to bullying.

The role of the DAW lead does not include the representation of colleagues in a formal capacity, e.g. as part of an investigation or a disciplinary hearing, or the provision of legal advice or counselling support to colleagues.

HR is responsible for:

- Making the Dignity at Work Policy available to all employees, and providing clarification and/or guidance where necessary.
- Providing training, and supporting and advising line managers and DAW Group leads who are dealing with matters under the Dignity at Work Policy.
- Appointing, and providing support to, investigating officers and appeal officers under the staff complaints procedure. HR has the discretion to appoint external investigating officers and/or appeal officers if they feel that this is the most appropriate course of action.
- Liaising with Digital Services regarding incidents of cyber bullying
- Ensuring the Dignity at Work Policy is up-to-date, in line with best practice, and compliant with employment legislation.

Annex 4 - Guidance pages

What to do if you are subjected to inappropriate behaviour, including bullying or harassment

You should initially attempt to resolve the problem informally. The person may not know that their behaviour is unwelcome or upsetting. An informal discussion may help them to understand the effects of their behaviour and agree to change it. You may feel able to approach the person yourself, or with the help of your DAW Group lead, HR, your line manager, trade union representative or another employee. Alternatively, an initial approach could be made on your behalf by one of these people. The EAP can also provide support to you.

It is important that you remain calm and resist the temptation to react angrily or defensively. A good model to follow is 'non violent communication'. There are four steps:

1. Observation without evaluation: clearly explain what you object to, focussing on the behaviour not the person. e.g. "I've noticed that my contributions have been ignored". Be as specific as you can and give examples.
2. Express feelings: make it clear how you feel about the behaviour and the impact it has e.g. "That does make me feel undervalued and it deters me from speaking up"

3. Express needs: explain what you need from the person e.g. "I really need my contributions to be valued fairly"
4. Make a request: this should be based on your needs e.g. "Do you think you could give me more feedback in the future?"

You should gather evidence from the earliest possible opportunity, for example, by keeping a written record of any incidents. You should also keep copies of relevant emails, letters or other documentation. You should also keep a note of what happened when you spoke to the individual informally. This will be useful evidence if the unacceptable behaviour continues and you wish to make a formal complaint.

If an informal approach does not resolve matters, or you think the situation is too serious to be dealt with informally, you can make a formal complaint by using the NAO's staff complaints procedure. Wherever possible, the NAO will try to ensure that you and the alleged perpetrator are not required to work together while the complaint is under investigation.

The NAO will treat complaints of bullying and harassment sensitively and maintain confidentiality to the maximum extent possible.

Investigation of allegations will normally require limited disclosure on a "need to know" basis. For example, your identity and the nature of the allegations must be revealed to the person you are complaining about, so they are able to respond to the allegations. Some details may also have to be given to potential witnesses but the importance of confidentiality will be emphasised to them.

If your complaint is upheld, and the person found to have bullied or harassed you remains in the NAO's employment, every effort will be made to ensure that, if possible, you do not have to continue to work alongside the perpetrator, if you do not wish to do so. We will discuss the options with you. These may include the transfer of the perpetrator or, if you wish, you may be able to transfer to another post.

If your complaint is not upheld, the NAO will support you, the alleged perpetrator and your manager(s) in making arrangements for you both to continue or resume working and to help repair working relationships. The NAO will consider making arrangements to avoid you and the alleged perpetrator having to continue to work alongside each other, if either of you do not wish to do this.

You have a right not to be victimised for making a complaint in good faith, even if the complaint is not upheld. However, making a complaint that you know to be untrue may lead to disciplinary action being taken against you.

What to do if you are informed of an incident involving inappropriate behaviours, including bullying or harassment, by a colleague If a colleague speaks to you about an incident in which they believe that they were bullied or harassed, you may:

- let the individual talk it through with you with you if they wish
- suggest that they contact a DAW Group Lead, HR or the Employee Assistance Programme for further guidance and support

You may also want to talk to a DAW Group lead, HR or the Employee Assistance Programme yourself.

What to do if you witness inappropriate behaviour

If you observe inappropriate behaviour, it is important that you do something. Options include:

- Have a quiet, supportive word with the receiver after the event to see if they are ok.
- Approach the bully/harasser in private and explain why you think their behaviour was inappropriate and the effect you felt it had on the recipient
- Keep an informal written record of events
- Ask for advice and support e.g. from a DAW Group Lead, HR, Employee Assistance Programme

The NAO will also treat those who come forward as a witness of bullying or harassment sensitively and maintain confidentiality to the maximum extent possible.

What happens if I am accused of bullying, harassment or inappropriate behaviour?

If someone approaches you informally about your behaviour, do not dismiss the complaint out of hand because you were only joking or think the complainant is being too sensitive. Remember that different people find different things acceptable and everyone has the right to decide what behaviour is acceptable to them and to have their feelings respected by others. You may have offended someone without intending to. If that is the case, the person concerned may be content with an explanation and an apology from you and an assurance that you will be careful in future not to behave in a way that you now know may cause offence. Provided that you do not repeat the behaviour that has caused offence that may well be the end of the matter.

You may find it helpful to speak to a DAW Group Lead, HR or the Employee Assistance Programme.

If a formal complaint is made about your behaviour, this will be fully investigated in accordance with the staff **complaints procedure**, and the NAO may bring disciplinary proceedings, if appropriate, under the "**managing misconduct**" procedure. Where an alleged incident(s) of inappropriate behaviour took place, but a formal complaint has not been made, the NAO will consider whether to launch an initial investigation, taking into account the particular circumstances of the case.

The NAO will treat complaints of bullying and harassment sensitively and maintain confidentiality to the maximum extent possible. Investigation of allegations will normally require limited disclosure on a "need to know" basis. For example, some details may have to be given to potential witnesses but the importance of confidentiality will be emphasised to them.

Wherever possible, the NAO will try to ensure that you and the complainant are not required to work together while the complaint is under investigation.

You must not victimise a person who has made a complaint in good faith against you or anyone who has supported them in making the complaint or given evidence in relation to such a complaint. Disciplinary action will be taken against you if the NAO has good reason to think that you may have victimised the complainant or someone else.

If a complaint against you is upheld, your line manager may need to be given limited information about the incident to help them manage the risk of further bullying/harassment. This information will only be provided on a "need to know" basis.

If the complaint against you is not upheld, HR will support you, the complainant and your manager(s) in making arrangements for you both to continue or resume working and to help repair working relationships. The NAO will consider making arrangements to avoid you and the complainant having to continue to work alongside each other, if either of you do not wish to do this.

Chapter 3B - Dignity at work Group leads

Group Leads

Dignity at Work supports the NAO's efforts with an internal group of people, the DAW-leads, who are here to help by:

- providing a confidential, informal, listening ear to colleagues who have experienced or witnessed inappropriate behaviour
- signposting appropriate guidance
- offering informal advice on dealing with inappropriate behaviour, including options available and how best to approach each of these using positive communication models

An up-to-date list of DAW Group leads can be found on our **DAW Leads page** (please refer to appendices).

Chapter 4 - Code of conduct

The NAO [Code of Conduct](#) is now a separate document and includes a copy of the return which all staff are required to complete annually. Staff with access to the network should complete the annual return online through the **Code of Conduct application**.

Chapter 5 - Recruitment and Selection

Purpose

This chapter sets out our recruitment and promotion protocols. They provide clarity over the expectations our people should have of the NAO in relation to recruitment and promotion and are applicable to existing staff, those applying for promotion internally, and external candidates.

1. Policy statement

- The NAO is committed to recruiting and promoting the best quality candidates to meet its current and future needs. Our approach applies the principles of fair and open competition, from marketing vacancies through to appointment and onboarding, and seeks outcomes which ensure the NAO is a fully diverse employer, representative of the community it serves. Where groups are under-represented we will take positive action to create a level playing field for candidates, including specific actions aimed at addressing disadvantage for candidates with disabilities under the Disability Confident Scheme. This includes guaranteeing interviews for those disabled applicants who meet the minimum criteria for a role.
- All recruitment and promotion decisions will ensure not only a fairness of process but also a fairness of outcome.

2. Roles and Responsibilities

Executive Team

The ET have corporate responsibility for ensuring that our recruitment and promotion practices support us in achieving our aims of a diverse workforce in which all employees can achieve their potential and help deliver our strategic objectives. They will:

- Approve the Office's resource requirements each year based on our annual strategy and sign off the initiation of all recruitment and promotion campaigns
- Ensure all campaigns at any level of the business are run in a way that follows the agreed protocols
- Support hiring managers to develop the detail of campaigns and ensure diversity in shortlisting and outcomes

HR Director

The HR Director leads the wider HR Team to deliver high quality campaigns which meet business need and support D&I objectives. They will:

- Uphold the agreed protocols by confirming all elements of approved campaigns are in place before they go 'live' in FF
- Work with the relevant Executive Director to review the diversity of shortlists and campaign outcomes before decisions are taken
- Act as hiring manager for our graduate and school leaver trainee campaigns, and keep an overview of the diversity profile of the candidate pipeline

Human Resources

The HR Team provide expert advice and guidance to hiring managers and are the key point of contact for candidates. They will:

- Advise hiring managers on the appropriate approach for individual campaigns to secure a high quality and diverse range of appointable candidates, including advice on marketing and the potential use of search agencies
- Ensure all candidates have a positive and engaging experience with the NAO

- Take direct responsibility for delivering our corporate campaigns for graduate and school leaver trainees
- Maintain comprehensive data on each campaign, including detailed diversity analyses
- Negotiate job offers with preferred candidates, and carry out pre-employment enquiries, including:
 - nationality checks;
 - security vetting; and
 - employer references

Hiring Managers

Hiring managers, supported by HR, are responsible for running campaigns in line with our agreed practices, enabling us to attract a diverse range of talented candidates. They will:

- Ensure job descriptions and candidate information are sufficiently detailed to attract appointable candidates and written in inclusive and accessible language
- Work with Human Resources to ensure shortlisting, interview and assessment panels are diverse and appropriately trained

Interviewers/Assessors

A fair and balanced assessment process is crucial to ensure the office delivers its commitments to creating a diverse and inclusive workplace. To support this, everyone involved in assessing candidates will:

- Ensure they have recently received appropriate assessment skills and unconscious bias training before undertaking assessments
- Assess candidates fairly and objectively, reviewing the fairness of outcomes at all assessment stages

3. Promoting diversity

- The NAO is committed to building a diverse and inclusive organisation, which embraces and values difference, supporting our people to bring a breath of thinking, experience and skill to our work. Our approach to recruitment and promotion is the primary enabler in achieving our aim of being an exemplar employer in relation to D&I as it provides us with our pipeline of talent for the future and supports us in developing our people to realise their full potential. Addressing the under-representation of specific groups can only be achieved if we ensure that our protocols and approaches are fair, unbiased and focused on achieving diverse outcomes.
- We recognise the challenges we face in ensuring that we represent the wider population we serve, at all levels of our business. We are, therefore, committed to building diversity into all aspects of our approach to recruitment and promotion and to taking positive action where any groups are under-represented. Diversity will be a key consideration at all stages of our campaigns, from the way in which our roles are described and marketed through to the representation of assessors on interview and selection panels. We will also be active in monitoring diversity data throughout our campaigns and will not hesitate to make adjustments or to re-start campaigns where we have concerns over the balance of candidates progressing through each stage.
- Our Executive Team will be directly involved in ensuring that all the actions we carry out support our commitment to redressing historic inequities in outcomes from our recruitment and promotion processes. But all who have a role in making decisions on the futures of those wishing to develop their careers with us carry the responsibility of ensuring that they feel welcomed by an organisation which embraces diversity and difference.

4. Agreeing campaigns

- All recruitment and promotion campaigns require the approval of the Executive Team. Any campaigns at Executive Director level will require the agreement of Remco, on the advice of the C&AG.
- Once campaigns are agreed, HR will work with the Executive Director of the relevant workstream and other appropriate colleagues to agree: a named hiring manager; the

composition of shortlisting and assessment panels; and the proposed timelines for the campaign.

- It is expected that, wherever possible, shortlisting and assessment panels will be diverse, particularly in respect of gender and ethnicity. This may require the inclusion of colleagues from areas of the business not directly related to the role.
- Any colleague who participates in shortlisting and interview panels must have completed the Unconscious Bias e-learning module and received assessment principles training prior to undertaking any assessments.
- The hiring manager will agree with HR the shortlisting and assessment stages for the campaign, including the use of assessment exercises and/or psychometric tests where appropriate.
- Once all aspects of the campaign have been agreed it will be set up in Financial Force and formally signed-off by the HR Director as a live campaign.

5. Role descriptions and candidate information

- A role profile will be created for each post summarising the key responsibilities of the role. This will be accompanied by a description of the skills and capabilities required. If a particular qualification is specified it will be made clear that equivalent qualifications, including those gained overseas, will be acceptable.
- Information on the background and context of the role will also be provided, in addition to information on the application process. This will include information on nationality restrictions.
- HR will ensure that the candidate pack displays the appropriate corporate branding and includes a clear statement on our commitment to diversity and inclusion. This statement will be tailored depending on the role. An example is given below:

The NAO has an active commitment to diversity and inclusion. Whilst we welcome applications from all candidates who can meet the role requirements, we would particularly encourage applications from individuals from black and minority ethnic backgrounds and from women who are currently under-represented at senior levels.

- The candidate pack will also make reference to the Disability Confident Scheme, including guaranteeing interviews to candidates with a disability who meet the minimum criteria for the role. If recruitment information is requested by a candidate in an alternative format (e.g. large print), this should be provided, as far as is reasonably practicable. Candidates will have the opportunity to request any adjustments or support needed for the assessment process if they are shortlisted for interview.
- It will be assumed that roles can be filled on a flexible or part-time basis, and will not be location specific (London v Newcastle), unless there is a clear reason why this would not be appropriate.
- Advertised salaries will be within the agreed salary range for the role, although the Executive Team may agree flexibility for exceptional candidates. Flexibility is likely to be restricted to senior roles.
- Newly created roles, particularly specialist roles in the Corporate Group, may be subject to external evaluation to determine an appropriate salary range.

6. Selection and assessment criteria

- Before a campaign becomes 'live' the hiring manager will agree with HR the assessment process for the role and any specific exercises or tests which will form part of the assessment.
- HR will be responsible for ensuring that any proposed tests have been reviewed for potential adverse impacts on particular diverse groups.
- The hiring manager, with the advice of HR, will create a selection grid setting out the key criteria against which candidates will be assessed. This grid will be used for the shortlisting process and subsequent assessment stages.
- The hiring manager will also agree the minimum criteria which need to be met so that candidates with a disability who meet these criteria can be invited for the first stage of the assessment process under the Disability Confident Scheme.
- In addition to the technical requirements for the role, the agreed criteria will consider how the candidate evidences their alignment to our corporate values, including their active support for, and experience of delivering against, diversity and inclusion objectives.

7. Marketing

- HR will advise hiring managers on the appropriate route to market, including the potential use of agencies and the use of specialist job boards targeted at under-represented groups.
- All adverts and other marketing materials will be reviewed to ensure the language used is inclusive and the information is accessible to candidates with visual and other impairments.
- The timing of campaigns will consider potential adverse impacts on diverse groups, such as the potential disadvantage to parents where campaigns are advertised during school holidays, or the impact on Muslim candidates during Ramadan.
- All external campaigns will be actively marketed to internal colleagues and care will be taken to ensure that potential candidates who are pregnant or are on maternity leave are not put at a disadvantage in making an application. We will also ensure that staff on secondment, career-break or long-term sickness absence are made aware of the opportunity
- NAO colleagues will be encouraged to use social media to highlight job postings and share their own experience of working at the NAO.
- Candidates from under-represented groups who indicate interest but don't complete the application process will be contacted and encouraged to submit an application.
- The pool of candidates attracted to each campaign will be kept under review as the campaign progresses, and additional marketing will be brought into play if the applicant pool is not sufficiently diverse.

8. Applications and shortlisting

- Other than for specific vacancies, for example where the campaign is outsourced to an executive search firm, all applications will be made through the NAO recruitment portal. This ensures that full diversity data can be captured.
- Where campaigns are expected to attract large numbers of applications, HR may agree to conduct an initial sift to create a longlist for the panel to consider.
- Shortlisting will be conducted using the selection grid agreed at the outset of the campaign. Ratings for both internal and external candidates will be against the same standard.
- The anonymised diversity profile of the proposed shortlist will be reviewed by the Executive Director from the relevant workstream and the HR Director. Their review will consider whether the profile is appropriately diverse, taking into account the pool of applicants and the external market for the post in question.
- If the shortlist is approved then the campaign can move to the assessment stage. If, however, the review concludes that the shortlist is not appropriately diverse the shortlisting panel may be asked to reconsider candidates discounted at the shortlisting stage or to consider additional marketing for the role. In some circumstances the campaign may have to be reconsidered and relaunched.

9. Assessments

- All assessment processes to be used in a campaign will be agreed prior to the campaign being approved. These will be adjusted to take into account reasonable adjustments required by any candidate.
- Assessments will be conducted in a fair, structured and consistent manner, giving candidates the best opportunity to evidence their suitability for the role.
- Assessments and write-ups will be appropriately recorded in FF (or any alternative system in use at the time).
- Interview questions will be directly applicable to the requirements of the role. They will also provide an opportunity for candidates to evidence their alignment to our corporate values and their active support for diversity and inclusion.
- For assessments involving a group of candidates, for example graduate assessment centres, every effort will be made to ensure that the pool of candidates is representative and diverse.
- Once all assessments have been completed the assessment panel will meet to review the ratings for each candidate and agree a recommendation(s) for appointment.
- Where multiple offers are being made, the anonymised recommendations will be reviewed by the Executive Director from the relevant workstream and the HR Director before offers are approved. For trainee and school leaver assessments this review will be conducted by the lead HR manager on the assessment day who will consult with the HR Director before offers are made.

10. Employment offers

- Once recommendations have been agreed, HR will take responsibility for advising candidates of the outcome of their application and liaising with the preferred candidate(s) over the detail of the offer.
- Salaries can be subject to negotiation within the agreed salary range, taking into account the skills and experience of the individual. Offers above the agreed salary range for an exceptional candidate can only be endorsed by the Executive Director, Strategy & Resources (or the C&AG for senior level roles).
- Research indicates that male candidates are more likely to enter into negotiations for a higher starting salary than female candidates, so HR will be alive to this risk during the negotiation process. All salary negotiations will set out clearly the wider benefits to candidates of joining the NAO, and bear in mind the principle of ensuring effective and appropriate use of taxpayers' money.
- Where a search agency has been used in the campaign they will act as a liaison point between HR and the preferred candidate.
- If a second or further candidate(s) is deemed suitable for the role they may be kept 'on hold' pending the progress of negotiations with the preferred candidate. If agreement cannot be reached with the preferred candidate, negotiations will commence with the 'on hold' candidate(s).

11. Onboarding

- Following acceptance of an offer, HR will maintain regular contact with the appointed candidate and be in a position to discuss with them arrangements for their onboarding and any support (eg workplace adjustments) which may need to be put in place in advance of them joining the NAO.
- The recruiting manager and the future line manager of the new entrant should also maintain regular contact. This will provide an opportunity to share information on our values and ways of working and make the new colleague feel engaged and supported before they arrive.
- HR will carry out pre-employment checks on the new entrant including reference checks, health questionnaires and baseline security checks. Where appropriate, higher level security checks, principally SC, will be carried out.
- Where any of these checks prove unsatisfactory the NAO may consider withdrawing the employment offer.
- Onboarding and induction will be co-ordinated by HR, in conjunction with the L&D Team and line managers.

Chapter 5A - Types of Engagement

Purpose

This policy describes the various contractual arrangements used by the NAO.

1. Open-ended contract

The majority of NAO staff are engaged on open-ended employment contracts which are, subject to probation and the satisfactory completion of pre-employment checks, permanent appointments for which there is no specified end date. The Office also employs a small number of staff under other contractual arrangements and engages temporary staff through agencies.

2. Fixed-term contract

The Office continues to see benefits in recruiting some staff on fixed term contract. Such staff might be recruited to mainstream roles to supplement existing resources for a limited time (eg. to cover for maternity leave) or where they are needed to work on specific, finite projects, for example, to contribute to particular VFM studies, to introduce new IT systems, or to bring specific expertise which

is needed for only a limited period. Graduate trainees will also continue to be recruited on fixed term contract on entry to the Office to run concurrently with their training contract.

Staff on fixed-term contract are eligible for annual leave, membership of the PCSPS, and all other benefits enjoyed by permanent staff, provided they meet the eligibility requirements. They are also subject to the Office's performance management arrangements and are eligible to apply for promotion opportunities and in open competition for other NAO vacancies that are advertised externally. If they are successful they will be re-appointed under the terms of the vacancy for which they applied.

How long are fixed-term contracts?

Subject to probation and the satisfactory completion of pre-employment checks, fixed term contracts are contracts of greater than twelve months but of finite duration, with a specified end date. Fixed term contracts may be offered where the Office wishes to bring in new and additional expertise relating to one area or sector of work, provided the nature of the work is specified in the contract and is not of a continuing nature.

Staff engaged on fixed term contract should not expect that their contract will be extended beyond its original termination date. In circumstances where their contribution is required for an additional period, a contract may be extended providing the maximum combined period of the contract is no longer than four years. Where a staff member's skills and experience have wider application across the Office, consideration may be given to converting the contract to open-ended status, subject to resource requirements. In all circumstances, staff on fixed term contracts will be informed of the action to be taken well in advance of the end of their agreed term of employment.

Criteria for offering contract extensions

The criteria for offering contract extensions will include the following:

- the staff member has specialist expertise that is required for a specific project or period that is longer than originally expected;
- the project for which they were recruited has been extended/delayed;
- further funding has been secured for the project.

Unless the continued use of a fixed-term contract can be objectively justified, anyone employed on a fixed term contract for four years or more or on a series of successive fixed-term contracts which extend the total period of employment beyond four years is considered in legal terms to be a permanent employee. This means that employees may de facto become permanent even where this is not the employer's intention. We would therefore wish to avoid extending contracts where that would bring the total period of employment, including extensions, to four years or more unless it were the intention to make the appointment permanent. Development Managers should consider whether there are objective grounds for a further fixed-term rather than a permanent contract and if so these grounds should be recorded otherwise staff whose fixed term contract has already been extended beyond four years will be converted to open ended contract subject to the criteria set out below. Where a contract is converted to permanent a written statement of variation will be sent to the employee to confirm the terms of their employment and their permanent appointment will be dated from the day immediately following the last day of their fixed-term contract.

Criteria for offering open ended contracts

The criteria for offering open ended contracts will be as follows:

- an ongoing need for the relevant skills;
- demonstration of commitment to personal development;
- potential to develop a career within the National Audit Office;
- an on-going requirement for resources at that level.

Procedure for Reviewing Contracts

When considering whether to extend a fixed term contract or convert to permanent the relevant manager should first consult with HR and agree the appropriate course of action, taking into account wider resource requirements. They should then hold a meeting with the staff member at least six months before the end of their contract, or at the point at which the contract enters the final quarter of its duration if sooner, and inform them whether a) an extension is to be offered and if so for how long

or b) conversion to an open ended contract is to be offered or c) the contract is to be terminated on the due date. They should also communicate the reasons for the decision and record the details of their meeting with the person concerned and send a copy of this record to HR.

Where an extension or conversion to an open ended contract is to be offered, the HR team will issue an offer letter, confirming any revised terms and conditions.

To ensure continuity of service any new contract or extension should start on the day immediately following the day on which the original contract ends. For staff whose contract will not be extended or converted, the HR team will issue a letter confirming that it will terminate on the original due date.

Non-renewal of a fixed-term contract is treated in legal terms as a dismissal and we therefore have to ensure that we comply with the relevant legislation. The procedure is set out in PC 02/06 and a letter has been drafted for Development Managers to use when inviting staff to a meeting to discuss their contract.

Appeals Procedure

Those who are informed that their fixed term contract will terminate can appeal against this decision in writing to the Chief Operating Officer (COO). This appeal must be sent within two weeks of the date of the letter from HR confirming that the contract will not be renewed and should set out the reasons for the appeal. An appeals decision will be made within two weeks of receipt of the appeal. The COO will write to the individual with the decision, which will be final

3. Short term appointment

A short term appointment is for a period of up to twelve months and cannot be extended beyond twelve months without conversion to fixed term. Short term appointments can be particularly helpful in meeting medium term resourcing needs, for example cover for maternity leave.

Employees on short term appointments can join the Principal Civil Service Pension Scheme and are entitled to annual leave and/or a period of notice. Short term service may count for the purpose of certain entitlements if the arrangement is converted to a fixed-term or open ended contract immediately after the expiry of the short term contract.

The recruitment process for short term staff will depend on the nature of the post and the length of the arrangement. Where appropriate, a competitive process similar to that used for appointing permanent and fixed-term staff should be followed but greater flexibility in the recruitment procedure may be allowed. Before a short term appointment can be converted to fixed term or open ended contract the appointee must have successfully completed a competitive selection process and will be subject to probation if their short term contracted is converted to fixed term or permanent.

4. Temporary agency worker

Short-term requirements may be covered through the use of temporary workers hired through an employment agency. The HR team recruitment specialists are responsible for the procurement of temporary workers and have arrangements with a number of preferred suppliers but responsibility for selecting staff may be delegated to line managers. Temporary workers remain contracted to the agency that employs them and the Office is charged an hourly fee for their services.

Under the Agency Workers Regulations 2011, temporary workers engaged through an employment agency are entitled to the same basic employment and working conditions as if they had been recruited directly after completing a qualifying period of 12 weeks on the same assignment (calendar weeks will be accrued regardless of how many hours the worker does on a weekly basis). This will include:

- Basic pay based on the annual salary an agency worker would have received if recruited directly
- Overtime payments
- Payment for annual leave over and above the statutory paid holiday provided by the employment agency
- Access to childcare vouchers
- Paid time off for antenatal appointments

Agency workers will also be entitled to access to job vacancies and the same facilities as staff directly employed by the NAO from the first day of their assignment.

These benefits must be provided by the agency but it is likely that the agency will seek to pass on their cost by increasing the rate of the hourly fee that they charge to the client. In all cases the HR recruitment specialist will work with the employment agency and the hiring manager to agree the comparator pay rate and ensure that the agency worker is aware of how to access the NAO's facilities and job vacancy information.

Chapter 6 - Probation

Purpose

The purpose of the probation policy is to ensure that the probation process is undertaken in a fair and consistent manner, within a supportive framework.

1. Policy statement

The purpose of the probation period is to allow the NAO to gauge, within a supportive environment, whether the new employee is able to demonstrate fully the standards of capability, conduct and attendance required in the role in which they are employed at the NAO, before a decision is taken to either confirm or terminate their employment.

Probation should be regarded as a constructive process by both management and the new employee. The NAO is more likely to retain valuable staff if they receive appropriate support during their probation period. The probation period will be closely supervised so that the new employee has every opportunity to complete it successfully, and all staff have a responsibility to help new employees settle in and to give them appropriate support.

Line Managers are responsible for monitoring the new employee's performance, conduct and attendance during their probation period, and for completing the probation process in a very timely manner. Performance should also be monitored by the relevant Assignment Managers/Directors for Audit Staff, and the Professional Training team will also monitor the performance, attendance and conduct of Trainees at college.

Assessment of probation periods will be based solely and objectively on employees' performance, conduct and attendance, in keeping with NAO's policy on Equality and Diversity. HR Business Partners are available to advise Line Managers on all the aspects of managing probation.

Whilst probation should - of course - be a constructive process, from time-to-time there may be cases where employment should be terminated before the end of the probation period in the best interests of our business. At any time during probation, employment may be terminated with one week's notice or pay in lieu of notice if an employee clearly does not meet the required standard (performance, conduct or attendance) and is not expected to do so within a reasonable time. Before taking any such decision, Line Managers - in consultation with the relevant Group People Director and HR Business Partner - will give full consideration to the likely benefit of further training and support and will consider carefully the details of the individual case (e.g. possible implications of a disability). If employment is terminated before the end of probation, or at the end of probation, we will follow the process set out in Annex 1.

2. Topics covered in this chapter

This chapter looks at the following topics:

1. Probation periods
2. Managing Probation

Finding further Information

There are key links between managing probation and other aspects of managing staff performance such as staff appraisal. You can find more information about Performance Management on the Performance Management Framework pages. Information on Learning Choices may also be helpful.

a) Other chapters in this HR Manual, which might be helpful include:-

- Chapter 10 - Hours of Work and Attendance
- Chapter 11 - Managing Sick Absence
- Chapter 19 - Managing Misconduct
- Chapter 20 - Managing Under-Performance

3. Probation periods

All new employees to the NAO must successfully pass a probation period before their appointment is confirmed, with a small number of exceptions. These exceptions are:-

- Staff employed on a fixed term appointment for less than 1 year;
- Staff employed on a recurring temporary basis;
- Existing staff who are promoted, and who have already completed a probation period with the NAO;
- Staff who are re-employed by the NAO in the same grade or job after a break not exceeding six months who have successfully completed a probation period during their previous NAO employment; and
- Staff who are given an open-ended contract, after completing a fixed-term contract, where probation has already been completed successfully in the fixed-term post.

In these exceptional cases, Line Managers must still closely monitor and manage employees' performance and provide support on an on-going basis.

Length of Probation

Probation commences on the date a new employee starts work. Probation periods are as follows:

STAFF GROUP	PROBATION PERIOD
Audit and Corporate Services Staff on fixed term (of 1 year or more) or open ended (permanent) appointments	26 weeks
Assistant Auditors and Audit Technician Trainees	26 weeks

Formal Reporting Arrangements for Probation

The first 26 weeks of an employee's appointment is a probation period. At the end of this period, or at any time during this period, employment may be terminated with one week's notice or pay in lieu of notice.

During the probation period, the employee's performance and suitability for continued employment will be monitored by their Line Manager. He/she must deal as quickly as possible with any cases where performance, attendance or conduct is below the required standard, consulting Group management and HR Business Partners in a case review as early as possible to determine the best course of action.

The Line Manager may decide to extend the length of the probation period in exceptional cases, and the length of the extension will depend upon the specific nature and circumstances of the case. Where an employee has not been able to demonstrate they have achieved the required standard (for instance, due to sickness absence, disability leave, or maternity/paternity or adoption leave), the NAO may extend the length of the probation period to allow the employee a fair opportunity to demonstrate

that they meet fully the requirements of the role and for the Line Manager to have an opportunity to make an informed assessment of the employee's capacity to deliver fully the role.

In the month before the end of the probation period, the employee's Line Manager will be required to consider carefully the employee's performance, attendance and conduct and complete a Probation Report in consultation with the Assignment Manager/Director for Audit Staff. Where an employee is engaged as an Assistant Auditor or Adult Technician Trainee, the Line Manager will take into account any feedback from the Professional Training Team regarding the trainee's attendance and performance at college.

This report, including the decision to either confirm or terminate employment, should be ready wherever possible - by the end of the probation period in a timely way. Once the report has been produced, the employee's Line Manager is required to inform the employee in writing if they have passed their probationary period or not. This should be done as quickly as possible. Passing the probationary period is dependent upon fully satisfactory performance, conduct and attendance, as set out in more detail below.

4. Managing probation

This section covers the following key aspects of managing the probation of new employees.

- (a) Explain the purpose of probation
- (b) Agree objectives and standards
- (c) Supervision, training and support
- (d) Monitor and appraise
- (e) Two-way feedback
- (f) Investigate poor attendance
- (g) Manage under-performance
- (h) Deal with poor conduct
- (i) Explaining the outcome of the probation period

(a) Explain the purpose of probation

Probation is a trial period for a new employee. It allows the Line Manager to assess objectively whether the new employee is suitable for the role and should take into account the individual's overall capability, skills, attendance, performance and conduct. When an employee takes up a role at the NAO, Line Managers are responsible for explaining the following to them:-

- The purpose, and importance, of probation
- The required standards of performance, conduct and attendance
- The length of the probation period
- The fact that they are undergoing a trial period and are monitored during probation
- How their probation period will be managed, supervised and monitored
- Sources of help during probation
- Possible outcomes of probation and factors that will be taken into account when considering if an employee has satisfactorily passed their probation period.

(b) Agree objectives and standards

Line Managers should ensure that new members of staff understand the standards of performance, attendance and conduct required of them. Individual staff should take ownership for having up-to-date, relevant and agreed role and development objectives. A standard template for objectives can be found on the Performance Management Framework.

- Objectives and standards may relate, for example, to:-
- assignments to be delivered
- technical skills and specific behaviours
- quality of work
- work productivity and output
- wider contribution
- attendance
- building relationships and other personal skills

- management of resources
- long term development needs.

(c) Supervision, training and support

Line Managers are responsible for giving new staff the support and guidance they need to help them achieve satisfactory performance during probation, and should identify any specific training or development needs as early as possible.

Line Managers should ensure that:

- New staff know how, and from whom, to seek information and guidance to help them fulfil their duties and develop their skills;
- Reasonable adjustments are made promptly for disabled staff who require them; and
- Staff working with new employees have a supportive attitude and play an integral part in providing assistance.

Line Managers should bear in mind that performance may be adversely affected by particular factors during probation, such as:

- Problems in establishing effective relationships with other staff
- Personal matters, such as acclimatising to a new geographical area
- Lack of awareness of policies and procedures
- Learning to cope with new technology; and
- Ill-health and personal circumstances.

Line Managers should consider supporting staff or directing the individual to the Office's Employee Assistance Programme if problems of a personal nature, rather than lack of competence, appear to be affecting the employee's performance, attendance or conduct.

Line Managers should also engage immediately with relevant HR Business Partners or specialists in the HR team if they encounter issues of ill-health or require advice regarding an employee's identified or possible disability.

(d) Monitor and appraise

Line Managers should informally monitor progress during probation periods on an on-going basis. Any issues may be dealt with more effectively on an informal basis at the time. Assignment Managers and Line Managers should also ensure that regular and honest feedback is given to staff through performance discussions, followed up by written Snapshots and appraisals during probation period.

If during probation the employee is not achieving the full standard of performance, attendance or conduct required then appropriate action should be taken quickly in consultation with their Group management and relevant HR Business Partner. This could involve further support and development or termination of employment (see sections f and g)

As set out above, at the end of the probation period, the Line Manager is required to produce an honest and objective Probation Report. Within the Probation Report, the Line Manager should provide all the relevant information requested, and any supporting documentation, to help ensure that a fair and effective process is followed.

(e) Two-way feedback

Line Managers should provide individuals with regular feedback on performance during their probation period, both at formal review meetings, and on an on-going informal basis. This will help ensure they focus on any areas where improvement may be required. Probation should be regarded as a two-way process as new employees will also be assessing whether they are comfortable with the work and environment of the NAO. Employees on their probation period should be encouraged to express their views and any concerns openly so they can, where appropriate, be addressed as early as possible.

(f) Investigate poor attendance

Poor attendance at work may be due to a whole range of factors including personal circumstances, ill health, disability, stress or a poor work attitude. Any concerns about the attendance record of an employee during their probation period should be investigated and addressed at the earliest opportunity. Where necessary, the Line Manager should provide appropriate support to the employee to manage their absence. See Chapter 11 for guidance on Managing Sick Absence.

A Line Manager should take into account an employee's attendance and sick leave record when assessing whether they have satisfactorily passed their probation period, together with their performance and conduct.

In some cases, an employee may be absent for a significant part of their probation period. This may be the result of sickness or disability absence, or maternity/paternity or adoption leave. In such cases, the Line Manager may decide to consider extending the employee's probation period with a view to giving the employee a fair opportunity to demonstrate that they meet the requirements of the role to a satisfactory standard and for the Line Manager to have an opportunity to make a more informed assessment of the employee's performance, if required.

In cases of absence relating to disability, the Line Manager should consider advice from occupational health and whether the employee may require reasonable adjustments to assist them in the role. In such cases, the Line Manager should seek appropriate advice from the relevant HR Business Partner.

(g) Managing Underperformance

Line Managers should ensure that unsatisfactory performance during the probationary period is addressed quickly and effectively. Depending upon the nature and severity of under-performance, Line Managers, in consultation with Group management and HR Business Partners, may consider which of the following options should be applied:-

Terminate employment at any time during probation or at the end of probation with one week's notice if an employee does not meet the required standard and is not expected to do so within a reasonable time. Before taking any such decision Line Managers will give full consideration to the likely benefit of further training and support and will follow the fair process set out at Annex 1.

OR

Provide more structured support and tracking (e.g. through regular meetings and an action plan with clear and specific targets for improvement) if the employee is expected to fully meet the required standard within a reasonable time during the probation period.

With option (b) above, it should be made clear to the employee that there is a risk their probation will not be confirmed at the end of their probationary period if their performance does not improve. If an employee has reasonable adjustments in place due to a disability then any action plan or case summary should explain clearly how these reasonable adjustments have been taken into account, including how documented medical symptoms could impact on the individual's performance.

Choice of which option to apply is a judgement for NAO management based on the available information and evidence.

(h) Dealing with poor conduct

The NAO expects all staff to demonstrate consistently high standards of conduct consistent with our values, Code of Conduct, and our policies and procedures. We are all individually responsible for understanding these requirements and for demonstrating behaviour consistent with them.

Line Managers should investigate and address robustly any poor conduct. Line Managers may consider terminating employment at any time during probation if during probation an individual either: demonstrates an incident of serious misconduct; or a series of relatively minor conduct issues which taken together mean the individual's conduct is below the required standard and is sufficient to undermine the full confidence of management in the individual's suitability. In such circumstances the Line Manager should follow the procedure set out in Annex 1.

When an offer of employment has been accepted HR will carry out pre-employment checks by obtaining an employer reference and conducting security vetting procedures. Where an employer

reference is not forthcoming upon request, the new recruit will be asked for an alternative referee. If a reference has not been secured by the end of probation, the line manager completing the probation assessment should pay particular attention to conduct to ensure they are satisfied that they have full assurance regarding the individual's suitability for continued employment.

(i) Explaining the outcome of the probation period

On commencement of their employment, Line Managers should explain to employees the possible outcomes of a probationary period:

- Appointment confirmed; or
- Appointment terminated; or
- Probation extended with a further evaluation of suitability.

Appointment confirmed

Staff who have successfully completed their probation period will be advised in writing by HR that their appointment is confirmed. This notification will be done as quickly as possible and normally within one week following the end of their probation period.

Appointment terminated

The process for considering termination of employment is set out at Annex 1.

If at the end of probation (or at any time during probation) conduct, performance or attendance issues mean the probation period is not successfully achieved, and the Line Manager is therefore considering termination of employment, the Line Manager will write to the employee inviting him/her to a review meeting. At this meeting the employee may be accompanied by a Trade Union representative or NAO colleague. The purpose of the meeting will be to discuss the employee's probation period in more detail and the Line Manager must warn the employee that one of the potential outcomes of the meeting is the termination of their employment. Staff who have failed their probationary period remain on probation during the time between the expiry of their original probation period and confirmation of the outcome of this meeting, unless otherwise notified.

Except where not reasonably practicable, a meeting should be held within two weeks following the end of the employee's probationary period (unless of course termination is considered during probation). Following the meeting, the Line Manager will consider any representations made by the employee concerning their performance, conduct or attendance during the probationary period. The Line Manager will determine whether it is appropriate to extend the employee's probationary period (in very exceptional circumstances) or terminate their employment. The Line Manager will then communicate this decision, and the reason for the decision, to the employee in writing (under normal circumstances) within one week following the meeting. Where a decision is made to terminate employment, the Line Manager will provide the employee with one week's notice (or pay in lieu of notice) and advise the employee of their right of appeal.

Probation extended

Probation should only be extended in very exceptional circumstances where there is a clear justification. Probation should be managed proactively within the standard period so that in the vast majority of cases an extension will not be required.

A Line Manager may decide to extend the probation period. This decision is most likely to be made at the end of the initial probation period or at a case/ review meeting during or following failure of the initial probation period. This should only be done where there is a realistic likelihood of the employee achieving a fully satisfactory standard of performance, attendance or conduct, during the period of probation extension. Where a decision is made to extend a probation period, the Line Manager will confirm that decision in writing to the employee. The Line Manager will set out the areas where improvement is required and warn the employee that their employment may be terminated at the end of the extended probationary period if the employee fails to achieve satisfactory performance, conduct and/or attendance.

As set out above, an appointment may be terminated at any point during the probation period if an employee does not meet the required standard and is not expected to do so within a reasonable time. However before taking any such decision, Line Managers should give full consideration to the likely

benefit of further training and support. In such cases, except where it is not reasonably practicable, Line Managers should follow the process set out in Annex 1.

Note: within this policy there is reference to elements of the process being completed within particular time-periods. The intention is that all stages of this process should be done in a very timely way as quickly and as efficiently as possible in order to be reasonable to individuals who are on probation and in the best interests of our business. There may, however, be exceptional circumstances where this proves to be challenging (e.g. unexpected or extended absence of a Line Manager or individual on probation).

Annex 1 - Process for considering dismissal

Line managers in consultation with HR may terminate employment at any time during probation, or at the end of the probation period, by following this process:-

1. Write to the employee, setting out the performance/attendance/conduct concerns clearly, and inviting them to a meeting to discuss this. The letter will indicate that a potential outcome of the meeting is termination of employment. The letter will also confirm that the employee may arrange to be accompanied at the meeting by a trade union representative or NAO colleague;
2. Hold a meeting to discuss the performance/attendance/conduct concerns. The employee may respond to the case and make representations. He/she may be accompanied by a Trade Union Representative or NAO colleague. The meeting will also serve as a useful opportunity for managers to consider the likely benefit of further training and support, or any reasonable adjustments that the employee might require to carry out their role; and
3. If the outcome of the meeting is to terminate employment, then write to the employee setting out the reason(s) for dismissal (e.g. capability and/ or conduct) and the process of appealing the decision.

Chapter 7 – Pay

Purpose

The purpose of the pay policy is to set out a clear and transparent framework for determining the pay of all colleagues. The policy ensures that the NAO remains competitive in the external market, is in a position to attract and retain the talented staff we need for our business and has a pay system that is fair and transparent.

1. Introduction

We want the NAO to be a fantastic place to work for all our people and an exemplar organisation. Our ability to attract, retain and develop high quality staff is crucial to our work. A pay framework which: is part of a positive reward package: offers opportunities for career and pay progression: and is competitive in the external market is an essential part of our Employer Value Proposition (EVP).

Decisions made by the office on pay take into account a range of factors including: the competitiveness of our pay within both the public and private sectors; inflation; cost of living and other relevant market factors.

We also need to pay due regard to the terms and conditions of the civil service and ensure our framework remains defensible to the Public Accounts Commission.

The pay system aims to:

- Enable us to attract and retain staff with the talent and skills we need
- Provide progression through individual pay ranges, particularly during the early years in a grade.
- Take into account how external factors such as cost of living may have a greater impact on lower paid staff and look to mitigate this where possible.
- Be a key component of how we motivate and recognise staff

- Be open and transparent
- Be seen to be fair and subject to equal pay proofing.
- Provide rates of pay which take into account the wider labour market.
- Be affordable and defensible.

2. Pay and Reward Policy

Pay Ranges

- All grades, (except Audit Associate, Audit Associate Apprentice, Analysts, and Executive Director) are paid within an individual pay range with a set minimum and maximum. Ranges are subject to annual review and potential revalorisation following negotiation and agreement with the Trade Union side (TUS).
- There are separate ranges in London and Newcastle for all grades, other than Director and Executive Director.

On appointment, staff joining the Office will normally be offered a starting salary within the appropriate range for their grade and location and in line with our recruitment principles. Staff promoted into a new grade are expected to move to the minimum of their new pay range, subject to this providing them with a minimum increase on promotion

Annual Pay Awards

- Rates of pay and pay ranges are subject to review in April of each year in negotiation with the trade union. The key elements of this annual review are set out below. Pay increases are awarded annually from 1st April and are based upon assessed performance in the previous calendar year (1st January to 31st December). Increases are awarded to staff rated either Highly Valued or Mitigating Circumstances. This increase will usually be a uniform percentage award across all grades.
- To be eligible for an annual pay award, colleagues must have joined the office on or before 30 September in the previous calendar year.
- Staff who join the Office between 1st October and 31st March and who do not, therefore, qualify for an annual performance appraisal will only have their pay increased if it falls below the new range minimum for their grade after pay ranges have been revalorised under the annual pay award.
- Staff rated Performance Concerns on their annual appraisal for the previous calendar year will not receive a pay increase as part of the annual pay review in April. However, they will receive an increase, effective from 1 July, if they are rated Highly Valued or Mitigating Circumstances in their interim appraisal for the following year.
- Staff in the Audit Apprentice, Audit Associate and Analyst grades, who are paid on incremental pay scales, will have their incremental pay points reviewed from 1 April each year and will move the revalorised rate for their pay point on 1 April
- The rate of pay of Executive Directors is determined by a separate pay framework and agreed annually by the NAO's Remuneration & Nominations Committee (Remco). Details of this framework are provided at Annex 1.
- As part of the annual pay review the minimum and maximum of each pay range and the rate of allowances will be reviewed ('revalorisation').
- The level of percentage pay increases awarded each year and any revalorisation of pay ranges and incremental pay points will vary from year to year and there may also be variation between the revalorisation of different pay ranges (including at different locations) and allowances. Levels of increase and revalorisation will be negotiated and agreed with the TUS as part of the annual pay round.
- Pay may be made up of consolidated pay (basic salary within the minimum and maximum of the pay range), additional allowances, elements of pay retained on a mark-time basis (see 'Mark-time pay' below), non-consolidated payments (such as above range payments) and paid overtime.
- Pay increases will be applied as an increase to current consolidated pay excluding any allowances, mark-time elements, non-consolidated payments or paid overtime. However, if

this results in a decrease in the cash value of an individual's pay compared to the previous year, they will maintain their previous salary level. Staff will not be paid less than the minimum of the appropriate range unless they are under disciplinary action for performance or conduct and have been rated Performance Concerns in their latest appraisal.

- Staff who are under formal disciplinary action due to poor attendance caused by sickness absence are likely to be rated Mitigating Circumstances and will, therefore, receive a pay award and have their rate of pay moved to the new minimum for their grade if it falls below the minimum following revalorisation.
- Staff whose consolidated salary is at, or reaches, the maximum of their range or performance ceiling will have their pay capped at the maximum and receive that part of any pay increase which takes them above the re-valorised maximum as a re-earnable, non-consolidated but pensionable pay element payable in twelve equal monthly payments from 1st April to 31st March. However, in circumstances where the next annual pay award is delayed from April and has not been implemented when these payments are due to end, then recipients will have the option for payment to continue until the following pay award is implemented, whereupon a reconciliation of any over-payment or underpayment will be made.
- If staff qualify for an above range payment whilst they are on mark-time pay, the payment will not reckon towards the erosion of the mark-time element of their pay (see 'Mark-time pay' below) but will be paid in addition.

Pay Progression

For Directors, Senior Audit Managers, Audit Managers, Senior Auditors, Senior Analysts, Senior Audit Associates, Audit Technicians and AO (Audit)s who are paid in our 'standard' pay ranges for these grades (**ie not including those in market enhanced pay ranges**):

- Progression will be through the value of each year's annual pay award which is effective from 1 April. The rate of progression will be dependent on the level the annual pay award exceeds any revalorisation of the minimum and maximum of the appropriate grade pay range. Staff who have been rated as Performance Concerns on their annual appraisal for the previous year will not receive a pay award on 1 April. If they are subsequently rated Highly Valued on their interim appraisal, they will receive that year's pay award from 1 July. This will not be backdated.
- In addition, pay progression is underpinned by a guarantee that staff in the relevant grade (excluding those in market enhanced pay ranges) will progress to the mid-point of their pay range which we consider to be the rate for the job. This will be after two years for Audit Managers, Senior Auditors, Senior Analysts and Senior Audit Associates, after three years for Senior Audit Managers and after four years for Directors. Guaranteed progression reflects the expectation that colleagues will generally undertake a steeper learning curve during their early years in a new grade.
- On the anniversary of joining the grade, the pay of any individual who has not progressed to these guaranteed pay levels after the appropriate length of time in the grade will have their pay increased to these rates. Once individuals have progressed to their range mid-point they will benefit from further progression to the range maximum through the value of each year's annual pay award.

The differential between the rate of revalorisation and the annual pay award will be determined each year as part of the annual pay review following negotiation with the Trade Union and taking into account the range of factors outlined in paragraph one. The following key principles will help inform decisions:

- Our aim that staff will progress through their pay scale in a reasonable time frame. For staff below Director, the aim is that staff could expect to progress through the band within eight years, although this may be affected by a range of external and internal factors.
- The expectation that pay awards are fair for all staff, including those at the top of their band.

Minimise the instances and impact of potential leapfrogging.

In some cases, the balance between providing all staff with a meaningful pay increase on promotion, and setting appropriate pay ranges means staff may join a new pay range at a higher rate of pay than those already in post (known as 'leapfrogging'). At each pay award, the office will consider the potential for leapfrogging with the aim of limiting this as much as is practicable. Where leapfrogging cannot be avoided, the aim is that its impact will be limited to a maximum of one year as long as this is practicable.

Incremental Pay

- Incremental pay scales can provide an appropriate framework for staff in training programmes or those in entry level posts where colleagues are developing their skills and knowledge and have a reasonable expectation of promotion into a more senior role within a relatively short timeframe.
- Within the NAO, Audit Apprentices, Audit Associates and Analysts are paid on an incremental scale with increments falling on the anniversary of their appointment to the grade, unless increments are deferred for any reason. Increments will be reviewed as part of the annual pay award and may be adjusted following negotiation and agreement with the TUS.
- Audit Apprentices, Audit Associates and Analysts will usually join the office on the first incremental point of their scale, although there may be flexibility in starting pay for candidates, particularly Analysts, who bring particular skills or levels of experience to the NAO.

Executive Director Pay

Executive Directors are paid a spot rate at one of three pay levels: Developing rate; Target rate or Premium rate. These rates are revalued annually by an amount agreed by the Remco on the recommendation of the C&AG. This increase will take into account the annual pay award for the wider office, data on comparator senior roles elsewhere and any other relevant strategic considerations (such as senior pay policy in the public sector). Movement of an individual Executive Director from the Developing rate to the Target rate (or in exceptional circumstances from the Target rate to the Premium rate) is subject to the approval of Remco on the recommendation of the C&AG. There is no distinction between the pay arrangements of those Executive Directors who are members of the board and those who are not. Details of this framework are provided in Annex 1.

Backstop Award

- When the current pay framework was introduced in 2023, we recognised that a number of colleagues had made limited pay progression through their pay range as a result of depressed pay awards over a number of years under our previous pay framework. To address this, we took the decision to increase the rates of pay of all colleagues with seven or more years' service in their grade as of 31 March 2023, to the 60th percentage of their new salary range.
- These payments related only to the pay position of staff on 1 April 2023 as they were directly related to the limited pay progression of individuals under our previous pay framework.
- Our consideration of each year's annual pay award includes a review of the pay position of staff who have completed seven or more years' service in their grade as of 31 March in the relevant year. This review considers whether any additional increases, over and above the increases applied under the annual pay award and increases related to guaranteed pay progression, may be justified based on comparable rates of pay for others in the grade.

Market Enhanced ranges

- In line with our objective of ensuring the NAO has the capacity to recruit and retain the skills it needs, we operate separate market enhanced pay ranges for each of our audit grades (except Senior Audit Associate, Audit Associate, Audit Apprentice, Audit Technician and AO

(Audit)). These ranges provide a higher pay ceiling for those who are performing roles which are essential to our work programme and attract a premium in the market.

- Details of this element of our pay framework are provided at Annex 2. In summary, market enhanced ranges have a minimum set at the 75th percentage point of the standard pay range for the grade and extend to a maximum which is set 20% above this. The Director market enhanced range has a range length of 30%.
- Staff in market enhanced pay ranges will not receive guaranteed pay progression to the mid-point of their range over a specified time-period. This reflects the fact that staff paid in these higher ranges will have already demonstrated they have specific skills and relevant experience in their role. Unlike colleagues in our 'standard' pay ranges, these staff are not expected to have a noticeable learning curve before they are fully effective in the grade.

Other factors affecting pay

Substantive promotion

On promotion, staff will enter the pay range for the higher grade at the minimum of the new range point.

For promotions to Director and Senior Audit Manager (Financial Audit), if this starting rate does not provide an increase equivalent to at least 5% of the previous rate of pay (including reckonable allowances) then a 5% increase will be applied. The exception to this will be if the 5% increase is above the maximum of the new (promoted into) salary range, in which case pay will be limited to the maximum of the range.

For all other grades, including promotions to Senior Audit Manager (VFM) if the starting rate does not provide a pay increase equivalent to at least 10% of the previous rate of pay (including reckonable allowances) then a 10% increase will be applied. The exception to this will be if the 10% increase is above the maximum of the new (promoted into) salary range, in which case pay will be limited to the maximum of the range.

Any allowances that are reckonable for the calculation of starting pay on promotion will be subsumed into the calculation of starting pay of the individual and will not be retained separately.

Temporary promotion

Starting pay on temporary promotion is calculated in the same way as starting pay on substantive promotion. Full details of the terms and conditions of temporary promotion are set out in Chapter Fifteen of the HR Manual. In general, staff on temporary promotion will assume the full terms and conditions of the higher grade and will be paid at the higher rate for any periods of sick leave or annual leave taken during the period of temporary promotion. They will revert to their substantive rate of pay at the end of their period of temporary promotion, taking into account any notional increases awarded (see para below).

Annual performance assessments for those on temporary promotion are based on their performance against the standard for their substantive grade not their temporary grade. If an individual remains on temporary promotion at the point of the annual pay award their pay in the substantive grade will be notionally increased and their pay in the higher grade will be recalculated using their revised notional salary and the process for calculating starting pay on promotion. If the cash value of any increase in their notional pay is greater than the cash value of the increase in their pay for the higher grade, then the larger amount (including any above range addition) will be added to their pay in the higher grade. Any pay increases due as a result of recalculation of starting pay on temporary promotion will apply even if the individual has, by the time the recalculation is made, reverted to their substantive grade and any arrears due will be payable up to the date of reversion.

Any above range addition that applies to the substantive grade will be applied notionally to substantive pay whilst temporary promotion lasts (ie. it will not be paid in addition to pay in the higher grade) and will have exhausted if reversion takes place after the effective end date of the addition.

If an individual is promoted substantively to the higher grade during a period of temporary promotion their starting pay in the higher grade will be equivalent to their rate of pay whilst on temporary promotion. They will not receive a second promotion increase.

Staff on temporary promotion will have any pension contribution (see 'Deductions from pay' below) deducted at the rate applicable to the rate of pay in the higher grade.

Job evaluation

Corporate service jobs are organised into separate job families and bands and pay ranges for these jobs have been determined by evaluating them and benchmarking against pay rates for similar jobs in the external market. Where the evaluation suggests that there is no significant difference between jobs within a job family they have been grouped together for pay purposes.

Progress through these ranges is based upon performance in the normal way although, where a job grows over time, it may be re-evaluated and given a higher pay range when benchmarked against market comparators. The process for re-evaluating jobs is set out in Annex G.

Movement between bands will be subject to the normal promotion procedures through open competition and pay in the higher band will be subject to the normal rules for determining starting pay on promotion. Movement between jobs within a band or where a job is re-evaluated but remains within the same band is not regarded as a promotion and such movements need not be subject to open competition. If re-evaluation of an individual's job results in a higher pay range for the job but the job stays within the same band or if an individual moves to a job with a higher pay range but within the same band as their previous job the Executive Director for the Corporate Group will determine a starting rate in the new job based on a written submission from the HR Director.

A description of the corporate service job families and broad bands can be found at Annex H.

Secondment

All staff seconded out of the NAO will normally remain on the NAO payroll and be subject to the pay and terms and conditions appropriate to their employment with the NAO. All staff on outward secondment will remain subject to the NAO's performance appraisal and pay arrangements during their secondment and are eligible for pay increases in the same way as other staff following completion of the annual appraisal round. Secondees who transfer onto the payroll of their host organisation will receive a pay award if they are in post at the NAO on 1st April and their pay will be notionally increased thereafter until they return to the NAO, whereupon their notional rate of pay will be brought into payment.

Part-time staff

Part-time staff receive pay awards in the same way as those working full-time except their pay is pro-rated to reflect their reduced hours after the pay award has been applied to their full-time equivalent rate.

Maternity Leave

Staff on maternity leave who have given a minimum of three months service during the relevant reporting year will receive an annual performance appraisal and have their pay increased accordingly at the date of the annual pay award but should ensure that their annual appraisal is completed before their maternity leave begins if they are likely to be absent when it would normally fall due. Staff who are not given an annual performance assessment because of absence on paid or unpaid maternity leave for the whole or part of the year (ie. they would otherwise have been appraised were it not for maternity leave) are deemed to have attained the same level of performance as they achieved in the previous reporting year and their pay will be increased at the date of the annual pay award. If maternity leave is unpaid at the date of the pay award these changes will apply notionally and will be brought into payment when the individual returns to work. The notional salary will include all annual pay awards and additional increases the individual would have received, for example, guaranteed pay progression. If the deemed rating is Performance Concerns, this will apply for one year, and any subsequent pay awards due to be applied before they return to the office will be based on a rating of Highly Valued.

Long-term sick leave

Staff who have not given a minimum of three months service during the reporting year due to sick absence will receive a pay award related to their performance in the previous reporting year. If this

rating is 'Performance Concerns' the deemed rating will apply for one year, and any subsequent pay awards due to be applied before they return to the office will be based on a rating of Highly Valued.

If sick leave is unpaid or paid at pension rate these changes will be applied notionally and brought into payment when the individual returns to duty.

Career break

Staff on career break who have given a minimum of three months service during the reporting year will have their performance appraised and will receive a pay increase at the annual pay review date. Staff who have not returned to duty will receive a notional pay increase at the date of the annual pay award which will be brought into payment when they return to duty. Their notional pay will also include any additional increases the individual would have received, for example guaranteed pay progression. Staff who are due an annual appraisal but who are likely to be absent on career break when their appraisal is due should complete their appraisal before their career break starts.

Staff who have not given a minimum of three months service during the reporting year because they have been on career break are not given an appraisal rating but will have their pay award calculated based on their most recent appraisal.

If this rating is 'Performance Concerns' the deemed rating will apply for one year and any subsequent pay awards due to be applied before they return to the office will be based on a rating of Highly Valued.

Mark-time pay

In some circumstances an individual's new rate of pay (their 'substantive pay') can fall below that of their current rate. These circumstances include: if they are relocated; downgraded to a lower grade; cease to be eligible for an allowance they were previously receiving; have their pay adjusted as a result of organisational restructuring; or the maximum of their pay range is reduced below their existing rate of pay. Where these circumstances occur, the individual may retain their higher rate of pay on a mark-time basis ('mark-time pay') for a maximum period of two years. Any pay increases due will be applied to substantive pay and the difference between mark-time pay and substantive pay ('the mark-time element') will be eroded by these increases until it disappears altogether, or until the two year period is reached. If the difference has not been eroded by the end of the two year period, the individual's rate of pay will be reduced to their substantive rate.

Staff for whom a mark-time element is in payment and whose substantive pay is at or reaches the maximum of the range will, however, receive any above range payment applicable to substantive pay resulting from the pay award as a non-consolidated but pensionable bonus paid in twelve equal monthly instalments. Any non-consolidated element of basic pay will not, however, be taken into account in the erosion of the mark-time element. Please note that some allowances will not be retained on a mark-time basis (see section 7.5 below).

Transfer to a new location

When staff are permanently transferred to a new location to which a different pay range applies they will maintain the same position in the new pay range as they held in the old range. Where the new location attracts a higher rate of pay this will result in an increase in pay but where a lower range applies the individual will retain the higher rate applicable to the old location on a mark-time basis for a maximum of two years.

If the transfer is on a detached duty basis, staff will retain the pay and terms and conditions appropriate to their permanent duty location unless detached duty is to a location that attracts a higher pay range. In these circumstances staff will transfer to the higher range at the same position they held in the old range. Any pay increases that fall due during the period of detached duty will, therefore, be applied both to the detached duty rate and, notionally, to the rate applicable to the permanent location (the substantive rate). Upon return to the permanent location staff will revert to the substantive rate as notionally increased where applicable and will not retain the higher rate on mark-time.

Resignation/Termination

Staff who resign from the Office or whose contracts are terminated, but who were employed by the NAO on 1st April are eligible for a backdated pay award to that date. Staff who retire and were employed by the NAO on 1st April will be due a backdated pay award and their pension award will be recalculated to take into account any retrospective pay increases.

(d) Pay Administration

Methods of payment

Salaries are payable for each calendar day and the working week, for pay purposes, runs from Monday to Sunday. Salary payments are made in arrears in twelve equal instalments on the last working day of each calendar month. Payment is by credit transfer into a bank, building society or giro account. Pay is administered by Finance (Payroll) and payslips are made available on Merlin in the last week of the month. Queries relating to payslips should be made to Finance (Payroll) in the first instance.

Deductions from pay

Income Tax and National Insurance

Income Tax and National Insurance is deducted from gross salary at source (PAYE). A statement (P60) showing total pay and the amount of Income Tax and National Insurance deducted in the last financial year is issued annually on or about 5th April.

Pension contributions

All members of the Principal Civil Service Pension Scheme (PCSPS) are required to contribute towards their pension and this contribution will be deducted from salary up to the level of the earnings cap, if applicable. Different contribution rates apply to different versions of the scheme and will be graduated according to different pay bands ie. the higher the salary the greater the percentage contribution. Deductions are made prior to the deduction of Income Tax and National Insurance.

Subscriptions to Trade Unions

Deduction of union membership subscriptions may be made through payroll, subject to the written permission of the payee.

Recovery of overpayments/debts

If staff receive payments from the Office in excess of their contractual entitlement they have a duty to inform Payroll immediately if the overpayment is not identified by the Office. Payroll will confirm details of any overpayment in writing and agree the arrangements to be made to recover the overpayment. Debts may also be recovered direct from salaries with the payee's consent. Consent to recover debts from salary will normally form part of any financial agreement between the Office and an individual resulting in a debt or potential debt.

Voluntary contributions to other organisations

Staff may set up direct debits or standing order arrangements for payments to be made from their salary to savings schemes or recreational funds. Staff should make arrangements with the organisation concerned and ask the organisation to send completed paperwork to Payroll. Written notice to end such arrangements should be made to the organisation concerned.

Tax free charitable donations

Staff may make tax-free charitable donations to the charity or (up to eight) charities of their choice through recognised Give as You Earn (GAYE) schemes but there are Inland Revenue limits to the amounts which may be donated and the charity or scheme concerned must be recognised by Inland Revenue as a registered charity.

Attachment of earnings orders

The NAO will comply with any attachment of earnings orders made by the courts which instructs the NAO to deduct sums from an employee's earnings and pay them over to the court. Attachment of earnings orders may be made by the courts if a person fails, or is likely to fail, to pay certain sums due from him or her and staff are required to declare any such orders when completing their annual Code of Conduct return or, if an order has been made since their last return, by completing a new Code of Conduct declaration at the time that the order is issued.

Industrial action

Official industrial action resulting in absence from work will be treated for pay and pension purposes as if it were unpaid special leave. Unofficial industrial action resulting in absence from work, including action taken by non-Union members, will be treated as absence without leave and, in addition to a reduction in pay and loss of pension for the period in question, may lead to disciplinary proceedings.

Pay advances

In certain circumstances staff may request an advance of salary payment. These will normally be payable only to new recruits for the first three months of service.

Start and end of service

Staff will be paid from their first day of service on entry and will be paid up to their last day of service on termination.

Pro-rata adjustment

Pro rata adjustments for those who work or who have worked part of a month (eg. at the beginning or end of their employment or when starting a career break or returning to work after a career break or due to other unpaid absences during the month) are calculated as a proportion of the number of calendar days in the month for each full working day or, annual salary/ (36 x 52) per hour for part days (a part day being a day where the employee booked unpaid leave for some of the day).

Unpaid/unauthorised absences

Pay will be recovered at the rate of 1/260th of annual pay (including allowances) for each day of authorised unpaid absence (e.g. special leave without pay including official industrial action,) or unauthorised absence (e.g. absence without leave including unofficial industrial action) and at the rate of 1/520th for each half day. For absences of less than half a day, pay will be recovered at the standard hourly rate although, depending on the circumstances, recovery may be waived at the discretion of line management in the case of authorised absences and at the discretion of the HR Director in the case of unauthorised absence.

Conversion of untaken leave to cash/Recovery of excess leave on termination

On termination of employment, where authorised, normally no more than 10 days of untaken leave may be converted to cash on the basis that one days leave is equal to 1/260th of annual pay (including allowances) and half a day is equal to 1/520th of annual pay. Leave taken in excess of entitlement on termination will be recovered at the same rate.

3. Overtime

Policy on overtime

Staff, especially those in senior grades, are expected to show flexibility in working beyond their normal hours on occasion to fulfil the requirements of their job.

Where staff are specifically requested to work overtime, for example to meet a project deadline, they may be granted time off in lieu (TOIL) as compensation, providing the additional hours to be worked have been agreed in advance with their project manager. Staff should ask their assignment manager to take TOIL at times which take into account business requirements. Further details on eligibility for TOIL are provided in Chapter Ten of the HR Manual.

Paid overtime will only be granted where TOIL is impracticable and must be authorised in advance by the appropriate project director.

Senior Auditors/Senior Analysts and above (including Directors and senior staff) and corporate service staff in Band 1 are not normally eligible for paid overtime, but may be allowed TOIL.

Making claims for paid overtime

- All paid overtime must be authorised in advance and in writing by the appropriate project director. Claims must be certified by the project manager responsible, approved by the project director and sent to Finance (Payroll) immediately after the close of the period to which they relate. Claims should be submitted monthly.
- Staff who are on call at unsociable hours should submit a monthly claim to Payroll for excess hours worked. The hourly overtime rate for unsociable hours will be at time and a half.
- Other than those who are required to work on call, there should be few instances where overtime is authorised/claimed for additional hours worked during the normal working week. Payment should only be authorised where staff are required to work during a weekend, Bank or public holiday. If the project requires an individual to attend an NAO or client office location claims can include the hours spent travelling to and from home to work.

Overtime rates

Overtime rates are as follows:

Day overtime Worked	Overtime pay rate for audit grades up to and including Audit Associate and corporate service staff in Band 3	Overtime pay rate for Senior Audit Associate and corporate service staff in Band 2
Monday - Friday	Time and a half	Standard
Saturday	Double Time	Time and a half
Sunday, Bank & Public Holidays	Double time	Double time

Calculation of overtime rates

- Overtime rates are based on an individual's full hourly rate, including all reckonable allowances.
- Part-time staff who work any hours, Monday to Friday, in excess of their contracted weekly hours will be compensated for the additional hours worked at standard rate.
- Part-time staff who are eligible for paid overtime and work more than full-time contracted hours (36 hours in total) in any one week will be compensated at the rates applicable to full-time staff as set out above for the hours exceeding full-time contracted hours.
- Eligible part-time staff working Saturday, Sunday, Bank or public holidays will be compensated at the full-time rates for any hours worked on those days including travelling time.
- Part-time staff who are not eligible for paid overtime may claim time off in lieu of any additional hours worked in excess of full-time contracted hours in any one week (including travelling time if additional hours were worked on a weekend, Bank or public holiday).
- For overtime, including travelling time, worked on a Sunday, or a Bank or Public Holiday, staff who are eligible for paid overtime may choose to take time off in lieu plus overtime at standard rate or double time payment.

5. Allowances in Addition to Basic Pay

There are a range of allowances, in addition to basic pay, for which NAO staff may qualify. This section details the following allowances and the conditions which apply:

1. Special Increases for Audit Apprentices and Audit Associates
2. First Aid Allowance

(a) Special Increases for Audit Apprentices and Audit Associates

- Audit Apprentices and Audit Associates receive a special increase on passing the Certificate Level and Professional Level of their accountancy exams.
- Audit Apprentices and Audit Associates will receive their special increases on the first day of the month after the month in which the exam results were received.
- Audit Associates who pass their Advanced Stage examinations will be promoted to Senior Audit Associate and no further special increase will be paid, although they will continue to receive the increase in their first effective month of promotion to Senior Audit Associate, rather than it being paid back through arrears.
- A Special increases are payable consecutively and in addition to pay and other allowances. They do not affect the payment of increments.
- Special increases are pensionable and are reckonable for overtime and the calculation of starting pay on promotion.

(d) First Aid Allowance

Staff trained to give first aid may be paid a First Aid Allowance. The allowance is non-pensionable and paid in the form of an annual one-off lump sum payment on or about 1st April to those who are on the first aid volunteer list on the payment date. First Aid Allowance may be withdrawn from those who have not volunteered for first aid duty since the allowance was last paid.

Annex 1

EXECUTIVE DIRECTOR PAY FRAMEWORK

Coverage

1. This pay framework is focused specifically on Executive Director members of the Executive Team, including those who are Executive members of the Board and those who are not. Directors and all other grades are covered by a separate pay framework.

Pay Structure

1. The pay framework is structured as follows:
 1. Rates of pay for Executive Directors are set at three distinct levels:
 1. Developing Rate for those who have been promoted into the role
 2. Target Rate for those assessed as fully effective in the role
 3. Premium Rate for those who bring high value skills or specific experience to the role
 1. Those recruited to the role from the external market could be appointed to any of these three levels depending on their skills and experience. However, those promoted internally to Executive Director will generally be appointed to the Developing Rate

2. Executive Directors paid at the Developing Rate will have the expectation, subject to performance, of progressing to the Target Rate over an indicative time period of five years. However, progression may be prompter or slower subject to the performance of the individual and external movements in pay
3. The Premium Rate is reserved for individuals with specific skills/experience recruited from the external market or, exceptionally, internally promoted Executive Directors who develop highly marketable skills
4. Movement from the Developing Rate to the Target Rate (and, in exceptional circumstances from the Target Rate to the Premium Rate) is subject to the approval of Remco on the recommendation of the C&AG
5. Each of the rates will be revalorised annually by an amount agreed by Remco on the recommendation of the C&AG. This increase will take into account the annual pay award for the wider office, data on comparator senior roles elsewhere and any other relevant strategic considerations (such as senior pay policy in the public sector).
6. Rates of pay for individual Executive Directors will be reported through the NAO's Annual Report and Accounts

Rates of Pay 2023/24

1. The rates of pay for 2023/24 are as follows:

Developing Rate	£128,800
Target Rate	£149,400
Premium Rate	£170,000

Starting pay

Individuals will be appointed to the Executive Team through fair and open competition. Potential vacancies will be discussed with Remco and this discussion will include the potential rate of pay at which a successful external candidate might be appointed (Developing, Target or Premium Rate) The advertised rate of pay will depend on an assessment of the skills and experience required of the role and the rates offered by external comparators. Irrespective of the rate of pay advertised to external candidates the expectation is that, should internal candidates be appointed to the advertised role, their starting pay will be at the Developing Rate.

The selection panel for all Executive Director roles will include a member of the NAO Board, as agreed between the Chair of the Board and the Chair of Remco. The member of the Board will be authorised to act on the Committee's behalf in terms of agreeing the final remuneration package to be offered to the successful candidate. In circumstances where the panel wish to appoint an exceptional candidate to a rate of pay above the Premium Rate this must be agreed, in advance, with the Chair of Remco.

Annual pay review

Executive Directors follow the same performance management framework as the wider office in terms of:

1. agreeing objectives (although additionally these will be subject to endorsement by Remco);
2. CPD and personal development; and
3. performance assessment.

At the end of each appraisal year (January to December) the C&AG will hold a performance discussion with each Executive Director and present a written assessment of their performance for discussion with Remco at its March meeting. There will be no formal rating of performance, but should

the C&AG consider that the performance of any individual falls below the expected level then this will be highlighted in his/her written assessment.

Each of the three pay rates will be revalorised from April each year, taking into account the pay range increases being awarded under the NAO's pay deal for the wider Office, data on comparator senior roles elsewhere and any other relevant strategic considerations (such as senior pay policy in the public sector). In most years it is anticipated that this revalorisation would be consistent between the three rates but there would be flexibility to adjust individual pay rates by differing percentage amounts in specific circumstances.

Executive Directors paid at either the Target Rate or the Premium Rate would move to the revalorised rate of pay from 1 April, unless their performance was assessed as being below the expected level for their role. In these circumstances their pay rate would not be adjusted. Executive Directors paid at the Developing Rate would receive an increase from 1 April as recommended by the C&AG based on his assessment of their performance and maturity in the role and recognising the expectation that the individual should progress towards the Target Rate over a number of years. If the individual is assessed as being below the expected performance level for their role then no pay adjustment would be made.

Criteria for moving between pay rates

Having made progression towards the Target Rate over time, Executive Directors paid at the Developing Rate may be recommended by the C&AG to move to the Target Rate. The timing of this recommendation will be entirely at the C&AG's discretion and will be considered against a range of factors to include:

Performance against their agreed objectives

Performance against the balanced scorecard for their Group

Contribution to the leadership of their Group and the wider organisation

Consistent achievement of targets in their personal development plan

A written recommendation to move between pay rates (which in exceptional circumstances may include moving from the Target Rate to the Premium Rate) will be made by the C&AG to Remco for their endorsement as part of his submission on Executive Director performance and pay at the committee's March meeting. The effective date of the move will be 1 April.

Annex 2

MARKET ENHANCED PAY RANGES

Introduction

1. In line with our objective of ensuring the NAO has the capacity to recruit and retain the skills it needs, we operate separate market enhanced pay ranges for the majority of our audit grades. These ranges provide a higher pay ceiling for those who are performing roles which are essential to our work programme and attract a premium in the market.

Market enhanced ranges

1. These ranges apply at all grade levels except Senior Audit Associate, , Audit Associate , Audit Apprentice . Audit Technician and AO (Audit). They do not apply to corporate services grades. The ranges have a minimum which is set at the 75th percentage point of the standard pay range for the grade, with a maximum which is 20% above this. The Director market enhanced range has a maximum which is 30% above the minimum

1. Posts can only be classified within the 'market enhanced' range if they are:

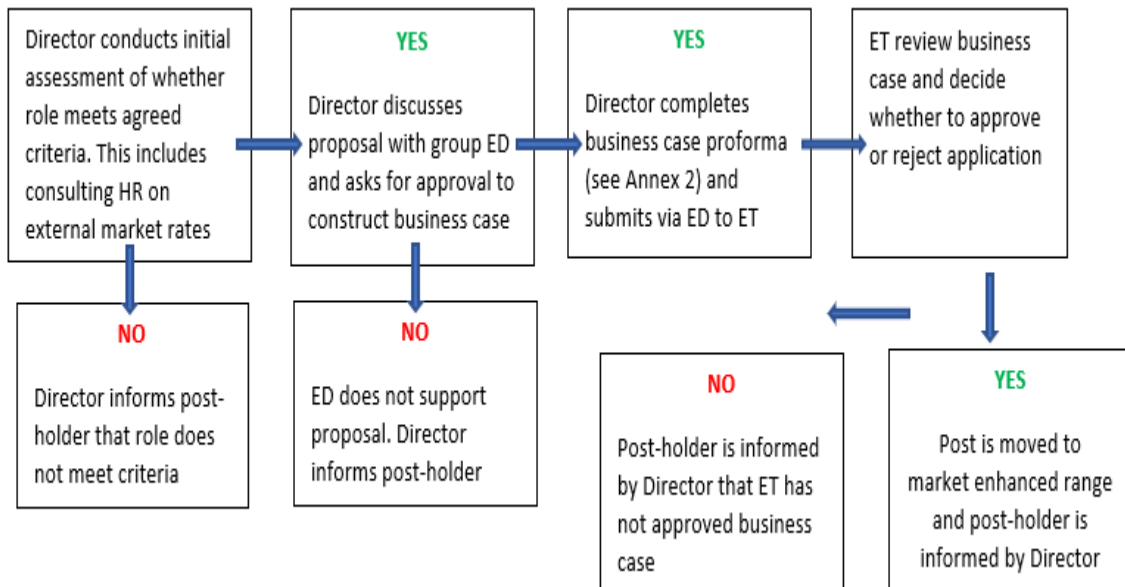
- (i) roles which are of clear longer-term value to the NAO; and
- (ii) attract a pay premium in the external market

Appointing staff to 'market enhanced' ranges

1. The process for appointing roles to market enhanced pay ranges is as follows:

- (i) the line Director makes an initial assessment of the role against the criteria outlined above, including consulting with HR on the level of premium paid in the external market
- (ii) the line Director receives approval from the relevant Executive Director to develop a full business case
- (iii) the business case is approved by the full Executive Team
- (iv) the individual is moved to the market enhanced pay range on their existing salary or joins at the range minimum if this is higher

The above process is illustrated in the following decision tree:



1. Increases for staff in market enhanced pay ranges are considered in the same way as for other staff under the annual pay review process. However, staff in market enhanced ranges are not eligible for guaranteed pay progression to the mid-point of their range over a specified time-period. This reflects the fact that staff paid in these higher ranges will have already demonstrated they have specific skills and relevant experience in their role. Unlike colleagues in our 'standard' pay ranges, these staff are not expected to have a noticeable learning curve before they are fully effective in the grade.

Business Case – approval for allocation to market enhanced pay range

Post holder:	Director:
Role title:	Grade:

Post holder's current salary:	Standard pay range for grade:
Group:	Market enhanced pay range:
Summary of role (including longer term value to NAO)	
Specific skill requirements	
Specific qualification requirements	
Assessment of post-holder against role requirements	

Assessment of external market (in consultation with HR)
Any other relevant information

1. Approved by Director..... Date.....
2. Approved by Executive Director..... Date.....

Chapter 8 - Pensions and Other Benefits

Purpose

This policy describes pension arrangements and other benefits which are provided for NAO staff.

It is the NAO's policy to provide a range of benefits for staff which reflect the high value placed on employees. The NAO recognises that appropriate benefits can enhance the quality of life both at work and outside work. Such benefits can also encourage employees to feel committed to the organisation's values.

The Office's Total Reward Statement summarises the benefits on offer to all employees.

1. Pension scheme

(a) Joining the Principal Civil Service Pension Scheme (PCSPS)

Pension benefits for NAO staff are provided by the PCSPS and all staff are eligible to join. New entrants, will automatically be co-opted into the PCSPS but may opt-out if they wish. Staff already in the PCSPS may opt-out at any time if they so wish and may opt back in again at a later date. Prior to 1 October 2002, there was only one scheme, now known as the Classic scheme. However, with effect from 1 October 2002, the scheme was changed to provide more options for members. Eligible staff joining after that date could choose between Premium, and a stakeholder pension known as a Partnership Pension Account. Eligible staff in post at 1st October 2002 could choose to remain in Classic or join Premium or take out an option known as Classic Plus to preserve their benefits up to 30 September 2002 in Classic and join Premium thereafter. On 30th July 2007 the PCSPS introduced a new version of the scheme called Nuvos and staff joining after that date could either join Nuvos or take the option of a Partnership Pension Account. Eligible staff in post at 30th July 2007 could opt to join Nuvos if they wished but would otherwise retain membership of their existing scheme. The NAO provides employer contributions to whichever scheme staff opt for. From 1st October 2013 all new entrants and current staff, including those who have previously opted out, will be automatically enrolled into whichever version of the PCSPS they are eligible for but may choose to opt out. Those

who have opted out will be automatically re-enrolled every three years unless they renew their opt out.

Upon joining the NAO, staff will be issued with a Pensions Pack which sets out in further detail the options that are available to them. Further information can be had from the PCSPS website at <https://www.civilservicepensionscheme.org.uk/> or from our pension administrator, MyCSP on 0845 850 0715 (01903 835901 if calling from overseas. MyCSP may also be contacted by post at MyCSP, PO Box 2019, Liverpool L69 2DD or by email at contactcentrec@mycsp.co.uk (contactcentrec@mycsp.gse.gov.uk if emailing from the Government Secure Intranet). Members will need to quote their national Insurance number in correspondence with our administrator. Staff will also be informed of scheme changes and other important pensions related issues by way of Pensions Notices.

2. Group life insurance scheme

In addition to the death in service benefit already provided under the Principal Civil Service Pension Scheme (PCSPS) the NAO has an additional Group Life Scheme. Except where listed below, the scheme is open to all staff and all eligible staff will be co-opted into the scheme automatically on entry.

a) Eligibility

Employees on secondment for more than 3 years are excluded after the end of the third year.

Employees on career break are excluded from the start until the end of the career break.

In accordance with HMRC rules, an employee who is seconded overseas and participates in the pension scheme of the overseas employer is not eligible.

b) Benefits

In the event of your death in service a lump sum equal to your salary will be payable. Salary for this purpose means your annual pay at the rate in force on the date of your death, including all allowances treated as pensionable under the PCSPS.

c) Payment of Benefits

Any number of individuals (or organisations) may be nominated to receive the death benefit payable in any proportion or staff may choose not to make a nomination at all. Existing nominations will remain valid unless revoked by a subsequent nomination. You may make or change your wishes at any time and a fresh expression of wish will automatically invalidate the previous one. The lump sum benefit will, at the discretion of the Trustee (National Audit Office), be paid either to your nominee(s) or to your estate if there is no valid nomination. This method of payment avoids delays and under existing law and practice ensures that benefits paid to relatives or dependants are free of Inheritance Tax. You may indicate your wishes by completing the details on the Death Benefits Expression of Wish Form and returning it to Human Resources.

d) Cost

The NAO will pay the annual premium to underwrite the scheme and the tax liability accruing from it.

e) Formal Rules

The Scheme is governed by formal rules which are available on request from Human Resources. If there is any difference of interpretation between this summary of the rules and the formal rules, the provisions of the latter will apply.

3. Group travel insurance scheme

The scheme covers business trips undertaken on behalf of the NAO where the Insured Person is under 70 years of age at the commencement of the trip, unless declared to and agreed by the underwriters. A trip is deemed to last from the time the Insured Person leaves home or place of work (whichever is later) until he or she returns to their place of work or home (whichever is earlier). Cancellation cover operates from the date of booking a trip until commencement of the trip.

- The full policy statement and schedule can be found at Group Travel Insurance Scheme
- A Travel Insurance Card is available to download as a PDF document.
- A wallet sized version is also available.
- Details of how to make a claim can be found in this PDF document.

Please be aware that trips to destinations considered as disturbed territories (Afghanistan; Algeria; Chad; Chechnya; Colombia; Democratic Republic of Congo; Haiti; Iraq; Israel; Liberia; North Korea; Saudi Arabia; Somalia; Sudan; Syria; Yemen and any other countries or territories where the Foreign and Commonwealth Office have recommended against travel) must be declared and approved by RSA prior to travel. If you are travelling to a country or territory considered as disturbed, please complete the Disturbed Territories Questionnaire and return it to the HR service desk as early as possible to ensure there is sufficient time to confirm travel insurance arrangements. Further, when planning travel to a country or territory considered as disturbed, please ensure you have completed the relevant risk assessment and the trip has been approved by the relevant Director and Executive Leader.

In general, covers the following:

- Emergency medical and additional expenses
- Cancellation and curtailment
- Missed or delayed departure
- Travel delay
- Personal liability
- Legal expenses
- Personal accident
- Hospital benefit
- Accompanied baggage (personal and business) and money
- Delayed baggage
- Hijack, kidnap or detention (excluding ransom monies)
- Care hire excess waiver

4. Childcare voucher scheme

The NAO recognises that many of its employees, whether male or female, have to combine and balance caring for families with responsibilities at work. The NAO operates a childcare voucher scheme, which provides help for eligible staff to meet the cost of childcare.

Prior to 1st November 2013 the NAO's childcare voucher scheme operated on a salary-added or employer-funded basis. From 1st November 2013 the provision of childcare vouchers will be on a salary-sacrifice or employee-funded basis but the salary-added scheme is still open up to 31st October 2018 for those employees who were in post on 31st October 2013. Details of the salary-added scheme are set out at Annex A and details of the salary-sacrifice scheme in operation from 1st November 2013 are set out below.

A salary-sacrifice scheme requires you to pay for childcare vouchers by giving up a proportion of your salary equivalent to the value of the vouchers you claim. As the sacrifice is made from your salary before the deduction of income tax and national insurance (NI) you will benefit from tax relief and a reduced NI contribution. You may claim vouchers up to the value of your tax allowance which for lower rate taxpayers is currently £55 per week (£243 per month). For higher rate taxpayers the

allowance is currently £28 per week (£124 per month) and for top rate taxpayers it is £25 per week (£110 per month) but higher thresholds may apply for higher and top rate taxpayers who were members of the scheme before April 2011 (the scheme, for this purpose, includes the salary-added scheme set out at Annex A). You may vary the amount of salary you wish to sacrifice up to these limits but any changes you request to your monthly allocation of vouchers will only take effect from the following month. A sacrifice cannot be made so as to reduce your earnings to less than the National Minimum Wage and sacrifices cannot be made from statutory payments. Your sacrifice will not be refunded if you do not subsequently use the vouchers that have been issued but the vouchers are not time-expired and you may suspend or terminate your account and cease to make a sacrifice at any time. Salary sacrifice will not impact on your pension or any other salary related benefits and any pay increase due to you will be based on your pre-sacrifice salary.

The scheme is open to all staff, including those on maternity leave, secondment or long-term sick leave, those previously excluded from claiming salary-added vouchers or those whose eligibility for salary-added vouchers has exhausted. Staff already claiming vouchers under the salary-added arrangements may use salary-sacrifice to top-up the value of the vouchers they receive up to the limit of their tax allowance and provided they are using registered childcare. Claims will be suspended for those staff on career break or unpaid leave (including unpaid maternity leave and maternity leave at SMP rate) and may be reduced or withdrawn for the month in which unpaid absence begins or ends if salary in addition to any statutory payments is insufficient to meet the sacrifice.

You may register from the date that your first eligible child is born but may not backdate your claim. You may claim up to 1st September after your youngest child's fifteenth birthday (or sixteenth birthday in the case of a child with special needs). You will therefore need to ensure that both your eldest and youngest children are registered in order to maximise the term over which you will qualify for salary-sacrifice. Vouchers are issued only after a sacrifice has been made and, depending upon the date when you make your claim, your allocation will start on the first day of the month in which you registered or the first day of the month after registration and your order will be completed after you have made your sacrifice. You may change your order at any time but the change cannot be backdated and can only be effective from the first day of a month and cannot be completed until a change has been made to your sacrifice arrangements. You will give the vouchers you receive to your childcare provider for redemption but for those issued under salary-sacrifice only a registered childcare provider may redeem them.

Applications should be made by registering online at www.fideliti.co.uk or by contacting our provider on 0800 288 87279015. To register you will need to quote a scheme reference number which is available to eligible employees from the HR Service Centre (Tel: 020 7798 7227) or email: HR Service Desk.

5. Cycle to work scheme

A tax-free Cycle to Work Scheme is offered to NAO staff by Cyclescheme Ltd. The scheme allows you to obtain a bicycle (for use wholly or mainly for travel to and from work) and safety equipment up to the value of £1,000 (including VAT) by hire agreement. The hire agreement will remain in place for twelve months during which you will be expected to sacrifice an equivalent amount of your salary. This means that you do not have to pay tax or National Insurance on the sacrificed element of your salary and you will make substantial savings on the cost of your bike. Your pre-sacrifice earnings will however still be reckonable for pension purposes and your pension contributions will be based upon your pre-sacrifice salary, as will any pay increase that falls due during the period of the hire agreement.

Cyclescheme have a number of partner shops the details of which can be obtained from their website at www.cyclescheme.co.uk/093eb2. You may then visit a partner shop in your locality and obtain from them a quote for a cycle and equipment to suit your commuting needs up to a maximum value of £1,000 (including VAT). You can then submit a voucher claim and sign up to the hire agreement online by revisiting the Cyclescheme site from the address above and registering your details. Details of your claim will then be sent to NAO for authorisation. Once authorised a voucher will be issued to you which may be redeemed at your partner shop in exchange for your cycle and equipment. The

NAO will be invoiced for the value of the voucher and will start the salary sacrifice arrangement from the first day of the month after the date you were issued with a voucher.

During the period of the hire agreement your bike will remain the property of the NAO so you will not be able to resell or otherwise dispose of it but you will be responsible for insuring, repairing and maintaining it. Should the bike be lost, stolen or irreparably damaged during the period of the agreement the salary sacrifice arrangements will remain in force for the full term. At the end of the hire agreement salary sacrifice will cease and ownership of the bike will transfer to Cyclescheme who will give you the option of transferring ownership of the bike to yourself for a "Fair Market Value" , returning it to the retailer or entering into an Extended Use Agreement. If the bicycle is not returned to the retailer within three months of the end of the hire agreement, you have not entered into an Extended Use Agreement and ownership has not been transferred to you then Cyclescheme will take action to collect the debt from you.

If you decide to transfer ownership to yourself at the end of the original hire agreement it is likely that, under HMRC rules, the market value will not be much less than the value of the tax efficiencies you have achieved through salary sacrifice. Under an Extended Use Agreement, Cyclescheme will continue to hire the bike to you for a further period of 31 months upon payment by you of a Continuation Fee of 3%-7% of the original value of the bike. At the end of the extended period ownership of the bike will be transferred to you in consideration of the Continuation Fee or you can return the bike to the retailer and the Continuation Fee will be returned. The advantage of taking out an Extended Use Agreement is that, under HMRC rules, after 31 months the market value of the bike will have fallen to an amount equivalent to the Continuation Fee.

If you should leave NAO employment during the period of the hire agreement then the agreement will be terminated and NAO will recover any outstanding hire payments from your salary. Ownership of the bike will transfer to Cyclescheme who will inform you of your options at the time when the hire agreement would otherwise have ended. If you should take unpaid leave during the period of the hire agreement then the agreement may be suspended for up to twelve months and payments resume when you return to paid duty. Should your unpaid absence last longer than twelve months then the hire agreement will be terminated and a decision will be taken by D/HR whether to write off the debt or recover outstanding hire payments from you and whether to give you the option of transferring ownership or returning the bicycle to the retailer.

6. Salary advances for rental deposit loans

The rental deposit salary advance scheme assists employees in meeting the costs of deposits for privately rented homes that they intend to live in.

Who is eligible for an advance?

- Except where excluded below, all NAO employees paid through the NAO payroll are eligible for an interest free loan for a rental deposit when taking up a new tenancy.
- Casual and temporary employees are not eligible for such advances.
- The loan is repaid by monthly salary deductions across a maximum of 12 months.
- The rental deposit loan can be taken out alongside advances for season ticket loans; however, the aggregate total of any beneficial loans must not exceed £10,000 at any point during the year. If the total value does exceed £10,000 it will become a taxable benefit.
- Advances will not be made to employees who are repaying an existing rental deposit loan or who are serving their notice period.
- The loan is conditional on the deposit being secured through a tenancy deposit protection scheme.

How are applications made?

- Applications for an advance should be made using the tenancy deposit loan application form.
- Completed application forms and electronic communications should be sent to the Payroll service desk by the last working day of the previous month in which you need the advance to be paid.
- Applications should normally be made before entering a rental agreement.

Proof of rental agreement and deposit being secured through a tenancy deposit protection scheme

- The following information must be provided to the Payroll service desk within 45 days of your landlord receiving the deposit; otherwise the salary advance will become immediately repayable:
 - a copy of the rental agreement which includes the:
 - the landlord's (or the letting agency's) name and contact details
 - address of the rented property
 - dates of the rental agreement period
 - how much deposit has been paid
 - the name and contact details of the tenancy deposit protection scheme used
 - certificate confirming deposit has been secured in a tenancy deposit protection scheme

Payment and repayment of loan

- Approved applications will be paid in the next available pay run (the cut-off date to request pay changes is the last working day of the previous month).
- Recovery of the advance will commence in the same month it is issued and will continue as instructed by the employee up to a maximum of up to 12 months or, for employees on a fixed term contract, over the expected remaining period of service if this is less than the instructed re-payment period.
- Full repayment of the salary advance is required if the tenancy ceases before the end of the intended rental agreement period.
- Full repayment of the salary advance is still required regardless of any deductions your landlord may make at the end of your tenancy.

How are advances repaid when employees leave?

- If employees are in receipt of an advance when they leave the NAO, they will be contacted by Payroll. Recovery of the balance will normally be made in full from their final salary payment.
- If the final salary payment is insufficient to meet the amount due, the employee will be required to pay the deficit by cheque, made payable to the National Audit Office.

7. Other concessions for nao staff

This section provides information on the following concessionary schemes for NAO staff:

- a) Professional Subscriptions
- b) Advances for season ticket purchase
- c) Gymnasium membership subsidy

(a) Professional Subscriptions

The NAO will pay the professional subscriptions of serving staff to recognised accountancy bodies, and other professional organisations relevant to their work in the NAO. These professional bodies include (but is not necessarily restricted to):

- Chartered Institute of Public Finance and Accountancy
- Institute of Chartered Accountants in England and Wales
- Institute of Chartered Accountants in Scotland
- Institute of Chartered Accountants in Ireland
- Chartered Association of Certified Accountants
- Chartered Institute of Management Accountants
- Association of Accounting Technicians
- Institute of Statisticians
- Chartered Institute of Secretaries
- Chartered Institute of Personnel and Development
- Institute of Management
- Institute of Purchasing and Supply

Note: Requests for consideration of payment of fees to other professional bodies should be made to Human Resources.

Further details regarding claiming for subscriptions can be found at expenses and benefits.

Payment arrangements

- Admission fees and annual subscriptions are paid to one professional body only per member of staff unless it is in the corporate interest for an employee to hold membership of more than one professional body and membership of that body is a prerequisite for the effective performance of their duty.
- Invoices for subscriptions to relevant professional bodies should be sent to Payroll, who will arrange for payment to be made by the NAO.
- Where their subscription is paid by the NAO, staff should advise Payroll of any changes to their membership.
- Staff may claim for payment of their annual subscription in full if it falls due (ie. the subscription period begins) whilst they are under notice of redundancy, retirement or early departure.
- Staff serving notice of their intention to resign or who are under notice of termination of their fixed term contract may claim for payment of their annual subscription if it falls due (ie. the subscription period begins) during the notice period. For trainees who have resigned at the point that the payment is due, we will pay the membership fee but will not pay the annual subscription.
- Staff under notice of dismissal due to misconduct or under-performance may not claim for payment of their annual subscription if it falls due after notice has been served.
- Student subscriptions due for those in the trainee grades are payable under the terms of their training contract and are paid directly by the office to the relevant body. Student subscriptions will not be renewed if they fall due when the trainee has given or is under notice of termination. If a trainee receives a student subscription demand personally (eg. after their training contract has expired) they may claim for it in full upon application to Payroll provided they have not given or are not under notice of termination and it falls due (ie. the subscription period begins) before their employment contract is due to end.
- Once paid, staff will not be required to repay their subscription fee, in whole or in part, if they subsequently leave for any reason before the subscription period ends.

(b) Advances for season ticket purchase

Who is eligible for an advance?

- Except where excluded below, all members of staff are eligible for an interest free loan for the purchase of a season ticket for travel between their home and office provided they are paid through the NAO payroll.
- AA1's are able to apply for a season ticket loan from the first of the month following their start date.
- Casual and temporary staff are not eligible for such advances.
- Advances will not be made to employees who are repaying an existing season ticket loan or who are serving a period of notice. Advances for extensions to existing season tickets may, however, be allowed.

How are applications made?

- Applications should normally be made before a season ticket is purchased.
- Applications for an advance should be made on Part A of NAO Form 45.
- Completed applications should be sent to Payroll by the last working day of the previous month in which you need the advance to be paid

Proof of purchase

- Proof of purchase must be provided. A copy of the employee's season ticket must be sent to Payroll attached to Part B of the application form, as soon as possible after the ticket has been purchased.

Payment

- Season ticket advances will be paid in the next available pay run. The cut-off date for requesting season ticket advances is the last working day of the previous month in which the advance is to be paid. For example, if you wish to receive a season ticket advance in your October pay, you would need to submit your application form by the last working day of September.
- Recovery of the advance will commence in the same month the advance is paid and will continue over the lifetime of the season ticket or, for staff on fixed term contract, over the expected remaining period of service if this is less.

How are advances repaid when staff leave?

- If staff are in receipt of an advance when they leave the NAO, they will be contacted by Payroll. Recovery of the balance will normally be made in full from their final salary payment.
- If the final salary payment is insufficient to meet the amount due, the employee will be required to pay the deficit by cheque, made payable to the National Audit Office.

(c) Gymnasium Membership Subsidy

A cash subsidy for local gymnasium membership is available to staff based outside of London to compensate for the absence of on-site fitness facilities normally available to staff based in Buckingham Palace Road. A subsidy of £200 per annum is available on production of annual membership receipts from a local gymnasium. Claims should be submitted to the Payroll Service Desk and may be backdated by up to 3 months. Arrangements will be reviewed in context of any future change in Office location or change in the availability of on-site facilities at any NAO location.

ANNEX A: Salary-Added Childcare Voucher Scheme

Who is eligible to join the Salary-Added Childcare Voucher Scheme?

The scheme is open to all NAO employees who were in post at 31st October 2013 and meet the eligibility criteria below:

- are able to demonstrate that, to enable them to work, it is necessary for them to pay someone other than their partner or the other parent of their child to provide care for an eligible child. An eligible child is a child or stepchild of the employee at whose expense, either in full or in part, the child is maintained or a child who is resident with the employee and for whom they have parental responsibility.
- have an eligible child under the age of 5, or who is not yet attending full-time education, for whom day-time care is required or have an eligible child between the age of 5 and 11 years, for whom care outside school hours is required. Vouchers will be issued in respect of eligible children up to 1st September after the eligible child's 11th birthday.

Are there any other conditions?

The following conditions also apply:

- Where both parents are employed by the NAO only one may qualify for salary-added vouchers.
- Vouchers will not be given to staff during periods of unpaid special leave or career break but staff who already qualify will continue to receive vouchers when either they, their partner or the mother of the child are on maternity leave.
- Childcare vouchers may be back-dated by a period or periods of up to 12 months provided applicants can demonstrate that they would have met the eligibility criteria during the retrospective period. If you wish to back-date your childcare vouchers you will need to ensure you register with our childcare voucher provider and claim the vouchers within the same tax year as the child's date of birth, this is to meet HMRC rules around tax and NI. Please note that voucher claims relating to a previous tax year will not be processed by our childcare voucher provider.
- NAO are billed for the cost of the vouchers when they are issued and not when they are used or redeemed. Vouchers may be accumulated and used at any time but should be redeemed within 12 months of issue otherwise they may be cancelled. Human Resources will monitor the balances held in each childcare voucher account and will contact those whose account is in credit by a large amount and where there has been no activity on the account for 12 months or more in the expectation that account holders will reduce their balance using their unspent vouchers over an agreed period of time. If the account holder no longer requires the unused vouchers they will be cancelled and the amount of the balance will be credited to NAO. Tax will still be collected on the value of vouchers issued above the tax threshold irrespective of whether they are used.
- For those who have left NAO employment access to childcare voucher accounts will be kept open after the last day of service during which time they may use any unspent vouchers but no further vouchers will be issued. Except by prior agreement any vouchers that remain unused six months after the last day of service will be cancelled, the outstanding balance will be credited to NAO and the account will be closed.

What is the value of the allowance?

- The allowance, payable in the form of vouchers, is £60 per week per family (not per child) for children under 5 years of age.
- For children aged between 5 and 11 years the allowance is £26 per week per family. The amount of the allowance will change on the first day of the month after the eligible child's 5th birthday.
- Where families have more than one child, it will be the age of the youngest child that will determine the rate of allowance to be paid.

- The allowance will be paid for 52 weeks of the year and vouchers will be issued one month in advance unless staff are under notice and their employment will cease in this period. In these circumstances vouchers will be issued up to their last week of service. There is no requirement for staff to surrender any vouchers already issued should their employment cease.
- Part-time staff will receive a pro-rata allowance.
- There is no provision for cash to be paid in lieu of vouchers.
- The cash value of the vouchers will be assessable for Income Tax but will not be subject to any National Insurance. Tax concessions are only available if care is provided by a registered childcare provider.

Who may provide the childcare?

Staff are responsible for making all arrangements for childcare. Neither the NAO nor our childcare voucher provider accepts responsibility for securing childcare provision, and cannot make recommendations as to the suitability of a particular childcare provider.

The childcare provider must be a person permitted by law to look after children. This could be:

1. a registered childminder
2. a registered private nursery/nursery school
3. a sessional or day care play group
4. a community nursery
5. a workplace/partnership nursery
6. a local authority day nursery
7. a nanny share scheme
8. a nanny in the parents' home
9. a close relative, other than the partner

Note: A close relative is defined as a grandparent, brother or sister (over the age of 16 years), uncle or aunt, whether of full or half-blood, or a relative by affinity (that is "in-laws"). Tax exemptions will not apply if the childcare provider is not registered.

How does the scheme operate?

Applications should be made by registering online at www.fideliti.co.uk or by contacting our provider on 0800 288 8727. To register you will need to quote a scheme reference number which is available to eligible employees from HR - please raise a HR Request for this. HR will ask you to produce a copy of your youngest child's birth certificate before approving a fresh claim and will ask you to produce a birth certificate for any younger child you subsequently add to your account before approving any increase in your weekly allowance.

The salary-added childcare voucher scheme will be wound down on 31st October 2018 and members may then opt to join the salary-sacrifice version of the scheme.

Chapter 9 - Relocation

Purpose

This policy sets out the Office's approach to enable employees to relocate where a transfer is compulsory (ie. it is initiated by the Office and the employee does not have the option to remain at their current location).

1. Policy

The NAO seeks a fair and equitable approach to enable employees to relocate where necessary in the interests of the business during the course of their employment. Whilst every effort will be made to ensure that employees receive appropriate financial assistance, the cost of relocation must be reasonable and justifiable in terms of the costs to the NAO.

Individual circumstances will differ and it is not practicable to cater for every eventuality within the guidance. If an employee believes that the principles set out in this guidance do not fully meet their circumstances, they should consult HR, who will agree what relocation expenses will be met by the Office. Employees should not enter into commitments until they are clear what financial assistance the Office is prepared to provide.

2. Eligibility for financial assistance

Where a transfer is compulsory (ie. it is initiated by the Office and the employee does not have the option to remain at their current location) the full range of financial assistance will be available. In such cases, the Office would aim to provide six months notice of a transfer.

Where the transfer is flexible and results from an employee applying to fill a vacancy identified by the Office which necessitates relocation then some or all of the types of financial assistance outlined below may be provided, depending upon the circumstances of the transfer.

If a transfer is voluntary and an employee is granted a transfer solely for personal reasons (ie. it is initiated by the employee and there are no business reasons for the transfer) they will not be eligible for financial assistance.

Financial assistance is not offered to staff on recruitment. Employees who relocate as a result of a secondment may be allowed to claim some assistance depending upon the specific terms of their secondment. Details of assistance provided by the NAO and assistance provided by the host organisation will be discussed and agreed prior to the start of the secondment.

3. Transfer terms

For transfers within the United Kingdom expected to last for a minimum of two years the National Audit Office will, subject to eligibility, provide financial assistance to help with the reasonable additional cost of moving from one location to another and enable employees to move to a home within reasonable daily commuting distance from their place of work.

For transfers within the United Kingdom not expected to last for more than two years and transfers overseas of any duration, the Office will offer detached duty terms. In such cases employees will continue to receive the salary applicable to their permanent duty station or assimilate at the equivalent position on the pay range applicable to the detached duty station, whichever is greater [Note 1]. Staff who assimilate to a higher pay range on detached duty will not retain the higher rate on mark-time when detached duty ceases and they return to their permanent duty station. Further financial assistance may be offered in the form of Excess Rent and the cost of weekend travel to and from the detached duty station to the permanent home.

4. Financial assistance

Preliminary visit(s)

Once a transfer has been agreed, employees may apply for up to five days special leave with pay to look for suitable accommodation at the new location. Up to three extra days may be allowed for a transfer to London or for moves to and from or between overseas locations.

Travel expenses incurred by staff and their families for the purpose of making up to two preliminary visits to another location will be reimbursed in accordance with the guidance covering business travel (see NAO Travel Guide). Overnight allowances for partners is payable at full rate and for accompanying children at half rate.

The reimbursement of expenses associated with preliminary visits will normally be limited to a maximum of four overnight stays (seven for overseas or London moves). Staff should seek the prior approval of HR if they need to exceed the limit.

Transfer

Within three months of the date of transfer, employees may apply for an additional two days special leave to supervise their move. They may also claim the cost of a single journey from their former location to their new location for themselves and for their partner and dependants.

The Office will meet the cost for up to three months when temporary rental accommodation is necessarily occupied at the new location whilst longer term accommodation is actively being sought (or when furniture and effects are in transit). The cost of temporary rental accommodation will also be met if an employee has had to vacate his or her property and move his or her family and/or effects to permanent accommodation at the new location before the date of transfer and is necessarily accommodated in temporary accommodation at the old location. Further assistance after three months will be considered by HR in exceptional circumstances.

Excess Rent

If, whilst on detached duty, a homeowner decides not to sell their property [note 2] or if they necessarily need to maintain rental accommodation at the permanent duty location (eg. if a partner and/or dependents normally resident with them continues to occupy a rented property at or near the permanent duty station and the employee is liable to pay the rent in full or in part) or if they had previously lived mortgage or rent free at the permanent location then the cost of renting suitable and reasonable accommodation at the detached duty station may be met. The amount of any excess rent payable will be offset by any rental income earned from letting or sub-letting the main residence but the amount of offset will be limited to a maximum of £5,000 per annum. Application for Excess Rent, supported by documentary evidence, should be made on the claim form at Annex A.

Excess rent will cease at the end of detached duty or at the end of the rental agreement to which it relates, whichever is sooner, and will not be retained on a mark-time basis.

Rental Deposit/Rental Agreement

For all employees on detached duty, an advance will be made to cover the cost of any deposit required for rental accommodation at the new location. This will be repayable when the deposit is returned or when the rental agreement comes to an end or when the detached duty period comes to an end, whichever is sooner.

Any payment required, on either permanent transfer or detached duty, to cover the cost of early termination of a rental agreement at the old location will also be covered. The cost of any early termination penalties at the end of detached duty and the cost of any other expenses on termination (eg. cleaning, etc.) which form part of a rental agreement will also be covered.

Housing Advance

An advance of salary for house purchase may be available on permanent transfer subject to the conditions set out in Annex B1. The maximum amount of the advance will depend upon salary and the repayment term will be over a prescribed period. A claim form for Housing advance can be found at Annex B2.

Home Sale Guarantee Scheme

A Home Sale Guarantee Scheme, designed to expedite the sale of a homeowner's property on relocation, is available through Cartus. Details of the scheme are set out in Annex C.

Additional Housing Cost Allowance

Additional Housing Cost Allowance (AHCA) is intended to compensate homeowners faced with additional housing costs as a result of relocating to an area where property prices are generally higher. The rate of AHCA will be determined by comparing average prices for similar properties [note 3] at different locations and the official annual rate of interest (as determined by HM Revenue & Customs) at the date of transfer. The regional difference in property prices will be subject to an overriding cap of £80,000. As AHCA is assessable for income tax and ERNIC the office will bear the employee's tax and NI liability by making an adjustment at the higher or lower rate of income tax, whichever is applicable, and at the appropriate rate of contracted-out employees NI contribution.

Starting from the date of completion, AHCA will be paid over a period of nine years. For the first five years it will be paid at the full rate and will be reduced by 20% per annum thereafter. The full rate of AHCA will be reviewed annually on or about 1st April to take account of changes in the official annual interest rate. Where AHCA is already in payment as a result of a previous transfer then the amount of AHCA payable may be abated by the amount of AHCA already in payment until such a time as the earlier AHCA payment is finally exhausted.

Application for AHCA must be made within 12 months of the transfer. If completion on the new property occurs after this period then the time elapsed between the date of application and the date of completion will reckon against the period for which AHCA is payable. You will be required to provide documentary evidence of both the sale of your old property and the purchase of your new property before AHCA will come into payment. The claim form for AHCA is at Annex D.

Legal Costs

A homeowner may be reimbursed the cost of reasonable legal expenses incurred as a result of buying and selling a house. This will include:

- Solicitors fees;
- Stamp duty;
- Mortgage set-up fees (excluding interest);
- Land Registry fees;
- Surveyors fees.

Removals

The office will normally meet the full and reasonable cost of moving an employee's furniture and effects including:

- Storage of furniture and effects whilst suitable permanent accommodation is being sought;
- Additional removal costs may also be claimed for other essential incidental costs associated with moving house eg.
 - Telephone connection;
 - Installation of a cooker, washing machine, dishwasher, etc.

This list is not exhaustive but any additional items to be claimed should be agreed in advance with Human Resources.

Utilities

Staff on detached duty who are eligible for Excess Rent may claim the cost of providing utilities (eg. water, gas, electricity) for accommodation at the detached duty location if it is not included in the rent and they have not passed on the utility costs for their permanent residence by sub-letting the property.

Home Contents Insurance

Both the cost of home contents insurance for the rental accommodation at the detached duty location and any increase in home contents insurance resulting from the main residence being left vacant during detached duty may be reimbursed.

Council Tax

Staff on detached duty who are liable to pay Council Tax for both their permanent residence and for their detached duty residence may claim for the cost at their detached duty residence provided it is not already included in any excess rent payable.

5. Additional financial assistance on relocation overseas

The arrangements outlined above for staff on detached duty will apply to staff on overseas transfer except for the provision for weekend travel back to the home location (see Return trip home below). In addition, staff transferred either to or between locations overseas may be eligible for additional assistance to compensate for any extra cost of living abroad and for the loss of UK amenities. Once agreed, a statement setting out the terms of financial assistance on relocation overseas will be issued by Human Resources and staff will be asked to complete the declaration at Annex E confirming their circumstances and agreeing to inform Human Resources should any of the details contained in the declaration change.

Salary/Advance of salary

Staff transferred overseas from a UK location outside London will qualify for detached duty terms as if they had relocated to London ie. they will assimilate to the London pay range appropriate to their grade at a point equivalent to that which they occupy on their substantive range. Any pay increases that fall due whilst posted overseas will be applied to both the higher rate and (notionally) to the substantive rate. On return to the permanent duty location staff will revert to their substantive pay rate (notionally increased as applicable) and will not retain the higher rate on mark-time.

Providing an overseas assignment lasts at least two years employees may be entitled to an advance of up to three months gross salary which will be paid one month before the assignment starts and will be repayable in equal monthly instalments throughout the length of the assignment. If employment is terminated during the assignment or the assignment is terminated prematurely the outstanding balance will be immediately payable in full. An application form for a salary advance on overseas transfer is at Annex B3.

Cost of Living Addition (COLA)

COLA is payable if an officer is posted overseas for a period of three months or more and is intended to compensate for the essential additional cost of having to live outside the UK. The amount of COLA payable will depend upon: the overseas location, the employee's personal circumstances (ie. whether accompanied by and resident overseas with a partner and/or dependent children) and the employee's salary band and UK tax status. COLA is non-taxable and rates are set by the Foreign and Commonwealth Office and are reviewed every six months.

Hardship Allowance

In certain overseas locations a Hardship Allowance may be payable instead of COLA. As for COLA the allowance is payable if the overseas posting is for a period of three months or more and is intended to compensate for the lack of local amenities at certain locations. The amount payable will depend upon the overseas location and the employee's personal circumstances and UK tax status. Hardship Allowance is non-taxable and rates are set by the Foreign and Commonwealth Office.

Both COLA and Hardship Allowances will cease on return to the UK at the end of the overseas assignment and shall not be retained on a mark-time basis.

Children's Education

Dependent children accompanying parents overseas are eligible for admission to Service schools. If no Service school or suitable free civilian school is available then necessary day school fees, subject to the Office's approval, will be reimbursed for children aged five to nineteen years. Approval should be sought before any commitments are entered into. Employee's who are single parents or who are accompanied by their partner and whose dependant children remain in the UK may be eligible for a boarding school allowance (subject to a maximum ceiling and a parental contribution) which is payable for children up to the age of eighteen. The allowance may remain in payment upon the parent's return to the UK to allow a child to complete the school year.

Medical/Dental treatment

Employee's will be asked to undertake a medical examination prior to the start of their assignment and the cost of this and other expenses (eg. vaccination of employees and their families) will be met by the Office.

Employees based overseas and their partner and dependants where applicable will be covered by the Group Business Travel Insurance Scheme throughout the length of their posting which covers, inter alia, the cost of emergency medical and dental treatment [note 4]. They will not therefore need additional medical insurance and the cost of any additional insurance will not normally be met through Office funds.

Home contents insurance

Staff who are resident overseas have the option to take out a home contents insurance policy provided by the NAO's insurer for which the NAO will pay the premium. Annual insurance is provided on an individually named basis and an application form is available from Human Resources. Home contents at the overseas location and in transit up to a value of 15,000 will be covered by the policy. The individual must ensure that their policy is up to date and the NAO will not meet the cost of any alternative home contents insurance.

Similarly the cost of any increase in home contents insurance resulting from a UK property being left vacant during an overseas posting may be reimbursed.

Child Benefit

Any employee receiving Child Benefit who takes up work overseas should inform the Child Benefit section of the Department of Work and Pensions (DWP) who will look at their case on an individual basis and make a decision as to whether Child Benefit should continue in payment.

Transportation of a motor vehicle

Employee's may convey the private motor vehicle which they use for normal day to day use to their overseas location and the Office will meet the reasonable cost of transportation. The office will also meet the cost of repatriating the same or similar vehicle at the end of the assignment. Employee's will

be required to refund all or part of the cost of transportation if they dispose of the vehicle when overseas.

Return trip home

Employee's posted overseas for more than two years may claim the cost of one economy class return trip home each year for themselves and for their family for reasons unrelated to work.

6. Taxation

The statutory provisions relating to the taxation of financial assistance associated with relocation are complex. Some expenses are eligible for tax relief, others are not. There is currently a tax free allowance of 8,000 on eligible relocation expenses. The Office has agreed with HM Revenue and Customs that it will meet on behalf of employees any tax and national insurance liabilities arising from relocation expenses with the exception of any imputed benefit arising from interest-free advances of salary.

Finance can provide further advice on taxation issues on request.

7. Claims for financial assistance

All requests for advances of salary, imprests, and claims for expenses associated with relocation should be sent to Human Resources for approval.

Annex A

Claim form for excess rent (Word)

Annex B1

Housing advance

Employees may request an advance of salary of up to twelve months gross pay, up to a maximum of 80,000, for the purpose of house purchase on permanent transfer subject to the following conditions:

- they must own a house at the time of application;
- the application must be made within six months of the transfer;
- the employee must be able to repay the advance in full over the period of projected service.

HR will consider the applicant's health, performance and conduct before agreeing to an advance. Following a decision, payment of an advance will be made once a date for the exchange of contracts has been agreed. The period of repayment will not exceed ten years (for transfer out of London) or fifteen years (for transfer to London) but repayment may be deferred on request for up to two years from the date of transfer. The advance will be repayable in equal monthly instalments throughout the term of the repayment period. The repayment period may be reduced at any time either by an agreed increase in the amount of monthly repayments or by settlement of the balance, either fully or in part, by lump sum payment but the repayment period cannot be extended by more than the maximum period allowed by a corresponding reduction in monthly repayments. Should employment come to an end before the final instalment the outstanding balance will become repayable in full.

Annex B2

Application for a Housing Advance on Permanent Transfer

Application for a housing advance on permanent transfer (Word)

Annex B3

Application for a an advance of salary on overseas assignment

Application for an advance of salary on overseas assignment (Word)

(Downloadable Word Template - click to open and save locally)

Annex C

Home sale guarantee scheme

Upon relocation, NAO employees may take advantage of the Home Sale service provided by Cartus under their framework agreement with the Ministry of Defence, to which the NAO is a signatory. Cartus will provide a Guaranteed Sale Price (GSP) and, if you accept their offer, will release the necessary funds for you to buy a property at your new location.

As soon as Cartus receive notification from the NAO of your move they will, after explaining the process to you fully and answering your questions, arrange for two independent valuations of your property to be carried out by professionally qualified valuers. You may, if you wish, nominate one valuer yourself. Valuers will be instructed to carry out an 'open-market' valuation of your property which assumes a willing buyer and a willing seller, taking into account recent sales and market trends.

Provided the two valuations are within 5% of each other Cartus will take the average of the two to calculate your GSP. If there is a difference of greater than 5% between the two valuations then a third valuation will be sought (from a professionally qualified valuer nominated by yourself or by Cartus) and the average of the two closest valuations (or the median where the highest and lowest valuation are equidistant from the middle valuation) will be used as the GSP. With approval from the NAO, Cartus will then offer you the GSP in writing subject to certain legal conditions. You will then have 15 working days to decide whether to accept the offer. If you accept the offer you will be required to sign a Property Sale Contract and Power of Attorney enabling Cartus to sell the property.

Once you have accepted the GSP your property will be placed for sale on the market through an estate agent chosen either by yourself or by Cartus. Instructions will usually be placed with a single agent and their fees will be paid by Cartus and charged to the NAO. When you have found a new property and are ready to exchange contracts, Cartus will release the necessary funds for your deposit. Upon completion Cartus will release the remainder of the GSP (less the deposit) to enable you to clear all financial charges on your old property and, with your new mortgage, enable you to purchase your new property.

When you have vacated your old property Cartus will take over responsibility for its maintenance until it has been sold and charge the costs to the NAO. If your old property is sold for less than the GSP then the NAO will bear the full cost of the loss. If it is sold for more than the GSP then the difference will be split 50:50 between yourself and the NAO.

In addition to the Home Sale service outlined above, Cartus can also provide a panel of solicitors to represent your interests in both the sale of your old property and the purchase of your new property. If you choose from this panel you will instruct them directly but Cartus will pay their fees which will then be charged to the NAO. Because of the unique legal nature of these arrangements staff are advised to use a solicitor selected from the panel in order to effect the smooth transfer of their property. However where staff prefer to choose their own solicitor then they must pay the fees themselves and reclaim them from the NAO.

Annex D

Claim for additional housing cost allowance

Claim for Additional Housing Cost Allowance (Word)

Annex E

Declaration of Personal Circumstances on Overseas Relocation

Declaration of Personal Circumstances on Overseas Relocation (Word)

Notes

[Note 1]:

For all locations overseas the detached duty station will be considered equivalent to a London posting.

[Note 2]:

In general, homeowners are advised not to sell their main residence whilst on detached duty but, if they decide to do so, and experience difficulty re-entering the local housing market on their return, no additional financial assistance will be offered other than that to which they would normally be entitled. No provision will be made for Housing Advance or AHCA if an employee sells their property before or during a detached duty assignment and the Home Sale Guarantee Scheme will not be available to them in order to effect the sale.

[Note 3]:

Employees may wish to 'trade up' when moving to a new location but the Office will only support the cost of moving to a property similar to the one vacated at the old location. No compensation will be given for loss of equity on a property.

[Note 4]:

Employees posted to locations within the EU should be able to obtain non-emergency medical treatment for themselves and for their families on the NHS through the reciprocal arrangements between the UK and other member states.

Chapter 10 - Hours of Work and Attendance

Purpose

This policy explains the NAO's policy on working hours, including flexible working arrangements, and the procedures for recording attendance. The NAO seeks to adopt a fair approach to its policy on hours of work, taking into account both the interests of the NAO and of staff. The NAO's procedures for recording attendance are intended to maximise efficiency and to ensure the smooth operation of the NAO.

1. Hours of work

Staff are notified of their normal working days and hours in their letter of appointment. Full-time staff are usually contracted to work 41 hours per week over five days (36 hours net of lunch breaks, which

equates to a standard working day of 7.2 hours). The NAO operates a flexible working arrangement which allows employees to work different work patterns with the agreement of their performance coach and assignment manager

Staff, especially those in more senior grades, are expected to show flexibility in working beyond their contracted hours on occasion to fulfil the requirements of their job. Where staff are specifically requested to work extra hours, they may be entitled to time off in lieu or, in limited circumstances, an overtime payment. Please refer to Chapter 7 for more information on this.

The NAO's approach to working hours aims to comply fully with the provisions of the Working Time Regulations, which seek to ensure that:

- Staff do not work longer than an average 48 hours per week.
- Staff take a minimum daily rest period of 11 consecutive hours in every 24
- Staff take a minimum weekly rest period of 24 uninterrupted hours for each 7-day period, in addition to the 11 hours' daily rest

Performance coaches and assignment managers should review with their staff the level of hours worked on a regular basis to ensure that employees do not breach these limits. In exceptional circumstances, staff may opt out of this restriction by gaining prior approval from the Director, Human Resources.

2. Our ways of working

The NAO recognises the importance of supporting staff to work flexibly to help them balance their working life with other priorities, and is committed to providing staff with the opportunity to agree where and when they work their hours, subject to business need.

There are some boundaries to this flexibility as follows:

- All staff will continue to have a defined permanent place of work which is either our London or Newcastle office.
- All remote working i.e. working from somewhere other than your permanent place of work or a client site, will be for convenience and will not constitute a change in your employment terms and conditions.
- No employee will be required to work at home (unless under Government legislation or advice) and all employees can work at their permanent place of work if they wish to do so.
- Employees cannot claim expenses for travel between their home and their defined permanent place of work and the London pay uplift will continue to be offered to those whose permanent place of work is the London office
- All employees must be permanently resident in the UK, unless on an overseas secondment or living outside the UK whilst on career break. This does not prevent employees from working from outside the UK e.g. to spend a longer period of time with non-UK resident family members, but they must comply with guidance on where you can and cannot take your NAO laptop and take into account all data sharing implications. Staff should note, for example, that laptops cannot be taken to some EU countries.
- Any employee working outside of the UK for periods of time, where this is not covered by a formal secondment agreement, will be fully responsible for ensuring that they do not breach any local rules on the time they are allowed to stay in the relevant country. Employees are also responsible for ensuring they do not spend so much time in any country that they become liable for income or other taxes in the relevant country. Should a liability occur the employee is fully responsible for meeting that liability. The NAO cannot be held responsible for deducting non-UK income tax from salary or making payment of taxes to third parties.
- Any work with a security rating above "Official Sensitive" cannot be conducted remotely and must be carried out at an appropriate NAO office or Client site. Staff should also note the relevant policies on information security and data protection.
- Staff wishing to work from home must have a reliable broadband connection and are responsible for the costs of this connection and for any other utilities/costs incurred whilst

working at home. The NAO will contribute to the costs of providing equipment for home working, such as desks, chairs and monitors. Staff should refer to the policy on Equipment for Home Working for information on what is covered and limits on contribution.

Decisions on when and where to carry out work should follow our future working principles which we developed following consultation with our staff and take account of our experiences of remote working during the periods of COVID 19 lockdowns. The way you work should be based around our need to:

- achieve quality – the way you work should support you to achieve high quality, ensuring you meet standards, deliver impact and generate insight
- be effective – the way you work should allow you to work efficiently and productively to achieve the best outcomes
- support others – the way you work should help you collaborate, work well in a team and ensure you help others to develop
- ensure security – the way you work should ensure data, information and physical assets are protected
- deliver client service – the way you work should be professional, responsive and add value to parliament, our audited bodies, or internal customers
- contribute to a better society – the way you work should be inclusive and sustainable, contributing to our overall targets
- get the best out of yourself – the way you work should consider your welfare, working preferences and style, and allow for a good work/life balance

Colleagues are empowered to make decisions, in line with the above principles, through discussions and agreement with their performance coach and assignment manager. This may include short term arrangements, such as leaving early on a particular day to attend a personal appointment, as well as longer term arrangements, such as working from home one or more days per week.

Performance coaches/assignment managers may agree to variations in the number and length of working days and where work will be carried out, on a project by project basis. They will need to be confident that team members can deliver the full responsibilities of their role, including client service and team development responsibilities, without detriment to their wellbeing. Any agreed arrangements will only be in place for that project, or phase of project, with colleagues trusted to be flexible and professional should a variation of pattern be required due to changes in business requirements. Colleagues working on a portfolio of projects (including corporate services) should discuss with their performance coach and assignment managers how their preferred working arrangements might work and review these with changes in responsibility or circumstance.

There is, however, an expectation that all colleagues will spend at least two days a week in our offices or at client sites, unless an alternative workplace adjustment has been specifically agreed. To ensure our ways of working are applied equitably and consistently across the NAO, we will utilise data from desk bookings and other sources, such as computer login data, to monitor attendance in the office or at client sites. This will support leaders to set and manage ways of working within their teams and attendance in line with our ways of working.

The Office does not support formal, long term condensed working arrangements that do not adapt to changes in projects, teams and demand as these do not fit with our ambition for an agile office and our value of "inclusive and respectful".

It is essential that colleagues speak to their performance coaches and assignment managers in advance of any plans to work outside their normal pattern, so that the needs of the wider team and the associated work of that team can be considered. Business need must, of course, take priority, and there may, therefore, be occasions where it is not possible to agree to a request. It is also important to recognise that some roles lend themselves to a greater amount of flexibility in working time and place than others, which may result in some individuals being able to work more flexibly than others, either on an ongoing basis, or at different times of the year. Where a request is refused, the reasons for that should be explained to the individual at the time. Colleagues should ensure that they update their

voicemail and Outlook to reflect where they are working and their working hours, and they must be contactable by their teams and clients during their working hours.

Anyone working from home on a regular basis should refer to the section on considerations for regular homeworkers' in Section 5 below.

3. Contractual flexible working arrangements

All employees who have been employed continuously by the NAO for 26 weeks, and who have not made another formal application to work flexibly under this right during the past twelve months, have the statutory right to request contractually agreed flexible working arrangements. This means that a permanent agreement is made with the NAO over a specific work pattern or work location.

Eligible employees will be able to request:

- a change in contractual hours (i.e. a reduction in the standard 36 hour working week). This might include requests to reduce working hours as part of a partial retirement arrangement (further details on partial retirement can be found in Pensions Notice 48).
- a change to required times of work (e.g. a change in starting/finishing times)
- to work from home (please see the section on 'considerations for regular homeworkers')

In the interests of an agile office which is able to adapt to changes in projects, teams and demand and in fairness to all colleagues, the Office does not support contractual arrangements for 'condensed hours', e.g. working 36 hours over 4 days per week, or 72 hours over 9 days. Therefore, anyone seeking a contractual agreement to work fewer than 5 days per week will need to ensure that this is accompanied by a reasonable reduction in their contractual hours and that no adverse impact on the business will result.

Whilst some element of homeworking can be agreed as part of a contractual flexible working arrangement any application for contractual homeworking for an individual's full working hours will only be considered in very specific cases, for example disability or long-term ill health (see Section V below)

Application and appeal process

- The application and appeal process for a contractual change in working hours or work pattern is partly determined by statute and, for the NAO, is as follows:
- You should first discuss your request with your performance coach
- You should then complete the application form on Merlin (this must be completed in order to comply with statutory requirements) and forward it to your performance coach.
- Your performance coach will meet with you within 28 days of the request to discuss the proposal. They may consult with the Group HR Business Partner, People Development Director or Resourcing Director before making a decision.
- Following the meeting, the performance coach must inform HR of their recommendation by completing the final section of the form, which they then return to HR.
- HR will write to you within 14 days of the meeting to inform you of the final decision. If your request is approved, the letter will contain details of the changes to your terms and conditions.
- If an application is rejected, you have a right to appeal and if you wish to appeal you must do so within 14 days of the refusal.
- The appeal hearing, which you may attend with a colleague or Union representative, should, wherever possible, take place within 14 days of the appeal being made.
- The result of the appeal should be given to you in writing within 14 days of the appeal hearing.

Business grounds for refusing a request for contractual change

When considering contractual flexible working applications we will use our best endeavours to meet individual requests, taking into account the overall requirements of the NAO, and, in particular, the likely impact on the efficiency of our operations.

An application received under the statutory provision can be refused only when there is a clear business reason for doing so. The eight business reasons for which the NAO may reject your request are: -

- Burden of additional costs
- Detrimental effect on our ability to meet customer demands
- Inability to reorganise work among existing colleagues
- Inability to recruit additional colleagues
- Detrimental impact on quality
- Detrimental impact on performance
- Insufficient work during the periods the employee proposes to work
- Planned structural changes

If the NAO refuses a flexible working request, we will identify the specific business reason(s) and provide an explanation as to why it is applicable to the specific application.

If an individual has a contractual flexible working arrangement the agreed contracted hours or contracted work pattern will be accommodated, wherever practicable, if the individual applies for promotion. However, they should indicate on their application any flexibility they may require and any flexibility they might be able to offer in the new role.

Review of contractual flexible Working arrangements

The variation to terms and conditions of employment, following a successful flexible working request, will be permanent unless otherwise agreed and stated.

Colleagues wishing to revert to a different contractual working pattern following a formal flexible working agreement will need to submit a new flexible working form. No guarantee of a full-time post being available can be given to a colleague who wishes to end a part-time arrangement. Management will, however, use its best endeavours to find the employee a suitable full-time post.

4. Contractual homeworking for full working hours

Homeworking for convenience is part of our normal way of working and can be agreed flexibly at local level with your performance coach/assignment manager. Alternatively, a working pattern involving an element of homeworking can be agreed as part of a contractual flexible working arrangement (see section IV above). Permanent contractual homeworking for the full hours of an individual's contract can also be agreed but this will apply only in very specific cases, for example disability, long-term ill health, or when taking on caring responsibilities for someone with a disability or long-term health condition.

Formal application process

The application and appeal process for a contractual change involving homeworking for an individual's full working hours is as set out above, but in addition management may also seek the advice of other specialists, including Occupational Health or the individual's GP.

If your application is accepted, Human Resources will forward you the application forms for the second part of the application process. This is to ensure appropriate measures are in place to support full home working. It is your responsibility to ensure that you submit the appropriate forms to the specific teams and consult with them directly in order to set up your homeworking environment. The

aim of the second stage of the application process is to assess the key health, safety and environmental factors involved in working from home for your full contractual hours, including setting up equipment and making any adjustments needed. Once this has been done, HR will write to you to confirm the homeworking arrangements. If, for any reason, the working environment is deemed unsuitable, you will receive a written explanation.

Review and termination of contractual arrangements for full homeworking

Except where they have been approved as a workplace adjustment under the Equality Act, contractual homeworking agreements for an individual's full working hours are subject to a trial period and should be reviewed regularly by performance coaches. A health and safety assessment should also be completed periodically, in line with the health and safety policy, or where there is a major change to working arrangements.

These arrangements may be terminated, except in cases where they have been approved as a workplace adjustment, for a variety of reasons, for example, where work responsibilities/requirements or personal circumstances change. Management would normally give three months' notice to terminate the particular arrangements. Where a termination of the agreed homeworking arrangement is requested by the individual, the notice period will be agreed between the employee, their performance coach and HR.

The NAO will contribute to the cost of providing equipment for working at home. Where homeworking is not part of a workplace adjustment agreement, staff may claim for the cost of desks, chairs, monitors etc., subject to reasonable limits as set out in the policy on Equipment for Home Working. In cases of homeworking as part of a workplace adjustment arrangement, the individual's equipment needs may be more extensive and will be considered as part of the workplace adjustment agreement. Staff are responsible for ensuring that any equipment and furniture provided by the NAO is returned when the arrangement is terminated, where required under the Equipment for Home Working policy. The individual should arrange with Facilities and Digital Services for items to be collected.

5. Considerations for regular homeworkers (contractual and non-contractual)

Colleagues who work from home on a regular basis should:

- Complete these Health and Safety forms
- Ensure they have undertaken any relevant NAO training, e.g. on health and safety, prior to working from home;
- Make themselves familiar with this policy, as well as the relevant sections of the Security Manual. Colleagues should adhere to these policies at all times;
- Ensure that they do not take home any document which is marked above 'Official Sensitive'. Any work-related material that is taken home should be appropriately protected;
- Ensure the safety and security of equipment and maintain the working environment to appropriate health and safety standards;
- Be contactable during working hours;
- Be flexible in attending meetings (e.g. with colleagues or clients), training courses etc.;
- Observe the highest levels of professional and ethical behaviour at all times - as set out in our Code of Conduct;
- Follow the NAO sickness absence procedure whether working in the Office or at home.

Regular homeworkers should also be aware of the following:

Health and Safety

The NAO has a duty of care to all employees, regardless of where they are working, and will provide appropriate advice to regular homeworkers, based on the completed health and safety forms.

Staff are responsible for ensuring their homeworking environment is safe for them, and those using or affected by it, and does not pose a health risk. They are directly responsible for safe access and egress, the safety of the working environment, such as heating, lighting and ventilation and the safety of services - including power. Staff are also responsible for the welfare and control of persons having access to their working area. The NAO is only responsible for the electrical equipment it supplies. Electrical sockets and other parts of the domestic electrical system are the responsibility of the individual.

If there are doubts as to the suitability of the homeworking environment, staff should seek the advice of the Facilities team.

Travel

Unless a contractual agreement is in place the office may reasonably require staff to attend the Office on days when they usually work from home for events such as team meetings or training. In these circumstances the cost of travel to the office will be fully funded by the member of staff. Where staff are required to travel to a different site or venue on NAO business the costs will be refunded under our normal business travel rules. Further information can be obtained from the NAO's travel policy .

Insurance

Employees are advised to contact their home insurance provider and mortgage lender to establish if there are any implications of using their residence for business purposes. The NAO will not be liable for any financial impact on mortgage or home or property insurance as a result of homeworking.

Furniture and Equipment

The NAO is liable for any equipment (e.g. laptops) owned by the Office that is used whilst homeworking. However, the NAO is not liable for any equipment or facility the employee owns and uses whilst homeworking. Where a member of staff is working at home and using NAO equipment, they are responsible for the equipment in their possession and they should ensure that they know how to use it.

Staff must visually check all NAO equipment and furniture being used in the home on a regular basis. All faulty or damaged equipment and furniture that is NAO property should be reported to either Facilities or Digital Services immediately and appropriate action will be taken. Staff must not perform routine maintenance or try to rectify the problem themselves.

Members of staff working at home are not expected to move or lift NAO equipment and furniture without prior manual handling risk assessment.

Staff will take responsibility for meeting the costs of utilities such as electricity and gas as well as the costs of providing an adequate level of broadband service to facilitate effective homeworking.

Staff can purchase IT equipment, such as monitors, and office furniture, such as desks and chairs, for use when working from home in line with the Equipment for Home Working policy (please refer to appendices).

7. Attendance records, time recording and additional hours working

- Recording Hours:
 - All staff must complete a timecard in Financial Force on a weekly basis.
 - In accordance with NAO and legal requirements (Working Time Directive), staff should record the full number of hours that they work in Financial Force. This should include time spent travelling outside normal commuting time and periods spent at college studying for NAO sponsored qualifications.

- If staff know they are going to be absent, timecards should be completed in advance. Staff who are unable to submit timecards owing to unforeseen absence, such as sickness, should do so as soon as they return.
- Further Guidance on recording absence can be found in Chapter 11 - Managing Sick Absence and Chapter 12 - Types of Leave.

Additional Hours Working and Toil:

The well-being of our people is the key priority for the Office and we are committed to ensuring that the hours we ask our people to work do not present a risk to their health. As a professional services organisation we have a reasonable expectation that staff will work above their contracted hours on occasion, without additional remuneration, to meet work demands and this expectation is explicitly stated in contracts of employment. These additional hours can include travel to and from clients and attendance at training courses.

Where additional hours exceed our reasonable expectations we expect these to be accommodated flexibly through our ways of working wherever possible and agreed at local level, with staff being given the opportunity to balance any periods of significant additional hours working with subsequent periods where work expectations are lower.

Locally agreed arrangements will become the norm for the Office in due course as we embed our commitment to ensuring that the demands placed on our people avoid excessive peaks of work and are better distributed across individuals and teams. Until this is achieved, we believe it is appropriate to continue to provide colleagues with Time Off In Lieu (TOIL) where significant additional hours are required to deliver our work.

TOIL is available to all grades below Director and can be accrued where additional hours are agreed in advance by performance coaches or assignment managers. Performance coaches and assignment managers should actively encourage team members to accurately record in FF the time they have legitimately spent against jobs.

TOIL will be earned as follows:

- TOIL will begin to accrue where the individual has been asked to work more than 3 hours above their weekly contractual hours and these hours have been recorded in timecards.
- The maximum number of hours which can be taken into account in the calculation of TOIL is 48 hours per week, although individuals can record more than 48 hours on their timecard. This limit is set in line with the maximum average weekly hours set out in the Working Time Directive.
- Managers should also ensure that they and their teams comply with all other requirements of the Working Time Directive, including ensuring that individuals take a minimum daily rest period of 11 consecutive hours in every period of 24 hours and a minimum weekly rest period of 24 uninterrupted hours in each 7 day period (in addition to the 11 hours daily rest period).
- The level of TOIL earned in a single week will be calculated on the basis of 50% of the additional hours worked, i.e. a colleague contracted to work 36 hours per week who works 48 hours in a single week will accrue 4.5 hours of TOIL (48 hours minus 39 hours (36 hours plus 3 hours) = 9 hours x 50% = 4.5 hours).
- The 50% calculation will apply to additional hours worked on any day of the week, including weekends
- The maximum level of TOIL which can be accrued in any single leave year (April – March) is 10 days
- TOIL can be taken at any time during the leave year, subject to the agreement of the performance coach. However, it must be taken before 31 March as it cannot be carried over into the following leave year. The only exception to this is where TOIL is earned in the final quarter of the previous leave year (i.e. between January and March). This will need to be taken in the first quarter of the new leave year (i.e. between April and June)

- When taking TOIL, individuals should ensure that they are allocated to the TOIL project in FF to prevent them being booked to other projects for that period. The time should then be recorded in timecards against the TOIL code.
- Assignment managers must ensure that they do not discourage staff from accurately recording the time they have legitimately worked against their jobs. We need to ensure a fair and consistent basis for the calculation of TOIL and be able to track the level of time recorded to ensure staff well-being. It is also important that we have an accurate record of the time required to complete jobs so that future budgets fully reflect the level of resource required.

TOIL arrangements for part-time colleagues

Part-time colleagues who expect to work additional hours over a sustained period can agree with their performance coach a temporary increase in their contractual hours up to 36 hours per week and be paid for these hours. Where an individual has agreed to move to full-time working for an agreed period any additional hours worked above this will be covered by the standard TOIL policy.

Where part-time colleagues expect to work additional hours over a sustained period but do not wish to move to temporary full-time working, or where they agree to increase their contractual hours but to less than 36 hours per week, they will be able to accrue TOIL on the basis of 100% of the additional time worked over the agreed period, up to 36 hours per week. TOIL accrued on this basis will not count towards the 10 days maximum for colleagues working full-time

Additional hours worked above 36 per week will be covered by the standard TOIL policy, with an additional 3 hours required before any further TOIL can be accrued. This will be calculated on the basis of 50% of the additional hours worked. The maximum amount of TOIL which can be accrued by part-time colleagues on this basis is 10 days, the same as full-time colleagues.

TOIL Q&A (April 2020)

1. Why has the Office decided to introduce changes to the TOIL policy at this time?

Our key priority is the well-being of our people and we are committed to ensuring that the planning and allocation of our work does not place unreasonable burdens on individuals. Our existing policy on TOIL did not support us in this key objective and has been a longstanding source of frustration for many colleagues who have raised questions over the fairness of our approach and the consistency of application.

We carried out a detailed review of our TOIL policy in 2018/19 which involved consultation with a range of internal colleagues/groups and a review of the approaches taken by comparable organisations. The conclusion of this review was that our policy was out of line with the approach taken in a modern professional services organisation and should be revised. Given the timing of the Office's wider Strategic Review, we did not introduce changes to TOIL in 2019 but agreed to consider our future approach in the context of the wider People Workstream.

With the conclusion of the Strategic Review and the publication of our Strategy and Organisational Development Plan (ODP) the time was right to implement revisions to our TOIL policy from April 2020 as an interim step towards full flexibility in our ways of working as our favoured approach.

2. If the longer-term aim is to move to full flexible working why retain a TOIL policy in the short term?

We are clear that flexible working reflects the approach taken by a modern professional services organisation such as the NAO and we are keen to move to this position over time. However, we accept that improvements in the way we allocate and distribute work amongst colleagues need to be made before we can make that transition. Addressing inconsistencies in the distribution of work and ensuring we are not expecting individuals to work excessive hours are key aspects of our ODP

3. Are the ET committed to re-timing or deferring audits if they cannot be delivered without staff working excessive hours?

Yes. The C&AG and the ET have been consistent in their statements on this and are committed to taking action to avoid excessive demands being placed on our people.

4. Why has the Office introduced a limit on the total level of TOIL which can be taken?

The detailed TOIL review noted some examples of very excessive hours being worked by a small number of individuals which has translated into the accrual of very large TOIL allowances with no realistic prospect of this time being taken. In contrast, figures show a very significant percentage of colleagues working minimal additional hours, even during the peak audit season, with around a quarter of financial audit colleagues recording an average of 39 or fewer hours over this period. We need to do much more to redress this balance by evening out demands made on individuals and avoiding risks to well-being. A maximum of 10 days of TOIL, in addition to our generous annual leave arrangements, provides a reasonable level of compensation for colleagues working additional hours

5. Why have you introduced a standard level of 3 additional hours to be worked before TOIL accrues? Isn't this unfair for more junior staff?

The expectation that all colleagues work above their contractual hours is a very common feature of professional services organisations and is incorporated in all of our employment contracts. Within our approach to flexible working the same expectation of additional hours applies and is a sign of a mature and professional organisation. In revising our TOIL policy we needed to determine a common approach across all grades which was both reasonable and allowed for consistent application of calculations on TOIL. We consider an additional 3 hours per week to be entirely reasonable figure to set.

6. Why has the figure of 48 hours per week been set as the limit for the TOIL calculation?

Our principal aim is to protect the well-being of our people. In addition to ensuring we are not placing unreasonable pressures on colleagues to work excessive hours we also want to remove any potential incentive to do so. Our records show some colleagues booking in excess of 90 hours in a single week during the peak. Colleagues cannot be fully productive working this level of hours and it cannot be conducive to their health and well-being, nor to ensuring the quality of our outputs. We have, therefore, taken a reasonable view that the 48 hour limit for average working hours, as set out in the Working Time Directive, should be used as a cap for the calculation of TOIL

7. Is this limit fair on colleagues who routinely work more than 48 hours per week?

Yes. Our view is that colleagues should not be expected to work more than 48 hours a week on a regular basis.

8. Am I prevented from working above the 48 hour limit?

We accept that there may be occasions where some hours in excess of the 48 hour limit may be necessary to complete work. However, we do not want to encourage this and expect such occasions to be the exception rather than the rule. Where additional hours above 48 are required this should be based on a conscious decision between the assignment manager and their team.

9. Will the Office continue to produce reports on TOIL accrual, particularly over the peak audit period.

We have provided Resource and other group directors with a report which calculates the level of additional hours worked on a weekly basis and the levels of TOIL which individuals have accrued. These reports can be run directly off FF.

10. Why is TOIL not available to Directors?

Under our previous TOIL policy there has been some uncertainty over whether the policy should apply to Directors or only to more junior grades. We have addressed this uncertainty in the changes introduced in April 2020. Directors are part of the leadership of the organisation and have greater direct control over the planning and delivery of our work. It would be inconsistent with their role to include directors within the TOIL policy

11. How does the policy apply to those working part-time?

We have provided flexibility for part-time colleagues to agree an increase in their contractual hours for periods of peak work where they wish to do so. However, we recognise that this may not be appropriate for a number of part-time colleagues so have set out clearly how any additional hours they work will be accommodated in the TOIL policy. Our approach is straightforward: those contracted to work below 36 hours per week will accrue TOIL at 100% of the additional hours worked up to 36 hours. Thereafter TOIL will accrue at 50%, subject to a minimum of 3 additional hours being worked.

12. Is it fair that part-time colleagues can earn some TOIL at 100%?

We have thought carefully about how the TOIL policy should apply to those working part-time. It is entirely consistent that any additional hours worked below 36 per week should be calculated at 100% as this is in line with our approach to remunerating colleagues working full-time and those who normally work part-time but temporarily agree to increase their contractual working hours to meet peaks of work. Any hours worked above 36 per week are treated in exactly the same way whether the individual works part-time or full-time

13. Does the revised TOIL policy cover both Financial Audit and VFM Specialisms, and Corporate Services staff?

Over 90% of TOIL is taken by colleagues in the Financial Audit specialism, the vast majority of which is accrued during the peak audit season. VFM and Corporate Services staff have generally been handling additional hours working through our flexible working arrangements and we continue to encourage them to use this route. However, where relevant, the TOIL policy can be used by staff from across the business

14. How will working hours be monitored over the financial audit peak?

The hours required to complete work should be decided at local level, with work sensibly distributed through the allocation system. Working hours should also be monitored at local level and any excessive hours discussed, including the option to re-allocate work to other colleagues. Allocation and time booking data will also be collated centrally to ensure we are able to review the distribution of hours corporately.

15. Has the suggestion of annualised hours been considered?

We are very supportive of a range of alternative contractual arrangements. We have a number of staff who have agreed term-time working arrangements and we have considered some form of annualised hours as one way of better resourcing the financial audit peak. However, moving to such an arrangement does not sit comfortably with the need for us to resource our work throughout the year and our stated aim of reducing the excessive hours worked in the peak by some individuals. Annualised hours would not be a solution in a situation where around a quarter of staff working on financial audit during the peak are recording an average of 39 hours or less each week, with over 50% recording 42 hours or less.

16. Have you made any other changes to NAO policies on additional hours working, for example overtime?

A very small number of colleagues are awarded paid overtime in specific circumstances. This usually relates to Corporate Services colleagues required to deliver specific functions at the weekend, for example systems upgrades. We are not making any changes to our overtime policy at this time but will review our approach in due course as part of a wider review of our remuneration framework.

Chapter 11 - Managing Sick Absence

Purpose

The aim of this policy is to manage sickness absence in a supportive, consistent and effective way.

1. Policy statement

From time to time sickness absence will be unavoidable and medically necessary to promote recovery and to protect other employees. The NAO is committed to the sensitive and supportive management of such absence and to the wellbeing of employees. However, it is also important to recognise that unplanned absences can affect the delivery of work, add to the workload of colleagues and increase costs. Effective management of sickness absence is, therefore, essential to the running of the NAO.

Aims and Objectives

The aim of this policy is to manage sickness absence in a supportive, consistent and effective way. This is in the best interests of both our employees and the business. The policy has the following objectives:

- To encourage all employees to share responsibility for the positive management of sickness absence, whether their own or that of their colleagues;
- To recognise and encourage good attendance;
- To seek an improvement in attendance where an individual has taken short-term sickness absence;
- To help secure a return to work, with the aid of workplace adaptations where appropriate, and achieve an acceptable standard of attendance in cases of long-term sickness absence;
- To treat individuals with a disability fairly and make reasonable adjustments where appropriate; and
- To seek a resolution where an individual is not capable of achieving a satisfactory standard of attendance due to genuine ill-health. The NAO is fully committed to helping and supporting employees who are sick to achieve a satisfactory level of attendance, and would expect this to be achieved in the vast majority of cases given appropriate support.

Relationship with other policies

The managing Sick Absence policy applies to the management of genuine sickness absence. Performance coaches should follow the separate Managing Misconduct procedure (Chapter 19) where an individual has taken sickness absence for no genuine reason. Disability Leave (Chapter 12b) is a discretionary form of Special Leave that provides disabled staff with reasonable time off work for reasons related to their disability where that time off is not covered by other leave arrangements.

Failure to comply

Failure to comply with this policy may affect an individual's entitlement to sick pay. In some circumstances failure to follow sick absence procedures may also be treated as misconduct and addressed through the NAO's Managing Misconduct procedure.

2. Process for monitoring sickness absence

Notification

You must inform your Performance coach of the reasons for your absence, and when you expect to return to work, by 10:00am on the first working day of sickness absence. If your Performance coach is not available, you should inform a more senior manager or Director. In exceptional circumstances, you may contact your HR Business Partner, rather than your Performance coach, about your absence.

Fitness for Work Discussion

If your absence is likely to continue for more than 7 calendar days, your Performance coach should have a fitness for work discussion, normally by phone, to clarify the following:

Identify what it is specifically that prevents you being able to work and which elements of their duties they are unable to undertake.

Whether any temporary workplace adaptations could be implemented to enable you to return to work.

Provide information about the NAO's Employee Assistance Programme and Occupational Health Service.

The discussion should also cover any recommendations or work place adaptations advised by the doctor on the fitness for work statement.

Statement of Fitness for Work

Self Certification of sickness absence is permitted if your absence lasts for 7 calendar days or less, inclusive of the first day of absence.

Once you have been absent for more than seven calendar days, or as soon as you know you will be away from work for this period, you will need to provide a statement of fitness to work. The statement will be provided by your GP and gives advice on the limitations of your condition, as well as recommendations about possible workplace adaptations, to help facilitate a quicker return to work.

A medical statement will also be required if an absence or its cause needs to be verified by the Office; the statement can be obtained from your GP or medical practitioner.

Once you have submitted your sickness absence request in Financial Force you will be sent an automatic notification with a link to the absence request asking you to upload your medical statement. You should upload your medical statement as soon as possible after you receive it, and no later than two working days after the eighth calendar day of absence. Your Performance coach will also receive a notification, enabling them to monitor your absence, offer support and discuss suitable workplace adaptations in order to facilitate a return to work.

If you are too unwell to access Financial Force, you will need to send your medical statement to your Performance coach.

Failure to produce a medical statement when required to do so without a valid reason may lead to disciplinary action.

Temporary Workplace Adaptations

Your doctor may suggest some temporary workplace adaptations in the statement of fitness for work to help facilitate a speedy return to work. These recommendations are not binding and the NAO has

the discretion to choose whether and how to act on the doctor's advice. Your Performance coach will consider the recommendations, taking into account the practicalities of them, whether they are cost effective and whether they meet business requirements. Where a workplace adaptation will help facilitate a quicker return all efforts should be made to accommodate these. Adaptations will only be made on the advice of the doctor and with the Performance coach's approval.

Examples of possible temporary adaptations are:

- Altering your working pattern - e.g. shorter hours, later start, earlier finish
- Allowing short breaks during the day
- A phased return to work where the number of days and or hours are gradually increased, although this is often more appropriate after a long illness.
- Amending your work package or providing suitable alternative work
- Homeworking
- Modifying the working environment

Adaptations are only appropriate on a short term (e.g. days not months) and temporary basis and will cease when you are fully fit. Where a problem is persistent or longer term, a referral to OH or medical advice will be needed in order to make reasonable adjustments on a longer term basis.

Where temporary work place adaptations are made on return to work, these should be included as part of the return to work discussion and recorded in Financial Force by Performance coaches, when recording the return to work discussion.

Where an adaptation includes working reduced hours, contracted hours that are not worked should be booked in the absence module of Financial Force to Occupational Health Phased Return. Bookings should be made to the nearest hour. You should also record these hours on your timecard.

Keeping in Touch

It is important that you maintain contact with your Performance coach during periods of absence and keep him/her informed of your likely return date. The nature and frequency of contact should be agreed between you and your Performance coach.

It may be necessary for a manager, colleague or HR Business Partner to contact you at home to clarify messages which have been passed on by a third party or for other legitimate business purposes. This is aimed at the efficient operation of the NAO and will be kept to a minimum.

Recording of Sickness Absence

Where possible, you should record your sick absence in Financial Force when you notify your Performance coach of your illness, and update your timecard accordingly. If you are not well enough to access the system whilst on sick leave, you should update your records in Financial Force on the first day of your return to the NAO following sickness absence. If you consider that your period of sickness might arise out of a disability, you should notify your Performance coach of this fact and record your absence as disability related sick absence using the notes box on the absence request. Once you have requested the sick leave, you will receive an email notification asking you to confirm if the absence is self certified or medically certified. If the latter, you will need to upload your medical certificate to Financial Force. Your Performance coach also receives an email notification when you request sick leave in Financial Force. This reminds the Performance coach to arrange a return to work discussion with you and contains a link to enable your Performance coach to approve the sickness absence in Financial Force. Once the Performance coach has held a return to work discussion with you, they will need to approve your sick leave in Financial Force

Illness at work

If you feel unwell at work you should speak directly to your Performance coach in the first instance. If you are considered to be unfit for work, arrangements will be made for you to go home and, where appropriate, you will be asked to seek medical advice from your GP. Alternatively, first aid facilities are available for use on site. If you are admitted to hospital as a result of an emergency, the first aider will inform your manager and any family member at your request.

Return to Work Discussion

Performance coaches are required to conduct a 'return to work discussion' as a matter of course each time an employee has a period of absence. Your Performance coach will receive an automatic email alert from Financial Force to have this discussion, once you have input a request for sick leave. During this discussion Performance coaches should:

- Welcome you back to work;
- Ask how you are and make sure you are fit to be at work;
- Discuss, where appropriate, any workplace adjustments required to facilitate a return to work. Ensure you are both clear about adaptations that have been made and how long these will be in place for.
- Ensure that Financial Force is up-to-date;
- Discuss the reasons for absence and, if appropriate, review doctor's statements;
- Notify the Group HR Business Partner of any absence that is caused by stress or depression so that a referral to the NAO's Occupational Health Advisers can be considered;
- Where appropriate, discuss your absence record and the impact on the NAO;
- Identify, whether any further support or action would be required to help reintegrate you to the workplace or to improve attendance (further action/suitable support can be found in the section below);
- Where appropriate, update you on developments which have occurred within the NAO during the period of absence; and
- Where appropriate, reiterate your responsibility to attend work and to improve attendance.

Once your Performance coach has held this discussion with you, they will need to approve the sick leave in Financial Force, which confirms that the return to work discussion has been held. Where appropriate, Performance coaches should need to make a note of the return to work discussion in Financial Force

3. Procedures for managing sickness absence

Managing persistent/frequent short term sickness absence

It is essential that Performance coaches monitor absence levels so that early intervention and action can be taken. It is in the interest of both the NAO and the individual that sickness absence is minimised. Due to the individual and unique patterns of absence it is not possible to define a specific point at which further action is required, as this will vary from case to case. However the triggers below provide general guidance for Performance coaches when dealing with short term absence issues. The purpose of the trigger points is to encourage Performance coaches to act consistently and promptly to provide support to individuals and to take other action where appropriate. They are not part of a disciplinary process.

The trigger points are:

- 10 working days or more in any twelve month period;
- 3 separate occasions (totalling 6 days or more) in a 12-month period; or
- A pattern of absence - for example regular sickness on a particular day of the week.

Any of the above may indicate that the individual needs support to achieve a consistent standard of attendance. However, Performance coaches should apply their own judgement when deciding on any course of action, taking into account all the circumstances of the particular case.

- Monitor absence(s) - Once an individual has accumulated more than 10 days absence, had 3 separate absences in a 12 month period or demonstrated a pattern of absence Performance coaches should consider whether there should be further investigation;
- Investigate absence - Reasons for absence should be discussed at the return to work interviews. However a further meeting should be arranged once the trigger points are reached. There may be a range of possible reasons which could relate to underlying health conditions and/or disability, personal issues and the impact of negative experiences at work. Performance coaches should provide the opportunity for issues such as these to be discussed and the reasons for sickness absence to be clarified;
- Where persistent/frequent absence is caused by a stress-related or depressive illness this must be referred to the HR Business Partner, who may arrange a referral to the NAO's Occupational Health Advisers;
- Offer support or take further action as appropriate;
- Decide on the most appropriate course of action. In some cases no further action will be needed if the reason for the sickness absence is clear and the absence was for a short period only (e.g. time taken for an operation or for physiotherapy);
- Consider whether the individual may be eligible for Disability Leave (attach link to policy);
- Keep up to date records of any action taken, support offered or provided, and any other relevant information. This could be in the form of brief hand-written notes; and
- Continue to monitor sickness absence and maintain an up to date understanding of the issues and progress.

Managing long term sickness absence

As a broad guide long-term sickness absence is 21 days or over in a 12 month period. Such cases can be complex and sensitive so, where an employee has been absent for 21 days and there is no clear return to work date, the Performance coach should:

- Inform their HR Business Partner as soon as they become aware that an individual will have a prolonged period of absence from the NAO. The Business Partner will support the Performance coach throughout the process of managing long term sickness absence;
- Investigate the reasons for the absence. There may be a range of possible reasons which could relate to underlying health conditions and/or disability, personal issues and the impact of negative experiences at work. Performance coaches should provide the opportunity for issues such as these to be discussed and the reasons for sickness absence to be clarified;
- Offer support, which may include providing details of the Employee Assistance Programme;
- Agree with the individual a schedule of regular contact throughout the process, keep the individual up-to-date with relevant changes in the NAO (if appropriate), discuss progress and medical reports and generally keep in touch by phone or e-mail; and
- Consider further action, in consultation with the HR Business Partner, where an individual is not able to return to work or to achieve or sustain a satisfactory level or regularity of attendance because of genuine ill-health in the foreseeable future.

Return to Work

Once the employee is ready to return to work (normally based on medical evidence) the Performance coach should plan for the return to work. The following actions may need to be taken:

- A risk assessment may be arranged for employees with: musculoskeletal conditions; a disability; expectant mothers or mothers returning to work following pregnancy; and where assessment might aid recovery;
- A discussion about reasonable adjustments might be required - although further medical advice or occupational health may be needed before applying such adjustments;

- A phased return to work following prolonged absence. This may require medical or occupational health advice on a phased return pattern. A phased return allows someone to return to work on reduced hours and build these up gradually until s/he is working their normal contracted hours. This facility would normally be available up to 6 weeks, although longer periods of up to 3 months will be considered for those covered by the Equality Act 2010. Under an agreed phased return, an employee will receive full pay as if they were working their normal contracted hours. Hours not worked will be regarded as special leave with pay and must be recorded as such in Financial Force. If an employee is not able to return to their normal contracted hours after the agreed period of the phased return, they will be paid for the hours they actually work. This will be reviewed periodically, and options will be discussed with the employee, where a return to their previous contracted hours becomes unachievable; and
- Consider whether disability leave may apply going forward.

4. Procedures for managing sickness absence

Advice and support

When managing both short term and long term absence it may be necessary to seek extra advice and support with the aim of ensuring that all reasonable steps are taken to help employees remain in or return to work.

Occupational Health

It may be necessary to seek independent medical advice and the NAO has appointed an Occupational Health Provider to offer expert guidance on: fitness for work; the possible causes of ill-health; the treatment required; the prognosis for recovery and a return to work (if applicable); the likelihood of a recurrence of the illness; and whether any reasonable adjustments are required.

The HR Business Partner will manage the referral process in conjunction with the appropriate Performance coach. The following employees will normally be offered a referral to an Occupational Health Adviser:

- Anyone who is absent due to a stress-related or depressive illness;
- All employees who are on long term absence;
- Employees whose absence levels are giving cause for concern; and
- Any other employees who have a medical condition that will affect work or be affected by work.

In addition an employee may request a referral to OH through their Performance coach or HR Business Partner.

All employees sign a contract of employment when they join the NAO and this explains that employees automatically give their consent to a) a medical examination by a provider nominated by the NAO and b) disclosure of any report produced in connection with the examination. However, employees will be asked to confirm their consent at the point of referral. Employees are not obliged to confirm their consent, but, they are strongly encouraged to do so, as this will enable the NAO to make timely and informed decisions about the type of support that is most appropriate for them. If an individual does not agree to be referred the NAO will take action based on the information available at the time.

NAO sick pay is conditional on the individual providing consent to an OH referral once 4 months' sick absence has been accrued in the last 12 months. Non consent may result in NAO sick pay being withdrawn after 4 months. Employees may still be eligible for Statutory Sick Pay.

Once consent has been given, a referral form outlining the issues related to the case is forwarded to OH and reviewed by one of the OH Medical Advisers who will decide on the next steps. They may: arrange a telephone assessment with an Occupational Health nurse practitioner and give advice

based on this information alone; contact appropriate medical practitioners for specific advice; or arrange a face to face appointment with an Occupational Health clinician to assess the individual. A confidential report will be provided to the NAO giving a range of advice on issues such as a likely return to work date, any impact on capabilities at work and any reasonable adjustments which are recommended.

Employee Assistance Programme

All employees have access to our Employee Assistance Programme (Confidential Care tel: 0800 0851376). This is available 24 hours a day 365 days a year. Confidential Care provide information and guidance on a range of life issues and will also offer up to six counselling sessions in appropriate cases.

Workplace Adjustments

It may be necessary to make reasonable adjustments to enable an employee to perform his/her duties satisfactorily. These will normally be based on medical evidence or specialist workplace assessments and may be permanent or temporary, depending on the reasons for making the adjustments. The following are examples of adjustments, but the list is not exhaustive or prescriptive:

- Adjusting premises, modifying equipment or providing specialist software;
- Re-allocating duties to another employee for a specified time;
- Transferring the employee to another vacancy or to a different place of work;
- Altering working hours;
- Agreeing to reduced work demands in terms of quantity of output (but not quality);
- Allowing time off to attend medical appointments; and
- Accepting a higher level of sickness absence as a direct result of a disability (this would need to be justified following medical advice and considered reasonable in the light of operational requirements).

Employees must discuss and agree any recommended reasonable adjustments with their Performance coach in the first instance, before completing a Reasonable Adjustments sheet. Further guidance on reasonable adjustments can be found [here](#).

If you do feel there are barriers relating to a disability or health condition that are impacting you at work, or you would like to talk about reasonable adjustments for someone you manage, or you would simply like more information, please contact your HR Business Partner and/or the disability network.

Disability Leave

Disability leave is an example of a reasonable adjustment which can be considered in applicable circumstances by the NAO in accordance with its duties under the Equality Act 2010. It is a discretionary form of Special Leave which the NAO may consider granting for staff it considers may be disabled. Further information is [here](#).

Sickness Absence and Alcohol and Drug Dependency

As the Code of Conduct states, employees are required to demonstrate high standards of personal discipline, and avoid any forms of over-indulgence or addiction which might affect their conduct or work performance. Excessive use of alcohol affecting work or use of illegal drugs may potentially be viewed as gross misconduct for which the penalties include summary dismissal.

However, where such conduct is related to alcohol or drug dependency the NAO will provide appropriate support to individuals: those affected will be offered a referral to the NAO's Occupational Health service for a medical assessment of the extent of the problem and will give advice on the range of options available to address it. In addition access will be given to the specialist services of the NAO's Employee Assistance Programme including telephone and face-to-face counselling. Whilst

employees will not be obliged to take advantage of either of these facilities, if they choose not to it will significantly reduce the scope for mitigating circumstances to be considered, should disciplinary action become necessary.

5. Sickness absence and probation, promotion and performance appraisal

Probation

Sickness absence (provided it is not disability or pregnancy related), should be taken into account, alongside conduct and performance, when deciding whether to confirm an appointment at the end of the probation period (see Chapter 6 of the HR Manual for further guidance relating to the probation procedure).

Promotion

Attendance - as well as performance and potential - will also be considered in our promotion processes, except for sickness absence which is directly related to disability or pregnancy.

Appraisal

Absence levels are considered as part of the performance appraisal process. Managers should use the following guidelines when making assessments:

- **Short-term absence.** Appraising managers should generally not make allowances for short term absences due to ill-health where there is no underlying health condition; the individual should be appraised against the full requirements of the role. Such absence can adversely affect the performance of the individual or team and this should, therefore, be reflected in the choice of the appraisal rating.
- **Prolonged sickness absence.** If someone has been off sick for a prolonged period due to a genuine underlying health condition, the appraising manager should make allowance for this when assessing performance. For example, if someone has been off for 3 months with such a condition, they should be assessed on the work expected from 9 months, not the full 12 months. If an individual has taken so much sickness absence that a reliable appraisal cannot be completed (ie an absence of 9 months or more) the Performance coach should consult with HR Business Partner who will be able to advise. Often in such cases the previous year's mark will be carried forward.
- **Disability.** If reasonable adjustments have been made to enable the individual to optimise attendance and perform duties satisfactorily, the individual's performance should be assessed and rated against the standards generally expected of staff in the grade, once the reasonable adjustments have been taken into account.

6. Sickness absence and pay

The NAO has an occupational sick pay scheme. Failure to comply with the NAO's policy and procedures on sick absence may affect an individual's entitlement to sick pay.

Employees with more than 6 complete months' service

Employees who have been employed continuously for at least six months will be entitled to NAO Sick Pay at the following rates:

For all employees who:

- joined the NAO from 1 April 2013; OR
- were in post prior to 1 April 2013 and who have subsequently accepted revised terms and conditions, e.g. on promotion to AA or AP

- Full pay: up to a total of five months' absence in any rolling period of 12 months. Thereafter NAO sick pay will be reduced to half pay from the 153rd calendar day of absence;
- Half pay: any absence in excess of five months (over 152 calendar days) in any rolling period of 12 months, up to a total of five months. Thereafter NAO sick pay will be reduced to nil from the 304th calendar day of absence;

There is a total limit of 10 months' pay for sickness absence in any period of up to four years. When an employee has exceeded 304 calendar days' sickness absence in a rolling four-year period, their NAO sick pay will be reduced to nil. HR will notify any employee approaching half or no-pay well in advance of either event taking place.

For all employees who were in post prior to 1 April 2013 and who remain on their original terms and conditions:

- Full pay: up to a total of six months' absence in any rolling period of 12 months. Thereafter NAO sick pay will be reduced to half pay from the 183rd calendar day of absence;
- Half pay: any absence in excess of six months (over 182 calendar days) in any rolling period of 12 months, up to a total of six months. Thereafter NAO sick pay will be reduced to nil from the 365th calendar day of absence;

There is a total limit of 12 months' pay for sickness absence in any period of up to four years. When an employee has exceeded 365 calendar days' sickness absence in a rolling four-year period their NAO sick pay will be reduced to nil. HR will notify any employee approaching half or no-pay well in advance of either event taking place.

NAO sick pay is conditional on the individual providing consent to an OH referral once 4 months' sick absence has been accrued in the last 12 months. Non consent will result in NAO sick pay being withdrawn after 4 months. Employees may still be eligible for Statutory Sick Pay (see below).

In cases where sickness absence is a result of a disability the NAO may consider extending the limits to occupational sick pay as a reasonable adjustment.

In exceptional cases when an employee has reached the nil pay point and where there is a clear indication that he/she will be fit to return to work or where a decision on ill-health retirement is imminent, employees who are pensionable under the Civil Service Pension Scheme may be granted Sick Pay at Pension Rate (SPPR). This is potentially payable for up to a maximum of 12 months. The amount of reduced pay is equivalent to the amount of pension that would have been payable, had they retired on ill health grounds, calculated when their sick leave entitlement ended. Periods of SPPR are not reckonable for future pension benefits under the PCSPS.

Employees with less than 6 complete months' service

In their first six months of employment employees will be entitled to full pay for any absences, up to a maximum of two weeks, over the course of the 6 month period. Any absences beyond two weeks in the first six months, whether that is a single instance or multiples instances, will be unpaid. However, employees will be entitled to Statutory Sick Pay.

Statutory Sick Pay (SSP).

Employees are entitled to Statutory Sick Pay. Under the SSP scheme, sickness absences lasting up to three calendar days are not eligible for statutory sick pay. Sickness absence from four calendar days up to 28 weeks are in most cases covered by SSP, and paid at a rate related to earnings.

Any entitlement to SSP will be taken into account automatically by the NAO in the calculation of an employee's pay. SSP is assessable for Income Tax and National Insurance and contributions to the Civil Service Pension Scheme. For further advice on the rules regarding SSP payment, employees should contact the Payroll Team.

In some cases, employees who are not eligible for SSP may be eligible to claim State Sickness Benefit instead. State Sickness Benefit, added to occupational sick pay, may not exceed an employee's normal gross rate of pay. The HR team are able to advise employees on this provision.

Accidents and Injury

If an employee suffers injury in the course of official NAO duties and qualifies for payment of injury benefits under the PCSPS the maximum sick absence period with entitlement to full pay may be extended by six months. An injury allowance may be payable once they have exhausted their entitlement to sick pay at the full rate.

7. Sickness absence and annual leave

You will continue to accrue your normal annual leave entitlement (including your public leave entitlement) while on sickness absence.

If you are unwell during a period of annual leave you may change this to sickness absence. In order to change the type of leave that you have booked you will need to follow the standard sick leave procedures, including ringing your Performance coach on the first day of sickness. Once you have returned to work you can cancel the period of annual leave in Financial Force and re book this as sick leave. You may be asked to provide a doctor's statement to cover the period. The NAO will reimburse any costs of obtaining certification if requested.

If your sickness absence continues, and your entitlement to sick pay, at either full or half rate, is exhausted, you may take any accrued annual leave. The period of annual leave will be paid at your normal salary rate. This period of annual leave will also count as sick leave if you are absent immediately before and after the period. The period would therefore be recorded as both sick and annual leave in Financial Force. In such circumstances the period will continue to count towards the accumulation of sickness absence in relation to half and no pay.

8. Further action

The NAO is fully committed to helping and supporting employees to achieve a level of attendance which allows them to deliver their job and, from our experience, this is achieved by NAO staff in the vast majority of cases. In some exceptional cases employees may not be capable, due to genuine ill-health, of achieving and sustaining a level of attendance necessary to deliver their job effectively. It would not be in the best interests of the individual or the NAO to accommodate prolonged periods of poor or unreliable attendance. This is not a disciplinary or misconduct issue, but reflects the fact that the individual is not in a position to deliver their job effectively due to genuine ill-health, despite relevant support or assistance provided. Performance coaches should work in collaboration with their HR Business Partner to explore the options set out below.

Performance coaches would not need to wait for half-pay or no-pay trigger points to be reached before considering these options and taking action:

- **Medical retirement.** This may be an option for the individual given their particular circumstances and should be discussed with them before taking further advice. Any application for medical retirement has to be approved by both the retirement scheme advisor and the HR Director.
- **Monitoring and formal review.** The aim of this process is to support and monitor an improvement in attendance. The process would provide up to 2 periods for improvement (e.g. of 1 to 3 months' duration each) which would be monitored against an attendance action plan. At the end of the period the Performance coach would review progress and depending on the outcome may submit this to be considered by the Director of HR. If the individual's attendance does not improve sufficiently following this process or is not sustained despite appropriate support, the Director of HR may have to terminate the individual's employment.
- Termination of employment where an individual's absence is long term and OH medical advice is that a return to work or to an acceptable level of attendance cannot be achieved or

is unlikely in the foreseeable future, the Director of HR may have to terminate the individual's employment. This option would only be considered where:-

- ill-health retirement was not an option for the particular individual;
- absence was, in the judgement of the NAO, unacceptably high and unsustainable;
- in cases involving a disability, the individual was not able to carry out their duties to an acceptable standard even following reasonable adjustments.

Chapter 11A - Health and well-being (managing stress)

Purpose

This policy covers the framework for Health and well-being with the NAO.

1. Introduction

The NAO has a duty of care as an employer and is committed to promoting a safe and healthy workplace for the benefit of staff and the business. We therefore have in place a framework of policies to address sickness absence ([Managing Sick Absence](#)), provide flexible working options ([Flexible Working](#)), and help address conflicts at work (such as bullying or harassment) all of which can be sources of stress ([Staff Complaints Procedure](#)). The guidance in this chapter aims to help performance coaches and staff minimise the risk of stress occurring, and show them how to deal with it quickly and effectively. By promoting a working culture where staff well-being is an integral part of how we work will benefit our staff and support the on-going success of our business.

Stressed employees are costly for organisations. The CIPD says that stress is now the number one cause of long-term absence for both manual and non-manual employees. According to the Health and Safety Executive, an estimated 9.8 million working days a year are lost through work-related stress. The personal cost of stress is immeasurable to those affected; it also has a considerable knock-on effect on teams, colleagues and the wider organisation. The business case for managing stress is clear, and therefore the need to manage work-related stress effectively is of paramount importance.

2. Definition of stress

The Health and Safety Executive define stress as the adverse reaction people have to excessive pressure or other types of demands placed on them. It is the product of a complex relationship between the pressures or demands that you experience and the resources you have available to respond to them. Short-term pressure can be a positive state if managed correctly, but where this is excessive and sustained it can result in chronic stress which can be detrimental to health and well-being and it will affect work performance and attendance. It is the physical and psychological effects of chronic stress that eventually makes us ill

2.1 Recognising the symptoms of stress

Here we list some of the most common symptoms. These can present as physiological, psychological or behavioural indicators. Use this list to familiarise yourself with some of the symptoms, and remember the next time you suffer from any of these symptoms it could be stress-related.

Physiological indicators of stress

- tightness of the chest, neck, jaw, face, abdomen, shoulder and back muscles
- hunched posture and clenched fists
- breathing becomes shallow and rapid
- headache
- irritable bowel symptoms such as diarrhoea or constipation
- nausea

- sleep disturbances and fatigue
- shaking hands
- susceptibility to minor illness
- chronic (long-term) pain
- facial expression shows tension frown, tightened eyebrows, clenched jaw, pursed lips
- rashes

Psychological indicators of stress

- irritability
- depression
- anxiety, restlessness and impatience
- withdrawal
- diminished initiative and lack of interest
- self-deprecation and reduced self-esteem
- decreased perception of positive experience opportunities
- narrowed focus
- changes in eating habits
- weakened positive emotional response reflexes
- lack of concentration or lack of attention to detail
- impaired memory
- diminished productivity
- disorganisation of thought
- diminished sense of meaning in life
- aggressive behaviour
- pessimistic and negative
- carelessness
- under-eating or over-eating
- intolerance of others
- withdrawal and listlessness
- bursting into tears

What to do if you recognise these symptoms of stress in yourself?

If you recognise some of these symptoms but are not sure of your level of stress you can take our self-assessment stress test, and review the recommendations for your score.

- **Self-Assessment Stress Test**

You may think you can manage stress in the short term but it could be affecting your ability to manage stress effectively in the long term. It may only take one small additional issue to make your current stress levels become unmanageable. It is always best to seek help as soon as possible to address the stress you are experiencing now to help you better manage your stress levels in the future. In the first instance you could speak to your Performance coach, or you could speak to your HR Business Partner who will be able to advise you on where you can get additional help.

Alternatively, you can contact your own General Practitioner or speak to one of our trained counsellors from our Employee Assistance Provider. They offer a confidential service through telephone, email or face to face sessions. Details of how to access this service can be found [here](#).

What to do if you recognise these symptoms of stress in a colleague?

You should advise them to speak to their Performance coach directly to voice their concerns and to seek advice from their GP as soon as possible. Alternatively, they can also contact their HR Business Partner or a member of the HR Attendance and Wellbeing team, who will be able to advise them on where they can get additional help (e.g. from our EAP service as detailed in the above section).

Other useful documents:

- Common Causes of Workplace Stress
- Top Tips for Managing Your Stress Levels
- Occupational Health Process
- Checklist for Managing Stress
- External Sources of Support
- Self Help - ways to de-stress at your desk

3. The manager's role in minimising stress

Research shows that performance coaches can sometimes be a cause of employee stress. However, they can also significantly reduce stress by implementing effective stress management practices.

3.1. Establish reasons contributing to the stress:

When you suspect that a member of your team is feeling stressed, it is important to identify the reasons that lie at the heart of it. It is a good idea to talk to them and be aware not just of their work issues, but also any conflicting working styles and lifestyle priorities. Remember too that different individuals will have different stressors and different 'tipping points' beyond which they feel highly stressed. Aspects to consider when you are talking to individual employees might include:

- individual or team workloads
- the office environment (e.g. levels of noise, light, space, untidiness)
- the impact of any recent changes to working practices or larger-scale change initiatives
- concerns about job security
- lack of communication or feedback in the team
- difficult relationships with colleagues
- bullying in the workplace
- changes in an individual's personal circumstances

If a member of your team leaves, it is a good idea to conduct an exit interview with them in order to elicit candid feedback about the likely causes of stress. It is worth considering sharing this information with your HR Business Partner to help them establish whether the causes of stress are indicative of a wider organisational issue.

If any feedback causes you to suspect that bullying is a contributory factor to stress levels in your team, it is important to tackle this immediately. Similarly, if a team member is underperforming, and this is causing stress in your team, this should be addressed as soon as possible.

3.2. Tap into organisational and external support

- Advise them to see their GP as soon as possible. You can also encourage employees to eat well, exercise and get enough sleep as all these can help to combat the feelings of stress (more information available on this through Learning Choices and our Employee Assistance Programme).
- Encourage individuals to look at our flexible working policies and ensure that all your team members are aware of their entitlements, e.g. for those with childcare responsibilities to look at flexible working and childcare schemes.
- Refer them to our Employee Assistance Programme. They offer email, telephone and counselling sessions to NAO employees. This is a completely confidential service and anything you say to them will stay private. For more information on this service and how you can access it please see our Employee Assistance Pages on Merlin.
- If you are still concerned that they need some external help, please report your concerns to your HR Business Partner who is able to refer the individual to Occupational Health. Our Occupational Health Management Service is a team of experienced professionals who offer

us advice on how we can better support the individual at work (for more information on our Occupational Health service please see below).

- You should also speak to your HR Business Partner if there are any other concerns e.g. bullying or underperformance.

3.3. Identify the changes you can make in your team

- As a Performance coach or assignment manager you can assess how well you currently communicate with your team. What could you do better? A good place to start is by discussing individual and team objectives. It's important that all team members are aware of all business objectives, and how they fit in with yours, and the wider aims of the organisation. If your team has to work particularly hard at the moment, explain the reasons, and give timescales, if possible, for when workloads might return to a more reasonable level. As a Performance coach or assignment manager you can assess how the individual is performing in a team, based on any feedback you are given, and assess how you can better support them.
- If you are an Assignment Manager you can schedule regular one-to-one time with each employee if they are working with you for any length of time. Alternatively if it is a short audit you should meet with them at the start and end of the audit to give feedback.
- Give regular praise and feedback.
- Performance coaches and Assignment Managers should also work together to ensure employees are taking their full annual leave entitlement in order for them to recharge physically and emotionally.

3.4 Other useful documents:

The Manager's Role in Preventing Stress

- Occupational Health Process
- Checklist for Managing Stress
- External Sources of Support

4. How to help employees return to work after a stress related absence

If someone in your team has had time away from the workplace because of stress, it is important to help them manage their return to work as sensitively as possible. The following hints and tips are designed to help you ensure this is the case.

Get some advice before you start

When planning for the return of an employee who has been off with stress, it can really help to get some initial advice from others. It is a good idea to speak to your HR Business Partner, who can liaise with other HR colleagues as appropriate.

Welcome the employee back

Taking the first few steps through the door of the organisation can seem a daunting process for an employee after a period of stress-related absence. As a Performance coach, consider what you could do to help make this easier. This might mean arranging to meet your team member at a coffee shop across the road beforehand, or waiting in reception to welcome them back and help to boost their confidence.

Arrange a catch-up

Even if you have been in regular contact with your employee throughout their absence, it is important as a Performance coach to sit down with them early on their first day, and ask them how they feel about their return to work. This will allow you to gauge how best to help them ease back into their role. If anything has changed in their absence, e.g. a new way of doing things has been introduced, be

sure to give the employee a quick overview and, if relevant, arrange for someone to sit down and go through this properly with them.

Take a phased approach to their return

It is a good idea to have some specific work for your employee to get started on when they return. The nature of the work should be sufficiently taxing so that the employee doesn't feel patronised, but it is equally important not to load up their in-tray. This could quickly lead to them feeling overwhelmed. Instead, it is a good idea to gradually introduce bigger tasks, projects or increased responsibility and to review each step with the employee as you go along. The GP or Occupational Health may have advised on a formal phased return arrangement in which case you need to make sure their workload is arranged around any recommendations they have given. As a performance coach you should also be prepared to make short term reasonable adjustments with regard to particular activities that are likely to cause your employee further stress.

Reflect on what you could do differently

People become stressed for a variety of reasons, some work-related, some personal. If you are aware of the underlying causes of a member of your team becoming stressed, it is important to reflect on what you, as a Performance coach, could do differently to help. It is also a good idea to discuss these questions with the employee as part of the return to work process. Ask them for their thoughts about what could be done differently to help and support them in the short and longer term and liaise with their Assignment Manager/s to act on these where possible. This might be something as straightforward as having fewer team meetings, to enable your employee to feel more in control of their workload.

Have an open-door policy

Once the person has had a chance to settle back in, whether you are a Performance coach or Assignment Manager, you can let them know that you are there if they need to talk to you. You might wish to schedule regular catch-ups with them to ask them how they are feeling, or leave it up to the employee to approach you when they feel they need your support. This will enable you both to identify any issues or problems at an early stage and prevent them from causing feelings of chronic stress. Avoid the temptation to keep asking them if they are OK, as this can be disconcerting for them.

Arrange for some informal support

Team members can be a valuable source of support to returning employees, particularly if a lot has changed during their absence. In this instance, you may wish to pair the employee up with a buddy from your team, who can help them get back in the loop. You should also ask other team members to be on hand to give their support as and when required. It is important to note here, though, that you must respect employee privacy and confidentiality at all times. As a performance coach or Assignment Manager you cannot disclose the cause of the individual's absence (other than to HR) for the purpose of discussing whether reasonable adjustments would be appropriate) unless you have their consent.

Signpost other forms of help

As well as offering managerial support, you can advise them to contact our Employee Assistance Programme where they can speak confidentially to a team of trained counsellors through email, face to face or telephone counselling. You can also contact your HR Business Partner if you would find that useful. Other useful documents:

The Return to Work Discussion (RTWD)

Helping Employees Return After Stress-Related Absence

Frequently asked questions:

Q.1 I am feeling really stressed at present, who can I talk to?

In the first instance you could speak to your performance coach, or you could speak to your HR Business Partner who will be able to advise you on where you can get additional help. Alternatively, you can contact your own General Practitioner. All discussions with HR/performance coaches are held in confidence and they will only pass information to others with your consent. Workplace Wellness - our Employee Assistance Programme - is also confidential and NAO management will not be informed of any discussions you have with them.

Q.2 I am working to three different managers at present all with conflicting deadlines - I don't know what to do first?

You should arrange to speak to your assignment managers (or performance coach for corporate service staff) who will be able to agree what work will take priority and what deadlines can be extended. Your performance coach can also support you in deciding for example, if your work plan and work load needs to be reviewed or if other resources need to be identified.

Q.3. I am a new entrant and am unsure of my manager's role and responsibilities. Who do I speak to if I have a problem?

In the first instance, you should talk to your performance coach about any problems you have. They will be able to direct to other support where appropriate.

Q.4. I am anxious about the changes that are happening in the Office and the impact that they will have on my work.

You should try to keep abreast of latest information on any changes through, for example, speaking to your performance coach and monitoring information cascaded via Merlin. Your performance coach should be your first point of contact to discuss any concerns you have about your work.

Q5. My manager takes no account of what work I have planned and gives me impractical deadlines at short notice, which causes me stress. What can I do in these circumstances?

You should explain to your assignment manager(s)/performance coach that you already have several on-going work commitments and discuss how best to address the situation. It may be that something else will have to give in order to achieve the deadline which has been given at short notice. You need to maintain an on-going dialogue with your performance coach or assignment manager(s) about your work and work load and you should feel free to be open about any issues.

Q6. What if this doesn't achieve the desired outcome?

You can raise your concerns with your People Development Director or your HR Business Partner and can also receive external support from our confidential Employee Assistance Programme, where you can speak confidentially to a team of trained counsellors through email, face to face or telephone counselling.

Q.7 What can I do to reduce my stress levels and maintain a healthier body and mind?

You can do a great deal to manage stress e.g. take regular exercise, eat a balanced diet, avoid short "quick fixes" such as sugar, caffeine, alcohol. Learn to recognise stress in yourself and others and find out what works best for you to reduce or minimise stress.

You could also try some relaxation techniques to tackle acute feelings of stress. For more information view our podcasts on the Employee Assistance Programme pages on Merlin.

Q.8 I have just returned from sick leave and was diagnosed as suffering from stress and depression. Who will know about my illness?

The Attendance and Wellbeing/HR Business Partner team will need to know so that appropriate support can be provided, and they will discuss with you who else may need to know about your situation. It will be helpful, for example, for your performance coach and any assignment managers to understand what is going on so that they can monitor progress and make sure any workplace adjustments are made. You will have control over who else is informed

Q9. I am finding it difficult to cope with the conflicting pressures of work and home. What measures are in place to support my work life balance?

The NAO has a number of flexible working options which include part-time working, flexible working, home-working etc. Further details can be found in the flexible working section of the HR manual on Merlin.

Q10. Issues at home are beginning to have an impact on my work. Is there somebody that I can speak to?

You can speak to your performance coach or alternatively your People Development Director or HR Business Partner who will be able to assist you and give you information about external sources of support - which include our confidential Employee Assistance Programme .

Q11. I am feeling stressed but I am sure these feelings are just passing. I just can't seem to get on with it and am unsure what to do?

You may think you can manage stress in the short term but it could be affecting your ability to manage stress effectively in the long term. It may only take one small additional issue to make your current stress levels become unmanageable. It is always best to seek help as soon as possible to address the stress you are experiencing now to help you better manage your stress levels in the future.

Chapter 12 - Types of Leave

Purpose

This policy covers the NAO aims to be fair and consistent in the management and granting of leave for all employees.

The NAO aims to be fair and consistent in the management and granting of leave for all employees. Employees' needs and wishes will be given consideration, wherever possible, taking into account the overriding importance of meeting the NAO's work requirements.

You have a responsibility to observe and comply with the guidelines outlined in this chapter. Management have a responsibility to oversee their implementation for the benefit of employees and the efficient working of the NAO. This responsibility would normally rest with line managers.

1. Recording of leave

Leave is recorded on the Absence page in Financial Force. You are responsible for ensuring that the Absence page is up to date and correct. You should ensure that you book all types of leave (annual leave, which includes an allowance for public holidays and, where applicable, privilege leave, plus sick leave, special leave and trainee TOIL) in a timely fashion. Annual leave bookings do not need to be approved in Financial Force but bookings of sick leave, special leave and trainee TOIL do require performance coach approval. It is important that, where required, leave requests are approved/rejected in good time to ensure that the NAO can maintain an accurate record of all leave.

Leave entitlements

The leave year runs from 1 April to 31 March.

With effect from 1 September 2016, the timing of the leave year changed from 1 November – 31 October to 1 April – 31 March. Staff received an interim leave entitlement covering the transition period from 1 November 2016 – 31 March 2017.

Employees' leave entitlements are composed of:

- Annual leave
- Public Holiday - Full-time employees are entitled to 8 public holidays: New Year's Day; Good Friday; Easter Monday; May Bank Holiday; Spring Bank Holiday; Late Summer Bank Holiday; Christmas Day; Boxing Day.

And where applicable:

- Privilege leave of 2.5 days, where eligible employees have opted to revert to their pre 1 November 2013 terms and conditions relating to annual leave and privilege leave entitlements.

These elements are combined to form a single total leave entitlement. Leave entitlements for full time employees who work standard hours are expressed in days. Leave entitlements for part-time employees and full time employees contracted to work 'non-standard' hours (i.e. different work patterns on different days) are expressed in hours. A summary of full time leave entitlements for each employee category is set out in the table below. This applies to all employees on permanent and fixed-term contracts. More details on each of these individual elements can be found under the relevant subheading later in the chapter.

Table 1

	Post 1 November 2013 terms and conditions regarding annual leave and privilege leave		Pre 1 November 2013 terms and conditions regarding annual leave and privilege leave where eligible employees have opted to revert	
	Full time entitlement in days	Full-time entitlement (hours)	Full time entitlement (days)	Full-time entitlement (hours)
All employees with less than 5 years' total service with the NAO	35	252	35.5	256
All employees with 5 or more years' total service with the NAO (service given in any previous period of employment with the NAO will count towards the 5 years qualifying period).	40	288	40.5	292

Leave for part-time employees

Leave entitlements for part-time employees and those contracted to work 'non-standard' hours (i.e. different work patterns on different days) are expressed in hours.

Part-time employees will receive a pro rata leave allowance based on the number of hours worked per week. Therefore, an employee who works 30 hours per week will be entitled to 30/36ths of the full leave entitlement for the appropriate employee category and someone who works 24 hours per week will be entitled to 24/36ths. For example, an employee who is in the post 1 November 2013 terms and conditions regarding annual leave and privilege leave, with over 5 years service contracted to work 24 hours a week, would have an entitlement of 192 hours ($24/36 * 288$).

For those whose pattern of work is irregular, leave allowance will be calculated pro rata based on their contracted average weekly hours. Average weekly hours are agreed in advance, and are stated in an employee's contract or a letter from HR confirming a change of working hours.

Leave entitlements will be rounded up to the nearest hour. The full time leave entitlement in hours is set out in table 1. This is calculated on the basis of the length of a standard working day for a full time employee which is 7.2 hours ($36/5$).

How is leave calculated if an employee joins or leaves part-way through the leave year?

When an employee joins or leaves part way through the leave year their leave entitlement will be pro-rated to reflect the proportion of the current leave year they will work or have worked.

Similarly, for employees who opted to revert to their pre-1 November 2013 terms and conditions and leave, the total number of privilege leave days (2.5) will be pro-rated for the proportion of the current leave year they have worked.

What happens when employees move into a higher leave category?

When an employee moves into a higher annual leave category, they will receive a pro rata increased allowance for the remainder of the current leave year. From the next leave year, their full annual leave entitlement will reflect their new category. Financial Force will be updated to reflect your leave entitlement on your Absence page.

What is the minimum block of leave which can be taken?

The minimum amount of leave which can be taken for full time employees is half a day. For part time staff, leave is booked in hours. Whilst it is possible to book a minimum of 1 hours leave in Financial Force, employees should flex their time as per our flexible working policy, when they wish to take very short periods of leave.

What is the procedure for requesting annual leave?

You should discuss your leave plans in advance with your performance coach to ensure that your request meets the needs of the business before booking leave in Financial Force.

The NAO respects Bank Holidays as days when the majority of employees will wish to take leave. Employees wishing to take Bank Holidays as leave, should book these days as annual leave via the Absence page in Financial Force.

If you are required by the business to work a Bank Holiday you may be able to claim TOIL for these hours or overtime. Further information on the overtime policy can be found in **Chapter 7 - Pay**.

Employees should plan to use their full annual leave entitlement in the year to which it relates. However, as a minimum, **employees must take the statutory minimum of 28 days leave in each leave year including public holidays.**

Can the NAO refuse annual leave requests or dictate when annual leave should be taken?

All requests for annual leave will be treated fairly but you should plan your leave as far as possible to avoid peak work times. The NAO is committed to promoting the health and wellbeing of its employees. Taking annual leave is an essential part of this process. As a minimum all employees must take 28 days' leave throughout the year (including public holidays) in order to meet statutory requirements. If you feel that you will not be able to comply with this provision, you must discuss the position with your performance coach at the earliest opportunity.

Management always have to ensure staffing levels are sufficient to meet work requirements. If a particular request for annual leave is likely to jeopardise work targets or deadlines, requests may be refused. In this case, management will discuss options for taking leave at an alternative time with the aim of ensuring that you are able to take your full leave entitlement.

The NAO reserves the right to specify dates when annual leave must be taken. For example, an employee cannot be required to take annual leave during periods of sickness absence, but they may be required to take annual leave at the end of a period of sickness absence, before they return to work. The NAO may also require employees to use some of their annual leave during periods when they are unallocated.

Are employees allowed to bring forward leave?

You may apply to bring forward leave from the next leave year, however, you must ensure sufficient leave is left to be able to take the statutory minimum of 28 days leave (including bank holidays) in the next leave year. Requests are made through the Absence page in Financial Force in the usual way.

Are employees allowed to carry over leave?

Up to 10 days' leave may be carried over to the next leave year by all employees (excluding TOIL), as long as the statutory minimum of 28 days' leave has been taken in the current leave year. Financial Force will automatically roll forward untaken leave up to and including 10 days, and so no action is required by the individual or manager.

Employees who have accrued large amounts of leave during periods of family support leave or long term sickness absence will be able to carryover all accrued leave to the next leave year but they will be expected to reduce their leave balance to a reasonable level in the subsequent leave year.

You are not permitted to carry over more than 10 days' leave in any two consecutive years. Any leave that is not taken and is above the permitted carry over levels will normally be lost. No financial compensation will be paid.

When does payment in lieu of leave apply?

If an employee has not taken all of their accrued leave at the time their employment terminates, they will receive payment in lieu of accrued leave outstanding at the date of termination. This will be up to a maximum of 10 days' leave. In exceptional cases, applications for payment of more than the 10 day limit may be approved by the performance coach and line director. If the employee dies in service, this payment will be made to their next of kin.

Are there cases where payment in lieu does not apply?

Payment in lieu of leave does not normally apply to TOIL and in the case of dismissal for disciplinary reasons.

What happens if excess leave has been taken at termination?

Employees will be required to reimburse the NAO for any leave taken in excess of accrued entitlement on termination. Sums due in this respect will be offset against final salary payments.

2. Special leave

Eligibility for, and authorisation of, special leave

When does special leave apply?

Employees are expected to flex their working pattern, and/or use their leave entitlement, to meet personal and domestic commitments, where reasonable. The NAO recognises, however, that there may be exceptional circumstances where employees require special leave arrangements, beyond their leave entitlement and the provisions of the flexible working policy.

The NAO's policy is to consider such applications sympathetically and fairly, and in compliance with the provisions of employment legislation. In considering requests for special leave, management will take into account both the employee's needs and the staffing requirements of the Office.

There are two broad types of special leave: **paid special leave** and **unpaid special leave**. The following sections provide guidelines on circumstances where each applies, and how much special leave may be granted. As situations need to be assessed individually, performance coach have some discretion and flexibility in applying these guidelines. performance coach should assess each case on its merits. All applications and approval for special leave must be made through the Absence page in Financial Force.

Who is eligible for special leave?

All employees are eligible to apply for both paid and unpaid special leave.

Requesting special leave

You are asked to give as much advance notice as possible of a request for special leave. Requests should be made, via the Absence page in Financial Force, to your performance coach. In exceptional circumstances, where this is not possible, the leave may be authorised on your return.

Special leave may be taken in half days, subject to the agreement of the approving performance coach. Special leave is expressed in half days/days regardless of whether an employee is full time or part-time.

Authority to grant special leave

performance coach may grant special leave up to the guideline limits for the relevant category below. Requests in excess of the guideline limits should be referred to the line director.

Recording special leave

All special leave must be recorded on the Absence page in Financial Force.

Public holidays at the start or finish of a period of special leave will not count as part of the special leave. Those falling within the special leave period will count as part of the special leave, whether paid or unpaid. Weekends will count as part of special leave as pay is based on the number of days in the month, not the number of working days.

Flexible working as an alternative to special leave

In some cases, it may suit you and the NAO to change to a different working pattern, temporarily or permanently, as an alternative to taking special leave. This may be appropriate, for example, in circumstances where there is an ongoing need to look after a sick relative or dependant. See Chapter 12b of the HR Manual for further information on applying for flexible working.

Paid Special Leave

(a) TYPES OF PAID SPECIAL LEAVE

This section provides guidance on situations where paid special leave may be granted. These examples are not exhaustive and managers have discretion in the amount of special paid leave granted (up to the maximum limits), and the circumstances in which it is allowed, taking into account the examples provided. Where a manager is unsure about a special leave request, they should consult their line director in the first instance or the HR Business Partner if further advice is required.

The summary table below provides a quick reference for amounts of special paid leave that can be approved. Further details on each circumstance are provided below.

Situations attracting paid special leave	Maximum number of days usually allowed in a rolling year
Medical or dental appointments	½ -1 day per occasion, maximum of 3 days in 12 month period
Transport disruptions	3 days
Domestic crises:	
Burglary	1 day
House Damage e.g. fire	3 days
Disrupted childcare arrangements at very short notice	3 days
Family situations:	
Care of dependant in emergency circumstances	3 days
Care of seriously ill close dependant	5 days
Bereavement Leave:	
Death of child	10 days
Death of spouse or partner, or of a closely dependant parent or sibling	5 days

Situations attracting paid special leave	Maximum number of days usually allowed in a rolling year
Death of a close relative not living with bereaved	3 days
Death of relative, where bereaved is executor of the estate or responsible for funeral arrangements	3 days
Attending funeral of more distant relative	1 day
Jury Service	As required
Study and examination leave	1 day's revision per exam and 1 day for exam sitting
Reserve Forces training	8 days
Relocation leave	see Chapter 9
Trade Union Duties and Activities/ Health and Safety Representatives	Reasonable time off to perform duties (to be agreed with HR)
Voluntary Public Duties including Justice of the Peace, school governors	see later table

Medical/Dental Appointments

Where possible, you should make appointments to see your doctor, dentist or optician in your own time. Where this is not practicable, you are expected to make appointments at the start and end of each day for short routine appointments. It is not expected that employees would require special leave for such appointments. For longer appointments, you should try to make such appointments at either end of your working day and apply for a half day's special leave accordingly.

Note: Time off for medical appointments counts as special paid leave, not sick leave and must be recorded on the Absence page in Financial Force where it is necessary to take a half or full day.

Severe transport disruptions

The NAO invests heavily in IT to ensure the vast majority of employees have the facility to work remotely. When travel disruption is anticipated, therefore, you should plan for the worst case scenario and make advance arrangements to work from home, for example, by taking home laptops. Employees who have not taken all reasonable steps to work remotely, and who cannot get to the Office, should take annual leave. Employees who have used their leave entitlement will need to apply for unpaid special leave via the Absence page in Financial Force, recording the reason for the absence under the "Other" category.

In the event of unexpected disruption or where an employee has taken all reasonable steps to work remotely during periods of severe travel disruption but cannot do so and cannot attend the Office they

will be able to apply for special paid leave. This includes employees who are unable to return to the UK following a work related overseas trip. Employees should apply for paid special leave on the Absence page in Financial Force and select the "Other" reason and provide relevant details. Employees are expected, wherever possible, to make alternative work arrangements to cover periods of disruption, such as varying work hours, or re-scheduling annual leave.

Leave arrangements for employees unable to return to the UK due to travel disruption following a personal holiday will be considered on a case by case basis, depending on the individual circumstances and the extent of the travel disruption. The employee should consult their performance coach in the first instance.

Domestic and family situations

Approval of special paid leave for other situations which fall into similar categories to those listed in the above table will be at performance coach discretion. In all circumstances account will be taken of previous periods of paid special leave in the consideration and granting of any application.

Caring for someone with a disability or long term condition

Under the Disability Leave policy, provision is also made for employees with caring responsibilities for someone with a disability or long term condition to take paid special leave for up to 10 working days in any 12 month period. Further details of this provision can be found in the Disability Leave policy (chapter 12b).

Jury Service and court appearances

An employee summoned for jury service or as a witness in criminal proceedings or those heard in coroners courts are entitled to special leave with pay for each day they are in court. They are entitled to keep travel and subsistence expenses paid by the court but should not claim any loss of earnings. A copy of the court summons should be uploaded to the absence request via the 'notes' section in the Absence page in Financial Force. The NAO will support an application to be excused from jury service only in extreme cases, when the employee's absence would have a serious impact on the NAO's work.

Study and examination leave

For an employee supported by the Office to undertake a course of study, the arrangements covering study and examination leave will be included in their training agreement with the Learning and Development Team. Other employees should make requests for special leave for study and examinations to their manager via the Absence page in Financial Force. Such study leave would normally be limited to paid leave for one day's revision per exam and paid leave for the day of the exam sitting(s).

Day release courses

An employee on an approved and funded course of study involving day release may be granted special paid leave for up to forty days per academic year. This includes time off for each examination and one day for revision for each examination subject.

Reserve forces training

Up to eight days' special paid leave per year may be granted to members of the Reserve Forces for training. For employees with less than 40 days' leave entitlement, this may be increased, in exceptional circumstances, as long as their combined annual and special paid leave does not exceed 45 days in a given leave year.

A reservist who is recalled in a national emergency, however, may be granted up to fifteen days' special paid leave. After this period, any shortfall between his/her service pay and his/her civil pay will be met by the NAO. Balance of civil pay is not payable if an employee volunteers or is conscripted into regular service.

Relocation leave

Employees who relocate when they make a permanent transfer, at the request of the NAO, are entitled to paid special leave. Full details of the entitlements are in Chapter 9.

Statutory Leave for Public and Voluntary Duties

There are some limited situations where the law obliges employers to allow employees time off. These include:

- performing certain trade union duties and activities
- acting as safety representatives
- when under notice of redundancy
- certain voluntary public duties
- Parental Leave (see Chapter 12A)

Further details of these situations are given below

Trade union duties and activities

A distinction is drawn, in law, between trade union duties and trade union activities. Duties relate to the functions performed by trade union officials, in representing their members. Trade union activities are those where ordinary trade union members are involved.

Trade union duties and training

A reasonable amount of time off with pay during working hours shall be granted to trade union officials to carry out their trade union duties, and to undergo training. In some circumstances, a regular paid facility time allowance may be granted for accredited trades union representatives.

Trade union activities

An employee who is a member of an independent recognised trade union shall be allowed reasonable time off, having regard to the circumstances, during working hours, to take part in trade union activities. The amount should be agreed in advance with HR.

Health & Safety representatives

Health & Safety representatives are entitled to reasonable time off work with pay during working hours, to perform their functions adequately, and to undergo training in relevant aspects of these functions. The amount should be agreed in advance with the Head of Facilities.

Employees under notice of redundancy

An employee who is under notice of redundancy, and who has at least two years' continuous service, shall be entitled, during their notice period, to reasonable time off with pay during working hours to look for new employment, or to arrange for retraining. The amount should be agreed in advance with HR.

Voluntary public duties

Employees are legally entitled to reasonable time off without pay to carry out certain specified voluntary public duties. However, the NAO may grant up to the following limits of special paid leave, taking into account all the relevant circumstances. These annual limits will be pro-rated for part-time employees and are monitored on a 12 month rolling period, not by leave year.

ACTIVITY	ANNUAL LIMIT OF SPECIAL PAID LEAVE
Justice of the Peace	26 days
NHS - member of an NHS Trust , Regional, Area or District Health Authority, Family Practitioner Committee or Health Board	10 days
School/ college governor or trustee responsibilities for a charity	6 days

In addition, the NAO gives employees an allowance of up to 8 hours each year for volunteering activities (please get performance coach approval and record this on your Financial Force timecard). Further details can be found in PC03/14. The NAO will also consider applications for unpaid leave to take part in volunteering activities.

(b) EFFECT OF PAID SPECIAL LEAVE ON CONDITIONS OF SERVICE

Generally, paid leave does not affect conditions of service.

Unpaid Special Leave

You may apply for unpaid special leave up to 12 months' duration. Employees wishing to apply for a longer period of unpaid leave should apply for a career break.

(a) TYPES OF UNPAID SPECIAL LEAVE

The following are some of the examples where unpaid special leave may be approved. These examples are not exhaustive but are provided as a guide to the situations where applications for special leave without pay may be considered.

Court Appearances:

Employees called as court witnesses in civil proceedings will be entitled to special leave without pay. They may keep travel and subsistence allowances, together with any compensation for loss of earnings, paid by the court.

Extended annual leave without pay

Employees may apply for extended leave without pay up to 1 year, for example, to visit relatives in distant countries.

Parliamentary elections

An employee who is entitled to take part in national politics, in compliance with the NAO Code of Conduct, may be granted up to six weeks' special leave without pay to serve as a political agent for a candidate in a Parliamentary Election. An employee who is free to stand for Parliament may be granted one month's special leave without pay during the period running up to an election. If elected,

staff must resign immediately as under the House of Commons Disqualification Act 1975, NAO staff cannot become MPs.

Voluntary work

An employee may be granted special unpaid leave to undertake work with nationally recognised charities. The amount of leave should be negotiated with their Managers and the HR Team. See also PC03/14 on volunteering at the NAO.

Extension of family and domestic leave

Extended special leave may be granted without pay, in the following situations:

- To look after school age children in school holidays, if child-care cannot be arranged. The extra unpaid leave will be granted only if employees use at least ten days of their annual leave entitlement during school holidays. Note: Eligible employees may be entitled to Parental or Adoptive Leave - see Chapter 12A
- To care for a close dependant where other arrangements cannot be made. Employees would be expected to use at least ten days of their annual leave in such circumstances but unpaid leave may be granted where more time is needed. Note: Employees with caring responsibility for someone with a disability or long term condition may apply for Disability Leave – see Chapter 12b.

(b) Effect of unpaid special leave on conditions of service

How does Unpaid Special Leave affect conditions of service?

When an employee takes unpaid special leave, the "stop the clock" principle applies. This means that benefits are not accrued during the period of unpaid leave, but benefits already accumulated are preserved. When the employee returns, his/her entitlement resumes. The effects on conditions of service are summarised below:

Pension Rights

Pension rights accrued up to the point at which unpaid special leave begins are preserved. The period of unpaid special leave does not count as reckonable service for pension purposes.

Annual leave

If an employee takes more than ten days unpaid special leave in any one leave year, they may be asked to offset the excess against their annual leave entitlement.

Paid sick absence

Periods of unpaid special leave do not count towards qualifying service for sick pay purposes. If any employee has exhausted the maximum paid sick absence (i.e. 12 months in any period of four years or 10 months in any period of four years for those people on the new terms and conditions) before taking a period of unpaid special leave, they will have to re-qualify for NAO sick pay on their return to work.

Maternity Leave and other Family Support Leave

Employees are not eligible for paid NAO maternity leave if they become pregnant while on an extended period of unpaid leave. Further details can be found here [chapter 12a](#).

Appraisal Arrangements and Pay Increases

Employees taking more than nine months' unpaid special leave in a reporting year, will not receive an annual performance appraisal. They will, however, receive a notional pay increase based on the most recent pay award and the employee's latest annual performance rating.

Additional Housing Cost Allowance

Additional Housing Cost Allowance is not payable during prolonged periods of unpaid special leave. The period for which AHCA is payable will not be extended to take into account the period of unpaid special leave.

What rights are preserved during unpaid special leave?

You have the right to return to work in a similar job in the same grade following unpaid leave. The following rights are also preserved:

- **Eligibility for Promotion** - Employees on unpaid special leave are eligible to apply for promotion, but must provide a firm indication of their anticipated date of return to work and any flexibility possible. Management will consider whether it is practicable to delay filling the advertised vacancy until this date.
- **Redundancy and/or early retirement entitlements** - In some circumstances an employee may be made redundant, or take early retirement, while on unpaid leave. If this occurs, the calculation of his/her redundancy and/or pension entitlements will be based on his/her pensionable pay and length of service at the start of his/her unpaid leave.

3. The NAO career break scheme

The NAO operates a career break scheme. This normally covers periods away from work which are longer than those accommodated within the Special Leave categories above. Its aim is to enable employees to take time off, for particular outside needs, such as caring for children / adults.

In agreeing a career break, management will consider the needs of the business and the compatibility of career break requests with these needs.

Length of career breaks

A career break must be for a period of at least one year. With management agreement, employees may be allowed up to three years in total for career breaks (including any periods of unpaid special leave) during their employment with the NAO. This may be an aggregate of several shorter breaks, or one long break. At least one complete year must be worked between breaks.

Eligibility to apply for a career break

Employees may apply for a career break, provided that they:

- have completed three years' service;
- have a satisfactory attendance record;
- are not, or have not been, under formal disciplinary action for poor performance over the past three years;
- have completed at least one complete year of service since any previous career break or period of unpaid leave of longer than 3 months.

What is the process of applying for a career break?

The employee should, in the first instance, discuss their plans for a career break with their performance coach bearing in mind that formal applications for a career break should be submitted to HR at least three months before the intended start of the career break. The employee should then complete the application for career break form providing as much information as possible about the proposed career break. The form should then be forwarded to the HR Service Desk. HR will send the form to the relevant performance coach, copied to the People Director. The performance coach will be asked to consider the career break request taking into account the needs of the Group and the factors listed in this chapter. The form will then be returned to HR who will confirm in writing whether the application has been successful. If the application is successful, the employee should book their career break via the Absence page in Financial Force using the absence type Career Break.

Can an employee apply for a career break immediately after maternity leave?

Yes and the application would be considered in line with the criteria set out in this chapter. There would be no requirement to repay maternity pay unless the employee resigned during the period of leave or failed to return to work for at least one month at the end of the career break. (Periods of work experience and training completed during the break will count towards the one-month qualifying period).

Factors considered in approving career break applications

The following factors should be considered by performance coaches and People Development Directors when deciding whether or not to recommend approval of a career break application:

- the reason for the career break
- the length of the career break
- whether the individual has had previous periods of special leave/career breaks
- the individual's performance history
- the individual's skills set, whether they need to be replaced, and ease with which those skills could be replaced
- impact of the request on current and future work allocations
- business benefits gained/lost in the event that the application is approved
- any activities or paid employment undertaken during the career break must not breach the Code of Conduct

Keeping in contact and maintaining skills during the career break

Keeping in touch is a joint responsibility. While an employee is on career break, they will naturally be focusing their attention on their current activities, but they are nevertheless expected to maintain contact with the NAO.

A contact person will be appointed - normally a Line Manager - to take overall responsibility for liaising with the employee.

It is important that employees on career break take responsibility for keeping their knowledge and skills up to date. They are expected, as far as possible, to keep abreast of developments in their own professional area.

The contact person will arrange for the employee to attend any appropriate training courses during their break, where this is feasible. These may relate to specialised, technical or management skills.

You may undertake short periods of paid work experience at the NAO during the career break, usually one to two weeks each year. The employee's circumstances and ability to attend work will be taken into account, alongside business need, in agreeing the timing of such work experience. However, you cannot expect to complete periods of paid work at a time when there is no suitable work available.

Working during a career break

You can take up paid employment during a career break but this must be agreed as part of the approval of the career break. Some examples of situations where working is agreed include:

- where an employee takes a career break to undertake voluntary work or a course of study and needs to work part-time in order to fund the studies or voluntary work;
- working whilst accompanying a partner/spouse who has relocated;
- where the purpose of the career break is to allow an employee to undertake work that gives them relevant work experience e.g. working for another SAI;
- where it is necessary to work for part of the career break to fund the remainder e.g. when travelling for long periods

If your circumstances change during the term of the career break and you wish to take up paid employment, you must seek the office's permission to do so first by contacting HR. HR will wish to ensure that any paid employment would not breach the code of conduct and would be in keeping with the original purpose of your career break, taking into account any changed circumstances. We reserve the right to terminate the career break and require an employee to return to work or resign if you take up work that is not in keeping with the original purpose of the career break or is in conflict with the code of conduct.

What happens at the end of the career break?

Where possible, you will return to a job in the same grade as before your break and the Group will do all they reasonably can to ensure a suitable post is available.

In exceptional circumstances, however, you may be offered a post at a lower level, as a temporary measure, until a post at the right grade becomes available. In such an event, you will receive the salary and other conditions of service appropriate to your substantive grade. Alternatively, a secondment may be identified for you.

What should the employee do before returning?

Approximately two months before you return you should contact your Line Manager to discuss working arrangements and identify any training needs.

What happens if an employee wants to change the length of their career break once it has begun?

When an employee has agreed a career break, they are expected to take the full period of time off. If, owing to changed circumstances, they wish to return to work earlier or to extend their career break the NAO will consider whether it is possible to accommodate their wishes taking into account business need. However, the NAO cannot guarantee that such changes will be approved. Employees are required to give at least three months' notice when asking to return early or extend their break.

How does a career break affect conditions of service?

A career break counts as unpaid leave. The effect on conditions of service is summarised below.

Pension rights - Pension rights accrued up to the point at which a career break begins are preserved. The period of the career break does not count as reckonable service for pension purposes.

Performance related pay - In years where the employee does not complete at least three months service they will have their notional pay increased at the annual pay review date to ensure that they maintain their position within the pay range after each pay award. For further details, see chapter 7 of the HR Manual. In years where the employee has completed more than three months service in the

appraisal year, either before or after their career break, they will need to complete an appraisal. Their pay will then be determined by reference to their appraisal mark in the usual way.

Annual leave - Qualifying years served before a career break will be taken into account in calculating annual leave entitlement and any associated increases on the individual's return, but the career break itself will not count as qualifying service.

Paid sick absence

A career break does not count towards qualifying service for sickness pay purposes. If an employee has exhausted the maximum paid sick absence (i.e. 12 months in any period of four years or 10 months in any period of four years for those people on the new terms and conditions) before taking a career break, they will have to re-qualify for NAO sick pay on their return to work.

Additional Housing Cost Allowance (AHCA)

AHCA is not paid during a career break. Payments are resumed on return. The period of time over which AHCA is paid is not extended by the length of time spent on a career break.

Promotion

Employees on career breaks are eligible to apply for promotion, but must provide a firm indication of their anticipated date of return to work and any flexibility, which might be possible. Management will consider whether it is practicable to delay filling the advertised vacancy until this date.

Redundancy and/or early retirement entitlements

In some circumstances an employee may be made redundant, or take early retirement, while on career break. If this occurs, the calculation of his/her redundancy and/or pension entitlements will be based on his/her pensionable pay and length of service at the start of his/her career break.

Maternity leave

An employee who becomes pregnant during a career break may not be eligible for paid maternity leave. In such cases, the employee will nominate the start of their maternity leave in the usual way and their career break will be suspended from that point until the end of their maternity leave. The career break will resume following maternity leave for the remaining term unless the employee requests a change to the length of the career break. Further details on maternity leave can be found here [chapter 12a](#).

Chapter 12A - Family Support Leave

Purpose

This policy outlines the NAO's approach in the management and granting of family leave for all staff within a supportive framework.

The NAO aims to be fair and consistent in the management and granting of leave for all staff. The following paragraphs set out staff entitlements under a range of family support provisions.

1. Maternity Leave

Maternity leave entitlement

All women, regardless of length of service or hours of work, are entitled to take 52 weeks' maternity leave. The first 26 weeks of this period is referred to as Ordinary Maternity Leave (OML) and the second 26 weeks is known as Additional Maternity Leave (AML).

Compulsory Maternity Leave (CML)

Employees are not allowed to return to work in the two weeks following the birth of their baby. This period is called Compulsory Maternity Leave (CML) and runs concurrently with OML.

Applying for maternity leave

An employee must notify Human Resources in writing of when she wants her maternity leave to start. Notification should be no later than the 15th week before the week her baby is due or as soon as reasonably practical afterwards. She must provide HR with a MAT B1 form (Maternity Certificate) as proof of pregnancy. HR will then meet with the employee to discuss her maternity leave and pay entitlements.

Once maternity leave dates have been agreed, the employee must then book this leave in Financial Force via the Absence Page. Maternity leave is approved by the performance coach in Financial Force.

An employee may change the date she starts her Maternity Leave as long as she gives 28 days' notice before the date she originally intended to start her leave or 28 days before the new date she wants to start her leave, whichever is the earlier. Under these circumstances, an employee should cancel the original dates and re-book their maternity leave in Financial Force to reflect the new dates.

Paid sick leave prior to, or during, maternity leave

If the employee falls ill prior to starting maternity leave, and her illness is not pregnancy related, the normal provisions for paid sick absence will apply.

Where an employee falls ill within 4 weeks of the Expected Week of Childbirth (EWC) and where her illness is pregnancy related, OML will start automatically and there will be no entitlement to sick pay.

There is no entitlement to sick pay once maternity leave has begun.

Time off for pregnancy related appointments

Employees are entitled to time off to attend midwife appointments or antenatal classes. These should be booked as Special Leave With Pay under Medical/Dental appointments via the Absence page in Financial Force.

Performance coaches may request to see proof of appointments following the first occasion that an employee asks for time off during pregnancy.

Health and Safety

The health and safety of our staff is important and risk assessments for expectant mothers will be offered to female employees who have notified Human Resources of their pregnancy.

A rest room is available in all NAO locations for expectant mothers to use as needed. Please contact Human Resources for further information

Start of Ordinary Maternity Leave (OML)

An employee cannot start OML earlier than the 11th week before the EWC, unless the baby is born before the 11th week before the EWC. In such a situation OML will start automatically.

Subject to the above, a woman can choose when to start OML. For example, she could take 11 weeks before the birth of the baby and 15 weeks after, or take 6 weeks before the birth and 20 weeks after.

The start of OML will automatically be triggered if the employee is absent from work on account of her pregnancy after the beginning of the 4th week before her EWC.

Entitlements during OML

An employee's employment contract continues during OML. The terms and conditions of employment which would have applied to her, had she not been absent during OML, including non-contractual benefits, will continue to apply, except those relating to remuneration. However, NAO staff may be entitled to NAO Maternity Pay or the Pay Provision for staff who do not qualify for NAO Maternity Pay, and/or Statutory Maternity Pay (SMP).

Provided an employee meets all other conditions, she can still take OML and AML and receive Maternity Pay if her child is:

- stillborn after 24 weeks of pregnancy
- born alive at any point of the pregnancy

Start of Additional Maternity Leave

AML will start on the day after the last day of OML and will continue for up to 26 weeks thereafter.

Entitlements during AML

As with OML, an employee is entitled to all the benefits she would normally receive under her contract. The only exception to this is remuneration.

NAO Maternity Pay

NAO Maternity Pay is paid to eligible staff during the period of Ordinary Maternity Leave (OML), i.e. for 26 weeks. Employees who qualify for NAO Maternity Pay will receive their normal salary on the same pay day as other staff.

Eligibility for NAO Maternity Pay

An NAO employee will be eligible for NAO Maternity Pay, provided that she:

- is in paid service at the beginning of the 14th week before the EWC;
- has, at the beginning of the 14th week before the EWC, at least one year's service with the NAO in the preceding three years;
- informs Human Resources in writing, no later than the beginning of the 14th week before her baby is due, that she will be absent because of her pregnancy;
- returns to work, at least for one calendar month, after her maternity leave;
- informs Human Resources of the EWC and produces a Maternity Certificate (MAT B1) as proof of pregnancy.

Rate of NAO Maternity Pay

NAO Maternity Pay:

- will be paid at the normal rate of pay (including allowances) for the duration of OML;
- includes SMP (SMP is not paid on top of NAO Maternity Pay);
- will be paid at the higher rate to employees who are on temporary promotion prior to maternity leave, for the intended duration of the temporary promotion only.

Pay Provision for staff who do not qualify for NAO Maternity Pay

Staff who do not qualify for full NAO Maternity Pay (e.g. those in paid service at the beginning of the 14th week before the EWC, but with less than one year's service with the NAO in the preceding three years), are eligible for two weeks' full pay for each completed month of service up to the beginning of the 14th week before the EWC. For example, an employee with eight completed months of service at the 14th week before the EWC will be paid her normal salary for the first 16 weeks of OML.

Statutory Maternity Pay (SMP)

Statutory Maternity Pay (SMP) is currently paid for a maximum of 39 weeks. The first six weeks is paid at 90% of the employee's average weekly earnings (with no upper limit) and the following 33 weeks is paid at the statutory rate or 90% of the employee's average weekly earnings, whichever is less.

Where an employee is receiving NAO Maternity Pay or the Pay Provision she would not receive SMP on top of her full salary as SMP is included in NAO Maternity Pay. Once NAO Maternity Pay or the Pay Provision ends SMP will continue to be paid up to a maximum of 39 weeks in total.

An employee must have average weekly earnings in the eight weeks up to and including the qualifying week (the 15th week before the EWC) at or above the lower earnings limit (LEL) for the payment of National Insurance (NI) contributions in order to receive SMP.

Start of SMP

SMP is paid from the date that maternity leave begins. The latest date that SMP can start is the day after the birth.

Maternity Allowance

Pregnant employees who do not qualify for SMP may be entitled to Maternity Allowance. This is claimed from the local Social Security / Job Centre Plus Office. If an employee qualifies for paid Maternity Leave, any Maternity Allowance she receives will be offset against her pay.

If an employee does not qualify for SMP she will need to obtain an SMP1 form, "Why I cannot pay you SMP" (copies available from http://www.dwp.gov.uk/advisers/claimforms/smp1_print.pdf)

Pension entitlement

OML is reckonable for pension purposes and any period for which SMP is payable after OML ends is also reckonable but AML taken after SMP exhausts is not. However, all periods of maternity leave, whether paid or unpaid, will count towards the qualifying period of two years for eligibility for pension benefits.

Continuous employment

Maternity leave will count as part of the period of continuous employment.

Keeping in touch

Employees may apply to work for up to 10 days at any stage during the maternity leave period apart from during compulsory maternity leave (the first two weeks following childbirth). This is providing they have given the office advance notice of the request, and apply to have full day block periods. If you would like to apply to work some keeping in touch days, please contact your performance coach in the first instance, who will endeavour to arrange this for you. We will try to accommodate all reasonable requests where possible. You can use these keeping in touch days for small projects that you would like to complete, training days or attending conferences.

Your performance coach will need to confirm with HR that you have completed a keeping in touch day in order for the pay changes to be processed.

Accrual of leave during Maternity Leave

Annual leave accrues at the normal rate during Maternity Leave.

Returning to work after OML and AML

An employee returning to work at the end of AML (after taking the full 52 weeks' maternity leave entitlement) is not required to give notice of her return to work.

An employee returning to work at any time before the end of her AML period is expected to give Human Resources not less than 8 weeks' notice of her intention to return. However, in exceptional circumstances an employee may give a minimum of 4 weeks' notice of her return to work.

An employee who returns immediately following OML or AML is entitled to return to the job she was employed in before her absence or, if that is not reasonably practicable, to a suitable alternative job on terms and conditions which are no less favourable.

Flexible Working

All staff have the right to request contractual flexible working and have this request considered. Applicants for contractual flexible working will receive acknowledgement of their application within 28 days. More information on contractual flexible working can be found in **Chapter 10**.

Career Break following maternity leave

An employee may apply for a Career Break to directly follow their maternity leave.

Where an employee takes a career break immediately following maternity leave and then resigns from the NAO without working at least one calendar month she will be required to repay her NAO maternity pay, less any SMP due.

On termination of employment all accrued leave and any work experience undertaken during a Career Break will count as time worked when calculating whether or not an employee is required to repay NAO maternity pay when she has not returned to work after her maternity leave/career break.

Terminating employment after maternity leave

If an employee has received NAO Maternity Pay and she does not complete at least one month's service at the end of her maternity leave, she will be required to repay all NAO Maternity Pay received (with the exception of Statutory Maternity Pay) unless there are exceptional circumstances preventing her return. Accrued leave and days worked during any 'keeping in touch' period can be taken as part of the notice period.

Where an employee starts a second period of maternity leave immediately after the original period of maternity leave and she then resigns from the NAO without working at least one calendar month (less accrued leave and 'keeping in touch' days) she will be required to repay her NAO maternity pay, less any SMP.

An employee who resigns in connection with her pregnancy has no absolute right to return to work if she changes her mind, but she will be allowed to return if at all possible.

Further information on statutory rights

For further information and advice on maternity leave and maternity pay please contact Human Resources on BPR x7227.

2. Paternity Leave

Time off for ante natal appointments

Employees are entitled to time off to attend up to two ante natal appointments or classes. These should be booked as Special Leave With Pay under Medical/Dental appointments on the Absence page via Financial Force.

Performance coaches may request to see proof of appointments following the first occasion that an employee asks for time off during pregnancy.

Paternity Leave Entitlement

Eligible employees have the right to take 2 consecutive weeks of paid leave, Ordinary Paternity Leave, to care for the child or support the mother within eight weeks of the expected week of childbirth.

Eligibility for Ordinary Paternity Leave

You will be entitled to take Ordinary Paternity Leave (OPL) on the birth of a child if you:

- have been continuously employed by the NAO for 26 weeks by the 15th week before the expected week of childbirth ·
- have responsibility for the upbringing of the child ·
- are the biological father of the child or the husband, wife or partner of the child's mother

If you meet the eligibility criteria you are entitled to take up to two weeks' paternity leave. You must take your leave and in one block (i.e. you cannot take your entitlement in two separate weeks or in individual days).

Applying for Ordinary Paternity Leave

You are required to give notice by the 15th week before the expected week of childbirth. You should do this by filling in the Paternity Leave Form which is available on Merlin or from HR. This asks you to confirm:

- the date the baby is due
- the length of period of leave required (either one week or two consecutive weeks) ·
- the date you wish to start paternity leave

Once you have filled in this form you need to return it to the HR Service Desk, who will write to you confirming your entitlement. You also need to apply for the Ordinary Paternity Leave via the Absence page in Financial Force. If you wish to change the start date of your Ordinary Paternity Leave you

need to inform both HR and your performance coach, giving 28 days' written notice (unless this is not reasonably practicable) and amend your leave booking in Financial Force by cancelling and rebooking the leave block.

Taking Ordinary Paternity Leave

- You may start your leave no earlier than the first day of the expected week of childbirth.
- Your leave must be taken within 56 days following the first day of the expected week of childbirth. However, if the baby is born prematurely you may take your leave between the actual date of the birth and the end of an 8 week period starting from the Sunday of the week the baby was originally due.
- You can vary the start date provided you give 28 days' written notice to your performance coach and HR (unless this is not reasonably practicable).

Rate of Pay for Ordinary Paternity Leave

If you have continuous service at the NAO of over a year prior to the expected week of childbirth you will receive full pay for your ordinary paternity leave.

If you have been employed by the NAO for over 26 weeks prior to the expected week of childbirth but less than a year you will be entitled to Statutory Paternity Pay. The rate of Statutory Paternity Pay is the same as the standard rate of Statutory Maternity Pay.

3. Parental Leave

Parental leave is a right to take unpaid time off work to look after a child or make arrangements for the child's welfare. Parents can use it to spend more time with children and strike a better balance between their work and family commitments.

Eligibility for Parental Leave

- You are entitled to up to 18 weeks unpaid parental leave per child if you are the natural or adoptive parent, or legal guardian of a child under eighteen years old
- To take parental leave you must have worked at the NAO continuously for a year by the time you wish to take the leave.
- The NAO can ask to see evidence to confirm you are the parent or the person who is legally responsible for the child; evidence might take the form of information contained in the child's birth certificate, papers confirming a child's adoption or the date of placement in adoption cases
- One week's parental leave is equal to the length of time that an employee is normally required to work in a week. This means that a week's leave for an employee who usually works from Monday to Friday is equal to five days, while for an employee who works Mondays, Tuesdays and Wednesdays only, a week's leave is equal to three days.
- Parental leave is for each child, so if twins are born you will be entitled to up to 18 weeks leave for each child.

Provisions for Parental Leave

The following provisions apply:

- in most cases, leave must be taken in blocks or multiples of one week or more;
- the exception to the above is that parents of disabled children can take leave in blocks or multiples of one day;
- in all cases a maximum of four weeks' parental leave in a year can be taken in respect of any individual child;
- 21 days' notice must be given, giving the dates when the leave is to start and finish;

- the NAO can postpone the leave for up to six months where the business would be particularly disrupted if the leave were taken at the time requested;
- the NAO cannot postpone the requested dates when the employee gives notice to take it immediately after the time the child is born or is placed with the family for adoption.

Applying for Parental Leave

You are required to give 21 days notice prior to the date that you would like the parental leave to begin. You should do this by filling in the Parental Leave Form which is available on Merlin or from HR. This asks you to confirm:

- your eligibility for parental leave
- the length of period of leave
- the date you wish this to commence

Once you have filled in this form you need to return it to the HR Service Desk, who will contact your performance coach to discuss the request in relation to the needs of the business. They will then write to you and confirm the leave or explain the need to postpone this. You also need to apply for parental leave via the Absence page in Financial Force.

Employment Rights

Whilst on parental leave you will continue to remain employed. However, pay and other contractual benefits will be suspended. Other terms of employment will remain in force including notice of termination, disciplinary or grievance procedures and the code of conduct.

Annual Leave

While on parental leave you will accrue leave at the statutory rate of 28 days per annum.

Pension Contributions

While on a period of unpaid parental leave any occupational pension rights that have accrued prior to the commencement of parental leave are frozen until you return to work.

Returning to work after Parental Leave

At the end of parental leave, you are guaranteed the right to return to the same job as before if the leave was for a period of four weeks or less; if it was for a longer period you are entitled to return to the same job, or, if that is not reasonably practicable, a similar job which has the same or better status, terms and conditions as the old job.

When parental leave follows maternity leave, the general rule is that a woman is entitled to return to the same job she had before the leave. If at the end of additional maternity leave, this would not have been reasonably practicable, and it is still not reasonably practicable at the end of parental leave, she is entitled to return to a similar job which has the same or better status, terms and conditions as the old job.

4. Adoption Leave

Time off for pre-adoption related appointments

Employees in the process of adopting a child have a statutory right to time off to attend placement meetings pre adoption. The primary adopter may take paid time off for up to 5 placement meetings. The secondary adopter has a statutory right to time off to attend up to 2 placement

meetings. This time will also be paid under NAO policy. As each placement meeting can take up to 6.5 hours, employees can apply for a full days' paid leave for each appointment.

Adoption Leave Entitlement

Adoption leave and pay is available to employees who adopt a child/ren and have been continuously employed at the NAO for 26 weeks. Should both adoptive parents be employed at the NAO adoption leave will only be available to one of the partners. The other partner will be eligible for ordinary paternity leave and, under certain circumstances, additional paternity leave.

Primary adopters will be entitled to 26 weeks Ordinary Adoption Leave (OAL) followed immediately by 26 weeks Additional Adoption Leave (AAL). For information on entitlements during Adoption Leave please refer to the maternity leave section, where OAL corresponds with OML and AAL with AML.

Eligibility for Ordinary Adoption Leave

To be eligible for adoption leave you must:

- Adopt through an approved agency;
- Have a "matching certificate" from the adoption agency;
- Have worked continuously for 26 weeks into the week in which the agency notifies you that you have been matched with a child.

Taking Ordinary Adoption Leave

You will be able to start from either the date the child is placed for adoption or a fixed date up to 14 days before the expected date of placement.

You need to inform HR within 7 days of being notified of a match with a child, you should confirm in writing to the HR Service Desk:

- Your intention to take adoption leave
- The date of placement
- The date you wish adoption leave to commence

Note: the application must be supported with a copy of the adoption "matching" certificate and you may change these dates if you give 28 days' notice.

You should also submit a request for Ordinary Adoption Leave via the Absence page in Financial Force ("Maternity Leave/Adoption Leave").

Rate of Pay During Ordinary Adoption Leave

An NAO employee will be eligible for NAO Adoption pay, provided that they:

1. are in paid service when notified of the match with a child;
2. have, at the time of notification, at least one year's service with the NAO in the preceding three years and 26 weeks continuous service in the last year;
3. inform Human Resources in writing, no later than 7 days after receiving the notification of the match with a child, of their intention to take adoption leave;
4. return to work, at least for one calendar month, after adoption leave;
5. inform Human Resources of the expected placement date and provides a copy of the matching certificate.

NAO Adoption Pay:

- will be paid at the normal rate of pay (including allowances) for the duration of Ordinary Adoption Leave;
- includes Statutory Adoption Pay (SAP is not paid on top of NAO Adoption Pay);
- will be paid at the higher rate to employees who are on temporary promotion prior to adoption leave, for the intended duration of the temporary promotion only.

Staff who do not qualify for full NAO Adoption Pay (e.g. those in paid service at the time of placement but with less than one year's service with the NAO in the preceding three years), are eligible for two weeks' full pay for each completed month of service up to the date of notification. This is called the Pay Provision.

Statutory Adoption Pay (SAP) is currently paid for a maximum of 39 weeks at a rate set by the government for the relevant tax year or at 90% of the employee's average weekly earnings, if this figure is lower than the Government's set weekly rate.

Where an employee is receiving NAO Adoption Pay or the Pay Provision they would not receive SAP on top as SAP is included in NAO Adoption Pay. Once NAO Adoption Pay or the Pay Provision ends SAP will continue to be paid up to a maximum of 39 weeks in total.

5. Shared parental leave

Policy Statement

Shared Parental Leave (SPL) is available to parents with babies due on or after 5 April 2015. SPL also applies to partnerships of the same sex, adoptions and intended parents in surrogacy arrangements.

SPL enables a parent to volunteer to end their maternity/adoption leave and pay at any point after the initial 2 week compulsory maternity/adoption leave following the birth or placement of a child for adoption. The parent may then share the untaken balance with their partner as SPL and Shared Parental Pay (SPP) in the year after their child's birth or placement for adoption.

Parents are able to choose how to divide the leave and pay entitlement between them. In contrast to maternity and paternity leave, eligible employees are able to stop and start their SPL and return to work between periods of SPL. SPL may be taken by each parent separately or at the same time. Illustrative examples of how SPL & SPP may work in practice are provided in annex G.

The existing rules on maternity leave, ordinary paternity leave, adoption leave, and unpaid parental leave remain the same.

Eligibility for Shared Parental Leave

SPL can only be used by 2 people:

- The mother/ adopter and
- Either the biological father or the spouse, civil partner or partner of the child's mother/adopter

For employees to be eligible to take SPL, both parents must meet certain eligibility requirements. Please refer to annex A for full details.

Amount of Shared Parental Leave available

SPL becomes available when a parent gives notice to end their maternity/adoption leave entitlement early. The mother or adopter can give advance notice to curtail their maternity or adoption leave

which means their partner can begin to take Shared Parental Leave while the mother or adopter is still on maternity or adoption leave.

The first 2 weeks following birth/placement for adoption are compulsory maternity/adoption leave and are reserved for the mother/adopter and cannot be shared. Therefore, the maximum period that parents can take as SPL is 50 weeks between them. Any maternity/adoption leave taken will be deducted from the period of 50 weeks' SPL, with the balance available to be shared between the parents. Please refer to Annex G (case examples) for an illustration of how maternity/adoption leave impacts on SPL.

When can Shared Parental Leave be taken?

SPL can be taken separately by the parents or at the same time, subject to the following requirements:

- the minimum period of leave must be 1 week and leave must be in multiples of complete weeks; ·
- a maximum of three requests for leave (period of leave notices) per pregnancy/adoption can normally be made by each parent; · each request for leave can either be for a continuous period or a number of discontinuous periods; ·
- partners can begin a period of SPL at any time from the date of birth/placement for adoption but the partner should bear in mind that they are entitled to up to 2 week's ordinary paternity leave following the birth/placement for adoption which they will lose if SPL is taken first; ·
- SPL does not need to start immediately after the mother/adopter curtails their entitlement to maternity/adoption leave; ·
- parents can return to work after maternity/adoption leave and take SPL at a later date or dates subject to notice requirements; ·
- SPL can also be taken when the other parent is on another type of leave, such as paternity leave or unpaid parental leave; ·
- SPL must be taken during the 12 months following the child's birth/placement for adoption, any SPL not taken by 1st birthday/anniversary of placement for adoption will be lost.

Requests to take Shared Parental Leave

There are 3 notices that parents must give to NAO at least 8 weeks before they can take SPL.

1. Notice of Maternity leave/adoption leave curtailment

The mother/adopter must submit a notice to their employer setting out when they propose to end their maternity leave/adoption leave unless they have already returned to work from maternity/adoption leave.

More detail on this notice can be found in annex B.

Notice of Maternity leave curtailment form.

Notice of Adoption leave curtailment form.

2. Notice of entitlement and intention

Each parent must submit a notice to their own employer giving an initial, non-binding indication of each period of shared parental leave that he/she is requesting.

More detail on this notice can be found in annex C.

Notice of entitlement and intention form mother.

Notice of entitlement and intention form partner.

3. Period of leave notice

Each parent must submit a notice to their own employer setting out the start and end dates of each period of shared parental leave that he/she is requesting.

More detail on this notice can be found in annex D.

Period of leave notice form

Once confirmed, employees should book their SPL via the Absence page in Financial Force.

Agreeing Shared Parental Leave with employees

The NAO will respond in writing to requests for SPL within 14 days of receiving a Period of Leave Notice and, wherever possible, will seek to accommodate the request. Single SPL requests will automatically be approved subject to the eligibility criteria being satisfied.

For discontinuous periods of leave, the NAO may:

- consent to the pattern of leave requested; ·
- propose an alternative pattern of leave; or ·
- refuse the pattern of leave requested.

If agreement is reached within two weeks, the employee is entitled to take the leave on the dates agreed. If no agreement is reached within the two-week discussion period, the employee is entitled to take the leave as one continuous period of leave. In that event, the employee must choose a start date for the leave that is at least eight weeks' notice from the date on which the Period of Leave Notice was submitted. The employee must notify the NAO of that date within five days of the end of the two-week discussion period. If the employee does not choose a start date within five days of the end of the two-week discussion period, the period of continuous leave will start on the date of the first period of SPL requested in the Period of Leave Notice.

Alternatively, if the NAO refuses the request or no agreement has been reached during the two-week discussion period, the employee may withdraw a Period of Leave Notice requesting discontinuous periods of SPL. The employee can withdraw a Period of Leave Notice at any time on or before the 15th day after the Period of Leave Notice was given. A notice for discontinuous leave that has been withdrawn before it is agreed does not count towards the total number of requests for leave that an employee can make.

Where there is concern over accommodating the notification, the NAO will seek to arrange a meeting to discuss the notification with a view to agreeing an arrangement that meets the needs of the employee and the NAO.

Shared Parental Pay

NAO Shared Parental Pay (SPP) is paid to eligible employees at their normal rate of pay for any SPL taken accounting for weeks 3 – 26 weeks' SPL, followed by Statutory Shared Parental Pay (SSPP) for any SPL taken accounting for weeks' 27 -39 of SPL, and no pay for any SPL taken accounting for weeks' 40 -52, mirroring NAO maternity pay arrangements.

The number of weeks pay available depends on how much maternity/adoption pay or maternity allowance a parent has been paid when their maternity/adoption leave or pay period ends. Please refer to Annex G (case examples) for an illustration of how maternity/adoption leave impacts on SPP.

Please refer to annex E for eligibility criteria for NAO Shared Parental Pay.

Rate of NAO SPP

NAO SPP:

- will be paid at the normal rate of pay (including allowances) for any SPL taken accounting for weeks 3 - 26 of SPL; ·
- includes SSPP (SSPP is not paid on top of NAO SPP); ·
- will be paid at the higher rate to employees who are on temporary promotion prior to SPL, for the intended duration of the temporary promotion only.

Pay Provision for staff who do not qualify for NAO Shared Parental Pay

Staff who do not qualify for full NAO SPP are eligible for two weeks full pay for each completed month of service up to the beginning of the 14th week before the EWC or up to the date of the matching notification. For example, an employee with eight completed months of service at the 14th week before the EWC will be paid their full salary for any SPL taken accounting for weeks 3 – 16 (weeks 1 -2 are reserved for the mother/adopter).

Statutory Shared Parental Pay (SSPP)

Employees who are not eligible for NAO SPP or Pay Provision, may be eligible for SSPP. A parent who ends their maternity/adoption leave at the earliest opportunity following the 2 week compulsory leave period could share up to a maximum of 37 weeks' SSPP with their partner. Any SSPP during SPL will be paid at a rate set by the Government for the relevant tax year or at 90% of the employee's average weekly earnings if this figure is lower than the Government's set weekly rate.

The number of weeks' SSPP available to the parents will depend on how much statutory maternity/adoption pay or allowance has been paid when maternity/adoption leave or pay period ends and how much SPL has been taken. It is

up to the parents as to who is paid the SSPP and how it is apportioned between them.

Where an employee is receiving NAO SPP or the Pay Provision they would not receive SSPP on top of their full salary as SSPP is included in NAO SPP. Once NAO SPP or the Pay Provision ends, SSPP will be paid for any SPL taken accounting for weeks 27 - 39.

For employees to be eligible for SSPP, both parents must meet certain eligibility requirements, please refer to annex F for full details.

Effect on terms and conditions

Employees who take SPL are entitled to the benefit of all terms and conditions of employment, except remuneration, which would have applied if they had not been absent.

Pension entitlement

SPP and any period for which SSPP is paid are reckonable for pension purposes but any SPL taken after SSPP is exhausted is not. However, all periods of SPL, whether paid or unpaid, will count towards the qualifying period of two years for eligibility for pension benefits.

Continuous employment

SPL will count as part of the period of continuous employment.

Accrual of leave during Shared Parental Leave

Annual leave accrues at the normal rate during SPL.

Keeping in touch during Shared Parental Leave

The NAO reserves the right to maintain reasonable contact with employees during SPL. This may be to discuss employees' plans for their return to work, to discuss any special arrangements to be made or training to be given to ease their return to work or to update them on developments at work during their absence.

Each parent can apply to work (or to attend training) for up to 20 days during SPL (with the exception of during the first two weeks following childbirth or adoption placement) without that work bringing the period of SPL and pay to an end. These are known as "Shared-Parental-Leave-In-Touch" (SPLIT) days. Any work undertaken and the salary to be paid for that work is subject to agreement between the NAO and the employee. Employees should give the NAO advance notice of their request and apply to work either half or full day periods. If you would like to apply to work some SPLIT days, please contact your performance coach.

Your performance coach will need to confirm with HR that you have completed a Keeping in touch day in order for the pay changes to be processed.

Employees are advised to keep their laptop whilst on SPL. Employees should ensure that whilst they are on SPL their laptop is locked away securely and that they log in once every 30 days so the security can update.

Returning to work after Shared Parental Leave

Employees will be formally advised in writing of their return to work date from any period of SPL when the SPL is agreed. If the employee wishes to return to work earlier than the agreed return to work date, they may provide a written notice to vary the leave not less than 8 weeks of their requested date of early return. This will count as one of the employee's notifications. If 3 notifications have already been used, the NAO may not accept the notice to return early unless it is reasonably practicable to do so.

An employee's right to return to the same job varies depending on the total aggregate length of leave taken. Employees are entitled to return to the same job if they have taken 26 weeks or less leave, including any combination of maternity, adoption, paternity, SPL and unpaid parental leave. Employees who take more than 26 week's leave are entitled to return to the same job or if that is not reasonably practicable, to a suitable alternative job on terms and conditions which are no less favourable.

Career Break following SPL

An employee may apply for a career break to directly follow SPL leave. Where an employee takes a career break immediately following a period of SPL and then resigns from the NAO, they must complete a cumulative total of at least one month's service after each period of SPL taken. If an employee does not complete the minimum service with respect to a period(s) of SPL, they will be required to repay the NAO SPP (less any SSPP) received for the relevant period(s) of SPL. On termination of employment all accrued leave and any SPLIT days undertaken during a Career Break will count as time worked when calculating whether or not an employee is required to repay NAO SPP pay.

More information on career breaks can be found in the HR Manual.

Consecutive Periods of SPL and Maternity Leave

Where an employee starts a second period of maternity leave immediately after a period of SPL and then resigns from the NAO they must complete at least one month's service (which can be cumulative) after each period of leave. If an employee does not complete the minimum service with respect to a period(s) of maternity leave or SPL, they will be required to repay the NAO maternity pay and NAO SPP (less any SMP or SSPP) received for the relevant period(s) of maternity leave and SPL. On termination of employment all accrued leave and any KIT/SPLIT days undertaken

during maternity leave/SPL will count as time worked when calculating whether or not an employee is required to repay NAO maternity or SPP.

Terminating Employment

If an employee wishes to resign and has received NAO SPP, they must complete at least 1 month's service after their last period of SPL, unless there are exceptional circumstances preventing their return. If an employee does not serve at least 1 month's service they will be required to repay their NAO SPP, less any SSPP for their last period of SPL. In addition, if an employee has taken more than 1 period of SPL, they must complete a cumulative total of at least 1 month's service after each period of SPL taken.

If an employee does not complete the minimum service with respect to a period(s) of SPL, they will be required to repay the NAO SPP (less any SSPP) received for the relevant period(s) of SPL. On termination of employment all accrued leave and any SPLIT days undertaken will count as time worked when calculating whether or not an employee is required to repay NAO SPP pay.

6. Annexes

Annex A: Eligibility for Shared Parental Leave

For employees to be eligible to take SPL, both parents must meet certain eligibility requirements.

Parents must:

- have at least 26 weeks' continuous employment at the end of the 15th week before the expected week of childbirth/adoption matching date and remain in continuous employment with the organisation until the week before any period of SPL;
- at the date of the child's birth/placement for adoption, share the main responsibility with their partner for the care of the child;
- have been employed or been a self-employed earner during at least 26 of the 66 weeks immediately preceding the expected week of childbirth/adoption matching date;
- have average weekly earnings of at least the maternity/adoption allowance threshold for any 13 of those 66 weeks;
- comply with the relevant SPL Maternity/Adoption Leave Curtailment Notice, Notice of Entitlement and Intention and Notice of Leave;
- comply with evidence requirements.

In addition the mother/primary adopter must:

- be entitled to statutory maternity/adoption leave or statutory maternity/adoption pay or maternity/adoption allowance in respect of the child.

Annex B: Maternity and adoption leave curtailment notice

Before an employee can take SPL, a parent must return to work before the end of their maternity/adoption leave (giving 8 weeks' notice of their planned return) or provide their employer with

a Maternity/Adoption Leave Curtailment Notice. This can be given before or after birth/placement for adoption. If given after, the notice is binding.

The Curtailment Notice must be in writing and state the date on which maternity leave is to end. This date must be:

- after the 2 week compulsory maternity/adoption leave period following birth/placement for adoption
- at least 8 weeks after the date on which the parent submitted the Curtailment Notice to the NAO
- at least 1 week before what would be the end of the additional maternity/adoption leave period

The parent must provide their Curtailment Notice at the same time they provide either their Notice of Entitlement and Intention or signed Declaration of Consent and Entitlement confirming their partner has given their employer a Notice of Entitlement and Intention.

Notice of maternity leave curtailment form

Notice of adoption leave curtailment form

Withdrawing maternity leave curtailment

A parent can only withdraw their Curtailment Notice in certain circumstances. The withdrawal must be in writing and can only be given if the parent has not returned to work. Curtailment notices may be withdrawn if:

- Neither parent is entitled to SPL or pay and the parent withdraws their Curtailment Notice within 8 weeks of the date on which the notice was given;
- the Curtailment Notice was given before the child's birth/adoption placement and is withdrawn within 6 weeks of the birth/placement for adoption, or
- their partner has died.

Revocation of notice of maternity leave curtailment form

Revocation of notice of adoption leave curtailment form

Annex C: Notice of entitlement and intention

NAO employees wishing to take SPL should submit a completed Notice of Entitlement and Intention Form to the NAO at least 8 weeks before the start date of the first period of SPL requested. This notice is non-binding and there is no limit to the number of Notices of Entitlement and Intention that can be submitted.

The NAO may request the following documents within 14 days of receiving a Notice of Entitlement and Intention Form:

- a copy of the child's birth certificate (or, if the child has not been born, a copy of the birth certificate within 14 days of the birth; if the birth certificate has yet to be issued after this period, a signed declaration stating the date and location of the child's birth will suffice); and
- the name and address of the other parent's employer (or a declaration that the other parent has no employer).

The employee has 14 days from the date of the NAO's request to provide the required information to the NAO.

Notice of entitlement and intention form

Variation or cancellation of notice of entitlement and intention

Any variations or cancellations to Notice of Entitlement and Intention must be submitted in writing to HR and signed by both parents to confirm they agree to the variation. Notice of Entitlement and Intention and variations remain non-binding until a Period of Leave Notice is submitted. There is no limit on the number of variations of notice of entitlement and intention that the employee can make.

Variation to notice of entitlement and intention form

Annex D: Period of Leave Notice

NAO employees wishing to take SPL must submit a Period of Leave Notice Form setting out the start and end dates for each period of leave, at least 8 weeks before the start date of the first period of SPL requested in the notice. The notice can be given at the same time as the Curtailment Notice and the Notice of Entitlement and Intention.

A maximum of 3 Period of Leave Notices can be submitted by each parent. Each notice can either be for a continuous block or multiple discontinuous blocks. Notices for continuous blocks of SPL will be agreed. Submission of a Period of Leave Notice to HR for discontinuous blocks of SPL will trigger a discussion between HR, the employee and their performance coach to consider the leave request and to approve or reject the request.

Period of Leave Notice form

Variation or cancellation of period of leave notice

An employee can vary or cancel proposed SPL dates following the submission of a Period of Leave Notice, provided they give at least 8 weeks' notice before the relevant period of SPL is due to start. Variation or cancellation of a Period of Leave Notice will count as a new notification. If the baby is born early or the NAO requests the dates to be changed, it will not count as a new notification. Any variation will be confirmed in writing.

Early birth

If a child is born before their expected due date and the employee had booked SPL within the first 8 weeks of the due date, the employee may take the same period of time off after the actual birth without having to provide 8 weeks' notice, by submitting a written notice to vary their leave as soon as reasonably practical. Unlike other variation notices, this would not count as one of the 3 Period of Leave Notices.

Any leave arranged after the first 8 weeks of the due date is still bound by the 8 week notice required to vary SPL.

If a child is born more than 8 weeks before the due date and the Notice of Entitlement and Intention and Period of Leave Notice have not yet been submitted, there is no requirement to give 8 weeks' notice before the period of leave starts. The notices should be given as soon as is reasonably practicable after the birth.

Death of the child during birth or within the 1st year

Should a child die before the parents have submitted a notice of entitlement to take SPL, parents cannot opt in to SPL because a qualifying condition is caring for a child. The mother will remain entitled to maternity leave and the partner could still qualify for statutory paternity leave.

If the parents have opted in to SPL and booked leave, they will still be entitled to take the booked leave. No further notice to book leave can be submitted and only one variation notice can be given to reduce a period of leave or to make a discontinuous block of SPL continuous.

An employee who is absent on SPL may cancel agreed SPL and return to work by giving the NAO 8 weeks' notice of their intended return to work date.

Change in Eligibility Status

If an employee's circumstances change and they are no longer eligible for SPL, they must inform the NAO immediately. Their entitlement to both SPL and SPP will cease immediately.

If an employee informs the NAO they no longer meet the eligibility criteria for SPL with less than 8 weeks' notice before a period of SPL is due to start and it is not reasonably practical for the NAO to accommodate the change in circumstances, the employee will be required to take the period of SPL. The leave will be treated as SPL. It will end on the end date indicated in the Period of Leave Notice or 8 weeks from when the employee informed the NAO they were no longer eligible for SPL, whichever is earlier. Any weeks of SPL arranged after eight weeks of their entitlement ceasing must be cancelled.

Death of a parent during the child's first year

If a parent dies and the other parent is taking or is entitled to SPL, then they will continue to be eligible. Any SPL that was due to be taken by the deceased parent may be transferred to the living parent if they are eligible for SPL. Should it be necessary for the other parent to take a further period of SPL or to vary pre-agreed SPL then a notice to vary SPL may be given as soon as is reasonably practicable if eight weeks' notice cannot be given. An employee is allowed to submit one further notice, if three notices to take SPL have been submitted.

Annex E: Eligibility for NAO Shared Parental Pay

An NAO employee will be eligible for NAO SPP provided they:

- are in paid service at the beginning of the 14th week before the Expected Week of Childbirth (EWC);
- have, at the beginning of the 14th week before the EWC, at least one year's service with the NAO in the preceding three years;
- provide a copy of the birth certificate;
- return to work for at least for one calendar month, after each period of SPL.

Or in the case of adoption, they:

- are in paid service when notified of the match with a child;
- have, at the time of notification, at least one year's service with the NAO in the preceding three years and 26 weeks continuous service in the last year;
- provide a copy of the matching certificate;
- return to work for at least one calendar month, after each period of SPL.

Annex F: Eligibility for Statutory Shared Parental Pay

For employees to be eligible for SSPP, both parents must meet certain eligibility requirements. They must:

- have at least 26 weeks' continuous employment ending with the 15th week before the EWC or the week that the adopter is notified of being matched with a child and remains in continuous employment with their employer until the week before any period of SSPP;
- have normal weekly earnings for a period of eight weeks ending with the 15th week before the EWC, or the week that the adopter is notified if being matched with a child, of at least the lower earnings limit for national insurance contribution purposes;
- have, at the date of the child's birth/placement, the main responsibility, apart from the partner, for the care of the child;

- be absent from work and intend to care for the child during each week in which they receive SSPP; and

their partner must:

- have been employed or been a self-employed earner during at least 26 of the 66 weeks immediately preceding the EWC or the week that the adopter is notified of being matched with a child; ·
- have average weekly earnings of at least the maternity allowance threshold [currently £30] for any 13 of those 66 weeks; ·
- have, at the date of the child's birth, the main responsibility, apart from the partner, for the care of the child;

and the mother/primary adopter must:

- be entitled to statutory maternity/adoption pay or allowance in respect of the child, but the maternity/adoption pay or allowance period has been reduced.

Annex G: Shared Parental Leave Case Study Examples

Shared parental leave is a complex and we encourage employees to speak to HR as early as possible if they are considering taking shared parental leave. The following case studies are designed to help you understand how shared parental leave and pay works. The case studies are for illustrative purposes only.

Case Study 1

A mother wishes to take 4 weeks maternity leave before the birth of her child. Her partner, who is employed by the NAO, is entitled to 2 weeks paternity leave and wishes to take this immediately after the birth whilst the mother takes 2 weeks compulsory maternity leave (the partner must take any paternity leave before commencing shared parental leave otherwise their entitlement to paternity leave is lost).

The mother and her partner would then like to take their full allowance of shared parental leave simultaneously in one continuous block after the partner finishes their paternity leave. Both parents submit the relevant forms and signed declarations to both their employers confirming their eligibility for shared parental leave and pay at least 8 weeks before they wish to take shared parental leave. The request is for a continuous period of shared parental leave so the NAO automatically agrees to the partner's shared parental leave request.

Amount of Shared Parental Leave Available

The amount of shared parental leave available to the mother and father in total is 52 weeks. The mother must take 2 weeks maternity leave and pay after the birth. The mother also wishes to take 4 weeks maternity leave prior to the birth, making a total of 6 weeks' maternity leave. Therefore, the total number of weeks of shared parental leave available is 46 weeks (52 – 6). The parents wish to take their shared parental leave simultaneously in one block. They will each be entitled to 23 weeks each (46/2). After 23 weeks both parents would be expected to return to work.

Rate of Shared Parental Pay

The partner satisfies the eligibility criteria for NAO shared parental pay.

Shared parental leave accounting for weeks 1 -26 paid at full rate.

The first 26 weeks' SPL are allocated as follows:

- 6 weeks maternity leave (accounting for weeks 1 – 6) ·
- 10 weeks shared parental leave taken by the mother (accounting for weeks 7 – 16) ·
- 10 weeks shared parental leave taken by the father (accounting for weeks 17 – 26)

Shared parental leave accounting for weeks 27 -39 paid at statutory rate.

Once the full pay entitlement has been exhausted, there are 13 weeks of statutory pay available for the parents to share. As the parents want to take the leave simultaneously and because shared parental leave and pay must be taken in full weeks, one parent must take 6 weeks statutory pay and the other parent must take 7 weeks.

- 7 weeks shared parental leave taken by the mother (accounting for weeks 27 -33) ·
- 6 weeks shared parental leave taken by the father (accounting for weeks 34 – 39)

Shared parental leave accounting for weeks 40 - 52 at no pay.

Once the statutory pay entitlement has been exhausted, there are 13 weeks of shared parental leave with no pay available for the parents to share. As the parents want to take the leave simultaneously and because shared parental leave must be taken in full weeks, this means 1 parent must take 6 weeks shared parental leave with no pay and the other parent must take 7 weeks.

- 7 weeks shared parental leave taken by the partner (accounting for weeks 40 -46) ·
- 6 weeks shared parental leave taken by the mother (accounting for weeks 47 - 52) In summary, the NAO employee will receive 10 weeks full pay, 6 weeks statutory pay and 7 weeks no pay whilst on shared parental leave.

Case Study 2

An NAO employee, who is an expectant mother would like to take 2 weeks maternity leave prior to the birth of her child, then 2 weeks (compulsory) maternity leave whilst her partner takes 2 weeks paternity leave. The parents then wish to share the remainder as shared parental leave as discontinuous blocks.

There are 48 weeks to share as shared parental leave (52 weeks of maternity leave, minus 2 weeks maternity leave before the birth and 2 weeks maternity leave after the birth). The parents wish to take the 48 weeks as follows:

- Block 1: 6 weeks shared parental leave simultaneously ·
- Block 2: Partner remains on shared parental leave for 8 weeks (mother returns to work at NAO for 8 weeks) ·
- Block 3: Mother takes 8 weeks shared parental leave (partner returns to work)
- Block 4: Partner takes 8 weeks shared parental leave (mother returns to work at NAO for 8 weeks)
- Block 5: Mother takes 12 weeks shared parental leave (partner returns to work)

Both parents submit the relevant forms and signed declarations to both their employers confirming their eligibility for shared parental leave and pay at least 8 weeks before they wish to take shared parental leave. The request is for discontinuous periods of shared parental leave. After consideration, the NAO agrees to the mother's SPL request.

Block 1 (2 x 6 weeks):

6 weeks shared parental leave taken by the mother (accounting for weeks 5 – 10; weeks 1 – 4 are taken as maternity leave) · 6 weeks shared parental leave taken by the partner (accounting for weeks 11 – 16)

Block 2 (8 weeks):

Partner paid according to their organisation's policy for 8 weeks shared parental leave (accounting for weeks 17 – 24).

Block 3 (8 weeks):

2 weeks shared parental leave at full pay that the mother takes (accounting for weeks 25 – 26). At this point, entitlement for full pay is exhausted as 26 weeks has been reached. The mother moves on to statutory pay for 6 weeks (accounting for weeks 27 – 32).

Block 4 (8 weeks):

Partner paid according to their organisation's policy for 8 weeks shared parental leave (accounting for weeks 33-40).

Block 5 (12 weeks):

Statutory pay is exhausted by week 39, therefore the remaining shared parental leave in this block is on a no pay basis. The NAO employee receives 12 weeks unpaid shared parental leave (accounting for weeks 41 – 52).

In summary, the NAO employee receives:

- 4 weeks maternity pay at full pay ·
- 6 weeks SPL at full pay (block 1) ·
- 2 weeks SPL at full pay (block 3) ·
- 6 weeks SPL at statutory pay (block 3) ·
- 12 weeks SPL on no pay (block 5)

Chapter 12B - Disability leave Policy and Procedure**Purpose**

The purpose of Disability Leave is to provide disabled staff with reasonable time off work for reasons related to their disability where that time off is not covered by other leave arrangements.

The NAO is committed to treating its people fairly, with dignity and respect and provides a safe, supportive and welcoming environment for all workers. The NAO recognises the skills and experience of all staff and is committed to promoting disability equality by removing barriers to access, tackling discrimination and implementing best employment practices.

The NAO is committed to considering, and making, reasonable adjustments for staff who are disabled. Examples of reasonable adjustments are given in the *Workplace Adjustments Guide on Merlin*.

If you believe that you are disabled or if you become disabled, we encourage you to tell us about your condition at the earliest opportunity so that we can support you as appropriate.

If you experience difficulties at work because of your disability or a long term mental health condition, you should contact your performance coach to discuss any any workplace adjustments that would help overcome or minimise the difficulty. The NAO may wish to consult with our Occupational Health Service about possible adjustments.

1. What is Disability leave?

Disability Leave is a discretionary form of Special Leave which the NAO may consider granting for staff it considers may be disabled. It is one example of a 'reasonable adjustment' which can be considered in applicable circumstances by the NAO in accordance with its duties under the Equality Act 2010 (EqA 2010).

The purpose of Disability Leave is to provide disabled staff with reasonable time off work for reasons related to their disability where that time off is not covered by other leave arrangements.

Disability Leave is not intended as a replacement for sick leave. Any planned or unplanned period of absence where you are unfit to attend work because of sickness should be recorded as sick leave. If you consider that your period of sickness arises out of a disability, you should notify your performance coach of this fact when reporting your sickness, or as soon as possible thereafter and record your absence as disability related sick absence in Financial Force. In cases of disability-related sickness absence the NAO may consider, as a reasonable adjustment, extending the limits to occupational sick pay. Further information on the policy on sickness absence can be found in Chapter 11.

The NAO already allows staff a reasonable period of paid time off work to attend routine medical appointments, whether these arise out of a disability or other cause. The provisions regarding this are set out in the Special Leave for Medical and Dental Appointments arrangements in Chapter 12 of the HR Manual and they should be applied in the usual way. However, where you require time off for other appointments or arrangements which relate to a disability, you may wish to consider making an application for Disability Leave.

Circumstances where Disability Leave might be granted include:

- Appointments with a complementary medicine practitioner which have been approved or recommended by your GP and that are related to a declared disability or long term mental health condition which you have told the NAO about.
- Hearing aid tests
- Other aids needing adjustment, repair or replacement
- Training with a guide or hearing dog
- Counselling or therapeutic treatment
- Appointments for regular treatment related to a disability, such as blood transfusions or dialysis treatment.

This list covers the main examples of Disability Leave which may be agreed under this policy but it is not exhaustive.

As with routine medical appointments, wherever possible you are expected to arrange appointments outside normal working hours. However, if it is not possible for you to arrange such appointments outside normal working hours, you may make a request for Disability Leave in accordance with this policy.

Where you have been declared fit to return to work following a period of sickness absence but you are awaiting the implementation of reasonable adjustments agreed with the NAO, any further absence will be treated as paid special leave and the absence will not count towards any triggers for sick pay.

2. Who can request Disability Leave?

Any member of staff who needs time off work in relation to a disability or long term mental health condition, and who has told the NAO about this disability or condition, can apply to their performance coach for Disability Leave.

The EqA 2010 defines disability as a mental or physical impairment that has an adverse effect on a person's ability to carry out day-to-day activities. This effect must be:

Substantial, i.e. not minor or trivial. However, the person is still considered disabled if the effects of the impairment are alleviated or removed by ongoing treatments or aids.

Long-term, which is usually taken to mean that it has lasted for 12 months, or is likely to last for more than 12 months, or for the rest of the person's life.

Some conditions are expressly deemed to be disabilities under the terms of the EqA 2010 such as blindness, HIV, cancer and multiple sclerosis. The classification of all other conditions is assessed on the basis of the degree of impairment, the duration of the condition and consideration of all other relevant factors in accordance with medical advice. The definition is broad and may include some people with conditions such as cystic fibrosis, depression, dyslexia, repetitive strain injury (RSI) or a severe facial disfigurement.

Where you consider that you might be disabled and you make an application for Disability Leave, before making a decision as to whether to grant the leave it may be appropriate for the NAO to take advice from our Occupational Health provider on the nature and effect of your condition.

Approval of a period of Disability Leave does not amount to acceptance by the NAO that a member of staff has a disability under the provisions of the EqA 2010.

3. Approval Criteria and Process

If you wish to request a period of Disability Leave, you should discuss this with your performance coach in the first instance. If you feel unable to discuss your condition with your performance coach, you should refer your performance coach to your HR Business Partner who will be able to confirm to your performance coach that you have told the NAO that you have a disability or long term mental health condition. You should then formally request the period of absence as "Special Leave (Disability Leave)" in Financial Force. The request will be automatically forwarded to your performance coach for approval, and you will receive an automatic notification of the outcome.

The NAO will endeavour to meet requests for Disability Leave wherever possible and performance coach should take advice from their HR Business Partner before finalising their decision.

In making decisions on requests for Disability Leave, the NAO will consider:

- referring you to the NAO's Occupational Health Service and/or a doctor nominated by the NAO for advice on your condition;
- the nature of your request, including the timing of your application and the length of planned absence; and
- the NAO's business needs, including the impact of the proposed absence and the availability of other staff to cover your work during the period of absence.

In considering applications the NAO recognises that there will be occasions where a member of staff is occupying a role that may temporarily or permanently be unsuitable due to the increased level of absence resulting from Disability Leave even after other reasonable adjustments have been considered and/or made. In such cases, the NAO will discuss with the individual concerned whether a move to an alternative role may be appropriate and possible in order to enable the NAO to meet the request for Disability Leave.

In certain circumstances, where the NAO considers that an application for Disability Leave is reasonable and should be agreed but the particular timing of the proposed leave is contrary to business need, the performance coach should discuss with the individual whether it is possible to rearrange the period of Disability Leave to a time that is mutually acceptable.

4. How much Disability Leave can a member of staff request?

If you need to be absent from work on Disability Leave this must, wherever possible, be agreed in advance by your performance coach in consultation with a NAO HR Business Partner and/or your Wellbeing Case Manager and the duration of the Disability Leave requested should be made clear.

There is no limit on the amount of Disability Leave that may be taken, but limits do apply to paid disability leave (see below). The number of days agreed must be viewed as reasonable and manageable by the performance coach, taking into account the nature of the request and the needs of the business. As set out above, where appropriate, the NAO may request advice from the NAO's Occupational Health Service, your medical advisor and/or a GP when considering requests for Disability Leave. Leave may be taken in a 'block' or as individual day(s).

Staff who have passed their probationary period will be entitled to receive their full salary and contractual benefits during Disability Leave. In most cases, we would consider up to a maximum of 20 working days in any 12 month period to be a reasonable amount of paid leave. Requests for extensions to the paid period of Disability Leave will be considered in exceptional circumstances on a discretionary case by case basis. performance coach who are asked to consider a longer period of paid Disability Leave must take advice from their HR Business Partner. Staff on probation will be able to apply for paid disability leave up to a maximum of 10 working days during their 6 month probation period.

Disability Leave will **not** be included in calculations for sick pay. NAO sick pay will only be calculated on the amount of sick leave taken, as outlined in chapter 11 of the HR manual. Where you have exhausted the agreed period of paid Disability Leave, further time off work for disability related reasons will not be unreasonably restricted but will be treated as unpaid leave.

The NAO reserves the right to review the sustainability of Disability Leave in individual cases and will work with you to consider whether alternative roles may be more appropriate either in the short or long term if other reasonable adjustments are not effective in enabling you to carry out your existing role.

5. What if I have a carer's responsibility for someone with a disability?

Whilst there is no duty under the Equalities Act for the NAO to make reasonable adjustments for those with caring responsibilities for a person with a disability, the NAO is committed to supporting people with caring responsibilities. For that reason, employees who have caring responsibility for a person with a disability may also request Disability Leave to accompany their disabled dependent to appointments for treatment, tests or assessments etc.

Subject to business needs, the NAO will consider allowing you a period of Disability Leave for caring purposes, subject to a maximum of 10 working days in any 12 month period. The NAO may require you to provide appropriate evidence of your caring responsibility and of the disability of the person cared for e.g. appointment letters for hospital visits etc.

Chapter 13 - Training

Purpose

This policy outlines the NAO's approach to training and development of employees.

The NAO intends training and development activities to be:

- Consistent with the skills, and framework of behaviours needed to support our organisational objectives;
- Relevant to our individual needs in terms of our existing work, to expected changes in our methodologies or in the audit environment, and to our longer-term development;

- Consistent with the NAO's equal opportunities policies;
- Transparent so that we can identify and discuss our individual training and development;
- Targeted to achieve specific objectives that will lead to the improved performance of us as individuals, teams, areas and as an office; and
- Good value for money, in line with the ethos of the National Audit Office.

Finding further Information

Information on issues related to those covered in this chapter can be found in:

a) Other chapters in this manual

- Chapter 2. Behaviours
- Chapter 14. Performance Review
- Chapter 16. Secondments and Postings
- Chapter 20. Managing Below Standard Performance

b) Other NAO Publications

- ICAEW Training Handbook

1. The graduate training programme

The NAO's graduate training scheme, leading to membership of the Institute of Chartered Accountants in England and Wales (ICAEW), provides trainees with a fully supported programme of development.

- Graduate trainees usually join the NAO in January, June or August of each year. Each trainee will be allocated a Training Manager and Counselling Director.
- The NAO's TOPPs (Training Outside Public Practice) programme involves passing a series of professional examinations and gaining 450 days technical work experience, over a 36 month training contract. Trainees study for their exams by blocks release, attending a training college in central London.
- Once a trainee has passed all stages of the examinations and gained the relevant work experience, they are in a position to apply for full membership of the ICAEW. All applications for membership must be approved by the Member Responsible for Training.

Note: Full details of the programme of professional training undertaken by trainees and the NAO's examination policy are given in the ICAEW Training Handbook.

Training Contracts

Each trainee will be required to sign a Training Contract with the NAO, which is based on the standard contract issued by the ICAEW. It forms part of the trainee's Employment Contract and sets out the mutual obligations between the NAO and the trainee.

Induction

A dedicated induction programme for graduates joining the NAO is arranged by the Professional Training Team. This is designed to give a general, but comprehensive, introduction to the operations of the Office, including the facilities and support available to trainees. It serves to familiarise trainees with their programme of professional training, as well as training and development opportunities outside of their professional studies. The central induction programme will be supplemented by work group-based induction activities.

2. Other accountancy training

- Staff recruited at Audit Technician Trainee (ATT) level through the NAO Audit Technician Scheme will be automatically enrolled on the AAT Education and Training Scheme and an approved programme of study will be agreed with the Professional Training Manager.
- Staff recruited at Audit Technician (AT) level are automatically entitled to financial support to pursue an ACCA qualification should they wish. They should complete Training Form 20a and submit it to the Training Centre for approval.
- Other applications for support to study for an accountancy qualification must be made on Training Form 20 (TF20), available on the Professional Training pages on Merlin. Completed forms should be submitted to the Professional Training Manager at least one month prior to the course start date and should be accompanied by completed course enrolment and student registration forms and any other relevant supporting documentation.
- Although eligibility for support for accountancy training is open to all staff, including those appointed on a fixed-term contract, the following criteria are likely to be taken into account:
 - a record of a satisfactory level of performance over a sustained period of time
 - the support given previously for other qualifications and the applicant's record of study achievement
 - the relevance of the qualification to the type of work the applicant currently undertakes and is likely to undertake in the future
 - budgetary and resourcing implications

Note: Further information on applying for AAT/ACCA Training and the associated terms and conditions can be found on the professional training pages on Merlin.

3. Support for further education

The NAO recognises that external study is a means of acquiring experience and developing skills to meet career aspirations and in the past limited support for such study has been available to all staff . Following the Corporate Services Efficiency Programme, the level of support available to staff to undertake external study options has been reviewed and a decision taken to ring fence the budget to provide support to staff in corporate services to achieve relevant professional qualifications. MC 02/09 explains the Management Board decision further.

Support for non-accountancy further education cannot be guaranteed and will be subject to budgetary restrictions and the following criteria:

- Specific business benefits of the qualification
- How the qualification will support the applicant's career development aspirations and the extent to which alternative development opportunities exist
- Performance and potential of the applicant to progress within the Office
- Attendance record of the applicant
- Cost of the proposed training and the extent to which the method of study provides value for money.

In addition staff must have served a minimum of six months in post and have successfully passed their probation period to be eligible for consideration unless their offer of employment included guaranteed study support.

Which subjects or courses will be considered?

Professional Qualifications, Higher Degrees and Post-Graduate Qualifications

Support may be available for any member of staff in corporate services functions wishing to undertake specialist qualifications relevant to their job.

Successful applications will focus on subjects with a clear relevance to the work of the Office. Applicants should, therefore, take particular care to show how their proposal will relate to the Office's

needs both now and in the future. Study subjects with a broader management flavour may be successful, but will generally only be appropriate to more senior staff (Grade 7 and Director).

All staff are able to apply for appropriate internal personal and management development programmes in the unlock suite of courses. Staff in specialist corporate service roles would be expected to apply to study the appropriate professional qualification rather than a Masters degree in the same area. Applications for Masters would usually only be considered where there is no recognised professional qualification for that specialist area. Where staff wish to apply for a Masters degree instead of the appropriate professional qualification, they must provide a clear business case explaining why this would be of greater benefit to the business than the professional qualification.

Audit staff occupying a specialist technical role as a long term career option will be considered e.g. Senior Analyst/Analyst statisticians in technical support teams where existing qualifications are not sufficient or relevant to this specialist technical role. VFM staff will no longer be able to apply for support to study Masters etc. from this budget. It is expected that VFM staff recruited to the office will already have achieved at least a Masters degree and further NAO specific training will be made available by the VFM Development Team.

Degrees

Subject to satisfying the basic entry requirements, corporate services staff at any level may apply for Office support to undertake a first degree course. The course should provide the individual with additional skills and knowledge of direct relevance and benefit to the Office now or in the future. It should form part of an individual's general development which will improve their all round performance. Office support for second degrees is only likely in special cases, but applications will be considered on their merits.

Applicants are encouraged to choose courses which minimise expense and disruption to Office work. Part-time and distance learning options will be favoured. The courses selected should be appropriate to the applicant's position and experience, and take into account his/her track record in academic studies.

GCSE and 'A' Levels (and equivalents, e.g. NVQs)

All corporate service grade staff are encouraged to acquire academic qualifications up to, and including, a minimum of two 'A' levels (or equivalent). The subject matter studied is less important than the contribution the course of study will make to the individual's development.

What type of support is available?

- Although the level of support is discretionary, in most cases it will comprise payment of course fees, payment of essential expenses for study materials, reasonable travel and subsistence costs and special leave with pay up to a maximum of 40 days per annum.
- The scope and scale of assistance will take account of the circumstances and merits of each application and the availability of resources. The terms and conditions will be set out in a letter/contract from the Skills and Career Development Team. Individuals who have been approved and are part way through a course will be given preference over new applications provided their performance and attendance remain satisfactory.
- Support is likely to be given for part-time or flexible learning rather than full-time study. Applicants also need to give careful consideration to the choice of institution, as well as the nature and content of the study programme. The Skills and Career Development team is able to provide informal advice on the strength of applications and on the selection of courses and providers.

Procedures for making applications

Applications for non-accountancy further education will now be considered at the end of the first quarter of each financial year and the deadline for applications will be notified on Merlin each year.

Applications for courses starting at any point in that financial year must be submitted by the deadline as there will not normally be a further opportunity to apply. The deadlines for applications will be notified on Merlin each year. Applications for individuals who have been approved previously and are part way through a course will be considered on an ad-hoc basis but individuals should submit an expression of their intention to continue with their studies in the financial year by the deadline. Individuals should not enrol, or enter into a commitment with a Further Education provider before NAO support has been approved. Applications should be submitted using form TF20 which can be found on the Training Pages on Merlin together with guidance on how to complete the form.

Note: To ensure a prompt response, applicants are asked to attach to their applications related supporting documentation from the course provider, e.g. course outline, and confirmation of fees and attendance requirements.

4. Continuing professional development (CPD)

What is CPD?

CPD may be defined as: *"A systematic and planned approach to the maintenance, enhancement and development of knowledge, skills and expertise that continues throughout a professional's career, and is to the mutual benefit of the individual, the employer, the professional body and society as a whole"*.

- CPD is necessary to ensure that staff are committed to constantly updating their knowledge and skills to maintain their professional competence. A planned approach to undertaking and recording CPD enables the Office to demonstrate its commitment to high standards of professional, technical and management competence. Clear records of CPD activity are required as part of the NAO's authorisation to train under the ICAEW professional training programme and are also a membership requirement for a number of other professional bodies to which NAO staff belong.

Guidelines for CPD

- It is recommended that all staff undertake at least 120 hours of CPD spread over a three-year period, with a target of 40 hours per annum. Of this, at least 20 hours per annum must be spent on formal activities.
- All staff should maintain a portfolio of their CPD, comprising a summary Learning and Development Record and relevant supporting evidence. Brief summaries of the benefits of the learning activity should be recorded. These are likely to refer to greater understanding of the work area, improved skill level, and enhanced performance.

What constitutes CPD?

- All staff should undertake some technical CPD, but attention should also be given to management and personal development needs. Staff should decide on the appropriate balance, bearing in mind their particular circumstances, in consultation with their Development Managers.
- Specific activities selected should show an appropriate balance of *formal* and *informal* learning.

Formal learning includes any activity for which there is a pre-defined objective or outcome. Examples are: courses, workshops, conferences, projects, working groups, research and open learning programmes.

Informal learning includes activities which result in learning, but which involve a less structured approach. Examples include: "professional" voluntary work, committee work, secondments, visits and work shadowing.

6. Training and development activities

A range of internally run training and development events are available to staff subject to approval from their development manager.

The NAO advertises all internal courses on e-training which is updated on a regular basis. Details of all training available can be accessed via e-training.

Staff may also attend training and development events provided by external suppliers at the discretion of their development manager and subject to approval by the relevant budget holder. Guidance on applying to attend an external training and development event can be found on Training Pages on Merlin.

Chapter 14 - Performance Review

This chapter is no longer extant and has been replaced with the guidance on the Performance Management Framework on Merlin.

Chapter 15 - Promotion

Purpose

This policy outlines the NAO's approach to the promotion of employees.

The NAO is committed to the development of all our people, and promotion to more senior grades is one element of a broader approach to career development.

Where there is a business need to fill vacancies at a particular grade these will be filled, where possible, through internal staff moves, including the redeployment of those returning from secondment, maternity leave and career breaks.

Where vacancies cannot be filled by internal staff moves or where additional posts are created, they will usually be filled through a competitive selection process. Very occasionally, however, there may be exceptions to this principle, for example where staff are appointed on temporary promotion to fill a role on a short-term basis or where further posts become vacant shortly after a selection panel has concluded.

Our aim is to promote the most suitable candidates who demonstrate the greatest capacity and the most relevant skills, behaviours and potential to step up to the higher grade. All appointments will be made in the best interests of the NAO. Advertised vacancies will be filled through competition and our assessment and selection processes will be conducted fairly, consistent with our commitment to equality, diversity and inclusion, recognising that we have a diversity of talent in the Office.

We aim to develop our staff so that, wherever possible, they are prepared for the demands of more senior roles, or the challenges of new opportunities. We all play a role in our own development, supported by: performance coaches – who play a key role in the career planning and development of their people; People Development Directors – who play a key role in managing talent within their group and ensuring development opportunities are open to all; and Group directors and managers – who have responsibility for supporting the development of the group's talent.

1. Key Principles

The key principles underpinning our approach to promotions are contained in Chapter 5: Recruitment and Selection. In addition, the following key considerations apply to the application of our detailed promotion policy:-

1. **Business need** – we aim to identify promotion opportunities, wherever possible, to encourage the retention and development of our most talented people who can progress to higher grades. This will, of course, need to be managed realistically within our resource constraints and in line with business need.
2. **Proactive Management of Development** – whilst we all have responsibilities for our own development, performance coaches, People Directors and Groups all play a key role in identifying talent and helping their people fulfil their potential. This will include helping prepare people for promotion by providing clear and honest feedback and by opening up work opportunities that will build the confidence and skills that are relevant to the higher grade and support progression. This will include providing proactive support to encourage and prepare colleagues from under-represented groups (e.g. women at senior levels and ethnic minority colleagues at all post-qualification levels).
3. **Transparency and consistency** – Our competitive promotion campaigns will set out details of the number of vacancies (wherever possible), the role requirements, and the assessment and selection process that will apply. The role requirements will underpin the assessment/selection process (including interview questions), assessment methods and decision-making, as well as the feedback to candidates which will be offered after each campaign.
4. **Key role of Groups and People Development Directors** – Groups – facilitated by their People Development Directors - will play a key role in ensuring the most suitable candidates from across the NAO are shortlisted and selected for promotion. People Development Directors and other colleagues should also encourage people to apply for promotion whom they consider to be strong candidates with clear potential to progress. This will include encouraging potential applicants from under-represented groups at middle and senior management levels.
5. **Promoting diversity** – Diversity will be a key consideration at all stages of our promotion campaigns, from the way in which roles are described and marketed through to the representation of assessors on interview and selection panels. We will also be active in monitoring diversity data throughout our campaigns and will not hesitate to make adjustments or to re-start campaigns where we have concerns over the balance of candidates progressing through each stage.
6. **Quality Feedback** – we are committed to providing clear, honest, specific and timely feedback following each promotion campaign that gives candidates a clear understanding of their strengths and areas for improvement to support their on-going development. Feedback will be relevant to the role requirements that have been assessed through the process.

2. Guidance

(i) Identifying Vacancies

Our planning processes determine the number and mix of staff required each year, and this forms the basis for identifying any promotion requirements, although vacancies do, of course, arise as the year progresses. Vacancies will be confirmed by HR in consultation with relevant colleagues from the Executive Team and the relevant service line leads

Once vacancies have been agreed, a vacancy notice will be produced for each post, or group of posts. This will describe the key functions of the post and provide an outline of the skills and other requirements, which underpin the assessment and selection process.

In exceptional circumstances where posts need to be filled at very short notice, or to cover temporary absence (such as sick or maternity leave), staff may be promoted on a temporary basis.

(ii) Advertising Vacancies

All vacancies to be filled on a competitive basis will be advertised on Merlin and will be open to candidates in the grade(s) immediately below that being advertised. In some instances a role may be opened up to candidates on both level transfer (ie from the same grade as the vacancy) or on promotion. The vacancy notice will set out the key requirements for the role, including skills and experience, and these key requirements will be reflected throughout the assessment and selection processes - underpinning decisions in terms of who to promote. Wherever possible the number of vacancies will be included along with their location. The vacancy notice will also provide details of the application and selection process, including a clear timetable that will be followed, along with any guidance on sources of help to support candidates in their preparation.

If the vacancy is for a fixed period only the advert will detail the precise duration of the appointment and the arrangements to be followed once the project/fixed period has come to an end.

It will be assumed that all roles can be filled on a flexible, part-time or job share basis and will not be location specific (London v Newcastle), unless there is a clear business reason why this would not be appropriate.

Applications from all candidates will be treated equally. There will be no discrimination on the grounds of sex, age, gender reassignment, pregnancy and maternity, marriage and civil partnership, race (including ethnic or national origins, colour and nationality), disability, sexual orientation, religion or belief ("the Protected Characteristics" covered under the Equality Act) or on the grounds of any other priority characteristic, such as social status or caring responsibilities. Evaluation will be solely based on the ability to fill the post with regard to skills, experience and potential.

Candidates on career break or secondment are eligible to apply subject to being able to return to the NAO in a timeframe consistent with filling the available vacancies. Candidates on maternity leave, or on career break following maternity leave, are eligible to apply and will be able to take up post, if successful, on their return to the NAO. All staff on secondment, maternity leave, career break or long-term sickness absence will be informed by Human Resources of any promotion opportunities when they arise.

Where management is of the view that the post warrants consideration of a wider pool of candidates than is available internally, an external campaign may also be run. Details of the external campaign will be published on Merlin and any internal candidates will be asked to follow the agreed assessment and selection process for the external campaign.

Executive Directors, People Development Directors and other colleagues should also encourage people to apply who they consider to be strong candidates with clear potential to progress, including talented people from groups which are under-represented.

Disability Confident Scheme

The NAO is a member of the [Disability Confident Scheme](#). We therefore guarantee to interview all disabled applicants who meet the minimum criteria required for the advertised role and who confirm their application is made under the Disability Confident Scheme. The NAO is under a duty to make reasonable adjustments to help overcome disadvantage resulting from disability of any candidate, irrespective of whether they have applied under the Disability Confident Scheme, for example, by making adjustments to the arrangements for interviews and selection tests.

(iii) The Application Process

Eligible candidates considering applying to a promotion campaign should first discuss their application with their Performance Coach and People Development Director. They will be asked to follow the specific application process specified in the vacancy notice and will be required to provide evidence of how their skills and experience match the particular requirements of the vacant post. The application

process would normally include submitting an up-to-date CV, so colleagues are encouraged to maintain this.

(iv) Candidate Preparation

Candidates may, of their own accord, wish to prepare in advance for the promotion process, by for example arranging a practice interview with colleagues or accessing other forms of help available – including advice and support from our diversity network groups. Whilst this is encouraged it is not a requirement of the process and take-up will not be assessed.

(v) Assessment And Selection

Assessment and selection will be consistent with our commitment to fairness, equal opportunity and diversity. This will include consideration of the make-up of shortlisting and assessment panels.

Director

A shortlisting panel will consider the potential candidates – including their application and wider performance record and potential – and will select a shortlist to attend an assessment process. The assessment process will normally involve a panel interview although other assessments methods may also be included (these will be highlighted in the vacancy notice). Following consideration of the candidates the panel will make a recommendation to the C&AG, after which a final promotion decision will be confirmed.

Audit Manager/Band 1

Candidates for promotion to Audit Manager/Band 1 will be considered through the following process:-

a) Shortlisting

The performance coaches of applicants will be asked to provide a brief written statement setting out how the candidate meets the advertised criteria to support the consideration of the shortlisting panel. The panel will be chaired by a member of the Executive Team and include the lead Director for the relevant service line or corporate services area as well as representatives from the People Development Director Group. The panel will be supported by the relevant HR manager who will provide the panel with the diversity profile of candidates and record the panel's discussion.

The shortlisting panel will consider the suitability of each candidate based on a rounded assessment of their capability and potential and taking into account: the evidence provided in the application and the overall quality of the application; the wider performance record of the candidate (including recent appraisals and Snapshots); the statement provided by the performance coach; and any other relevant views from the panel. . Where candidates have attended a previous promotion assessment, details will also be made available to support this discussion allowing the panel to help gauge whether development needs have been addressed since the previous campaign.

If the shortlist is suitably diverse then the process will move forward to the assessment stage. However, should it be concluded that the shortlist is not appropriately diverse the shortlisting panel may be asked to reconsider candidates discounted at the shortlisting stage or to consider additional marketing of the role. In some circumstances the campaign may have to be reconsidered and relaunched.

The panel will provide a rating and rank order of candidates and agree a proposed shortlist for assessment. The number of candidates shortlisted will be proportionate to the number of vacancies. The anonymised diversity profile of the proposed shortlist will then be reviewed by the Executive

Director from the relevant service line and the HR Director. Their review will consider whether the profile is appropriately diverse, taking into account the pool of applicants.

Once the shortlist is approved candidates will be informed if they have been successful or unsuccessful. A feedback meeting will be offered to candidates who have not been shortlisted.

b) Assessment – The assessment will normally involve a panel interview, though other assessment methods may also be used (the process will be set out in the vacancy notice). The panel will ask questions relevant to the requirements set out in the vacancy notice. They will consider the candidates' performance against these requirements and will agree an overall rating. The interview panel will normally comprise the lead Director for the relevant service line or corporate services area, a line Director and a People Development Director. All members of the assessment panel are expected to assess candidates objectively against the requirements of the role, including challenging constructively, particularly where there is a risk of bias, including unconscious bias.

The panel will make a note of the key aspects of performance (strengths and areas for development against the requirements) to help explain the agreed rating and as a basis for candidate feedback.

c) Selection decision making and key points for candidate feedback

Following all elements of the assessment stage the panel - will meet to review the assessment ratings and consider these together with the earlier ratings and rankings from the shortlisting meeting. The panel will agree which candidates they recommend for promotion, taking into account this rounded view of suitability. The panel will also consider the diversity profile of their recommendation. In doing so they should be prepared to challenge if there is a risk of any bias, including unconscious bias.

The panel will agree the key points of feedback for all candidates and these points will be recorded.

Band 2 / Senior Analyst vacancies and below

The promotion process to Senior Analyst will be similar to that set out above for promotion to Audit Manager.

Where there is a promotion campaign to corporate service Band 2 and below and to one-off or specialist vacancies the campaign will be proportionate to the need whilst reflecting the key principles set out above. In such campaigns the assessment and selection process will be set out in the vacancy notice published on Merlin

Note: Guidance on the expected composition of selection panels is given in Annex 1.

Separate procedures apply for promotions to Auditor and Audit Principal. (See Annex 2).

(vi) Appointments

Recommendations for promotion to Director will be made to the C&AG whilst recommendations for promotion to Audit Manager/Band 1 will be made to the Executive Director with responsibility for HR.

Recommendations for promotion to all other grades will be made to the Director, Human Resources (who may decide to delegate this to the relevant HR Manager), unless he/she has chaired the final interview panel. In these circumstances the recommendation will be made to the Executive Director with responsibility for HR.

Where a number of promotions to an audit grade are agreed the Directors for the appropriate service line will decide on the allocation of promotees to portfolios, working in consultation with Executive Directors, People Development Directors and group directors as appropriate Allocations should take

into account the career plans of individuals as set out in their Personal Development Plan and should be reviewed from a diversity perspective to ensure opportunities are fairly distributed.

All promotions will be announced on Merlin, together with a brief pen picture of the successful candidate(s). The effective date of promotion will be the date on which the individual takes up the duties of the new post. Exceptions to this are detailed in Annex 3.

Note: If a candidate declines the offer of a post at the higher grade, the promotion will be withdrawn and they will have to re-apply for a future vacancy.

(vii) Feedback

All candidates, whether successful or unsuccessful, will be offered a feedback meeting to discuss their assessment. This feedback will be provided by a nominated member of the interview panel and the candidate is encouraged to invite their Performance Coach and People Development Director to the meeting. Feedback should be clear, honest and specific. It should provide clarity over strengths and areas for further development in terms of the specific requirements which were set out in the vacancy notice and reviewed through the assessment process.

(viii) Appeals

Appeals may be made by unsuccessful candidates, as long as they have first sought feedback on their application. Appeals against non-promotion to Director should be made to the C&AG, whilst appeals against non-promotion to all other grades should be made to the Executive Director with responsibility for HR, who may delegate responsibility for handling the appeal, as appropriate. All appeals should be made within 10 working days of the candidate being informed that their application has been unsuccessful.

(ix) Temporary Promotion

Where there is a clear business need for posts to be filled at very short notice, or where a post is vacant due to temporary absence, staff may be promoted temporarily. A written business case needs to be submitted outlining the reason for the temporary promotion, along with an assessment of the capability of the proposed promotee to perform the role. Temporary promotions must be approved by the Executive Director with responsibility for HR (for Director and Manager posts) or the Director, Human Resources (for all other posts up to and including Audit Principal). Temporary promotions will be communicated by Merlin announcement.

The promotee will assume the full terms and conditions of the higher grade throughout the period of temporary promotion. This will be made clear to them in writing and they will be informed of the expected duration of the promotion. Once this period has ended they will revert to their substantive grade and their substantive rate of pay. If an individual is promoted substantively to the higher grade during a period of temporary promotion their starting rate of pay in the higher grade will be equivalent to their rate of pay whilst on temporary promotion. They will not receive a second promotion increase.

Substantive promotions to the higher grade either during or at the end of a period of temporary promotion will be through an open and competitive process.

Annex 1

COMPOSITION OF SELECTION PANELS

The precise composition of each panel will be determined when vacancies are identified. Wherever possible we will seek to ensure diversity in the make-up of panels and each panel will reflect the following broad guidelines:

Director Vacancies

Panels for promotions to Director would normally comprise the relevant member(s) of the Executive Team, with scope to include the Director lead for the relevant service line. It may be helpful from time to time, and depending on the role, to include other internal or external colleagues. The HR Manager normally supports promotion campaigns to the Director grade and to more senior grades.

Audit Manager Vacancies

Panels for promotions to Audit Manager/ Band 1 would normally comprise the lead Director for the relevant service line, who would Chair meetings, a People Development Directors, and a line Director. The HR Manager and HR team normally support promotion campaigns to the Manager grades.

Other Vacancies

Panels for promotion to other grades would normally comprise relevant colleagues from the appropriate service line (VFM, Financial Audit or corporate services) and wider NAO depending on the nature of the role. They would be colleagues who can deliver a fair and objective process consistent with the key principles set out above.

Annex 2

OTHER ASSESSMENTS

Promotions to Assistant Auditor

Promotions to Assistant Auditor are dependent on successfully completing the certificate level of the ICAEW and demonstrating the ability to perform fully effectively in the higher grade.

Promotions to Auditor

Promotions from Assistant Auditor to Auditor will be processed on successful completion of all stages of the ICAEW examinations.

Promotions to Audit Principal

Promotions from Auditor to Audit Principal are automatic on gaining full membership of the ICAEW. However, in circumstances where an individual has not demonstrated readiness for the AP grade, they will remain in the Auditor grade until such time as they have demonstrated their suitability for the higher grade.

Annex 3

EFFECTIVE DATE OF APPOINTMENT - EXCEPTIONS

Promotions to Assistant Auditor

The effective date of appointment for staff promoted to Assistant Auditor will be the first day on which the ICAEW training contract takes effect.

Promotions to Auditor

The effective date of appointment for staff promoted to Auditor will be the first day of the month after the final stage of their professional examinations was successfully completed.

Promotions to Audit Principal

The effective date of promotion to Audit Principal is the first day of the month following the date on which their training contract ends (subject to later confirmation that membership of the professional institute has been granted) and is dependent on staff completing all of their ICAEW exams and having attained 450 days of technical work experience. However, in situations where the evidence of work-based learning/practical work experience form has been signed off by the Counselling Director but the trainee has failed one or more of their Advanced Stage exams, their promotion will not be effective until the first day of the month following the date their exam results are issued.

Chapter 16 - Allocation, Mobility and Secondment

Purpose

This policy sets out the Office's approach to allocating its staff efficiently to ensure that all of our people have the greatest opportunity to realise their full potential.

The NAO is committed to using its valuable staffing resources flexibly and efficiently to ensure that all of our people have the greatest opportunity to realise their full potential. Our resourcing strategy is, therefore, centred on providing colleagues with challenging and varied assignments which allow them to make a positive contribution to our business and that of our clients.

Allocation

The Executive Team determines the allocation of Directors and Audit Managers in line with the needs of the business. Working with the lead Directors for the financial audit and vfm workstreams, Resource Directors and People Development Directors will take responsibility for determining the most appropriate allocation of audit staff across their groups at AP/Senior Analyst level and below. Individual allocations at these levels will be agreed in consultation with Performance Coaches and relevant assignment directors/managers to ensure that they meet operational and corporate priorities as well as supporting the career and professional development of individuals as set out in their personal development plans.

In order to monitor the equitable distribution of our most challenging and developmental work, the Executive Team receive monthly reports on the allocation of lead work by protected characteristic. These reports have identified differences in allocation rates and groups should, therefore, actively consider diversity in their decision making on allocations and ensure that opportunities to engage on our most challenging work are fairly distributed.

Further details on recording allocations within the FF system can be found here: [Financial Force Allocations](#)

Mobility

All staff, including those on fixed term contracts, have a mobility obligation and may be required to travel on official business to other locations within the UK away from their normal place of work. This may also include travel to overseas locations as required. Travel and subsistence costs will be met for such visits at the rates set out in the Travel policy.

All staff, including those on fixed term contract, may also be required to serve on detached duty in any other location in the UK where this would be considered reasonable and may be asked to permanently relocate to another UK location. In such cases the financial support available to enable an individual to relocate is set out in the HR Manual Chapter 9.

Secondment

Secondments supported by the NAO contribute to the broader corporate aims of the organisation. They are designed to make a positive contribution to the development of individuals and widen our

corporate experience and knowledge. The NAO also supports inward secondments where appropriate.

Finding further Information can be found on the Secondments webpages.

Chapter 17 - Consultation and Staff Involvement

Purpose

This policy outlines a consistent approach to ensure staff has the opportunity to be involved in decisions that affect them.

Consultation

The NAO recognises the importance of a positive and constructive relationship between management and staff. Its goal is efficient and harmonious working relationships through effective consultation at all levels.

Consultation procedures are established to achieve speedy and satisfactory resolution of matters of concern. Management undertakes to keep staff fully informed of developments likely to affect them, through direct consultation channels, or through elected staff representatives, as appropriate. Management will seek, and take account of, employees' views, wherever possible.

Membership of trade unions

The NAO considers it to be in the best interests of employees to belong to trade unions which can support reasonable claims and represent their points of view. Staff are encouraged to join the National Audit Office Branch of the Public and Commercial Services Union (hereinafter referred to as the Trade Union Side), and participate in decision-making through the Joint Negotiating and Consultative Committee (JNCC) arrangement.

1. Procedures for negotiation and consultation

Negotiation and consultation machinery

The NAO consults and co-operates closely with the Trades Union Side (TUS) over staff matters and the development of personnel policy. Wherever possible, consultation and negotiation are taken forward on an informal basis.

Both NAO management and the TU Side do, however, have the option to consult and negotiate through a Joint Negotiating and Consultative Committee (JNCC), supported through Sub-Committees.

Such formal machinery is, however, used infrequently and is relevant only to issues of key concern/dispute between the two parties.

Negotiation and consultation agreement

This section outlines the procedures for negotiation and consultation between management and staff, and is based on an agreement between the NAO, on the one hand, and the TUS, on the other.

- This agreement is not a legally enforceable collective agreement. It is, however, binding in honour. Both parties will, therefore, take all reasonable steps to prevent those covered by the agreement from breaching its provisions.
- The provisions of this agreement shall in no way affect the rights and obligations in law of the NAO or any of its employees, arising from any contract of employment between them.

General principles

The agreed procedures provide a framework for harmonious consultation and collective bargaining, to further the efficiency of the NAO and the well-being of its staff.

The procedures aim to:

- establish effective consultative and negotiating machinery, and a constructive approach by management and the unions
- define the facilities which management provides for union representatives
- design means of promoting health, safety and welfare in the NAO
- promote measures to improve performance and efficiency
- provide a forum for discussion

Union recognition and membership

Sole negotiating rights in the NAO shall be granted to the TUS, which will represent all employees. The NAO shall invite each of its employees to join the relevant trade union.

Negotiating and consultative machinery

Where the formal machinery of the JNCC is established, its main aims are to:

- secure the fairest measure of co-operation for the efficient working of the NAO
- provide a forum for joint consultation on the development and operation of reward, disciplinary, grievance and appeal procedures
- consult on recruitment, training and development, and procedures for performance appraisal and promotion
- consult and negotiate on any other matters of concern
- notwithstanding the responsibility of the NAO to make promotions and to maintain discipline, the Committee may also discuss any promotions or disciplinary cases which the TUS feel have not been handled in line with the agreed procedures.

Appointment of union representatives

Representatives of union members shall be appointed by the TUS, and only these representatives will be recognised. The TUS shall notify the Director, Human Resources in writing of the names of the elected representatives, their elected position and their term of office.

Responsibilities of a trade union representative

It is the duty of a representative to abide by all the agreements between the NAO and the TUS, and to endeavour to settle any disputes at the lowest level. Representatives will use their best effort to ensure their members abide by such agreements.

Representatives are subject to the same employment terms and conditions, rules and discipline as other employees of the NAO.

Trade union activities

While taking part in activities organised by their trade union or by the TUS, staff must observe the same rules concerning disclosure of official information which apply to their day to day work. Elected representatives may discuss matters concerning terms and conditions relating to individual members of staff, where this is of legitimate concern to their membership.

Staff occupying certain positions or undertaking certain duties may not serve as elected representatives of the TUS. Restrictions apply to staff in the following areas:

Work area	Ineligible for membership of full jncc
Private Office	All posts
Human Resources	All posts
Security	All posts
Corporate Policy	All posts
Finance and Accounts	All posts with direct access to information on payroll, budgets and budgetary planning
Executive Leaders' Offices	All posts
Resources	All posts involved with Health and Safety

Staff in grades below Audit Manager/Band 1 who are serving in restricted areas may, however, be co-opted onto TUS sub-committees, providing they obtain the approval of their line Director and do not serve on a committee which would involve them in an area in which they work.

Should there be any conflict between the views of Directors and individuals who wish to serve as co-opted members, these will be resolved by the Director, Human Resources. In addition, the occupant of any restricted post will remain debarred from committee membership for a year after leaving the restricted post.

Time off for industrial relations duties and trade union activities

Management will grant trade union representatives reasonable time off for trade union duties, and to undergo industrial relations training. Managers of representatives will, however, be given as much advance notice as possible, and disruption to the NAO's work should be kept to a minimum. The amount of time off allowed, and activities for which it may be granted, will be agreed formally from time to time.

Staff will be allowed reasonable time off, with paid leave, to participate in trade union activities, such as TUC or constituent union meetings, conferences and training.

Facilities for trade union activities

Management will provide reasonable facilities to allow the TUS to conduct its business and communicate with its members. These will include accommodation, use of a telephone/email and intra/internet, typing, copying and distribution facilities.

Expenses directly incurred by the TUS shall be met from TUS funds.

Notification of new entrants and leavers

The NAO will provide accredited union representatives with the names of all new entrants to the Office and all leavers.

TUS representatives may meet with new entrants on joining, to explain the union's role.

Settlement of disputes

Every effort will be made to resolve disputes between management and staff at the lowest level, but where this is not possible the machinery of the JNCC may be established. Where there is failure to reach agreement on pay and other terms and conditions of staff, the matter may be referred to the Advisory Conciliation and Arbitration Service (ACAS) for conciliation or mediation. Either side may request this, but it requires the consent of both to be effected. Neither side will be bound by any resulting recommendation.

Wherever possible, management and the TUS will try to reach agreement before implementing any changes which affect staff. Changes to working practices or terms and conditions will not be implemented whilst negotiations are taking place, or whilst the issue is under referral to ACAS, unless management considers this essential to the operation of the NAO.

Conclusion

The NAO and the TUS may amend any of these provisions from time to time by mutual consent.

The NAO, for the one part, and the TUS, for the other, may terminate these procedures by giving not less than six months' notice in writing to the other party.

2. The constitution of the jncc

This section outlines the constitution of the formal JNCC, where established.

Membership

- The Committee shall be named the National Audit Office Joint Negotiating and Consultative Committee, hereinafter referred to as the Committee.
- The Committee shall consist of up to 14 members. Up to six will be provided by the Management Side, and up to eight by the TUS. In addition, the TUS may, if the occasion requires, appoint as a member of the TUS one full-time officer from a constituent body. Each side of the Committee may vary its representatives. Observers may be invited to Committee meetings, if both sides agree.
- The Committee shall cover the interests of all staff employed in the NAO.
- The NAO shall appoint, from time to time, the Management Side members of the Committee, and the TUS shall appoint, from time to time, the Trade Union Side members of the Committee.
- The Trades Union Side members of the Committee will normally be drawn from its executive committee.
- If a member cannot attend a Committee meeting, an accredited deputy may be appointed for that occasion.

Officers

- The Chairman of the Committee and any Deputy shall be a member of, and nominated by, the Management Side. The Vice-Chairman and any Deputy shall be a member of, and nominated by, the TUS of the Committee.
- Each side shall appoint a member to act as Secretary.

- The quorum shall be seven - that is, three members of the Management Side and four members of the TUS.

Meetings

- The Committee shall be established where consultation and negotiation cannot be conducted through informal mechanisms. It shall meet as circumstance dictate. The Chairman may choose to call meetings, or may do so at the request of the Vice-Chairman.
- An agenda will be circulated to all members at least ten days before a Committee meeting, except in urgent cases, where the period may be shorter.
- Only the Chairman and Vice-Chairman, or their appointed Deputies, may allow business to be heard which is not on the agenda.
- The Committee may draw up appropriate standing orders and rules for the conduct of its business.

Sub-Committees

- The Committee may appoint Sub-Committees, to which it may delegate particular powers. The Management Side shall nominate the Chairman of a Sub-Committee. The Committee may appoint non-Committee members to Sub-Committees.
- NAO staff members of the TUS or a Sub-Committee shall be given paid time off to attend meetings, in line with the relevant agreements.

Decisions

Any decisions of the JNCC shall be without prejudice to the over-riding authority of Parliament and the responsibilities of the Comptroller and Auditor General (C&AG). Decisions reached by agreement between the two Sides shall be recorded, and signed by the Chairman and Vice-Chairman. The Chairman will ensure that decisions reach the appropriate executive authority without delay.

Minutes

Minutes of the Committee proceedings will be kept. They will be agreed between the two Sides. The minutes will be circulated to all NAO staff, subject to the Chairman's discretion regarding confidential information.

Finance

Each Side of the Committee shall be responsible for its own expenses. Common expenses shall be shared equally between the two Sides.

Amendment of the constitution

The Constitution of the Committee may be amended at any meeting. Notice of amendment must be circulated to Committee members at least ten days before the meeting.

Chapter 18 - Staff Complaints Procedure

Purpose

This policy sets out our approach to resolving complaints.

To deliver our business we need well motivated staff who work well together and we are committed to ensuring all colleagues feel safe, valued and supported at work. Where complaints from staff are

received they will be resolved fairly, consistently, quickly and confidentially. This policy and procedure applies to all staff.

1. What complaints does this procedure cover?

This procedure covers official complaints by a member of staff to the NAO about action which a colleague or the NAO had taken, or was considering taking, in relation to them. It could also include action that the NAO had failed to take to address a specific problem. A complaint is normally raised by an individual, but in some circumstances more than one individual could raise a single complaint. This procedure does not cover disputes between the Trade Union Side and management.

Issues which might give rise to a complaint include:-

- Bullying, harassment or victimisation
- Discrimination
- Terms and conditions of employment
- Health and safety
- Relationships at work
- New working practices or policies
- The working environment
- Organisational change
- Equal Pay

2. What should you do if you have a complain?

You should try, wherever possible, to resolve a complaint informally with the relevant colleague(s) or manager in the first instance (see [Annex 1](#) for further guidance).

Managers with responsibility for staff (this would normally be performance coaches or People Development Directors should also seek to resolve complaints informally as quickly as possible (see [Annex 1](#) for further guidance).

If the complaint was against your manager (e.g. performance coach or assignment manager) then you may approach that person's manager to try to resolve it informally.

If the complaint related to bullying, harassment or victimisation, you may wish to discuss this first with a DAW group r lead, HR, a TU representative or the Employee Assistance Programme.

If an informal approach did not lead to a satisfactory resolution within a reasonable period of time, or if you felt that your complaint related to a serious matter which could not easily be addressed informally, then you may decide to raise it through the formal complaints procedure which is set out below.

3. Formal complaints procedure

Statement of complaint

You should set out your complaint briefly in writing using the form at [Annex 2](#) (attach any supporting papers) and submit it to the relevant manager (see below for who this may be) as soon as possible after the incident which gave rise to the complaint (but see also [Annex 6](#) Q&A4). Whilst there is no formal time bar on bringing complaints, any delay would reduce the prospect of adequately establishing the facts or resolving the matter effectively. For these reasons, management may decline to pursue complaints which have been raised a month or more after the incident, unless there were genuine reasons for delay (e.g. sickness absence, maternity leave, or on-going attempts to resolve the grievance informally). You should also send a copy of your complaint, for information, to Human Resources.

- For colleagues below Director grade, you would normally submit your complaint to your performance coach, copying in your PDD and your HR Business Partner. If the complaint relates to your performance coach, you would submit it directly to your PDD and HRBP.
- For staff at Director or above, you would normally submit your complaint to your Group Executive Director or to the C&AG if your ED was implicated in the complaint.
- Exceptionally, if it is not appropriate to raise your complaint through the normal routes set out above then you may submit your complaint to the Director/Human Resources, providing a copy to your PDD. If the Director/Human Resources is unable to handle the complaint or if it is not appropriate for them to do so, then the complaint would be handled (following consultation with you) by another Director or appropriate senior colleague unconnected with the complaint.

Raising a complaint against another member of staff or against the NAO is a serious matter. If an employee is found to have raised a complaint maliciously or frivolously then they may be subject to disciplinary action under the managing misconduct procedure (though in cases of whistleblowing the anonymity of the reporting party will be preserved – see Whistleblowing (internal) policy (sharepoint.com))

Investigation

The person handling the complaint (Investigating Officer) will investigate it (see Annex 3 for guidance) as quickly as possible and produce a report. As a general aim, this would be within 10 working days of receiving the complaint, however this may be longer if the case is particularly complex and/or other colleagues need to be interviewed to gain a full picture of the incident. The Investigating Officer will meet with you and give you the opportunity to explain your complaint and say how you think it should be resolved. The Investigating Officer will also meet with any employee who is the subject of the complaint or who could provide relevant evidence (staff may be accompanied by an NAO colleague or Trade Union representative at investigatory meetings). If the subject of the complaint is another member of staff they will be given a copy of the complaint form and may respond in writing if they wish. Colleagues who are interviewed as witnesses and are not the subject of the complaint will not receive a copy of the form and will only be given the level of detail required for them to provide relevant evidence.

The Investigating Officer report will summarise briefly the main findings but will not include a decision to uphold or reject the complaint at this stage (the report should not pre-judge the outcome of the complaint meeting).

Complaint Meeting

Following the investigation, the Investigating Officer will send a copy of their report and supporting evidence to the complainant and will invite them to attend a meeting at an agreed time and place (the complainant has the right to be accompanied by an NAO colleague or Trade Union representative). The meeting should take place as quickly as possible (normally within 10 working days) after the investigation, and the complainant will have the opportunity to respond to the report in writing before the meeting.

At the meeting the complainant will have the opportunity to make any comments on the investigator report and evidence, and to ask any questions. The Investigating Officer will then respond and may ask questions. If the complainant is accompanied at the meeting, their representative may ask questions and participate in the meeting but not answer questions on behalf of the complainant.

The Investigating Officer would also have the option of arranging for other staff to attend the meeting, for example to present and discuss evidence, though this may not be appropriate (e.g. in cases of bullying or harassment) or necessary. If appropriate, the Investigating Officer may arrange to meet other parties at a separate time, for example if they wish to clarify any further evidence raised.

Any other staff who are invited to attend the meeting have the right to be accompanied by a colleague or TU representative who may ask questions and participate in the meeting but may not answer questions on behalf of the person they are representing.

At the conclusion of the meeting (which may be adjourned if necessary to give the Investigating Officer further time to consider their decision or to collect further evidence) the Investigating Officer will:-

- Give their decision and the reasons for it;
- Clarify any action that will be taken, and where appropriate the target dates for completing these actions;
- Explain your right to appeal against the decision and the process for making an appeal (who an appeal should be sent to and by when).

After the meeting (normally within 5 working days) the Investigating Officer will confirm their decision in writing to both the complainant and to any employee who is the subject of the complaint. Both the complainant and the employee who is the subject of the complaint will have the right to receive the full report and any supporting evidence, e.g. minutes of meetings

If a complaint is upheld, the employee who is the subject of the complaint may not appeal the decision itself. However, if the complaint decision results in disciplinary procedures being initiated, they will have the opportunity to appeal against any action taken against them through the formal disciplinary process.

Employees bringing a complaint will be informed of the outcome of their complaint and any recommendations for action. However, they will not be subsequently informed of the outcome of any proceedings.

The performance coach and People Development Director of both the complainant and the employee who is subject to the complaint will be informed of the outcome. On some occasions it may be appropriate to inform other staff with responsibility for managing either the complainant or the subject of the complaint (e.g., line Directors) if this is needed to support any recommendations for action.

Other colleagues interviewed as part of the investigation will not be informed of the outcome

See Annex 4 for further guidance.

Appeal

If you believe that your complaint was not managed satisfactorily (e.g. the procedure was not followed properly or evidence had not been considered appropriately) or if new evidence had come to light that had not been taken into account, you may make an appeal in writing that will be considered by a more senior manager than the one who handled the original complaint:-

- Appeals against complaints handled by AMs/Band 1s or more junior grades will be heard by an appropriate Director.
- If a Director had handled the complaint (including PDDs line Directors or Director/HR) then the appeal would normally be handled by an Executive Director

Your appeal should be made within a reasonable timescale (normally within 10 working days of receiving written confirmation of the Investigating Officer's decision). You should submit your appeal to your HR Business Partner who will arrange for an appropriate person to hear the complaint

Before the appeal meeting the manager handling the appeal may consult with the Investigating Officer (and others if necessary) regarding the points raised in the appeal and will consider the papers relating to the complaint and the complaint meeting.

The manager handling the appeal will arrange a meeting with you and the Investigating Officer to discuss your appeal (normally within 10 working days of receiving the written appeal where possible), and you may arrange to be accompanied by an NAO colleague or TU representative. The appeal meeting will not normally be a full re-hearing of the complaint but will determine whether the complaint had been properly handled and whether the outcome would need to be changed in the light of new information.

At the conclusion of the meeting (which may be adjourned if necessary to give the manager handling the appeal more time to consider their decision), the manager hearing the appeal will:-

- Give their decision to reject or accept the appeal and the reasons for the decision;
- Clarify any actions which will be taken following their decision (and where appropriate the target dates for completion);
- Explain that their decision is the final stage in the NAO internal complaint procedure.

The manager handling the appeal will confirm his/her decision normally within 5 working days. He/she will also send a copy of this letter to the Investigating Officer who handled the complaint, to any employee who may have been the subject of the complaint, and to Human Resources (who should also be given the complete case file for central records and to ensure that any agreed actions are taken and any common themes or patterns are identified and addressed).

See Annex 5 for further guidance.

Annex 1: Resolving complaints informally

Here are some tips for staff who wish to resolve a complaint informally, and for their managers who should seek to address any concerns quickly and effectively.

Tips for individuals seeking to resolve a complaint informally:-

- Prepare your thoughts ahead of any informal discussion of your complaint
- Clarify what exactly is your complaint, what gave rise to it, and what impact it has had, or may have, on you
- Clarify how you think the complaint should be resolved and what, in your view, would need to happen to bring it to a satisfactory resolution
- Be constructive and positive and treat matters confidentially
- Be honest and objective in your account of the complaint with the relevant manager or colleague
- If appropriate, consult your HR Business Partner before deciding whether and how you want to take things forward
- In cases of discrimination, bullying, harassment or victimisation, you may wish to consult the NAO diversity specialist
- Be proactive in seeking a one-to-one meeting with the relevant colleague to seek to resolve the complaint
- If the complaint was resolved informally then put the issue behind you
- Be open to what the other person has to say about the case and reflect upon it before considering whether to raise a complaint through the formal procedure
- You may wish to contact our Employee Assistance Programme to discuss the issue(s) with an independent advisor.

Tips for managers seeking to resolve complaints informally:-

- Consider the feelings of staff and address proactively any complaints or issues as quickly as possible before they have a damaging effect on morale or performance and before they become potential formal complaints

- Take complaints and problems seriously and act quickly even if it was not put in writing or raised formally. Be open to what the individual has to say and don't pre-judge the issue or reject a complaint because you don't agree with it or because it may not sound plausible
- Make sure you establish what the problem is and what the person bringing the complaint wants to see happen in order to resolve it. Ask open questions to get them to explain fully the complaint
- If the complaint is based on dissatisfaction with a management decision, try to explain why the decision was made, including information on the factors taken into account and the options that were considered
- If the complaint was based on dissatisfaction with a corporate policy or its application, you may wish to ask the relevant colleague responsible for the policy to explain and discuss the policy and to respond informally to the complaint
- Where the complaint was caused by issues relating to working relationships it may be helpful to seek a resolution by mediating between the relevant parties either in a single meeting or separate meetings depending upon the nature of the case. This can help bring about a shared understanding of the complaint and how it can be resolved
- Be constructive, open and objective in your communication and treat matters confidentially
- Make and retain a brief written record of the complaint and how it was handled
- When a complaint was resolved informally, put the issue behind you
- For further advice contact Human Resources or our Employee Assistance Programme

Annex 2: Written Statement of Complaint

(This annex is also available as a Word document)

Your Name:

Name of the manager/ director handling your complaint:
Part 1: Your complaint. Please give details of the nature of your complaint. Provide specific details (e.g. dates, times, witnesses or people who may be able to provide relevant evidence) and attach relevant supporting evidence if necessary.
Part 2: Informal action. State briefly what, if anything, you have done to resolve the matter informally, and explain why this has not resolved it to your satisfaction. Alternatively, state why informal resolution had not been tried or was not appropriate in this case.
Part 3: Outcome you are seeking. Please state what specific action or actions would, in your view, be needed to resolve your complaint satisfactorily. What outcome are you seeking?
Part 4: any other comments?
Part 5: declaration. I confirm that to the best of my knowledge the information I have given is true and accurate

Signed:	Date:
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Once completed, this form should be sent to the relevant manager(s) to handle the complaint. It must also be copied to your HR Business Partner.

Annex 3: Investigating a complaint

The Investigating Officer will:-

- Complete the investigation as quickly as possible, and as far as possible within the expected timescales - we would normally expect the investigation to have been completed within 10 working days of receiving the complaint
- Treat the matter sensitively and confidentially
- Be objective, open minded and impartial about the evidence you gather and throughout the investigation
- Seek the facts of the case from the complainant, the person complained about and any other relevant people. This may be in the form of a written statement or interview.
- Inform all interviewees ahead of any meeting that they can arrange to be accompanied by a colleague or TU representative
- For all interviews, begin the discussion with an explanation of the purpose of the investigation and request that the interviewee keep the matter confidential. Explain that your notes of the interview will be included in the case papers which would go to all the parties involved in the complaint but that the interviewee would have the opportunity to comment on and agree the notes of their interview first
- Take notes of interviews and agree these with the interviewee
- Ensure that all parties have a reasonable opportunity to comment on the allegations or issues
- Produce a brief report on your investigation including a summary of your main findings, with the evidence from your investigation annexed to the report. It should not include a decision whether to uphold or rejected the complaint at this stage - this will be determined following the complaint meeting.
- Copy the report and any supporting evidence to the individual who raised the complaint as well as the individual(s) who were the subject of the complaint ahead of the complaint meeting. The complainant and any individual who is the subject of the complaint should be given the opportunity to respond in writing ahead of the meeting
- Consult Human Resources should you have any queries regarding the process.

Annex 4: Conducting a complaint meeting

Prior to the meeting:-

- Arrange for relevant staff as well as the employee representative to attend the meeting and to receive a copy of the report on the investigation and the employee written response (if any)
- Prepare for the meeting and ensure you have all the necessary facts and evidence
- Arrange for someone to attend to take a note of the meeting. These notes are potentially disclosable
- If the individual or the person accompanying them has workplace adjustments (e.g. relating to a disability) ensure that these have been considered and, where appropriate, accommodated

At the meeting:-

- Explain the purpose of the meeting (to consider carefully the complaint and decide whether to uphold or reject it)
- Check that those present have received the relevant papers
- Outline the process to be followed at the meeting
- Ask the complainant whether they had any comments or questions relating to the Investigating Officer report;

- Should other staff be present, ask or invite any questions
- Invite any other relevant party in attendance (e.g. the individual against whom the complaint had been raised) to respond to the complaint report, and ask or invite any questions from any other staff present
- Summarise your findings from your investigation
- Be open to any further discussion of the case
- Summarise the facts of the case and any other relevant points but remember you would have the option of adjourning the meeting (e.g. to consider your decision or conduct further investigation should it be necessary)
- You should decide whether to uphold or reject the complaint based on your considered view of the evidence. Complaints can sometimes involve one person's word against another - so remember that your decision would be based on what you think the evidence shows is the **balance of probability**
- Explain your decision and the reasons for the decision
- Clarify whether any further action should be taken, and where appropriate the target dates for completion
- Explain that the individual would have the right to appeal against the decision and outline the process for making an appeal (including details of who the appeal should be sent to, and this would normally be within 10 working days of receiving written confirmation of the outcome of the complaint).

After the meeting:-

- Confirm your decision in writing and set out your reasons for your decision. Set out any actions that will be taken following the meeting and where appropriate the target dates for completing these actions. This letter should note that the individual has a right to appeal. It should indicate the timescale for making an appeal and provide details of who would handle an appeal should one be made. The letter should normally be sent within 5 working days of the complaint meeting to the individual who raised the complaint, the employee who was the subject to the complaint, and copied to other relevant parties for information
- If necessary, consult Human Resources regarding any further action that should be taken
- Send the case file (including: the complaint; the report on the investigation and any supporting papers; a note of any action that will be taken or has been taken; written confirmation of the decision regarding the complaint and a note of the complaint meeting) to Human Resources who will retain the file centrally.

Annex 5: Conducting an appeal meeting

Prior to the meeting:-

- Arrange for the appellant and their representative (and any other relevant staff) to attend the meeting
- Prepare for the meeting and ensure you have all the necessary facts and evidence. You would need to consult with the manager who handled the complaint (and possibly others) about the points raised in the appeal
- Arrange for someone to attend to take a note of the meeting. These notes are potentially disclosable
- If the individual or the person accompanying them had any workplace adjustments (e.g. relating to a disability) ensure that these are considered and, where appropriate, accommodated.

At the meeting:-

- Explain the purpose of the meeting (to consider the appeal and decide whether to accept it or reject it)
- Check that those present have received the relevant papers
- Outline the process to be followed at the meeting

- Invite the individual to state the reasons for the appeal
- Ask any questions or invite questions from others present
- Respond to the points raised in the appeal
- Be open to any further discussion of the case
- Summarise the evidence relating to the appeal (remember you would have the option of adjourning the meeting to consider your decision or complete further investigation work if necessary)
- You should decide whether to uphold or reject the appeal based on your considered view of the evidence
- Explain your decision and the reasons for your decision and that it would be confirmed in writing
- Outline any actions that will be taken as a result of the complaint and, where appropriate, the target dates for completion
- Explain that this is the final stage in the internal complaint procedure

After the meeting:-

- Confirm your decision to uphold or reject the appeal in writing (normally within 5 working days of the meeting) along with your reasons for the decision and any actions that will be taken with target dates where appropriate. The letter should also note that this was the final stage of the formal complaint procedure. The letter should be sent to the individual who raised the appeal and copied to other relevant parties including the manager who handled the grievance and to Human Resources.
- If necessary, consult HR regarding any further action that should be taken
- Give the complete case file (including all papers relating to the complaint and the appeal) to Human Resources.

Annex 6: Questions and answers

Q1 Does this complaints procedure replace the grievance procedure?

A1 Yes, this procedure replaced the previous grievance procedure. This complaint procedure meets the statutory minimum requirements and is consistent with good practice guidance issued by ACAS.

Q2 Can a complaint be raised by someone no longer employed by the NAO?

A2 A modified complaint procedure may be used in cases where employment had ended and:

- The NAO was not aware of the complaint before the employment ended; or
- The standard complaint procedure had not started or the complaint meeting had not taken place before the employment ended and both parties had agreed in writing that the modified complaint procedure should apply in relation to that complaint.

Under the modified procedure:-

- The ex-employee must set out in writing the nature of the complaint and the basis for it, and send the statement to the Director/Human Resources;
- After investigation, the Director/Human Resources must give a response in writing and send the statement to the ex-employee within a reasonable time, and normally within ten working days of receiving the written complaint statement. There would be no appeal stage.

Q3 What is the role of the employee representative?

A3 All employees and ex-employees have the right to be accompanied by either an NAO colleague or a Trade Union Representative at any meeting held as part of the complaint procedure. The colleague or TU representative would be entitled to reasonable time off on full pay to fulfil this role. Employees should inform the manager handling the complaint who they have chosen as their representative.

The person who raised the complaint should provide their representative with the papers relating to the complaint. The representative is allowed to confer with the employee during a meeting and may ask questions and participate in the meeting but may not answer questions on behalf of the employee or prevent others from contributing.

Q4 What if the complaint does not relate to a specific incident or action but to a series of minor incidents or actions over time?

A4 It is possible, for example, in bullying or harassment cases, that a complaint could be raised as a result of the cumulative effect of actions or incidents over time which, taken separately, may not be seen as sufficiently serious to give rise to a complaint. However, taken together they could represent a complaint. In such cases a complaint could be submitted as soon as possible following the most recent incident but could also refer to the cumulative effect of actions or incidents over time which had preceded the most recent incident. Management may, however, decline to pursue complaints which have been raised a month or more after the most recent incident as the prospect of establishing the facts and resolving the complaint satisfactorily would be reduced, unless there was some good reason (e.g. because of sickness absence or on-going action to resolve the complaint informally).

Q5 What if the outcome of a complaints procedure resulted in a disciplinary case being raised against another employee or other employees, or in the dismissal of another employee or other employees?

A5. The investigation under the managing misconduct procedure could draw upon the evidence gathered during the investigation of the complaint. Also, if an employee was found to have raised a complaint maliciously or frivolously against another employee, they may become the subject to disciplinary action even if the complaint was subsequently withdrawn.

Q6. What if more than one person had the same complaint as a result of the same action?

A6. It is not necessary to invoke the complaint procedure separately for each employee. The complaint may be treated as a joint complaint in these circumstances.

Q7. What if a complaint was raised against a client, or contractor or some other third party not directly employed by the NAO?

A7. If a complaint resulted from any action or actions taken by a third party whilst the employee was engaged on official duties then a complaint should be raised in accordance with this procedure and, following investigation, the NAO would aim to resolve the matter with the third party if it was found that there were sufficient grounds for complaint.

Q8. What if a complaint was raised by a senior member of staff in the Director grade or above?

A8. The complaint procedure is available to staff at all grades. Wherever practicable, a complaint or appeal against the decision following a complaint procedure should be heard by a colleague in a more senior grade than the employee who raised the complaint.

Q9. What if an employee failed to attend a complaint or appeal meeting?

A9. Meetings should be arranged at a mutually agreeable time and place for both the NAO and the employee (and their chosen representative), and the employee must take all reasonable steps to attend. If an employee failed or refused to attend an arranged meeting, the NAO is only obliged to rearrange the meeting once. If the employee representative failed to attend then the meeting may be adjourned, and a suitable replacement found.

Q10. What if the timescales set out in the complaint procedure were not met?

A10. Both parties should make every effort to comply with the timescales. However, delays may sometimes be unavoidable and would not constitute sufficient grounds for appeal.

Q11. What if a disabled employee was involved in a complaint?

A11. The NAO would make any relevant workplace adjustments so that the employee was not disadvantaged in fulfilling their role in the proceedings. The employee should, therefore, let the person who is handling the complaint or appeal know when such adjustments would be necessary.

Q12. Are there any circumstances where the complaint procedure need not be followed?

A12. Yes, besides employees who have left the NAO (see Q&A2) or when an employee raised a complaint as a protected disclosure (see Q&A13) the normal procedure need not be followed in circumstances where:-

- compliance with the statutory procedure would be contrary to the interests of national security;
- the complaint was dealt with collectively under our procedures for negotiation and consultation with the Trade Union Side (see Chapter 17 of the HR Manual);
- the employer or the employee had reasonable belief that, by following the procedure, there was: significant threat to an individual or property; a risk that the procedure could result in harassment; or where it would not prove practicable to complete the procedure within a reasonable period (e.g. in cases of long-term sickness absence).

Q13. What is meant by a protected disclosure and how, and in what circumstances, would I raise one?

A13. Under the provisions of the Public Interest Disclosure Act 1998 a complaint can be raised as a protected disclosure. Protected disclosure is likely to apply in cases of whistleblowing where a complaint involved corporate malpractice or wrongdoing. The person(s) or bodies to whom a protected disclosure may be made, and the types of disclosure relevant to these bodies, are listed in the Public Interest Disclosure (Prescribed Persons) Order 1999. Further details are given in the Whistleblowing Policy. (Please refer to Appendices).

Q14. How would a complaint be handled if it was made directly to NAO Senior Management without first going through the standard procedure?

A14. The complaint would be referred to the relevant manager and the standard procedure set out in this chapter would be followed in the normal way.

Q15. What if I have a complaint relating to actual or threatened dismissal?

A15. You may appeal against actual or threatened dismissal under the NAO disciplinary or dismissal procedure but you cannot then invoke the complaint procedure if your appeal was unsuccessful. However, this complaint procedure would be available in cases of constructive dismissal. In such cases, the complaint would be handled under the modified procedure set out in Q&A2.

Q16. What if I have a complaint relating to my appraisal, or against not being promoted?

A16. Complaints about appraisals or a decision to not promote you would be handled through the standard appeal procedures. Completing these appeal procedures would not, however, prevent you from raising a complaint under this policy/ procedure as you would retain the statutory right to do so.

Q17. What if a complaint is raised during a disciplinary meeting?

A17. It may, in such cases, be appropriate to suspend the disciplinary meeting for a short period until the complaint was resolved unless it could be resolved as part of the disciplinary procedure.

Q18. What is the burden of proof in handling complaints?

A18. Each case will be determined on the basis of facts that can be established and any reasonable inferences which can be drawn fairly from the facts or evidence - on the balance of probabilities. In some cases, for example, a complaint can focus on the word of one person against another - and a decision will be reached on the basis of what you think, in good faith, the evidence shows **on the balance of probabilities**. There would not need to be proof **beyond reasonable doubt**.

Q19. What if my complaint was about a sensitive issue or was causing me stress and I wished to discuss it with someone outside the Office?

A19. We have a confidential counselling service available to all staff provided by our Employee Assistance Programme

Q20. Will all the evidence from a complaint investigation be copied to the participants in a complaint meeting?

A20. Generally all evidence, including witness statements, would be given to participants. However, in exceptional circumstances some information may be withheld if, for example, there was a genuine concern that disclosing the information would present a significant risk to the safety and security of an individual such as a witness.

Q21. What will HR do with the case file?

A21. HR will review and monitor case files to track the progress of any actions that should be taken following a complaint. Cases could also highlight particular patterns or corporate issues which need to be addressed, and opportunities to improve the way we work for the benefit of staff and the NAO. We will retain all case files in a secure and confidential way.

Q22. What if I am the subject of a complaint that is upheld. May I appeal against the decision?

A22. You may not appeal against a decision to uphold a complaint made against you by another person but if this results in disciplinary action it will be dealt with through the formal disciplinary process and you will have the opportunity to appeal against any action taken against you through this procedure. If a complaint against you is upheld but no disciplinary action is taken you may not appeal against the decision to uphold the complaint but, if you feel that the complaint was not handled properly, you have the right to make a complaint of your own against the manager who handled the complaint or against the manager who handled the appeal if the decision to uphold the complaint was made on appeal.

Q23. What if I am the subject of a complaint that is rejected. May I raise a complaint of my own against the complainant?

A23. You have a statutory right to raise a complaint through this procedure but generally we would advise that if a complaint made against you is rejected you should try to draw a line under the matter in the interests of harmonious working relationships. If it was held that the complaint made against you was frivolous or malicious then the manager handling the complaint may well recommend that disciplinary action be taken against the complainant.

Q24. What if I need further advice?

A24 You could contact Human Resources to clarify the procedures for handling complaints.

Chapter 19 - Managing Misconduct

Purpose

This policy provides a fair and constructive approach to bringing about improvement in the behaviour or conduct of staff to the required standard.

The NAO expects all staff to observe the highest standards of professional and ethical behaviour at all times, consistent with our Values, Code of Conduct and other policies.

We are all individually responsible for maintaining appropriate standards of behaviour and conduct, and for familiarising ourselves with NAO policies and procedures, including the procedure for managing misconduct. Individuals with responsibility for staff conduct should take action quickly to address any misconduct issues. This could include performance coaches, Directors and relevant members of HR

This policy applies to all staff and provides a fair and constructive approach to bringing about improvement in the behaviour or conduct of staff to the required standard.

1. What is misconduct?

Misconduct is behaviour or conduct that is unacceptable to the NAO. This covers a potentially wide range of issues, some of which are more serious than others. Some examples are given in the box below, though this list is not exhaustive or prescriptive.

Examples of misconduct:-

- Taking sickness absence when there is no genuine illness or medical condition
- Theft, bribery or fraud
- Unauthorised disclosure of information
- Damage to the reputation of the NAO
- Breach of NAO diversity and inclusion policies
- Breach of the NAO security policy
- Misuse of NAO facilities, IT and the internet, or NAO resources
- Poor behaviours, such as violence, bullying or harassment
- Negligence when carrying out our work
- Rudeness or offensive behaviour towards clients or colleagues
- Failure to comply with the professional and ethical standards of the relevant professional institute
- Breach of our Code of Conduct or Health and Safety rules
- Poor timekeeping or unauthorised absence
- Failure to follow reasonable management instructions or NAO policies and procedures

2. What action should be taken?

Managers with responsibility for addressing an individual's misconduct should take action quickly to address the issue. Such action may include the following:-

1. Consider whether a cooling off period would be necessary

If the allegation or incident is serious, you may need to consider an immediate response. A cooling off period might be necessary if, for example, there had been any serious conflict in the office or at a client.

You will need to consider whether anyone should be sent home whilst you consider the matter further - though this would not be disciplinary action or suspension. You should consult Human Resources before taking this action.

2. Consider whether suspension would be necessary

Suspension might be necessary in some circumstances in order to protect the integrity of the investigation or ensure the efficient operation of the NAO. In any case, suspension will be on full pay and will continue only for as long as is absolutely necessary. In certain circumstances the employee may be suspended without pay (e.g. if the employee was charged with a criminal offence and refused bail by the courts). The manager who suspends the employee should keep the continuing need for suspension under review on a weekly basis. Suspension does not represent disciplinary action and does not involve any pre-judgement of the case. A decision to suspend an employee during the investigation can only be taken by a manager with authority to Chair a Review Meeting (See Annex 3).

3. Investigate the matter thoroughly

The facts of the case should be established promptly before memories fade. Depending on circumstances, the investigation could be led by the individual's performance coach, PDD (or other Director) or a member of the HR team. The investigation will involve interviewing the employee who is alleged to have demonstrated misconduct - though it must be made clear that this is not a disciplinary hearing or a Review Meeting. The investigation may also involve collecting relevant information and interviewing relevant witnesses, as appropriate. Staff interviewed as part of an investigation may, if they wish, arrange to be accompanied by a Trade Union representative or colleague for support, but the companion may not ask questions or answer questions on behalf of the interviewee. Guidance notes on conducting an investigation are given at Annex 1.

4. Decide the most appropriate course of action

Following the investigation, the investigating officer should decide whether enough had been done to resolve the matter or whether to take action to bring about the required improvement in behaviour or conduct to protect the business and interests of the NAO. This may involve either:-

a) Informal action. It will often be appropriate to deal with cases of minor misconduct informally. Minor misconduct is behaviour that is unacceptable to the NAO but which is not serious enough to warrant formal action. Here are some examples of minor misconduct (but these are illustrative only and are not exhaustive or prescriptive):

- an isolated instance of unsatisfactory timekeeping;
- an isolated and minor instance of improper use of Office stationery or equipment;
- a one-off instance of lateness in completing an Office procedure.

An informal discussion with the individual may be sufficient to bring about the required improvement. This would involve:

- discussing the matter
- explaining what aspect of behaviour or conduct was unacceptable;
- discussing or explaining the Office approach to managing misconduct as set out in this policy;
- clarifying the specific standard or aspects of behaviour or conduct that are required.

The investigating officer should make a brief note of any informal discussion and should retain this note.

OR

b) Formal action. Where the misconduct was more serious than just a minor issue, where informal action had not brought about the required improvement, the investigating officer should follow the formal procedure for managing misconduct as quickly as possible. The procedure is set out below.

3. The formal procedure for managing misconduct

This procedure provides a consistent and constructive way of addressing misconduct in the best interests of staff and the NAO.

1. Inform the employee and submit the case summary.

Following the investigation (see guidance above), the investigating officer should explain to the employee why they have decided to initiate the formal procedure. They should complete and submit the Case Summary (a proforma is given in this manual) to either the HR Business Partner of their Group or to the HR Band One (if the HR Business Partner is the investigating officer), along with supporting documentation (e.g. a copy of any relevant evidence and notes of interviews conducted as part of the investigation). HR will send a copy of the Case Summary and any other relevant supporting papers to the employee ahead of the Review Meeting.

2. Hold a review meeting

Human Resources will set up a Review Meeting to discuss the alleged misconduct and to decide on the most appropriate course of action. The meeting will be arranged within a reasonable timescale (normally 10 days) following submission of the Case Summary allowing sufficient notice for all parties to prepare for and attend the meeting.

Human Resources will advise the employee, in writing, of:

- the time, date and location of the Review Meeting;
- the name of the Chair of the Review Meeting;
- the nature of the charge, the case to be answered and the potential outcomes;
- their right to be accompanied by a trade union representative or NAO colleague at the Review Meeting;
- their right to request that other colleagues are asked to attend the Review Meeting to give relevant evidence.

The employee will have an opportunity to respond in writing to the Case Summary before the Review Meeting. The employee may arrange to be accompanied at the Review Meeting by a NAO colleague or Trade Union representative and may copy the Case Summary and any relevant papers to them. If the employee is unable or fails to attend the Review Meeting without a valid reason then, at the discretion of the Chair of the Review Meeting, the meeting may proceed in their absence. If they have provided a valid reason, then the meeting may be rearranged for a date no later than 10 days after the original date of the meeting. If the employee is unable to attend the rearranged meeting then the meeting may go ahead in their absence. If the employee's chosen representative is unable to attend the rearranged meeting then the employee will be asked to choose an alternative representative.

At the Review Meeting the investigating officer will summarise the case and evidence. This may include asking colleagues to attend as witnesses to present evidence pertinent to the case. The employee will have the opportunity to set out their response to the case and to ask questions, and may also ask other colleagues to attend as witnesses to present relevant evidence. The NAO colleague or Trade Union representative accompanying the employee may ask questions and address the Meeting but cannot answer questions on their behalf.

Annex 3 provides details of the managers with the authority to Chair Review Meetings.

If the employee fails to attend the Review Meeting, the Chair would consider proceeding in their absence.

3. Decide on action and notify the employee.

At the end of the Review Meeting, and following consideration of the evidence, the Chair will decide whether, on the balance of probabilities, misconduct had taken place, and what if any, action to take. If misconduct had taken place, then action to address this would involve one of the following, depending upon the seriousness of the misconduct and the individual's disciplinary record:-

- **A first written warning** - where a clear signal was required that an individual's conduct had been unacceptable and improvement was required. This would usually be the first step unless the misconduct was particularly serious or unless a first written warning had already been issued for previous misconduct;

OR

- **A final written warning** - where the misconduct was very serious (but did not warrant summary dismissal) or where there had been a failure to improve or change behaviour in the timescale set out in a first written warning;

OR

- **Summary dismissal** - in cases of *gross misconduct* where the misconduct was so serious that it was incompatible with the individual's continued employment. Summary dismissal would normally be without notice or any payment in lieu. Examples of behaviours that may constitute gross misconduct are given at Annex 4, though this is not an exhaustive or prescriptive list.

The aim of a warning is to establish acceptable standards of behaviour or conduct in a clear and constructive way. First and final written warnings will include the following:-

- A summary of the findings of fact
- The aspects of behaviour or conduct that were unacceptable
- The specific improvement or change in conduct that is required
- For first written warnings, it will be made clear that the warning represents the first stage of the procedure and that failure to improve or any further misconduct within a specified timescale could lead to a final written warning and, subsequently, dismissal
- For final written warnings, it will be made clear that failure to improve or any further misconduct within a specified timescale may result in dismissal
- The length of time the warning will remain live (which may be longer for more serious cases of misconduct) and the date after which the warning will be disregarded for disciplinary purposes
- The individual's right of appeal and details of the appeal procedure, including to whom the appeal should be submitted and the deadline for submission (see below for further details of the appeal procedure).

If the Chair of a Review Meeting had established that the employee was guilty of misconduct, then they may take into account any live formal written warnings in deciding what disciplinary action to take - whether or not the previous warning was issued for the same or related disciplinary offence.

4. Following a first written warning - monitor the employee's conduct and take further action, if appropriate

Following a first written warning, the employee should make every effort to improve or change their behaviour and not to demonstrate further misconduct within the timescale set out in the warning letter.

If the required improvement was sustained throughout the timescale set out in the first written warning, then Human Resources will notify the employee that the warning has expired.

If the employee does not improve or demonstrates further misconduct, then the manager with responsibility for addressing the individual's conduct should:-

- Investigate the matter (see Annex 1);
- Complete or update a Case Summary and submit it to Human Resources (along with any relevant supporting documentation);
- Explain to the employee why the case had been submitted for a Review Meeting.

Human Resources will then set up a Review Meeting following the procedure set out above, which would normally result in a final written warning or dismissal with or without notice (for cases of gross misconduct).

If a final written warning was issued, then the Chair of the Review Meeting will issue a written confirmation of the warning (including the points set out in the box under paragraph 3 above).

If the employee was dismissed following the Review Meeting, then the letter would include the points as set out in paragraph 5 below.

5. Following a final written warning - monitor the employees conduct and take further action, as appropriate

Following a final written warning, the employee should make every effort to improve or change his or her behaviour and not repeat the misconduct within the timescale set out in the warning letter.

If the required improvement was sustained throughout the timescale set out in the final written warning, then Human Resources will notify the individual that the warning had expired for disciplinary purposes (see Q&A 9 in Annex 5).

If the employee does not improve or demonstrates further misconduct, then the manager with responsibility for addressing the individual's conduct issues should:-

- Investigate the matter (see Annex 1);
- Complete or update a Case Summary and submit it to Human Resources (along with any relevant supporting documentation);
- Explain to the employee why the case was submitted for a (further) Review Meeting.

Human Resources will then set up a Review Meeting, following the procedure set out above.

If the outcome of the Review Meeting was to uphold the further complaint of misconduct, the Chair may take into account the prior conduct and warnings issued to the employee. If the circumstances of the case justify it, the employment of the employee may be terminated with, or (in cases of gross misconduct) without notice or pay in lieu of notice.

If dismissed, the individual will receive a letter confirming the following:-

- The findings of fact
- The disciplinary background which was taken into account
- The reason(s) for the dismissal
- The date on which the employment contract will terminate
- The period of notice and whether they would be required to attend the Office during the notice period. In cases of gross misconduct, the individual may be dismissed without notice or pay in lieu of notice

- The right of appeal and the arrangements for making an appeal, including to whom the appeal should be submitted and the deadline for submission

Appeal procedure

An employee could appeal against a first or final written warning or the decision to dismiss, they must set out clearly and concisely the specific grounds for the appeal, which might include the following:-

- They disagree with the findings on a matter of fact
- They think a decision (written warning or dismissal) was unfair for particular reasons;
- New evidence had come to light which had a direct bearing on their case; or
- They think the procedure for managing misconduct was not used correctly in some key respect(s).

Our aim is to provide a fair and efficient process for resolving appeals. This will involve the following:-

- If the employee genuinely believed the decision of the Chair of a Review meeting was unfair then they may write to the manager with authority to handle appeals (see Annex 3) setting out clearly and concisely the specific grounds for their appeal within 10 working days of the date of the written warning or dismissal letter;
- **For appeals against first or final written warnings**, the person handling the appeal will request a written response to the appeal by the Chair of the Review Meeting (which would also be copied to the appellant) and the manager handling the appeal will then call a meeting with the appellant and, if necessary, the Chair of the Review Meeting within a reasonable timescale (normally 10 working days) of receiving this response. The appellant may be accompanied at the appeal meeting by a NAO colleague or Trade Union representative who could address the meeting but not answer questions on the appellant's behalf. The appellant would be able to copy relevant papers to their companion ahead of the appeal meeting;
- **For appeals against dismissal**, the person handling the appeal will arrange to meet the appellant to seek any further clarification of the specific points raised in the appeal. It would not normally be necessary to recall witnesses or take fresh evidence, but the manager handling the appeal should consult with the Chair of the Review Meeting or arrange for them to be present at the appeal meeting. If it is felt that it is in the best interests of either party or the overall process for the Chair of the Review meeting to not be present at the appeal meeting, the person hearing the appeal can arrange to meet them separately. The appellant may be accompanied at the appeal meeting by a NAO colleague or Trade Union representative who could address the meeting but not answer questions on the appellant's behalf. The appellant would be able to copy relevant papers to their companion ahead of the appeal meeting;
- As soon as possible after the Appeal Meeting the person handling the appeal will write to the appellant confirming the outcome of the appeal, and the reason(s) for the decision, which is the final stage in the NAO internal appeal procedure. If the appeal was upheld, the penalty will be removed and the employee will be advised of any remedial action that will be taken.

If the employee was issued with a written warning or was dismissed, this would take effect immediately, including a decision to terminate employment on notice or otherwise. This would not be held in abeyance until an appeal was resolved unless the manager handling the appeal had decided otherwise.

The manager handling the appeal may take advice from HR or external professionals, as appropriate.

Annex 1: Guidance notes on conducting an investigation of alleged misconduct

The aim of an investigation is to make every reasonable attempt to establish the facts.

The manager conducting the investigation will usually:-

- Carry out a thorough investigation as quickly as possible, and before memories of an incident fade
- Arrange an interview with the individual who is alleged to have demonstrated misconduct. It should be made clear that the meeting was part of the investigation to establish the facts but was not a disciplinary hearing or Review Meeting
- Interview material witnesses and take witness statements. It should be made clear that the interview is part of a disciplinary investigation but is not a formal disciplinary hearing or Review Meeting
- Collect any other relevant evidence
- Try to resolve any discrepancies or inconsistencies in the evidence before submitting the case summary e.g. by re-interviewing witnesses or through further investigation if necessary
- Complete the Case Summary on the basis of the findings from the investigation with supporting evidence - including witness statements

Staff interviewed as part of an investigation may, if they wish, arrange to be accompanied by a Trade Union representative or colleague for support, but the companion may not ask questions or answer questions on behalf of the interviewee.

Annex 2: Case summary

The case summary form is available to download as a word document.

This completed case summary, along with relevant supporting papers, should be sent to the Group HR Business Partner or the HR Band One if appropriate.

1. Details	
Name of employee:	Grade:
Manager submitting case:	Grade:
Date:	
2. The investigation - provide brief details of how the misconduct was investigated	

1. Details

3. The key misconduct issue(s)(summarise details of the aspects of behaviour that were unacceptable, providing relevant examples). ***Attach to this form any relevant documentary evidence (e.g. witness statements)***

4. The impact - or potential impact - of the misconduct (e.g. on our work, clients and colleagues; risks to the Office; cost and opportunity cost)

5. Details of any management support or action which has already been taken to address relevant aspects of the employee's conduct

1. Details

6. Any other comments (e.g. refer to any relevant performance, attendance or ill-health issues)

7. Recommendation (e.g. for the case to be considered at a Review Meeting)

All Case Summaries should, in the first instance, be sent to the HR Business Partner or HR Band One. The C&AG has agreed to the following delegated levels of authority for handling cases:-

Grade of employee alleged to have demonstrated misconduct	Authority to Chair Review Meeting and to decide what action to take	Authority to decide to uphold or reject appeals (their decision is final)
All grades below Audit Manager	NAO Director Or HR Band One who could chair Review Meetings which may result in first or final written warnings but not Review Meetings which may result in dismissal.	Executive Director if the Chair of the Review Meeting was a Director Or NAO Director if the Chair of the Review Meeting was a HR Manager..
Audit Manager/ Grade 7	NAO Director	Executive Director
Director and above	Executive Director	C&AG

Appeals should only be sent to the manager with the appropriate delegated authority. Details of who would handle an appeal will be provided in the formal written warning or dismissal letter.

Annex 4: Examples of gross misconduct

Here are some examples of behaviour that may potentially be considered gross misconduct, depending upon the facts and circumstances of the case. This list is for illustrative purposes and is not exhaustive or prescriptive:-

- Theft, fraud, bribery or deliberate falsification of records
- Physical violence, serious bullying, harassment or victimisation
- Deliberate and serious damage to property
- Deliberate and damaging misuse of the NAOs property or name
- Significant damage to the reputation of the NAO
- Excessive use of alcohol affecting work or use of illegal drugs at work
- Serious carelessness or negligence which causes - or risks causing - loss, damage or injury
- A serious or repeated breach of health and safety rules or NAO security procedures
- A significant breach of confidence or unauthorised disclosure of sensitive or restricted information
- Failure to declare conflicts of interests which could jeopardise the C&AG's independence and credibility
- Possession and/ or distribution of clearly offensive material, including use of the Office IT equipment to access, store or send such material
- Serious misuse of the Office IT equipment or network, or failure to take proper care of the NAO's IT equipment
- Conviction for a criminal or other act which could damage the reputation of the NAO

Annex 5: Questions and answers

Q1 Is the procedure for managing misconduct part of the Office disciplinary procedure?

A1 Instead of a single disciplinary policy and procedure, the Office has separate policies and procedures for managing under-performance and misconduct. These procedures can result in the penalties which would normally be referred to as disciplinary action, including written warnings and dismissal. We also have a separate policy and guidance relating to managing sickness absence and attendance (unacceptable levels or patterns of attendance) which sets out our approach including appropriate action that may be taken.

Q2 How do I know which procedure I should follow?

A2 The procedure for managing misconduct is designed to assist with managing staff whose behaviour has been unacceptable to the NAO. The procedure for managing under-performance has been designed to bring about an improvement in performance (quantity and quality of work and performance against competencies and job requirements) in a constructive way. Finally, the procedure for managing sickness absence deals with unacceptable levels or patterns of absence.

Q3 What if a case of misconduct also involves poor performance, attendance or ill-health issues?

A3 Some cases will include a number of issues relating to performance, conduct or attendance, some of which may be inter-related. There is, therefore, scope for a range of related issues to be summarised on the Case Summary and to be considered at any Review Meeting. In cases where the individual may have a medical condition or disability, the manager with line management responsibility for the case should consult the HR team with responsibility for policy and procedures relating to staff conduct before taking action.

Q4 What is the link between the appraisal process and the procedure for managing misconduct?

A4 The appraisal process is one point in time when managers take stock of the performance of their staff. However, managers should take action to address misconduct as quickly as possible after it has happened, and must not wait to highlight this through the formal appraisal process. Staff under first or final written warning on the grounds of misconduct would not automatically be excluded from the appraisal process; this would be a decision for the Chair of the Review Meeting taking into account the seriousness of the misconduct and the inconsistency of the behaviour with our competencies.

Q5 If I am managing a misconduct case, should I give informal or oral warnings?

A5 Whilst a manager may decide it was appropriate to deal with a case of minor misconduct informally, this would not involve informal oral warnings, and such warnings are not required before a case could be referred to a Review Meeting. An informal discussion would normally involve discussing the matter explaining what was unacceptable and clarifying the specific standard or aspects of conduct that would be required. The formal procedure for managing misconduct provides a constructive means of addressing misconduct.

Q6 What if a complaint is raised during the procedure for managing misconduct?

A6 If an individual raises a complaint during a Review Meeting, this should, wherever possible, be dealt with at the Review Meeting with the agreement of the parties - though in some circumstances it may be necessary to suspend the procedure for a short period until the complaint had been resolved under the Office's complaints procedure. If an individual had a complaint relating to the way the procedure for managing misconduct was conducted, this could be raised as a formal complaint under the Office complaints procedure.

Q7 Is misconduct relevant to the probation procedure?

A7 Misconduct (as well as under-performance) should be taken into account when deciding whether or not to terminate employment during the probation period. Further guidance relating to the probation procedure is set out in the HR Manual.

Q8 When could staff be suspended?

A8 If an individual may be guilty of gross misconduct, and so potentially liable for summary dismissal, a short period of suspension with pay may be helpful or necessary whilst the case was investigated - although it should only be imposed after careful consideration and should be kept under review. It should be made clear to the individual that suspension was not disciplinary action and did not involve any prejudgement of the case. Any decision to suspend an employee can only be taken by an individual authorised to Chair a Review Meeting (see Annex 3).

Q9 What happens when written warnings expire?

A9 If a written warning was issued and the employee's conduct was then satisfactory throughout the monitoring/review period set out in the written warning (this would normally be up to 12 months but may be longer for more serious offences), then the written warning would be ignored when determining the level of a disciplinary warning following any future misconduct.

Q10 What happens when someone fails to attend a Review Meeting?

A10 Staff must make every effort to attend Review Meetings. Should an individual not be able to attend a Review Meeting, they must inform the Chair of the Review Meeting at the earliest opportunity who may decide to proceed in the individual's absence. Failure to attend without a valid reason may be dealt with as misconduct under the procedure for managing misconduct.

Q11 What is the burden of proof in cases of misconduct?

A11 To issue a warning or dismiss an individual, the Chair of the Review Meeting must arrive at a genuine belief - based on the facts drawn from a reasonable investigation - that on the balance of probabilities the individual was guilty of the alleged misconduct; it does not require proof beyond all reasonable doubt. The details of any live written warning issued for previous misconduct must not prejudice the view of the Chair of a Review Meeting when deciding whether the employee was guilty of misconduct, although live written warnings would be taken into account when deciding the level of a disciplinary warning once it had been established that the individual was guilty of the alleged misconduct.

Q12 What action should be taken in the event of criminal proceedings?

A12 There are a number of points to consider:-

a. Where a criminal offence appears to have been committed whilst undertaking the work of the NAO, the Police should be contacted straight away. Searches may be carried out by Police under a search warrant.

b. Where a criminal offence may have been committed, the formal procedure for managing misconduct may still be progressed if one or more of the following conditions applied:

- It had been decided not to prosecute
- There was clear evidence of misconduct and it was in the best interests of the NAO to deal with it quickly
- There was clear and voluntary admission of a disciplinary offence
- The disciplinary offence was different from the criminal offence
- The employee's actions related only indirectly to the criminal proceedings.

c. In cases involving alleged criminal offences, it is possible that the NAO will not bring a disciplinary charge under the procedure for managing misconduct until the criminal proceedings have been completed. This will depend upon the nature of the alleged misconduct and the relationship between the disciplinary case and the alleged criminal offence.

d. The NAO reserves the right to proceed with action under the procedure for managing misconduct in cases where: an employee was suspected of a criminal offence, whether or not they were charged; and if charged, whether or not they were convicted. If the individual had not been convicted the NAO would, of course, need relevant evidence upon which to base a reasonable judgement that the individual was - on the balance of probabilities - guilty of misconduct.

e. If an employee received a criminal conviction or if they were charged with a criminal offence and refused bail by the courts, they must inform the Director/ Human Resources.

f. The NAO reserves the right to consider whether the offence affected the suitability of the employee for continued employment, irrespective of whether the offence was directly related to their employment. The NAO will decide whether action under the procedure for managing misconduct was appropriate.

g. If an individual was unavailable to attend a Review Meeting as a result of criminal proceedings or imprisonment, then the Chair of the Review Meeting may take a decision regarding action based on written submissions alone.

Chapter 20 - Managing Under-Performance

Purpose

This policy sets out our approach to addressing under-performance in a supportive and fair way in order to help the employee achieve the required level.

Performance issues need to be addressed quickly in the interests of the individual concerned, their colleagues, and the NAO. Line managers with responsibility for staff performance and development should take the lead in assisting under-performing staff to improve their effectiveness, whether in their existing line of work or by moving to more suitable work. Under the NAO structure this responsibility would normally rest with line managers. Group Directors, including People Directors, take collective responsibility for cases on their Group, supported by HR Business Partners (except in particular cases where this would not be appropriate or where cases involve a colleague who is in a grade above Band1/Audit Manager).

The NAO takes a supportive, robust and timely approach to managing under-performance, and specific issues may be addressed informally as part of day-to-day activity with the line manager and the individual working together. However, there may be cases where a more formal and structured approach is required to bring about improvement. The Office will support the individual concerned to improve their performance but where this does not, or could not, result in the required performance being achieved and sustained, this may result in termination of employment.

There may also be cases where an individual is not capable of performing the role we require. In such cases the NAO will consider supportive action (e.g. whether the individual can be redeployed in another role). The NAO may consider terminating employment under our capability procedure (Annex 5) after careful consideration of the case - particularly if a disability or long-term health condition may be a factor in under-performance.

This policy applies to all staff at all grades and sets out our approach to addressing under-performance. Chapter 6 of the HR Manual (Probation) should be followed where an individual is under-performing whilst still on probation.

In all our management arrangements we are committed to equality and diversity, and our core values include fairness. We are committed to avoiding unfair or unlawful discrimination on the basis of any protected characteristic under the Equalities Act (see Chapter 3 of the HR Manual).

What is under-performance?

Under-performance is where someone has not achieved clearly and consistently against one or more of the following (these are neither exhaustive nor prescriptive):-

- Not delivered work of the required quality
- Not delivered to reasonable time or cost targets
- Delivered a poor service to our clients, stakeholders, or NAO colleagues
- Not demonstrated behaviours consistent with our corporate objectives and values, which are captured in our Framework of Behaviours
- Not kept pace with relevant developments in his/ her specialism, profession, or the wider NAO
- Worked in a way that has placed additional pressure on other colleagues and resources to deliver what he/ she should have done (where he/she had not been under unreasonable or excessive pressure themselves).

What action should you take if you have been under-performing?

You should make every effort to achieve and sustain an effective standard of performance. Here are some suggestions for possible action you could take, though this is not exhaustive or prescriptive:-

- Reflect on your own performance to identify when you under-perform and for what reason(s);
- Seek feedback about areas for improvement and suggestions for how to address these, including discussing with your team or colleagues how they could help or support you;
- Request and arrange relevant support, assistance or training (e.g. desk training, coaching, a mentor or buddy);
- Speak to your Line manager or HR Business Partner if your under-performance is linked to health (including mental health) or disability issues or other factors outside work - to discuss how the Office can help you manage these;
- If you believe you have a disability and may require reasonable adjustments to your work or working arrangements to help you perform, then speak to your line manager or HR Business Partner;
- Access the sources of support available - such as the Employee Assistance Programme

- Develop the required skills, competencies and behaviours and maintain professional and technical knowledge;
- Inform HR, or your line manager, of any issues related to your personal health and well-being that may have impacted on your performance. This could include stressful or difficult relationships with colleagues; or
- Refresh your role and development goals with your line manager and take action to achieve progress against these.

How should you respond if you are the manager of an under-performing employee?

Line managers should encourage performance improvement by taking relevant action in a timely way (e.g. not waiting until formal Snapshots or Appraisals to give clear and honest feedback):-

1. Review

Establish quickly the facts and an understanding of the factors affecting performance so that you undertake a fair and relevant course of action to support improvement.

You should discuss performance issues informally with the under-performing employee. You may also need to collect other information such as appraisal documents or other evidence of performance, or discuss the individual's performance with other colleagues for whom he/ she has worked.

As part of the review, consider whether any diversity-related issues may be impacting on someone's performance or on the perception of someone's performance and that these are addressed before any formal measures are taken (see Chapter 3 of the HR Manual). Disabilities and long-term health conditions, including mental health, may be contributing factors to under-performance. These can be complex and should be considered carefully and sensitively before deciding what, if any, action to take. In cases involving disability or ill-health conditions you may need to take medical advice and consider reasonable adjustments to the individual's work or working arrangements (discuss this with your relevant HR Business Partner) as quickly as possible. Discuss any personal health and well-being issues with the individual and with their permission, with HR.

Keep a brief written record of your review.

2. Decide on the most appropriate course of action.

Following your review, decide whether enough had been done to address and resolve the issues, or whether to take action to bring about the required improvement. Decide whether informal action is likely to be sufficient or whether more formal action would be appropriate to achieve and sustain the improvement. You should consider whether reasonable adjustments to work or working arrangements are required in cases involving a disability.

Here are the two main options:-

a. Informal Action: In many cases of minor under-performance it may be sufficient for line managers to take proactive but informal action. Here are some suggestions, though this is not exhaustive or prescriptive:-

- Consider whether unconscious bias may be affecting perceptions of the individual or their performance
- Give relevant support, such as coaching, mentoring, buddying or further training, as appropriate;
- Provide clear feedback about the specific aspect of performance where improvement is required and the timescales for achieving this (timescales should be sensitive to the particular individual issues involved);
- Review role and development goals to ensure a goal is added to address the specific improvement required;
- Clarify what action should be taken to address the issue(s), as well as who should take the action and by when;
- Discuss or explain the NAO's approach to managing under-performance as set out in this policy;
- Consider whether a change of work would be appropriate;
- Consider options regarding appropriate support for colleagues with particular ill-health conditions, including mental health;
- Consider other available guidance we have on the system relating to managing performance for people with particular characteristics
- In cases of disability, following medical advice consider making reasonable adjustments to the individual's work or working arrangements and give appropriate time for these to take effect; and
- Monitor progress and provide on-going support.

Line managers should make a brief note of any informal discussions and retain these notes.

b. Formal Action:

You should follow the formal procedure for managing under-performance as quickly as possible to support improvement in circumstances where:-

- the required improvement was not achieved and sustained; or
- the required improvement was not achieved and sustained following reasonable adjustments to work or working arrangements in the case of an individual with a disability; or
- the required improvement was not achieved and sustained within required timescales through informal action; or
- if the under-performance was more serious than a minor shortfall against the required standard

This procedure is set out below and provides a constructive means to help bring about and support the required improvement. You may decide that further review is warranted and that you should collate further evidence of under-performance, including discussion with relevant individuals working with the employee (whilst respecting confidentiality of personal health issues) as well as discussion with the employee concerned to seek their views. This is not intended to be threatening but rather to ensure that all relevant issues are carefully considered to inform the right course of action.

Before taking formal action, the line manager must consider any relevant equality and diversity issues and whether the provisions of the Equalities Act (particularly regarding 'protected characteristics'), applies in a particular case.

If you consider that there may be a more fundamental issue regarding the individual's capability such that there is a clear gap between what they can do and the expectations of their role, and if this gap is not likely to be closed through further support, training or reasonable adjustments, then you should consider following the capability procedure at Annex 5.

The procedure for managing under-performance

This procedure provides a positive and constructive means for bringing about performance improvement in the best interests of the Office and the under-performing employee:-

1. Inform the employee and submit the Case Summary.

The Line Manager should:-

- Explain to the under-performing employee why the procedure was being initiated; and
- Submit the Case Summary (Annex 2) to their Group People Director and relevant HR Business Partner (or to central HR if this is not appropriate in a particular case, or to more senior management when the case involves a colleague above Band1 / Audit Manager grade) along with any supporting documentation collated as part of the investigation, including for example:-
 - a copy of the role and development goals and progress against these;
 - recent appraisals including snapshots - showing where any aspects of performance have been positive as well as below the required standard;
 - any other reports, where relevant;
 - notes of relevant progress meetings;
 - any mitigating factors (e.g. health and disability);
 - what the NAO has done to support the individual (including reasonable adjustments where relevant); and
 - an assessment of any equality/ diversity issues and whether the Equalities Act (protected characteristics) applies in the particular case.
- The Group People Director and relevant HR Business Partner will normally decide who will Chair the Review Meeting (usually another colleague not connected with the case) - see Annex 3.

- The Chair of the Review Meeting will arrange for the individual to be sent a copy of the Case Summary and supporting papers (including guidance on unconscious bias) and will give him or her the opportunity to respond in writing before the Review Meeting.
- The employee may arrange to be accompanied by an NAO colleague or Trade Union representative and may copy any relevant papers to this individual. The Trade Union representative or colleague may address the meeting and ask questions, sum up, and make submissions on the employee's behalf, but may not normally answer questions on behalf of the employee.

2. Hold a Review Meeting.

As soon as possible after the Case Summary is submitted (normally within 10 working days except in exceptional circumstances e.g. due to leave or sickness or where more time is needed to ensure that all parties are able to attend and will have had the opportunity to prepare), the Chair of the Review Meeting will arrange a Review Meeting with relevant colleagues to discuss the performance issues and how these should be addressed, and to decide what, if any, action should be taken. The employee will be advised in writing of:

- The time, date and location of the Review Meeting;
- The purpose and process of the Review Meeting;
- The employee's right to be accompanied by a trade union representative or NAO colleague at the meeting; and
- The possibility that the meeting will result in a formal warning or termination of employment.

If the employee is unable to attend the Review Meeting then the meeting would normally be re-arranged. If the employee is unable to attend the rearranged meeting for whatever reason then the meeting may, at the discretion of the Chair of the Review Meeting, proceed in their absence, but the individual would be given the option of providing a written statement which their representative may read out at the meeting. If the employee's representative is unable to attend the rearranged meeting then the employee may be asked to choose an alternative representative.

At the Review Meeting, the line manager will summarise the case, and may ask other colleagues who have worked with the employee to present relevant evidence (summarised in the Case Summary). The employee will have the opportunity to respond and to ask questions. The employee's representative will also be able to contribute to the meeting but would not normally be allowed to answer questions on behalf of the employee. The Chair of the Review Meeting may also ask questions to reach a position where they can make a considered decision about what, if any, action to take (this may include questions about what efforts the individual has taken to improve as well as how well supported they have been by their line manager).

3. Decide on action and notify the employee.

The Chair of the Review Meeting will decide what, if any, action to take. If there was evidence that the employee had under-performed, then depending upon the seriousness of the under-performance and the nature of the case, this would normally involve issuing a **first written warning**. In exceptional cases (where poor performance had, or is having, a serious effect on the business of the NAO, or in cases of gross negligence) a **final written warning** or **termination of employment with notice** may be considered.

Written warnings will include:-

- The performance problem/ issue(s) that the employee needs to address and the improvement that needs to be achieved and sustained;
- The timescale for achieving the required improvement and the date at which performance and progress will be reviewed again. This would normally be no longer than 3 months, but this will depend on the particular case and circumstances (e.g. if a particular timeframe is needed to implement fully any reasonable adjustments and to assess their impact);

- The plan for addressing the performance issue(s), including any necessary support, reasonable adjustments, or training required and action the line manager and employee would take;
- An Action Plan (Annex 1) developed by the line manager to support improvement. The individual will then be given 5 working days to comment upon the Action Plan before it is implemented by the line manager (there will not be scope for protracted negotiation to reach agreement). Management arrangements to support regular monitoring or progress; and
- Details of the employee's right of appeal and the appeal procedure.

For first written warnings, it will be noted that failure to improve during the period of a live first written warning might lead to a final written warning, and if improvement was not achieved and sustained this could, ultimately, lead to termination of employment.

For final written warnings, it will be noted that failure to improve during the period of a live final written warning may result in termination of employment.

4. Following a first written warning - review progress and take further action as appropriate

The written warning represents the overall plan for improvement and forms the basis for monitoring and reviewing performance and progress.. The Action Plan provided by the line manager along with the written warning provides a more detailed basis for monitoring and reviewing performance and for discussing and evaluating progress against agreed improvement targets and timescales.

Performance should be discussed at regular informal progress meetings between the line manager and employee. The employee should also agree or revise his/ her role and development goals in consultation with the line manager, setting out the deliverables and the standard and quality of performance and behaviour required. Line managers are responsible for ensuring that appropriate work opportunities are available to give the individual the chance to achieve the action plan, but the Group leadership team (EL and Directors) will take collective ownership to ensure appropriate work is provided if the line manager is not in a position to do so.

The written warning should set out the Review Period (normally 3 months) during which time the employee's performance against the action plan will be monitored (the action plan should set out how/when monitoring will take place - e.g. setting out the regularity and timing of meetings to discuss progress). The written warning should also set out the broader monitoring period over which the employee's performance will continue to be monitored.

By the review date specified in the formal written warning, the line manager should assess performance and progress against the action plan targets and timescales for improvement, taking into account any equality and diversity-related issues (see Chapter 3 of the HR Manual). He/she will then submit an updated Case Summary to the Group People Director and HR Business Partner for consideration (or Central HR if this was not appropriate in the particular case, or to more senior management if the case involves an individual above Band 1/ Audit Manager grade).

The main options in terms of action are as follows:-

- a. If the line manager concluded that the employee had achieved the required standard during the Review Period, then the People Director and HR Business Partner (or other colleague if appropriate) would ask the line manager to write to the employee accordingly. This would also confirm that if performance should fall below the required standard in a similar way over the further monitoring period (normally up to 12 months but taking into account the particular nature of the case) then the line manager would consider whether submitting an updated Case Summary would be the appropriate course of action, to be considered at a further Review Meeting. In these circumstances, the Chair of the Review Meeting would have scope to consider the employee performance record in determining what action to take - including the level of any warning.

OR

b. If the line manager concluded that the employee had not achieved and sustained the required standard during the Review Period, the Group People Director and HR Business Partner (or central HR if this is not appropriate in a particular case, or more senior management when the case involves a colleague above Band1 / Audit Manager grade) would arrange for an appropriate colleague to Chair a Review Meeting (see Annex 3).

Following the Review Meeting, the Chair may issue a final written warning if the employee had not achieved and sustained the required standard against the agreed objectives within the set timescales as set out in the first written warning. In exceptional cases where under-performance is very serious, termination of employment with notice may be considered.

The final written warning represents the overall plan for improvement and forms the basis for monitoring and reviewing performance and progress. The line manager will provide a refreshed action plan ([Annex 1](#)) along with the written warning, giving the individual 5 working days to comment on the action plan before the line manager implements it. Performance should be discussed at regular/frequent informal progress meetings with the line manager and employee.

5. Following a final written warning - review progress and take further action, as appropriate

By the review date specified in the final written warning, the line manager should assess performance and progress, and submit an updated Case Summary to the Group People Director and HR Business Partner for consideration (or central HR if this is not appropriate in a particular case, or more senior management when the case involves a colleague above Band1 / Audit Manager grade).

There are then two options in terms of action:-

EITHER

If the line manager concluded that the employee had achieved the required standard of performance within the Review Period, then after reviewing the case - the People Director and HR Business Partner (or central HR if this is not appropriate in a particular case, or more senior management when the case involves a colleague above Band1/ Audit Manager grade) would ask the line manager to write to the employee accordingly. This would also confirm that if performance should fall below the required standard in a similar way over the broader Monitoring Period (normally up to 12 months following the issue of the final written warning) then the line manager would submit an updated Case Summary which would be considered at a further Review Meeting. In these circumstances, the Chair of the Review meeting would have scope to consider the employee's previous recent performance record in determining what action to take - including the level of any warning.

OR

If the line manager concluded that the employee had not achieved and sustained the required standard of performance within the Review Period, then the People Director and HR Business Partner (or central HR if this is not appropriate in a particular case, or more senior management when the case involves a colleague above Band1/ Audit Manager grade) would arrange for an appropriate colleague to Chair a Review Meeting (Annex 3). At this Review Meeting, the future of the employee's employment with the NAO will be considered.

In advance of the Review Meeting, the employee will be provided with evidence of under-performance, including the Case Summary, details of performance against action plans, the employee's appraisals and previous warnings. This may also include evidence obtained from discussions with other relevant colleagues in respect of the employee's performance, as well as any notes of interviews with the employee.

If, after considering the case at the Review Meeting, the Chair was not satisfied fully that the required standard had been achieved and sustained, the Chair would decide the most appropriate action to take, which could include termination of employment. The availability of suitable alternative work for the employee or the option of re-grading to a lower grade should be considered but only if the Chair is

satisfied, based upon the evidence available, that the employee was likely to achieve the standard required of the alternative work, that the post is suitable - taking into account the employee's current duties and responsibilities, and that a role is available depending upon business need.

If no suitable alternative work was available or if re-grading, or other relevant options, were not appropriate, then the Chair will consider termination of employment.

If dismissed, the employee will receive a letter confirming the following:-

- The reason(s) for the termination of employment
- The date on which the employment contract will terminate
- The period of notice and whether he/ she would be required to attend the NAO during the notice period
- The right of appeal and the arrangements for making an appeal, including to whom the appeal should be submitted, and the deadline for submission.

Appeal procedure

An employee may appeal against a first or final written warning or the decision to terminate employment, but he/ she must set out clearly and concisely the specific grounds for the appeal, which might include the following:-

- The employee disagrees with the findings on a matter of fact;
- The employee thinks a decision (written warning or termination of employment) was unfair for particular reasons;
- New evidence had come to light which had a direct bearing on their case; or
- The employee thinks the procedure for managing under-performance was not used correctly in some key respect(s), which had - or would have had - a material impact on the outcome.

Our aim is to provide a fair and efficient process for resolving appeals. This will involve the following:-

- If the employee wishes to appeal against the warning or the decision to terminate employment, they may write to the person designated to handle the appeal (Annex 3), setting out clearly and concisely the specific grounds for their appeal within 10 working days of the date of the written warning or termination of employment letter.
- **For appeals against first or final written warnings**, the person handling the appeal will consider the appeal on the basis of the paper submission from the appellant and will ask for a written response to the appeal from the Chair of the Review Meeting (which would also be copied to the appellant). As soon as possible (normally 10 days) after receiving the Chair of the Review Meeting's response, the person handling the appeal will call a meeting with the appellant and the Chair of the Review Meeting before reaching a decision. An NAO colleague or Trade Union representative may accompany the appellant at the appeal meeting. He/she can address the meeting and ask questions, sum up, and make submissions on the appellant's behalf, but may not normally answer questions on the appellant's behalf. The appellant would be able to copy relevant papers to their companion ahead of the appeal meeting.
- **For appeals against termination of employment**, the person handling the appeal will seek any further clarification of the specific points raised in the appeal if necessary. It would not normally be necessary to recall 'witnesses' or take fresh evidence, but the person handling the appeal should consult with the Chair of the Review Meeting and/or arrange for him/ her to be present at the appeal meeting. The Chair of the Review Meeting may produce a summary and/or report detailing the reasons why dismissal was considered reasonable and appropriate in the circumstances. A copy of this will be provided to the appellant in advance of the appeal meeting. An NAO colleague or Trade Union representative may accompany the appellant at the appeal meeting. He/she could address the meeting and ask questions, sum up, and make submissions on the appellant's behalf, but may not normally answer questions on the appellant's behalf. The appellant would be able to copy relevant papers to his/ her companion ahead of the appeal meeting.

- As soon as possible after the appeal meeting the person handling the appeal will write to the appellant confirming the outcome of the appeal, and the reason(s) for the decision, which is the final stage in the NAO internal appeal procedure. If the appeal is upheld, the penalty will be removed and the employee will be advised of this.

If the employee was issued with a written warning or their employment was terminated, this would take effect immediately, including a decision to terminate employment on notice or otherwise. This would not be held in abeyance until an appeal was resolved.

The person handling the appeal may take advice from HR or other internal colleagues or external professionals, as appropriate.

Annex 1: Action plan for improvement

The action plan form is available to download as a word document.

ACTION PLAN FOR IMPROVEMENT				
Performance issue(s)	Improvement target(s)	Action(s)	Review date	Comments
Performance has been below the required standard in the following specific respect(s):-	Here are the specific improvement targets-	The following action(s) will be taken to address the performance issue(s). (Note who will do what and by when):-	The required standard should be achieved by the following date:-	
Name:				
Manager:				
Date action plan agreed:				

Annex 2: Case summary

The case summary form is available to download as a word document.

This completed case summary, along with relevant supporting papers, should be sent to the Group People Director and HR Business Partner (or Central HR if this was not appropriate, or to a more senior manager if the case involves a colleague in a grade above Am/Band 1)

1. Details	
Name of employee:	Grade:
Manager submitting case:	Grade:
Date:	
2. The key performance issue(s) (list the specific aspects of performance that are below the required standard, note how long this has been the case, and outline briefly any relevant examples). <i>Attach to this form any relevant documentary evidence.</i>	
3. The impact or potential impact of the performance issues (e.g. on our work, clients and colleagues; risks to the Office; cost or opportunity cost)	
4. Highlight any mitigating or contributing factors (e.g. permanent, temporary of intermittent health conditions)	
5. Confirm whether equality and diversity (including 'protected characteristics' under the Equalities Act) have been considered and whether this raises any issues	
6. (a) Summary of any management support that has already been provided (e.g. feedback, review meetings, coaching, training etc.).	
6. (b) Summary of any other appropriate course(s) of action discussed with the individual (e.g. whether reasonable adjustments would be appropriate)	

7. Any other comments (e.g. referring to any relevant conduct, attendance or ill-health issues)	
8. Recommendation (eg for the case to be considered at a Review Meeting)	

Annex 3: Chairing formal review meetings and appeals

Case Summaries should, in the first instance, normally be sent to the relevant Group People Director and HR Business Partner, but in some cases this may not be appropriate. Send the Case Summary to Central HR if this would not be appropriate in a particular case, or to relevant senior management when the case involves a colleague above Band1 /Audit Manager. They will determine who in the Group or wider NAO would be suitable and appropriate to Chair a Review Meeting or to handle an appeal in any particular case. Here are some guidelines:-

1. Chairs of Formal Review Meetings or Appeals should be competent to fulfil this responsibility in a fair, objective, credible, and independent way. They will normally be outside the immediate line management relationships of the individual whose performance is under review or of the line manager presenting the case.
2. AM/B1 or Line Directors can Chair review meetings but normally Line Directors will Chair Review Meetings which may result in termination of employment. Any processes relating to Directors and above will be led by an appropriate member of the Leadership Team or someone they appoint.
3. People Directors will normally Chair appeal meetings, but more senior grade colleagues would Chair appeal meetings if the case involved action taken against a colleague in the Director grade or above.
4. Colleagues who Chair Formal Review Meetings are responsible for the decisions they reach, and do not have to refer their decision to a more senior colleague to approve. But they are able to draw upon a range of support and advice, including: from other line colleagues, People Directors, HR Business Partners, Central HR, diversity networks.

Annex 4: Questions and answers

Q1 What is the link between the appraisal process and the procedure for managing under-performance?

A1 Cases of under-performance can be referred to a Review Meeting at any time and action should not be delayed until the formal appraisal round in cases of under-performance. We need to address under-performance quickly and effectively when it arises. The appraisal process is, however, one point in time when line managers take stock of the performance of staff, and would consider what action should be taken to address performance issues. Where Performance Concerns ratings are to be awarded, the line manager's appraisal write up must set out very clearly the areas of performance which have been below the required standard, the evidence being relied upon to support the rating, and the support the line manager and Group have already provided to promote performance improvement. Written appraisals once disclosed can then form the evidence base for taking forward formal performance action, allowing poor performance to be addressed more quickly and robustly. The review period for written warnings need not be tied to the timing of the formal appraisal round. Line managers should discuss with the relevant HR Business Partner the implications of being under a formal warning or formal review period for an individual's appraisal grade if the appraisal round falls within such a review period.

Q2 Is the procedure for managing under-performance part of the Office disciplinary procedure?

A2 Instead of a single disciplinary policy and procedure, the NAO has introduced separate policies and procedures for managing under-performance and misconduct (behaviour inconsistent with our Values, Code of Conduct or other policies). These can result in what would normally be referred to as 'disciplinary action' including formal written warnings or termination of employment. We also have a separate policy and guidance relating to managing sickness absence and attendance (unacceptable levels or patterns of attendance), which sets out our approach including appropriate action that may be taken. All these policies and procedures are in the HR Manual.

Q3 What if a case of poor performance also involves misconduct or attendance issues?

A3 Some cases of under-performance may include a number of issues relating to conduct and attendance, some of which may be inter-related. There is, therefore, scope for a range of related issues to be summarised on the Case Summary and to be considered at a Review Meeting under this managing under-performance procedure.

Q4 What if a case of under-performance also involves ill-health or disability issues?

A4 It would be appropriate to seek medical advice in cases involving long term medical conditions or disabilities and to make reasonable adjustments to an individual's work or working arrangements before considering action – particularly before considering formal action or termination of employment. Sufficient/ appropriate time should also be allowed for reasonable adjustments to take effect before considering taking formal action. You should discuss this with your HR Business Partner and agree an approach to managing and supporting the individual based on the particular nature of the case.

Q5 If I am managing an under-performance case, should I give 'informal' or 'oral warnings'?

A5 As part of normal on-going performance management, line managers should give staff clear and honest feedback about performance issues and may explain the circumstances under which the NAO procedure for managing under-performance would be followed. In most cases, the line manager will seek to deal with under-performance informally unless the under-performance is more serious and warrants formal action. However, 'informal warnings' or 'oral warnings' are not required to be given before the formal procedure for managing under-performance is initiated.

Q6 When should Action Plans be introduced?

A6 An action plan for improvement (Annex 1) can be drawn up by the line manager at any time during on-going performance management if that would help support improvement. Our policy and procedure above only *requires* that an action plan is introduced during the process of issuing formal warnings and review periods for improvement, as part of the formal process for managing under-performance. It is not a requirement to put in place an action plan before considering initiating the formal process for managing under-performance, but where an action plan is not put in place before considering starting the formal process for managing under-performance it will still be necessary to evidence well that an individual has received clear feedback on the areas where improvement is required and has been given an opportunity to improve.

Where a line manager introduces an action plan, he/she will draft it and will give the individual 5 working days to comment on it before it is implemented (there will not be scope for protracted negotiation over the content of the action plan to reach agreement between the line manager and individual).

Q7 What if a grievance was raised during the procedure for managing under-performance?

A7 If an individual raised a grievance during a Review Meeting, this should, wherever possible, be dealt with at the meeting with the agreement of the parties - though in some circumstances it may be necessary to suspend the procedure until the grievance was resolved under the NAO's Complaints Procedure. If an individual had a grievance relating to the way the procedure for managing under-performance was conducted, this could be raised as a formal grievance under the NAO's Complaints Procedure.

Q8 In what circumstances might we terminate the employment of an employee on the grounds of under-performance without following the full formal procedure?

A8 In the following cases:-

- Staff on probation, whether on a fixed term or permanent contract (a process for considering and managing the termination of employment for staff under probation is set out in Chapter 6 of the HR Manual, Annex 1)
- Where an individual's fixed term contract was due to expire and his or her employment would come to an end (he/ she should have the opportunity of a meeting to explain the reasons why his/ her contract should be renewed, and be notified of the outcome before the contract expired);
- If the individual had been employed for less than two years, whether on a fixed term or permanent contract (this is consistent with employment law on unfair dismissal rights, but the Equalities Act would apply from the start of employment); or
- Where the individual was not likely to be capable of delivering the job within a reasonable timeframe despite further training, support or reasonable adjustments (see Annex 5).

Q9 What happens when written warnings expire?

A9 If a written warning was issued and the employee achieved a satisfactory standard of performance and sustained this throughout the total review and subsequent monitoring period set out in the written warning then the warning would no longer be live and be ignored when determining action at any subsequent Review Meeting to consider under-performance.

Q10 What happens when someone fails to attend a Review Meeting?

A10 Failure to attend a Review Meeting without a valid reason may, in some circumstances, be dealt with as misconduct.

Q11 Where can I get further advice about how to manage under- performance?

A11 In the first instance consult the relevant HR Business Partner.

Q12 Where could I get further information about the training and development opportunities available at the NAO?

A12 There are details on Merlin and you could also speak to your line manager, HR Business Partner or People Director as well as the Learning and Development team.

Q13 This process could be stressful for me, what support can I have access to?

A13 The HR Manual contains sources of help - see **Chapter 11A**

Q14 How will we ensure consistency of approach especially if processes are devolved to Groups?

A14. HR Business Partners and People Directors will play a key role in ensuring consistency of approach. HR Business Partners meet regularly to discuss and review cases and our approach across the NAO.

Annex 5: The capability procedure

The NAO takes a fair and supportive approach to managing staff in their best interests as well as the best interests of our business.

Our supportive approach to managing short-term or temporary illness and absence as well as long-term absence (including the option of ill-health retirement in cases which involve long-term or terminal illness) is covered in Chapter 11 of the HR Manual, and these are not the subject of this capability procedure.

In some, probably quite rare cases, a colleague may experience clear and on-going under-performance issues or they may be unable to perform the full role (the duties and responsibilities of his or her post and/or the requirements of his or her job description) we reasonably expect of them, due to a medical condition or disability. As a consequence, there may be a clear gap - which is, or is expected to be, ongoing - between what they can do and what we reasonably expect them to do. The gap may have become clearer or wider as the demands and requirements of the roles that our staff are expected to perform have increased or changed to meet business needs or in light of changes to the way we work. As a result, the employee may not be able to improve to meet the requirements of their role within a reasonable time frame despite further training and support and despite reasonable adjustments (where relevant) to their work or working arrangements.

In such cases it may not be appropriate, or in the best interests of the individual or the NAO, to follow the standard procedure for managing under-performance (which requires a succession of warnings and review periods) if there is no realistic likelihood of the individual achieving the required improvement or job expectations within a reasonable time frame despite support or training or reasonable adjustments (where relevant). In such circumstances, the NAO may, therefore, consider termination of employment on the grounds of capability.

Before taking such a process forward, it is essential that the Line Manager consults with the relevant People Director and HR Business Partner (or central HR if this is not appropriate in a particular case, or more senior management when the case involves a colleague above Band 1/ Audit Manager grade), and that full consideration is given to the likely benefit of further training and support. Careful consideration must be given to the details of the individual case (e.g. possible implications of the health condition or disability, whether any reasonable adjustments should be implemented, and advice from Occupational Health, as well as other medical evidence if appropriate and available).

In such cases we would not follow the full procedure for managing under-performance, but we would follow a fair process for considering termination of employment, which would be handled in as fair and sensitive way as possible. The procedure is set out below (and may, of course, follow a longer process of support and engagement with the individual).

The administration arrangements (including who is Chair of the meeting and who makes a decision to terminate employment) will follow the generic guidance set out in Annex 3.

1) Obtain up to date medical advice in respect of the employee's condition, including prognosis and advice on what the employee can do, as well as any reasonable adjustments (this may be discussed with the individual);

2) Consider any relevant equality and diversity issues, including relevant 'protected characteristics' under the Equalities Act;

3) The Line Manager will produce a Case Summary setting out the details of the under-performance, the medical advice received (including any advice relating to reasonable adjustments), the likely benefit of further training and support, and the impact of under-performance on colleagues and the NAO (again, this could be discussed informally with the individual before being formally communicated in Step 4);

4) Write to the employee, setting out the capability/ performance concerns clearly and providing them with a copy of the Case Summary, and invite them to a meeting to discuss this. The letter will indicate that a potential outcome of the meeting is termination of employment. The letter will also confirm that the employee may arrange to be accompanied at the meeting by a Trade Union representative or NAO colleague;

5) Hold a meeting to discuss the performance issues. The employee may respond to the case and make representations. A Trade Union Representative or an NAO colleague may accompany the individual at the meeting. They may ask questions on the individual's behalf, sum up and make submissions but they cannot normally answer questions on behalf of the individual. The meeting will also serve as a useful opportunity for managers to consider the likely benefit of further training and support, or any reasonable adjustments that the employee might require to carry out their role. The NAO will also consider any alternatives to dismissal such as re-deployment and demotion; and

6) If, after careful consideration of the issues and evidence, the outcome of the meeting is to terminate employment, then write to the employee setting out the reason(s) for dismissal (in this case 'capability'), and the individual's right of appeal and the process of appealing the decision. If the outcome of the meeting is not to terminate employment, then write to the individual setting this out, and any next steps.

Any compensation payment must be within the terms set out in the Civil Service Compensation Scheme at the time.

Chapter 21 - Termination of employment

Purpose

This policy outlines the NAO's approach to the termination of an employee's contract of employment, either by the employee or the NAO. It also covers retirement, and forms of early release.

This chapter explains the NAO's policy on termination of employment including notice periods, retirement, and forms of early release. The NAO seeks to adopt a fair and consistent policy towards the termination of employment of staff, and to provide staff with fair and reasonable periods of notice.

1. Notice

This section explains the periods of notice which staff are required to give the NAO upon voluntary resignation and the amount of notice which they are entitled to receive if their employment is terminated by the NAO. For the purposes of this section a month will be full calendar month and a week will be seven days and the notice period may expire on a non-working day.

Notice given by the employee

The notice periods required on voluntary resignation (including resignation to take up retirement, voluntary exit or voluntary redundancy) are:

- Open Ended contracts

After six months service staff on open ended contracts are required to give not less than the following periods of notice on resignation, in writing, to their line manager or Development Manager and copy to HR:

Audit Grade	Corporate Services	Minimum Notice
AM and above	Band 1	Three months
AT/Auditor/AN/SAN/AP	Band 2	Two months
Assistant Auditor/ATT	Band 3	One month

The Office also reserves the option to include a notice period of two months in the employment contracts of a small number of specialist staff at Band 3 level. Staff who give notice of their voluntary resignation within the first six months of their employment are required to give one week's notice.

- Fixed term and casual contracts:

Staff on fixed-term contract of twelve months or more are required to give no less than the period of notice required of staff on open-ended contract. Staff employed on a contract of less than twelve months are required to give one week's notice of their voluntary resignation.

Notice given by the NAO

Staff are entitled to the following periods of notice if their employment is terminated by the NAO:

SERVICE	Notice Periods
Up to four years service:	Five weeks notice
More than four years service:	One weeks notice, for each year of continuous service, plus one extra week, to a maximum of 13 weeks.
Staff on casual appointments (contract under 12 months):	A minimum of one week's notice

During probation a minimum of one week's notice will be given.

Unless otherwise agreed the last day of service when notice is given by the NAO will be the day upon which the minimum period of notice expires.

2. Resignation

Determining your last day of attendance

- For staff who are required to give 2 months notice (AT, A, AP, SAN, and Band 2) your last day of attendance should be agreed with your Manager and Director (or with the Head of function for corporate service staff). Where there is a clear business need for your services during the notice period the Director (or Head of Function for corporate service staff) may

require you to work instead of taking some or all of your unused leave and you will be paid for this upon departure.

- For all other staff, upon resignation, your last day of attendance should be agreed with your Manager.

Procedure to follow

You will need to do the following:-

1. Agree your last day in the Office by following the guidance above ('Determining your last day of attendance'). To help inform this process you may wish to contact HR to check your leave entitlement and the balance of any unused leave.
2. Write a letter of resignation to your Manager copied to HR and your Director (or Head of Function for corporate service staff).
3. Ensure that your leave record is updated in e-absence. Remember that annual leave is pro-rated for the current leave year according to your resignation date and that you can normally be paid for no more than ten days unused leave upon departure. Where for clear business reasons you are required to work for some or all of any unused leave during your notice period then the 10 day limit will not apply and you will either be paid for all unused leave (annual leave and privilege leave) or may extend your period of notice to enable you to reduce your unused leave. If you have any queries about your leave call the HR Service Desk (7227).

You will then receive a letter from HR confirming your last working day, last day of service and pension arrangements. The letter will also confirm the number of days of unused leave that you will be paid for on departure. If you are due to change your home address, please let HR know immediately. If you have a loan outstanding with the Office you will be contacted by Finance (Payroll) to discuss repayment in full.

3. Dismissal

Staff may be dismissed, with or without notice, on the grounds of misconduct, under-performance or unsatisfactory attendance. Detailed guidance on the procedures to be followed before dismissal are contained under 'Managing Misconduct', 'Managing Under-Performance' and 'Managing Sick Absence'

4. Retirement

There is no mandatory or fixed retirement age at the NAO. Staff have the flexibility, therefore, to choose to retire with a pension at any time after they reach minimum pension age (50 for Classic, Premium and Classic Plus members, 55 for Nuvos and currently 55 for alpha members).

The NAO recognises that people have different attitudes towards retirement: some may want to continue to work, others may want to fully retire and others may wish to partially retire and reduce their hours in order to claim their unabated pension. On reaching normal pension age (60 for members of the Classic, Classic Plus and Premium pension schemes, 65 for members of Nuvos and the later of 65 or the state pension age for alpha) the NAO will assume that individual staff want to continue working unless they notify HR in writing that they wish to retire or partially retire.

To maintain business continuity, the Office will need to have reasonable advance warning of when staff wish to retire. It would therefore be helpful if staff could give at least 3 months notice in writing (to HR) of their intention to retire, either fully or partially, even though they may be contractually obliged to give less notice of their voluntary resignation if they are fully retiring. This notice will help ensure that arrangements can be made for the pension and, if applicable, the superannuation lump sum to be paid on time.

For staff who decide to retire at or after minimum pension age but before the normal pension age for their scheme, pension benefits will be subject to reduction (see 'Actuarially reduced retirement').

If you are thinking about retirement, you may find the following the resources helpful.

- MyCSP have prepared a **presentation** which covers the basic principles and benefits of your Civil Service Pension. If you would like to discuss this presentation in more detail, please contact the NAO HR Service Desk who will arrange for you to meet with a member of the pay and benefits team.
- MyCSP have also produced a 'Thinking about retirement booklet for members' which aims to answer basic questions that members may have about claiming their pension, the retirement process and what happens after retiring.
- Civil Service Learning provide courses for those nearing retirement, to aid with planning and preparing for the change. If you are interested in attending a course, please contact the NAO HR Desk.

These resources do not cover all the details of retirement. You should contact your pension's administrator, MyCSP to speak about your individual pension position or visit the [Civil Service Pensions website](#). The NAO HR Service Desk may also be able to provide details of sources of further pre-retirement support and advice.

5. Partial retirement

Upon reaching minimum pension age staff may wish to take partial retirement subject to management approval. This means that, subject to certain conditions, they can take their pension with or without abatement and continue working thereafter. They will need to reduce their hours or move to a lower paid job to take advantage of this option. Staff may obtain an estimate of their pension benefits on partial retirement in advance of agreement by management to re-scope their role.

6. Actuarially reduced retirement

Staff below normal pension age but above minimum pension age for their scheme (see 'Retirement' above) may choose to retire with actuarially reduced pension benefits. In such cases, staff are advised to give at least 3 months written notice of their voluntary resignation to HR even if they are contractually obliged to give less so that arrangements can be made to pay the pension benefits on time. Staff who take actuarial reduction will not have their full pension restored to them when they reach minimum pension age.

7. Ill-health retirement

In ill health cases the particular circumstances of each case will be considered, taking into account factors such as the nature and severity of the illness, the employees sickness absence record, the prospects of recovery and the effect of the illness on the employee's work performance.

Cases of possible early retirement on the grounds of ill health will be referred firstly to Health Management, the Office's occupational health advisers, and any decision to proceed will be made only on the issue of a retirement certificate by the appropriate authority. This decision will not prejudice any subsequent decision concerning retirement on the grounds of inefficiency.

An employee may appeal against a decision to retire him/her on ill health grounds, up to two months before, or two months after, the retirement date, if they can produce supporting medical evidence. Employees may also appeal against a decision not to support their early retirement on health grounds.

A period of notice of ill health retirement of no less than nine weeks will be given unless a shorter period is agreed by the Office and the individual. In the case of an employee on probation this will be five weeks.

Benefits under ill-health retirement may be affected by length of service, and HR will discuss this with the individual (see also guidance at www.civilservice.gov.uk/my-civil-service/pensions).

8. Voluntary exit

Voluntary exit may be offered to staff in order to:

- Redress a staffing imbalance which is likely to seriously impair the effectiveness of the NAO;
- Ease problems of succession planning; or
- Remove promotion blockages or create promotion opportunities

Volunteers will normally be sought from the grades affected and applications considered by Senior Management. The criteria for assessing applications will be announced at the time applications are sought. If you apply you do not have to accept the offer to go. However, if you do accept you will receive a cash payment as compensation for giving up your job. Depending on your circumstances, you can use some or all of the compensation to increase your pension or, if you qualify for actuarially reduced pension, to offset the cost of buying out the reduction.

Under voluntary exit management have the discretion to vary the usual tariff for determining the level of compensation payable (subject to the overriding maximum) or to top up the sum required to buy-out an actuarial reduction. How these discretions may be exercised will be agreed and announced before the start of each voluntary exit round.

9. Redundancy

Redundancy may take place where there is: a surplus of staff in a given area or grade; where the role performed by an individual is no longer required or is diminished; or where there is some other substantive reason for redundancy. Options such as redeployment to vacant posts and the possibility of voluntary early releases will be considered prior to a decision to release staff on compulsory terms. The NAO's Staff Release Policy is set out in more detail at Annex A.

(a) Voluntary Redundancy

Where the NAO considers there to be a need to release staff on redundancy terms those staff deemed to be 'at risk' will be given formal notification of their situation and asked to consider making an application to depart the Office on voluntary redundancy terms in return for a compensation payment. You do not have to apply for voluntary redundancy and if you do apply you do not have to accept the offer. However, if the office subsequently makes you compulsorily redundant and you had not previously applied for voluntary redundancy, or had applied and not accepted the offer, the compensation payment made may be lower. If you accept voluntary redundancy you will receive a cash payment as compensation for giving up your job.

If you are above minimum pension age for your scheme and below normal pension age you can choose to take your pension early and trade in your compensation payment to offset the cost of the normal actuarial reduction on your pension benefits. If your severance payment is insufficient to meet the cost of buying-out the actuarial reduction the NAO will top up the payment to cover the cost in full.

(b) Compulsory Redundancy

Where applications for voluntary redundancy have been insufficient to secure the number of staff reductions required, a process of compulsory redundancy will be followed. Compulsory redundancy can, however, only be applied if a voluntary redundancy scheme has already been offered. If you were previously turned down for voluntary redundancy then later selected for compulsory redundancy under the linked scheme, you will receive voluntary redundancy terms - otherwise compulsory redundancy terms will apply.

If you are made compulsorily redundant you will receive a cash payment as compensation for losing your job. If you are above normal retirement age you may also take your pension in full. If you are eligible to take actuarially reduced benefits you may trade in your compensation payment to buy-out the reduction but the reduction must be bought out in full and any shortfall must be made up from your own funds and will not be subsidised by the NAO.

You will be given as much notice as possible but no less than a minimum period of three months. Pay in lieu of notice will be given to staff where, for operational reasons, three months notice cannot be given.

10. Re-employment

If you are re-employed by an organisation covered by the Civil Service pension and compensation arrangements after leaving the NAO with a voluntary exit or voluntary/compulsory redundancy payment, you may have to repay some or all of your compensation payment - staff should therefore ensure that they have appraised themselves fully of the potential impacts of the PCSPS rules on re-employment. The sources of further guidance are given below.

11. Further guidance on pensions

Guidance is available at the following website: www.civilservice.gov.uk/my-civil-service/pensions

You can also contact My-CSP (our pensions administrator) on 01225 747 940.

Note that HR staff do not provide financial advice.

Annex A

Staff release policy

Policy Statement

- This policy explains the NAOs approach where the number of staff in post exceeds its requirements. This policy applies to all employees on fixed term and open ended contracts.
- The NAO aims to provide its staff with as much employment security as is reasonably practicable, in the light of current and changing circumstances. It seeks to minimise the impact of changes in staffing requirements, and to avoid compulsory redundancies where possible, through careful forward planning and resource management.
- Voluntary Redundancy and Compulsory Redundancy Terms will be consistent with the Civil Service Compensation Scheme.
- This policy is designed to operate in the best interests of the NAO, having regard to the interests of staff. It does not form a term or condition of service, and is not legally binding. It does not limit any employees statutory rights under employment legislation.
- The policy will be applied in accordance with the principles of the NAO's Equality and Diversity Policy.

Consultation

- Where circumstances arise which could significantly affect the level of staffing in the NAO, management will keep staff informed of developments and will consult with the Trade Union Side.
- Where redundancies are necessary, the Trade Union Side will be informed and consulted, and individuals in jobs that are identified as 'At Risk' will be informed on a personal basis.

- Staff who have been informed that their job is 'At Risk' will be given the opportunity to apply for voluntary redundancy and their application will be considered before any decisions to apply compulsory redundancy procedures in the same exercise.
- Staff who are selected for redundancy will be given as much formal notice as is reasonably practicable but not less than three months.

Avoiding or minimising compulsory redundancies

- Management will take all reasonable measures to avoid, or, at least, minimise, the need for compulsory redundancies, such as:
 - expanding the programme of outward secondments
 - reducing, or freezing, recruitment and/or promotion at some, or all, levels
 - retraining staff for redeployment in the NAO
 - temporary below-grade working
 - offering available posts in the NAO at an equivalent or lower grade

Action when redundancies are unavoidable

- If compulsory redundancies are unavoidable, selection for redundancy may be based on some, or all, of the following criteria, which are not in any order of priority. Any representations from the Trade Union Side will be taken into account.
 - grade
 - location
 - performance
 - skills and qualifications
 - experience
 - conduct and disciplinary record
 - attendance record
- The NAO has the right to vary the order of priority in which these criteria are applied, and to adopt other criteria, according to the circumstances.
- All criteria, once selected, will be applied fairly and consistently and the Trade Union Side will be given details of how the criteria will be applied in advance.

Appeals against selection for redundancy

Staff may appeal against selection for compulsory redundancy. A specially constituted board of senior managers and a representative of the Trade Union Side will hear any appeals. The Board's decision will be final.

Leaving within the notice period

Staff selected for redundancy may apply to leave before the end of their notice period to take up alternative employment or vocational training. Approval of such requests will be at management discretion, taking account of individual circumstances and the NAO's operational needs. Notice of redundancy will not be withdrawn in cases where staff voluntarily resign to take up employment elsewhere but individual's will only be paid up to the earlier leaving date and compensation payments will be recalculated to take account of the earlier leaving date.

Assistance to employees declared redundant

The NAO will make reasonable efforts to assist staff who have been declared redundant to secure other employment, such as reasonable paid time off to seek alternative employment or arrange training, access to outplacement support and access to word processing and copying facilities for the preparation of job or training applications.

Chapter 22 - Health and Safety

This chapter of the Personnel Manual is superseded by the Facilities Health & Safety Policy

Please refer to this document for information on Health and Safety.

Healthcare Overseas

If you would like any information on vaccinations or Health Checks please ring the HR Contact Point on 7227.

For information about health insurance please see Travel Insurance Scheme and the Schedule 2022.

Chapter 23 - Security

This chapter of the Personnel Manual is superseded by the Business and Information management section and the Building security policy.

Please refer to these documents for information on Security.

Glossary

A	Auditor
AA	Assistant Auditor
AAG	Assistant Auditor General
AAT	Association of Accounting Technicians
ACAS	Advisory Conciliation and Arbitration Service
ACCA	Chartered Association of Certified Accountants
AHCA	Additional Housing Cost Allowance
AM	Audit Manager
AP	Audit Principal
AT	Audit Technician
ATH	Audit Technician (Higher)
ATT	Audit Technician (Trainee)
AVCs	Additional Voluntary Contributions
BPR	Buckingham Palace Road (NAO Head Office)
C&AG	Comptroller and Auditor General
CIPFA	Chartered Institute of Public Finance and Accountancy
CPD	Continuous Professional Development
D/C&AG	Deputy Comptroller and Auditor General
DSO	Departmental Security Officer
DWP	Department for Work and Pensions
EAP	Employee Assistance Programme
EO	Executive Officer
HEO	Higher Executive Officer
HR	Human Resources
HSO	Health and Safety Officer
ICAEW	Institute of Chartered Accountants in England and Wales
IIP	Investors in People

ITRC	Information Technology Resource Centre
JNCC	Joint Negotiating and Consultative Committee
Merlin	NAO Intranet
NAO	National Audit Office
NAOSSA	NAO Sports and Social Association
NVQs	National Vocational Qualifications
OH	Occupational Health
OPAS	Occupational Pensions Advisory Service
PARIS	Personnel Accounts and Resources Information System
PCSPS	Principal Civil Service Pension Scheme
RMS	Resource Management System
SA	Senior Auditor
SEO	Senior Executive Officer
SERPS	State Earnings Related Pension Scheme
SMP	Statutory Maternity Pay
SSP	Statutory Sick Pay
TMC	Travel Management Company
TUS	Trades Union Side
VFM	Value for Money

Appendices

Dignity At Work (DAW)

The NAO is committed to offering an inclusive, enjoyable and welcoming environment to all staff, free of harassment and bullying, where everyone is treated with dignity and respect, regardless of their background and culture. All employees are expected to behave in a manner which respects the dignity of others at all times.

Inappropriate behaviour, including harassment and bullying, can have very serious consequences for individuals and the NAO, with potential impacts on an individual's health, morale and work performance, and consequential impacts on the Office's reputation, both internally and externally.

Dignity at Work supports the NAO's efforts with an internal group of people, the DAW-leads, who are here to help by:

- providing a confidential, informal, listening ear to colleagues who have experienced or witnessed inappropriate behaviour
- signposting appropriate guidance
- offering informal advice on dealing with inappropriate behaviour, including options available and how best to approach each of these using positive communication models

Who to speak to

Should you wish to have an informal discussion with a DAW lead, please contact your group representative or any DAW lead across the office. There are DAW representatives at all levels from trainees to Non-Executive Director level.

In addition, the NAO also offers an Employee Assistance Programme (EAP) which provides free confidential, independent, professional information and emotional support to employees 24 hours a day.

What if I experience harassment, bullying or inappropriate behaviour at a client site?

- Remain calm, continue to be polite and respectful.
- Remember - NAO has zero tolerance for inappropriate behaviour towards its staff.
- Go somewhere private and call or email your assignment manager or Director as soon as possible, copy in your performance coach and give brief details. They will take appropriate action and advise you on next steps.
- You can also contact DAW leads listed on this page for advice.

Equipment for Home Working

Introduction

Purpose

This policy sets out how the NAO will provide the digital equipment necessary for homeworking, Items that are issued directly to individuals such as laptops and other specialist equipment are not within the scope of this policy.

Who is this policy for?

All NAO staff, including contract staff on fixed contracts of more than six months. The policy does not apply to short term temps, consultants or staff provided under service contracts.

Further information can be found in:

HR Manual – Chapter 10

Key Points

- NAO staff who work from home as part of their role will be provided with the equipment necessary to perform their role safely and effectively. This will include but is not limited to, a keyboard, mouse and monitor. Other DSE recommended equipment (such as laptop risers, foot stools and wrist rests) are available from the Facilities Service Desk.
- Individuals are responsible for requesting digital equipment (Digital Services) and desks/ chairs (Facilities) for their own needs, including replacement items, in consultation with Digital Services and/or Facilities where appropriate.
- These items are provided for business purposes and on the basis that private use of equipment provided by the NAO will be insignificant. This is a condition for the costs to be exempt from tax and National Insurance under HMRC rules.
- Staff are expected to have regard to the need to achieve value for money and the proper use of public funds when making decisions to buy or order homeworking items
- When staff leave their NAO employment, it is unlikely that the Office will require the equipment to be returned and will not seek to recover any amount from the individual to cover any residual value of these items. However, the NAO retain the right to request the return of any high value items.
- All IT equipment provided under this policy is only to support working at individuals' official home address as registered with HR. This is not to provide equipment for multiple home working locations.
- If you have additional needs not covered in this Policy, please speak with your Performance Coach and HR.

Digital Equipment

IT-hardware for home working should be requested through the Digital Services Self Service Portal, please click on Request Something to be directed to the requests catalogue and select 'IT Equipment Request' to submit your order . All submissions will require a business reason to support the request.

Note:

- Only one monitor for home working is issued for homeworking unless otherwise approved by HR. Digital Services monitor all equipment issued and will request a business case if more than one request is submitted for items already issued.

- Equipment required for Workplace Adjustment purposes sits beyond this policy and must be requested through your Performance Coach and HR who will in turn conduct a workplace adjustment assessment. Without confirmation from either party, an order cannot proceed.

Further Guidance:

- You will also need to complete the mandatory DSE training and risk assessment - Course: Display Screen Equipment (learningpool.com) Basic DSE equipment (such as laptop risers, foot stools and wrist rests) are available from the Facilities Service Desk.
- Staff may reclaim the costs of buying desks and/or chairs for homeworking up to £150. This is in addition to equipment ordered as described above. Staff with additional needs that go beyond this, for example, workplace adjustments should discuss this with their Performance Coach and HR.
- Where existing employees need to purchase replacement items, either IT, a desk and/or a chair, they may do so where this is reasonably necessary and reclaim the costs. The reclaimed costs of replacement furniture items should not exceed £150 in any two-year period, in addition to amounts claimed upon joining the NAO or under the previous homeworking policy. Failed IT equipment should be logged with the Digital Services Service Desk in the normal way. Based on investigation, the team will make an informed decision to repair or replace.
- Desk and/or chair costs may be reclaimed by submitting a claim through Financial Force against the Facilities - WFH Equipment - 2023-24 project. Receipts will need to be provided to support all purchases.
- Digital Services are responsible for providing IT equipment such as keyboard, mice and monitors
- HR are responsible for supporting workplace adjustment equipment requests
- Facilities are responsible for office furniture orders such as desks and chairs required for homeworking. Basic DSE equipment (such as laptop risers, foot stools and wrist rests) are available from the Facilities Service Desk.

Connectivity - Broadband with at least a download speed of 10mbps

- For successful video conferencing with your webcam enabled you will need to have a broadband package with a minimum of 10mbps download speed.
- Our digital solutions – whether hosted in the cloud or on NAO premises, work poorly with slow broadband connections. It is not possible for most NAO colleagues to work efficiently using key tools like MKi and Financial force with slow broadband.
- Each member of staff is responsible for their own broadband service. DS will help troubleshoot connectivity problems with your laptop but will not troubleshoot the broadband connection.
- Patching is essential to maintain our security posture, it also improves system stability, performance and unlocks new features, see "Laptop Security Patching Policy". These patches place an additional workload on your broadband access and require a fast connection to enable them to download and run. Unpatched laptops will be disconnected from the estate meaning people will be unable to work.
- The 4G sim in your laptops is for use when traveling or working in remote locations such as client sites. It should not be used as the default connectivity method when working from home without prior approval from Digital Services.

Video Conferencing

- Headsets are important for the removal of background noise in the home environment just like in the open office. They improve the quality for both you and your colleagues. Headsets are issued to all new joiners and managed by the Digital Services Service Desk.
- Good lighting is important, not just for your own comfort but for the efficiency of video conferencing. Please ensure that you are working close to a good light source.

Printing

- It is possible to print via your NAO phone or BYOD device.

Support

- You can request IT support in a number of ways:
 - Call 7272 from an internal number (Teams)
 - Call 0207 798 7272 from an external number
 - Use the desktop icons '**DS Self Service Portal**'
 - Use the desktop icons '**DS Live Chat**'
 - From the Self-Service Portal via your browser
- If your IT hardware is faulty, in the first instance please log this as an incident via the DS Self Service portal - Log Incident with details of the symptoms you are experiencing.

Internal Whistleblowing Policy

Introduction

While the level of whistleblowing instances at the NAO is historically low, we remain committed to a culture of transparency, accountability and trust that runs through all layers of the organisation.

With this in mind, the Board has updated the internal whistleblowing policy to:

- provide greater clarity on roles and responsibilities when a concern is raised;
- clearly explain the difference between whistleblowing concerns in the public interest and personal complaints or grievances;
- clearly set out the range of ways you can raise concerns and sign-post the most appropriate route depending on the nature of the concern;
- provide more information on how whistleblowing concerns will be investigated to ensure a consistent and fair approach and support those raising concerns to understand the process;
- strengthen the appeal process by expanding the role of the Senior Independent Director to review concerns investigated by management; and
- place greater focus on assurance by enhancing the annual reporting from the Audit and Risk Assurance Committee to the Board. This will extend to cover any lessons learnt from the application of the policy, so that we embed a culture of improvement.

We recognise that raising a concern can be difficult. This internal whistleblowing policy has been designed to make you feel comfortable and safe to speak up. It provides the mechanism by which concerns can be investigated efficiently and effectively in the public interest, for the benefit of our people, our organisation and, where relevant, related third parties.

Purpose

The policy covers situations where you need to raise a concern about possible wrongdoing and how to do this. The policy also explains different ways of raising concerns for example if your concern relates to a personal grievance, or a concern relating to anti-money laundering, or a concern relating to other bodies.

Who is this policy for

The policy covers everyone who works at the NAO, past and present. This includes people employed directly on permanent or fixed-term contracts; trainees and agency staff; and people seconded to the NAO. Non-executive directors, contractors and consultants to provide services to the NAO may also use this policy to raise concerns.

The updated policy is available to read here: [NAO internal whistleblowing policy](#)

What is whistleblowing?

Whistleblowing is when an employee, contractor, supplier or non-executive passes on information concerning suspected wrongdoing, which is in the public interest. We explain more fully what we mean by whistleblowing in our policy.

Why is whistleblowing important?

Whistleblowing is an important way of shining light on areas of concern or when things just "don't feel right". It helps us as an organisation to be open, transparent and accountable. Having a structured whistleblowing process in place, underpinned by a 'speak up culture', is an effective way of detecting and preventing certain categories of wrongdoing. It also enables us to learn from events.

What are the safeguards under NAO's internal whistleblowing policy?

Raising a concern in accordance with this policy will not, in itself, cause you to suffer detriment - for example disciplinary action, dismissal or other unfavourable treatment. If you have a reasonable belief that your concern is true and that you are acting in good faith, consistent with the public interest, it does not matter if you are mistaken about your concern.

What should I do if I have a concern about suspected wrongdoing?

It is important to familiarise yourself with the NAO's internal whistleblowing policy.

Having done that you can raise a concern with the following people:

- a line manager, performance coach or director; or
- one of our nominated people:
 - Head of Legal and Policy: Mark Allen
 - Head of Governance and Risk: Helene Morpeth
 - Director of Internal Audit and Assurance: Peter Wood

If your concern relates to the Executive Team or the C&AG you should contact the Senior Independent Director.

Other options

There may be circumstances where you feel you can't raise your concern internally or with our Senior Independent Director and you wish to disclose information externally.

In these circumstances, you could consider raising your concern with one of the people listed by the Public Interest Disclosure Act 1998 (PIDA). For more information please see the section in our policy 'Raising your concern externally'.