



Internal Audit Report

FINAL

Chief Executive's Unit

Review of Recruitment and Retention of Staff

February 2009

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1 INTRODUCTION

This report has been prepared as a result of the Internal Audit review of Recruitment and Retention of Staff, Chief Executives Unit as part of the 2008/2009 Internal Audit programme.

This issue has been identified by various departments as being a medium risk area for the Council.

Since the last Audit of Recruitment & Retention that was carried out in 2006, there have been a number of changes within Personnel. As a result of the recent Best Value Review of HR, the role of Central Personnel, now known as Strategic HR has changed. They will now have a strategic role and will deal with policies and best practices.

The departments now all have their own HR teams and these teams have a transactional role.

A Vacancy Management System (VMS), dealing with the Recruitment process has been introduced and is now fully operational. Differing levels of authority to access this system have been given to Strategic HR and Departmental HR staff.

2 AUDIT SCOPE AND OBJECTIVES

The scope of this review is limited to the broad objectives listed below:

The broad objectives of the review were to ensure:

- The procedures for Recruitment and Appointment are being followed by all Departments;
- Exit questionnaires are issued to all employees leaving the Council's employment or moving to a new post;
- Performance Development Reviews (PDRs) are being carried out for all relevant staff in accordance with the Council's Policy;
- There is regular staff consultation concerning major issues and developments facing the Council;
- The Council's 'Growing our Own' initiative is addressing the issues facing the Council regarding Recruitment and Retention of staff.

3 RISK ASSESSMENT

As part of the audit process and in conjunction with our Systems Based Auditing, the risk register was reviewed and Recruitment and Retention of Staff was initially shown as a high risk area but with initiatives such as Growing our Own in place the risk rating has been reduced to medium.

Meetings were held with Strategic HR staff and Departmental HR staff within Education and Development Services to review the procedures followed in the recruitment of staff, the carrying out of Performance Development Reviews (PDRs) and consultation with staff.

4 CORPORATE GOVERNANCE

There are no Corporate Governance issues to be reported as a result of this audit.

5 MAIN FINDINGS

- 5.1 The recruitment manual has been recently updated by Strategic HR to reflect the current legislative changes and the changes to the internal HR systems (the introduction of VMS). This manual has been issued to the Departmental staff involved in the recruitment process.
- 5.2 Internal Audit reviewed a sample of files for posts in Education and Development Services that had been filled within the last 12 months. The review of the files found that there was inconsistency in the level of evidence in the files that procedures had been followed.
- 5.3 When files were requested for review, Education HR staff informed Internal Audit that the files for teaching posts only contained the original application Forms and Advertisement details. The details and forms for the interview process are retained in a file kept at the school.
- 5.4 The review carried out by Internal Audit established that members of interview panels had not all received training on the Recruitment and Selection process.
- 5.5 Exit questionnaires are issued by departmental staff to employees when they leave the Council's employment or transfer to another post within the Council and returned to Strategic HR. Not all employees complete and return them. If any material issues arise from the questionnaires then the relevant department is informed of this.
- 5.6 It is the Council policy that Performance Development Reviews (PDRs) should be carried out on all eligible employees. The responses on the

percentage of PDRs carried out varied between departments. It was noted that PDRs were not carried out on Manual Workers.

- 5.7 It was found that although details of PDRs including training needs were input into Resourcelink (the Council's HR System), departments were also keeping databases of the PDRs carried out.
- 5.8 A full staff attitude survey was carried out around 2 years ago. Another staff attitude survey was planned, however due to the implementation of Single Status this was delayed
- 5.9 Staff are made aware of major issues and developments via a number of ways such as the staff newsletter, the Work4ce, the Council Intranet the Website etc. Briefing meetings with the Leader of the Council and the Chief Executive are cascaded to staff.
- 5.10 Development Services HR staff are currently responsible for the 'Growing Our Own' scheme. This will be handed over to Strategic HR in the near future, possibly in the new year. Internal Audit has been informed that there have been difficulties in the recruitment of professionally qualified staff within the authority. Consideration was being given to providing further training for existing staff.
- 5.11 A report analysing the age profile of all staff in various age bandings showed that 50% of the staff were in the age bandings 46-65. This could present a problem for the Council in the future if a large number of these staff members were to leave.

6 RECOMMENDATIONS

7 recommendations were identified as a result of the audit, 4 have high priority and 3 have medium priority. The recommendations are shown in the action plan below.

7 AUDIT OPINION

Based on the findings we can conclude that the Council has processes in place for the Recruitment of staff, carrying out PDRs, communication with staff and return of exit questionnaires. However some teaching staff involved in the Recruitment process had not been on any relevant training courses.

Recommendations arising from the audit work should be implemented by the nominated responsible officer within the agreed timescale.

Recommendations not implemented will require explanation to the Audit Committee. This could lead to findings being reported in the Internal Control Statement produced by the Council in support of the Annual Accounts.

8 ACKNOWLEDGEMENTS

Thanks are due to the Head of Strategic HR and his staff, HR staff within Education and Development Services and staff at the schools visited as part of our review, for their co-operation and assistance during the Audit and the preparation of the report and action plan.

Argyll & Bute Council's Internal Audit section has prepared this report. Our work was limited to the objectives in section 2. We cannot be held responsible or liable if information material to our task was withheld or concealed from us, or misrepresented to us.

This report is private and confidential for the Council's information only and is solely for use in the provision of an internal audit service to the Council. The report is not to be copied, quoted or referred to, in whole or in part, without prior written consent.

APPENDIX 2 ACTION PLAN

No.	FINDINGS	PRIORITY	RECOMMENDATION	RESPONSIBLE OFFICER	IMPLEMENTATION DATE
1	Head Teachers and teaching staff involved in the Recruitment and Interview process had not received any training.	High	Consideration should be given to rolling out Recruitment Training to all Teaching Staff involved in the Recruitment process.	Head of Planning & Performance	April 2009
2	Files are retained for a period of 1 year with parts of files being kept in two locations – the school and a central office	Medium	On the completion of the Interview process all recruitment paper work should be returned to a central location and retained by the HR Officer - Resourcing for the Service. Guidance should be issued with regards to what documentation should be retained on the Recruitment file.	Head of Planning & Performance	April 2009
3	Shortleeting Forms were incomplete and did not indicate clearly who the successful candidates was	High	Short Leeting forms should be completed by the Chair of the interview panel. The Short Leeting forms should clearly indicate who is	Head of Strategic HR/Head of Planning & Performance/Head of Primary and	April 2009

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			recommended to attend for interview.	Secondary Education	
4	Interview Details Forms were incomplete, did not give relevant scores and did not provide sufficient narrative	High	Interview detail forms should be completed in full, clearly indicating scores given, with total score marked at the bottom. Interview details forms should also state the recommendation of the panel as to the successful candidate.	Head of Strategic HR/Head of Planning & Performance/Heads of Primary and Secondary Education	April 2009
5	A number of recording systems are used to record the PDR process	Medium	The number of systems used to record staff details, recruitment details and the PDR process should be reduced. Consideration should be given to improving the reporting system within Resourcelink in order to improve information.	Head of Strategic HR	April 2009
6	Departmental HR does not inform Strategic HR of	Medium	A system for recording 'Exit Questionnaire' returns	Head of Strategic HR	April 2009

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	<p>the exit questionnaires that they issue. This means that the returned questionnaires cannot be matched up with those issued.</p>		<p>against those issued should be established in order to produce meaningful information on why staff terminate their employment with A& B Council or change posts within the Council. Staff in Departments should send details of the Exit Questionnaires issued to Strategic HR in order that they can report on the level of returns.</p>		
7	<p>The 'Growing our Own' scheme did not appear to take account of the problem of attracting and retaining professional staff. This situation could be exacerbated the age profile of staff with 50% of staff being within the age bandings 46-65</p>	High	<p>Consideration should be given to the future of 'Growing our Own' and consideration given to carrying out a review of the outcomes to date. This review should take account of the shortages of professional staff and the age profile of current staff.</p>	Head of Strategic HR	April 2009