



Internal Audit

FINAL

Dacorum Borough Council

Assurance Review of Recruitment

2021/22

June 2022

Executive Summary

OVERALL ASSESSMENT







ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

SR5 -The Council is unable to recruit and retain the staff required



SCOPE

The audit reviewed the adequacy and effectiveness of controls over the new recruitment processes to ensure the adequacy and effectiveness of controls over the new recruitment processes in accordance with the recruitment and selection policy.

KEY STRATEGIC FINDINGS

-  The Council's recruitment framework agreement with 'Pertemps' recruitment' was found to be out of date since March 2020.
-  The Finance team approves all roles before jobs are advertised to ensure the recruitment is within the relevant service area's budgets, however, the job advertising cost is not incorporated or considered as part of the recruitment budget/cost.
-  Review and testing of a sample of 10 new appointments, it was identified that key documents were copied and retained with the exception of one. Additionally, there does not appear to be any guidance/ instructions in place for dealing with references not been received by HR.
-  There is currently no KPI in relation to recruitment performance.

GOOD PRACTICE IDENTIFIED

-  There is a Recruitment and Selection (Code of practice) in place. The document is up to date and reflects current practices.
-  In a review of 10 newly recruited employees, a complete electronic application form was received on every occasion, DBS checks were performed, for those posts where positions interacted with vulnerable tenants, and documents for right to work in the UK were seen and certified as true copies.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	4	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	<p>The Council's recruitment framework agreement with 'Pertemps Recruitment' was found to be out of date since March 2020.</p> <p>It was noted that the framework agreement is currently under review and recommendations of future agency contracts is to be included in a paper to the Corporate and Commercial Board at the end of May 2022.</p>	It is vital to ensure that all contracts with the Council are kept up-to-date and renewed in a timely manner.	2	<i>The recruitment agency framework has expired. Priorities have now enabled a corporate wide project to assess the Council's approach to hiring agency workers, which commenced in January 2022 and the recommendations will be presented to the Council's Commercial Board. It is anticipated that a suggested recruitment agency framework will be in place in the summer of 2022.</i>	30/09/22	<i>Matt Rawdon (Assistant Director – People)</i>
1	Directed	<p>Review and testing of a sample of 10 newly appointed staff, it was confirmed that in all cases, where the starters were required to drive as part of their role at the Council, driving licences were obtained prior to commencement of the role.</p> <p>However, in one instance, the new starter's driving licence had not been saved onto iTrent,</p>	All new starter's supporting documents/ evidence be saved on the individual's personnel file.	3	<i>Noted. The HR checklist will be updated and staff will be informed accordingly. In this case the HR Officer signed the checklist to claim they had seen prove of the driving licence but did not save onto the HR system (iTrent).</i>	30/06/22	<i>Priti Gohil (HR Team Leader)</i>

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	There is no specific guidance or instructions on how to deal with situations where no candidate reference has been provided.	The Council's Recruitment and Selection Code of Practice, to include instructions on how to handle circumstances, where references have not been provided.	3	<i>This is accepted and can be updated immediately to provide clearer guidance to the HR team on this particular point.</i>	30/06/22	Priti Gohil (HR Team Leader)
3	Directed	The Finance team approves all roles, prior to jobs being advertised. To ensure the recruitment cost is within the relevant service area's budgets. It was noted that the cost of the job advertising is currently not incorporated or considered in the overall recruitment budget.	Advertising costs be incorporated in the overall recruitment budget.	3	<i>There is no dedicated recruitment budget. The advertising costs are shared between the HR and individual service budgets depending on the role and choice of advertising.</i>	No further action required	Not applicable

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Delivery	<p>There is currently no KPI in relation to recruitment performance. The Council may wish to consider the following KPIs (This is not an exhaustive list):</p> <ul style="list-style-type: none"> • Time to Hire <p>This KPI measures the time between when a candidate is contacted for a job opening and when they accept a job offer.</p> <ul style="list-style-type: none"> • Sourcing Channel Efficiency <p>This KPI measures the usefulness of the Council's sourcing channels, or where jobs are advertised). It helps in understanding where the most qualified candidates and the ROI of different sourcing pipelines are found. Knowing the sourcing channel efficiency KPI can be helpful in developing effective sourcing strategies and improve the overall recruiting process.</p> <ul style="list-style-type: none"> • Cost Per Hire <p>This KPI takes into account all the associated costs, including things like how much the Council pays to post the job on different job boards, any referral fees, the cost of attending job fairs, etc..</p>	KPIs be introduced to measure and increase recruitment efficiency and success.	3	<p><i>Operational KPIs will be introduced to measure recruitment efficiency and success. Research will be undertaken to identify good practice KPIs in this area. It should be noted that KPIs will need to be automated as part of the system to avoid additional resource needed to collate these. If this is not possible consideration will be given on the value of KPIs versus time taken to manually produce this information.</i></p>	30/09/22	<p><i>Matt Rawdon (Assistant Director – People) and Priti Gohil (HR Team Leader)</i></p>

PRIORITY GRADINGS

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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1, 2, 3 & 4	-

Other Findings



There is a Recruitment and Selection (Code of Practice) in place, which was last updated and reviewed in December 2021.

The Code of Practice aids employees, who take part in recruitment and selection, to ensure that the best candidate is selected for the job by providing an objective, systematic structure that adheres to recognised good Human Resource (HR) practices, and ensures that all applicants are treated fairly in accordance with the Council's Equal Opportunity Policy.












There is adequate segregation of duty throughout the recruitment process. For example:

- Interview panels are usually composed of at least two individuals, one of whom is trained in recruitment and selection; and
- Shortlisting is carried out by a minimum of two people from the interview panel, either independently or collectively.



Review and testing of a sample of 10 job advertisements relating to new recruits, it was identified that in all cases, the job advertisements had proof of a completed Establishment Management Form (EMF) being submitted to HR for approval prior to the job advertisements being published, as prescribed in the Council's code of practice.

Other Findings

-  Review and testing of a sample of 10 appointed staff, it was identified that in all cases, the applications included at least one reference, as stipulated by the code of practice. In addition, each application contained professional qualifications (where applicable), previous employment history, a medical declaration and a connection to the organization.
-  Review and testing of a sample of 10 appointed staff, it was identified that DBS checks were performed for those roles and positions where interaction was with vulnerable tenants. This has helped the Council make safer recruitment decisions and prevent unsuitable people from working with vulnerable groups, including children.
-  From a sample of 10 new starters selected for testing (from July 2021 to February 2022), it was confirmed that the recruiting manager raised a requisition for all 10 new starters, by completing and submitting an EMF to HR.
-  Detailed Job Descriptions and Personal Specifications were in place, for the 10 staff selected for testing.
-  A completed electronic application form was received by HR, for the 10 staff selected for testing
-  Seven of the 10 staff selected for testing required professional registration or qualifications to qualify for the advertised vacancies. In the seven cases, certified copies of the newly recruit's qualifications were obtained prior to appointment.
-  Of the 10 staff selected for testing, it was identified that in all cases, documents proving right to work in the UK were photocopied, signed and dated to state they are a true copy. Documents copied were:
 - biometric residence permit number; or
 - biometric residence card number; or
 - passport or national identity card.
-  Sample of 10 staff selected for testing, to ensure details and records of staff was in place and stored safely for future references, identified that in all cases, the records were retrievable and stored securely.
-  Where risk assessments indicated that the post holder should be subject to a DBS, this was stated in the Person Specification for all 10 posts tested.

Other Findings



The responsibility for arranging and monitoring the organisations recruitment arrangements lies with the HR Team Lead and the Assistant Director for People.

At the time of the audit, there were eleven live job vacancies on the Council's website. Five of the eleven job posts were reviewed to ensure the Job Descriptions (JD) included the following:

- Post Title;
- Post No;
- Team;
- Grade; and
- Date the JD was created and responsibilities.

Review of all five post confirmed the above was present.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	5	-
FC	Financial Constraint	The process operates within the agreed financial budget for the year.	Out of scope	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Out of scope	-	-

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	8 th December 2021	8 th December 2021
Draft Report:	19 th May 2022	9 th June 2022
Final Report:	10 th June 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	Recruitment		
Type of Review:	Assurance	Audit Lead:	Auditor

Outline scope (per Annual Plan):	Risk: SR2Rationale: Scope: To evaluate the adequacy and effectiveness of controls over the new recruitment processes, in particular: there is a recruitment and selection policy in place which details staff roles and responsibilities; staff recruitment is carried out in accordance with the recruitment and selection policy; and adequate reporting mechanisms are in place to monitor staff recruitment.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Financial constraint: The process operates with the agreed financial budget for the year.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	14/03/2022	Exit Meeting Date:	12/05/2022	Exit Meeting to be held with:	Group Manager - People and HR & OD Team Lead
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N