



HR Recruitment and Selection 2019/20

FINAL REPORT

Louise Northcott

23rd December 2019

Distribution List: John Ward (Director for Corporate Services), Joe Mildred (Divisional Manager), Tim Radcliffe (HR Manager)

Contents	Page
1) Executive Summary:	
i) Introduction	3
ii) Overall audit opinion	4
iii) Summary of findings	5 - 6
2) Exceptions raised	
i) Key for risk rating of exceptions	7
ii) Detailed exceptions	8 - 10

1) Executive Summary

i) Introduction

This audit was carried out as part of the agreed audit plan for the 2019/20 financial year. Audit testing has been restricted to areas that have been assessed as high risk by Internal Audit.

Recruitment of new starters is a key function within any organisation. The Human Resources department at Chichester District Council provides support and advice to recruiting managers during the process and ensures that legislation such as the Equality Act 2010 is complied with during the recruitment process.

Audit testing has been carried out on the following objectives to ensure that:

- There is clear corporate guidance in place for recruitment and selection
- All recruitment is appropriately authorised before being advertised
- There is a clear process to be followed by HR for employment checks
- Contracts are sent out in a timely manner

ii) Overall audit opinion

The overall audit opinion is based solely on testing carried out and discussions held during the course of the audit.

	Levels	Description/Examples
	No Assurance (Critical Risk Exceptions)	Major individual issues identified or collectively a number of issues raised which could significantly impact the overall objectives of the activity that was subject to the Audit
→	Limited Assurance (High Risk Exceptions)	Control weaknesses or risks were identified which pose a more significant risk to the Authority
	Reasonable Assurance (High or Medium Risk Exceptions)	Control weaknesses or risks were identified but overall the activities do not pose significant risks to the Authority
	Assurance (Low Risk/Improvement Exceptions)	No issues or minor improvements noted within the audit but based on the testing conducted, assurance can be placed that the activity is of low risk to the Authority

iii) Summary of findings

Objective 1: To ensure that there is clear corporate guidance in place for recruitment and selection – Assurance

One low risk exception has been raised as a result of audit testing.

It was confirmed that there is a Manager's guide to Recruitment and selection. It is not dated so it is not possible to tell when it was written or last reviewed. A review of the guidance confirmed that it clearly sets out what managers should do in the event of a vacancy. Version control best practice recommends that policy/guidance documents contain the version number and a version control table showing any changes made to the policy/guidance and when made so that anyone reading it can be sure that it is the most up-to-date policy/guidance. This will ensure that officers are not following out of date procedures by accident.

CDC also has an Equality and Diversity policy (dated 2012) which sets out policy standards which need to be adhered to during recruitment in order to comply with relevant legislation.

Objective 2: To ensure that all recruitment is appropriately authorised before being advertised - Assurance

No exceptions have been raised as a result of audit testing for this objective.

A report was run from Trent for new starters between 1/4/18 and 29/8/19. There were 145 new starters in this period. A sample of 25 was taken and checked to ensure that there was approval for the vacancy to be advertised. Of the 25 new starters tested it was found that:

- According to HR 7 posts did not require SLT approval. These were CCS posts, casual and seasonal posts
- One new starter came to work for CDC initially on a Choose Work placement, then doing temporary work for CDC before being made permanent
- One post is paid for by an external grant from the Police Crime Commissioner and the use of the grant money to fund the post was approved by the Community Safety partnership prior to the post being advertised

Objective 3: To ensure that there is a clear process to be followed by HR for employment checks - Limited Assurance

2 high risk exceptions have been raised as a result of audit testing for this objective.

Testing under this area covered whether HR officers are completing a recruitment checklist detailing what checks have been carried out on new starters, references had been taken up, right to work had been checked, qualifications were checked, DBS checks were carried out where the role required one, and whether medical checks had been undertaken.

Issues were found with reference take up and lack of evidence to confirm that qualifications had been checked. DBS certificates are being kept on file for longer than is recommended by the Disclosure and Barring Service, although this is in line with the timescales set out in the current register of data processing.

Detailed findings from this testing can be found in exceptions 2 and 3.

Objective 4: To ensure that contracts are sent out in a timely manner – Assurance

No exceptions have been raised as a result of audit testing for this objective.

When a candidate has been successfully appointed the recruiting manager completes a 'Successful applicant e'form' which is sent to HR. For the 25 new starters the date on the e-form was checked against the offer letter date to establish how timely the sending of an offer letter was. Offer letters were sent out ranging from the same day up to 11 working days later (only 1 case was at day 11). The general expectation from the HR Manager is that where resources allow contracts are sent out within a week to 10 days from the successful applicant e-form being received by HR.

The HR Manager confirmed that all contracts of employment are fully checked for accuracy and then signed by an HR Officer or on occasions the HR Manager. For contracts of employment for new starters there is also the checklist signed off by the HRO or the HR Manager. It was confirmed by reviewing the checklist that it has 2 rows that have to be initialled to confirm that the offer letter has been checked and the draft contract has been approved by the HR Manager.

Overall assurance level – Limited Assurance

2 high risk and 1 low risk exceptions have been raised as a result of the testing carried out during the course of the audit. Therefore Internal Audit can give limited assurance that Recruitment and Selection is of low risk to the Authority.

Key for risk rating of exceptions:

Priority Level	Description
Critical Risk	<p>Control weakness that could have a significant impact upon not only the system function or process objectives but also the achievement of the organisation’s objectives in relation to:</p> <ul style="list-style-type: none">▪ The efficient and effective use of resources▪ The safeguarding of assets▪ The preparation of reliable financial and operational information▪ Compliance with laws and regulations <p>And corrective action needs to be taken immediately.</p>
High Risk	<p>Action needs to be taken to address significant control weaknesses but over a reasonable timeframe rather than immediately. These issues are not “show stopping” but are still important to ensure that controls can be relied upon for the effective performance of the service or function. If not addressed, they can, over time, become critical. An example of an important exception would be the introduction of controls to detect and prevent fraud.</p>
Medium Risk	<p>These are control weaknesses that may expose the system function or process to a key risk but the likelihood of the risk occurring is low.</p>
Low Risk - Improvement	<p>Very low risk exceptions or recommendations that are classed as improvements that are intended to help the service fine tune its control framework or improve service effectiveness and efficiency. An example of an improvement recommendation would be making changes to a filing system to improve the quality of the management trail.</p>

EX1 – Keeping guidance documents up- to-date	
Risk rating: Low Risk/Improvement	
Findings	
<p>It was confirmed that there is a Manager's guide to Recruitment and selection. It is not dated so it is not possible to tell when it was written or last reviewed. A review of the guidance confirmed that it clearly sets out what managers should do in the event of a vacancy.</p> <p>Version control best practice recommends that policy or guidance documents contain the version number and a version control table showing any changes made to the policy/guidance and when made so that anyone reading it can be sure that it is the most up-to-date policy/guidance. This will ensure that officers are not following out of date procedures by accident.</p>	
Risks and consequences	
<p>Without version control officers may end up using out of date procedures by accident. This could result in HR needing to advise managers against taking certain recruitment actions.</p> <p>Ensuring the guidance is clearly up-to-date may reduce the need for managers to contact HR as frequently for advice and guidance on recruitment matters.</p>	
Agreed action	Officer responsible and by when
Version control will be introduced for any guidance provided by HR to staff and managers.	Tim Radcliffe by the 24.12.19.

EX2 – Completion of checklist, take up of references and qualification checking

Risk rating: High

Findings

For the 25 new starters tested it was found that

- There was not a checklist on file for 4 of them. Recruitment checks had been fully undertaken for 3 of the 4. For the other case there was no evidence on file that references had been taken up.
- 3 new starters only gave one referee on application
- 4 new starters listed more than 1 previous employer but only gave 1 employer referee and a personal referee. It was confirmed by the HR Manager that this is acceptable under the current recruitment policy.
- 1 reference was not taken up until after the new starter had commenced employment. The HR Manager confirmed that this does occasionally occur and is acceptable under current recruitment policy as employment is conditional on two satisfactory references being received.
- 6 of the 25 new starters required formal qualifications for the job. There were only copies of qualification certificates on file for 3 of the new starters.

Risks and consequences

If the checklist is not completed then checks could be missed.

If references are not taken up then recruitment decisions could be made on incomplete information.

If personal references are used then these are of limited value when assessing a prospective employee's suitability for employment as they do not relate to the candidates performance within the workplace.

If qualifications are not checked then staff may be employed who are not qualified for the job. They may give professional advice to members or the public, other organisations or staff which could turn out to be incorrect which could have a financial or reputational impact on CDC.

All of the above could lead to inappropriate staff being employed and could result in further recruitment needing to be carried out which is a drain on officer resources.

Agreed action	Officer responsible and by when
<p>It has been reiterated to the HR Officers and HR Administrators that all the requirements of the conditional offer of employment must be met and that the HR Officer is responsible for ensuring that the checklist is signed off as complete at the end of this process.</p> <p>The second referee is to be changed to a previous employer where the new starter has had earlier employment and where the referee is still available. The first referee is to remain as the current or most recent employer.</p> <p>Where required for the post, the requirement for professional qualifications to be viewed and scanned to the staff file by the HR Administrator as part of the one-to-one new starter induction process has been reiterated.</p>	<p>Tim Radcliffe</p> <p>Actioned: December 2019.</p> <p>By 31.1.20.</p> <p>Actioned: December 2019.</p>

EX3 – Checking of criminal convictions and handling and retention of DBS certificates

Risk rating: High

Findings

A DBS check was applicable for 10 of the 25 new starter positions tested. Testing found that:

- Checks had been done for all of the 10 new starters where it was required for the role.
- The Revised Code of Practice for Disclosure and Barring Service Registered Persons issued under section 122 (2) of the Police Act 1997 dated November 2015 states that registered bodies must have a written policy on the secure handling of information provided by the DBS. The Disclosure and Barring Service has a sample policy that organisations can tailor to their own requirements. Although CDC does have a Data Protection policy on its website and a register of data processing, there are areas contained in the DBS sample policy that are not covered within CDC’s policy or register.
- DBS certificates are being kept as scanned documents on staff files for the duration of their employment plus a further seven years after they leave employment with CDC. This is as per the timescales set out in the current register of data processing. However, this is not in line with the Disclosure and Barring Service guidance which states that certificates should be destroyed after a suitable period has passed, usually no longer than 6 months.

Risks and consequences

Keeping scanned copies of DBS certificates for longer than necessary is not in compliance with the General Data Protection Regulations.

The DBS Code of Practice states that failure to comply with the Data Protection requirements may result in enforcement action from the Information Commissioner’s Office. This could have a financial and reputational impact on the Authority.

If the DBS believe that the code of practice is not being followed then they may refuse to issue DBS certificates. This may impact on whether CDC can formalise employment if there is no confirmation that the candidate has no relevant criminal convictions. Alternatively, successful applicants may have to be supervised by a DBS cleared employee until such time as DBS clearance can be obtained. This would not be a good use of staff resources.

Agreed action

The Retention Guidelines and Register of Data Processing are to be amended to reflect the above and all DBS disclosures over 6 months old are being deleted. The existing corporate record showing whether disclosures are clear or not is being amended

Officer responsible and by when

Tim Radcliffe

Request for amendment of the Retention Guidelines and Register of Data Processing and details of changes needed

to show that where a positive disclosure is indicated that an assessment of risk has been done and the resulting decision as to whether or not to employ in the post concerned. Some information about the assessment of risk and decision made to be retained on the personal file for the employee concerned for future reference.

submitted to Legal service December 2019.

Amendments to corporate record of DBS disclosures carried out to be completed by 24.12.19.

Deletion of all disclosures over 6 months old by 31.1.20.