Causeway Coast and Glens Borough Council

Internal Audit Report
Staff Recruitment, Learning and Development

March 2019

MOORE STEPHENS

INTERNAL AUDIT REPORT

Staff Recruitment, Learning and Development

Executive Summary

This internal audit was completed in accordance with the approved annual Internal Audit Plan for 2018/19. This report summarises the findings arising from a review of staff recruitment, learning and development.

Through our audit we found the following examples of good practice:

- The Local Government Staff Commission for Northern Ireland Code of Procedures on Recruitment and Selection is used as the main guide for recruitment and selection in Council and all staff who are involved in recruitment have attended training and refresher training.
- Pre-employment checks are carried out for all new posts; requested information (such as referees, photo graphic ID, evidence of qualifications, acceptance of appointment) must be received and confirmed by HR prior to commencement.
- The Council has in place a People Strategic Framework and Learning and Talent Development Policy which informs Learning and Development within the organisation.
- The Council has dedicated Officers within the OD/HR team who coordinate training and development activities and a good range of learning and development opportunities are provided for staff.
- The Council recognises that its performance review system requires development and are working towards developing a Personal Development and Contribution Review for employees.
- The OD/HR team are working with colleagues within Environmental Services to produce a training needs matrix that identifies training required within this service area. This will be used to track the training received, where training is required and when it is next due, however further work is required in this area
- Quantitative Learning and Development performance indicators are provided to and reviewed by senior management on training delivery on a quarterly basis, this includes, investment in learning, programmes implemented and the amount of time spent by employees on learning and development.

There were 4 findings and recommendations from our audit and 1 point for management. There were 2 Priority 2 recommendations which are detailed below:

a) Since the legacy Councils merged in April 2015, no formal annual staff appraisals have taken place across service areas to evaluate individual effectiveness and identify learning opportunities. During this period, training has been informed by Corporate objectives and priorities and led by the OD/HR team. Input on training needs received from Service Managers focuses on health and safety and role related training specific to their Service area. In the absence of any formal personal development review

process, there is an increased risk that the individual learning and development needs of staff are not identified and aligned to corporate objectives and training currently being delivered may not be wholly applicable or relevant. OD/HR have been developing a staff appraisal process, namely a Personal Contribution and Development Review (PCDR) process and a pilot study of 10 employees is due to be completed by April 2019. It is envisaged that the PCDR process will specifically focus on 4 key areas, Achievements - objectives and priorities, Improvements - within teams and the organisation, More - employees wider contribution to the team and organisation and Support - the training and development needs of employees in order to meet their personal objectives. The PCDR process will be aligned to the Council's corporate objectives and themes as well as the Community Plan and Performance Improvement Plan. The Head of OD/HR and Manager should ensure that the Personal Contribution and Development Review pilot process is completed within the agreed timeline and any learning from this is used to inform the roll out of the PCDR for the rest of Council staff.

b) On occasions training may be organised directly by a Manager (for example if mandatory training must be completed at short notice for health and safety purposes) and may not be go through the normal training request and purchase order approval process. In these instances, OD/HR are not always informed by Managers of the training undertaken and therefore the corporate training database may not be updated to reflect any additional training organised at service level. OD/HR are working with the Environmental Services team to develop a matrix of generic training required within the department and this will be communicated to managers. They should continue to work with the Environmental Service areas to complete this work and so identify baseline training for generic posts. Training records from both the OD/HR database and records maintained by service areas should be reviewed and where possible merged to form a comprehensive training record for each employee. Service Managers should be encouraged to book all health and safety training through OD/HR or to inform OD/HR of all training being planned so that it can be recorded accurately on PAMS. If appropriate, a shared folder could be developed so that supervisors can access and have a record of any training their team has undertaken

The table below summarises the key risks reviewed:

Risk	Number of recommendations & Priority rating		
	1	2	3
There may be insufficient arrangements in place in relation to the recruitment process leading to inconsistencies in how recruitment is carried out and legal implications from poor recruitment practices.	-	-	2
There may be insufficient arrangements in place to ensure that training and development is identified and sufficiently aligned to the Council's objectives and service delivery needs; this could lead to failure to deliver statutory services and achievement of Council's corporate objectives.	-	2	-
Potentially there could be a lack of HR documentation retention and control leading to poor audit trails, a lack of	-	-	-

Risk	Number of recommendations & Priority rating		
	1	2	3
transparency and potential non-compliance with data protection requirements.			
Total recommendations made	**0**	**2**	**2**

Based on our audit testing we are able to provide the following overall level of assurance:

Satisfactory	Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

Points for the attention of Management

In addition to the recommendations noted above we have identified one system enhancements during the course of the audit which does not form part of our formal findings, but may help enhance the existing controls. This is detailed below:

- Following attendance at a training course, staff are requested to complete a course evaluation form. We were advised that where forms have been returned to HR, these are informally reviewed within the team. Evaluation of training courses is a useful mechanism for the Organisational Development/Human Resources Department to evaluate courses and ensure that these meet the needs of those completing training therefore a formal evaluation process is recommended.

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Auditor:	Sinead Callan
Distribution:	Audit Committee Chief Executive Director of Performance Head of ODHR
	March 2019

Audit progress	**Date**
Audit commenced	22nd November 2018
Draft Report issued to senior management for response	25th February 2019
Responses Received	28th March 2019
Responses Agreed	29th March1 2019
Report Issued	18th April 2019

All matters contained in this report came to our attention while conducting normal internal audit work. Whilst we are able to provide an overall level of assurance based on our audit work, unlike a special investigation, this work will not necessarily reveal every issue that may exist in the Council's internal control system.

1 Objective

The areas for inclusion in the scope of the audit were determined through discussion with management and considered the main risks facing recruitment, learning and development and a review the key systems and controls in place to address these. The objective being to ensure that:

- There are adequate arrangements in place in relation to the recruitment of staff
- There are adequate arrangements in place to ensure that training and development is identified and sufficiently aligned to the Council's objectives and service delivery needs
- Appropriate HR records are maintained and adequately stored

2 Background

Causeway Coast and Glens Borough Council is a significant employer in the area, currently employing 696 members of staff on a full time and part time basis. Human resources matters are dealt with by Organisational Development and Human Resources (OD/HR), within the Corporate Services Directorate. Workforce planning, recruitment and development is an important function within the organisation, to ensure that the people with the skills, knowledge and experiences needed to deliver Council's long and short-term objectives are available, when and where they are needed.

Recruitment is carried out in line with the "Code of Procedures on Recruitment and Selection" issued by the Local Government Staff Commission (LGSC) for Northern Ireland. This Code is a statutory Code based on Section 40 (4) (b) of the Local Government Act 1972. This Code was designed primarily to guide local government users through the process of selection, using seven stages. It should also be used as the basis for any training for selection panel members and all those involved at each stage in the recruitment process.

Learning and Development priorities have been identified within the Council to support effective performance at individual, team and management levels across the organisation. These include mandatory training, leadership and management development, team development, role related training and policy for assistance to study (further education). A budget of £200k has been set aside for learning and development in 2018/19 and is divided between service areas based on the number of full time equivalent (FTE) staff in each area.

A core skills programme has been developed by OD/HR which includes a range of corporate training sessions and courses. Staff are encouraged to consider the courses available, discuss with line managers and sign up for those best suited to help with personal education and development via an online booking portal. Other training needs are identified and managed within service areas.

3 Risks

The risks identified by Internal Audit relating to staff recruitment, learning and development and agreed with management in advance of the audit are as follows:

1. There may be insufficient arrangements in place in relation to the recruitment process leading to inconsistencies in how recruitment is carried out and legal implications from poor recruitment practices
2. There may be insufficient arrangements in place to ensure that training and development is identified and sufficiently aligned to the Council's objectives and service delivery needs; this could lead to failure to deliver statutory services and achievement of Council's corporate objectives
3. Potentially there could be a lack of HR documentation retention and control leading to poor audit trails, a lack of transparency and potential non-compliance with data protection requirements

4 Audit Approach

Our audit fieldwork comprised:

- Documenting the systems via discussions with key staff
- Consideration of the key risks within each audit area
- Examining relevant documentation
- Carrying out a preliminary evaluation of the arrangements and controls in operation generally within the Council
- Testing the key arrangements and controls
- Testing the completeness and accuracy of records.

The table below shows the staff consulted with and we would like to thank them for their assistance and co-operation.

Job title
Head of OD/HR
OD/HR Manager
OD/HR Business Partner
OD/HR Business Officer
OD/HR Business Advisor
OD/HR Assistant

5 Findings and Recommendations

This section of the report sets out our findings in relation to control issues identified and recommendations. A summary of all the key controls that we considered is included in Appendix II to this report.

5.1 Risk 1 –Recruitment Process

ISSUE 1 – Authorisation to recruit forms
a) **Observation-** A recruitment authorisation and vacancy control form is used by the Council to initiate the recruitment process and is completed by the line manager for approval by the SMT. The form contains sections including nature of the role, reason for the request, recruitment source, funding source and business case. Our review found that for approximately 15% of vacancies in 2017 and 21% in 2018, the recruitment authorisation and vacancy control form had not been completed and forwarded to HR. We noted that from October 2018, the OD/HR manager circulates the Authorisation to Recruit form directly to the Senior Management Team for approval as a mitigating control, however this does not detail the business need or rationale for the new position.
b) **Implication-** If Line Managers do not fully complete the recruitment and vacancy control form there is a risk of insufficient scrutiny of the requirement for new positions.
c) **Priority Rating**-3
d) **Recommendation**- The Head of OD/HR should ensure there is clear understanding amongst Line Managers of the requirement to complete the recruitment authorisation and vacancy control form, to clarify the business need for the post, and ensure it is signed off by the appropriate Director and/or Chief Executive prior to engaging in the recruitment and advertising process.
e) **Management Response-**   When circulating details regarding authorisation to recruit forms to the SMT the OD/HR Manager will include details relating to the business need and/or rationale for the new position
f) **Responsible Officer & Implementation Date-**   OD/HR Manager with effect 1st April 2019

ISSUE 2 – Panel Assessment Summary
a) **Observation-** The Council follows the Code for Recruitment and Selection 2009 (Local Government Staff Commission) and testing of a sample of 10 recruitments in 2017 and 2018 revealed good arrangements are in place in relation to the shortlisting and interview procedures followed during the recruitment process. A panel assessment summary is completed at the end of the interview process noting the overall ranking of each candidate and this is signed off by panel members. An interview outcome sheet is also completed by panel members to document and clarify the panel's decision. However, a review of 10 interview outcome sheets found a variation in completeness and quality of information on these; on 3 occasions (from a sample of 10) no comments or narrative was noted on the sheet (although the sheet was signed off by the panel members). We also noted that a minimum % pass mark was not recorded on interview sheets.
b) **Implication-** If the reasons for recruitment decisions are not clearly recorded, there is increased risk of lack of proper evidence should any queries be raised in relation to a recruitment exercise.
c) **Priority Rating**- 3
d) **Recommendation**- To protect panel members in the event of a complaint being made, it is important that the information reflected in the interview outcome form is robust and would stand scrutiny from an independent review. All personnel involved in recruitment panels should be reminded of the need to clearly record the reasons for all decisions made. A pass mark should also be noted on the interview panel assessment summary and/or interview outcomes sheet to provide transparency at all stages of the recruitment process
e) **Management Response-** The OD/HR team will be advised of this recommendation and asked to adhere to the details set out.
f) **Responsible Officer & Implementation Date-** OD/HR Manager will circulate the recommendation to the OD/HR team for implementation. Implementation date 1 April 2019

5.2 Risk 2 – Learning and Development

ISSUE 3 – Appraisal Process
a) **Observation-** We were advised by the Head of OD/ HR that since the legacy Councils merged in April 2015, no formal annual staff appraisals have taken place across service areas to evaluate individual effectiveness and identify learning opportunities. It is noted that only legacy Limavady Borough Council had an appraisal process in place before 2015. During this period, training has been mainly corporate led, with some input from Service Managers identifying additional training needs and opportunities specific to their Service area.

OD/HR has been developing an annual Personal Contribution and Development Review (PCDR) process and a pilot study of 10 employees is due to be completed by April 2019. It is envisaged that the PCDR process will specifically target Achievements, Improvements, More – contribution to the wider organisation and Support – identify learning and development needs of employees in order to meet their personal objectives and will be aligned to the Council's corporate objectives and themes as well as the Community Plan.

b) **Implication-** In the absence of any formal personal development review process, there is an increased risk that individual staff learning and development needs are not identified and aligned to corporate objectives and training currently being delivered may not be wholly applicable or relevant. Where there is little involvement from within Service areas, there is also a risk that those parties with the knowledge of skill gaps and training requirements are not driving the learning and development process.

c) **Priority Rating**- 2

d) **Recommendation**- The Head of OD/HR and Manager should ensure that the personal contribution and development review pilot process is and completed within the agreed timeline and any learning from this is used to inform the roll out of the PCDR for the rest of Council staff. Training needs and skills gaps identified through the PCDR process should then be used to inform the training and development courses going forward.

e) **Management Response-**

The Head of OD/HR and Manager will ensure that the Personal Contribution and Development Review pilot will be implemented

f) **Responsible Officer & Implementation Date-**

Review at the end of April 2019

ISSUE 4 – Learning and Development Training Records

a) **Observation-** Training and development of staff may be carried out on the job, via in-house courses, external training agencies as well as formal courses leading to an academic qualification. Courses organised through the core skills programme are managed by OD/HR and are booked online via an online booking system - Eventbrite by individuals following verbal approval from his/her line manager. For other courses (typically where a Service Manager has identified a sector specific training gap) a training request form must be completed and forwarded to OD/HR. If approved by OD/HR, a purchase order number is provided and the line manager can proceed to organise the training.

On completion of a training exercise, individual training records are updated on the PAMS management system (based on attendance records). PAMS has a learning and development module that records and maintains employees' historical training

activities. It is used for monitoring and reporting the learning and development quantitative performance measures to senior management.

Occasionally training may be organised directly by a Manager (for example if mandatory training must be completed at short notice for health and safety purposes) and may not be go through the normal training request and purchase order approval process. In these instances, OD/HR are not always informed by Managers of training undertaken and therefore the corporate training database may not be updated to reflect any additional training organised at service level. Some service areas have developed their own databases for recording staff training records (as Managers do not have access to the PAMS system), however there is inconsistency across services on how training records are maintained.

Some initial work has been started by OD/HR to develop a generic training matrix for employees within Environmental Services and creating a shared folder so that managers have ready access to development records.

b) **Implication-** If training records are not held centrally there is an increased risk that staff may not receive training in all appropriate areas to ensure compliance with mandatory or legislative requirements and there may be an uncoordinated approach to organising mandatory training across the Council.

c) **Priority Rating**- 2

d) **Recommendation-** OD/HR should continue to work with the Environmental Services areas to complete the generic matrix listing all training courses available particularly in relation to health and safety and to identify baseline training for generic posts. Training records from both the OD/HR database and records maintained by service areas should be merged to form a comprehensive training matrix for each employee and placed on a shared folder. Service Managers should be encouraged to book all health and safety training through OD/HR or to inform OD/HR of all training being planned so that it can be recorded accurately on PAMS. If appropriate, a shared folder could be developed so that supervisors can access and have a record of any training their team has undertaken.

e) **Management Response-**
The Head of OD/HR and the OD/HR Manager will ensure that work continues with the Environmental Services Area to complete this work.

f) **Responsible Officer & Implementation Date-**
OD/HR Manager, implementation date 1 April 2019

5.3 Risk 3 – Documentation Control

No issues to report.

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Appendix I: Definition of Assurance Ratings and Hierarchy of Findings

Satisfactory Assurance
Evaluation opinion: Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

Limited Assurance
Evaluation opinion: There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.

Unacceptable Assurance
Evaluation opinion: The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Hierarchy of Findings

This audit report records only the main findings. As a guide to management and to reflect current thinking on risk management we have categorised our recommendations according to the perceived level of risk. The categories are as follows:

Priority 1: Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.

Priority 2: Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.

Priority 3: Failure to implement the recommendation could lead to an increased risk exposure.

Appendix II: Summary of Key Controls Reviewed

Staff Recruitment, Learning and Development

Risk	Control issues
There may be insufficient arrangements in place in relation to the recruitment process leading to inconsistencies in how recruitment is carried out and legal implications from poor recruitment practices	• Policy and procedures guiding recruitment have been developed and shared with HR staff and managers • Staff involved in recruitment and selection (particularly those on interview panels) have received relevant training to fulfil this role • Appropriate approval is given prior to a position being recruited • Clear job descriptions and person specifications are prepared prior to the job being recruited • Applications are appropriately assessed and clear criteria are set for any long-listing or short-listing • Adequate records of shortlisting assessment panels and their decisions are maintained • Interview questions and scores / weightings / benchmarks are adequately prepared in advance of the interview • Interview questions are designed to ensure candidates demonstrate their competency during interview • Adequate notes from interviews are maintained to provide supporting rationale for job offers • References, evidence of qualifications and any other vetting are checked prior to final confirmation of appointment • Appointment letters clearly outlines the conditions of the position being offered • Newly recruited staff are informed of terms and conditions of employment • Information regarding a newly recruited staff member is accurately transmitted from HR to Finance in a timely manner

Risk	Control issues
There may be insufficient arrangements in place to ensure that training and development is identified and sufficiently aligned to the Council's objectives and service delivery needs; this could lead to failure to deliver statutory services and achievement of Council's corporate objectives	- A learning and development policy and appropriate procedures are in place - Staff and Management are made aware of the policy and know how to communicate a training or development need - Committee and Council are kept informed of learning and development planning - All training follows an appropriate approval process i.e. line manager/HoS, Director, HR; Committee - A formal process is in place to identify individual training and development needs - A template is used to propose for approval any specific training identified to address development needs - An appropriate assessment of training undertaken is performed and recorded - All staff who receive approval for Council support for ongoing training e.g. (assistance to study) must sign a declaration of understanding of the terms and conditions of assistance; and this should include a clause regarding clawback if the staff members fails to complete the course or leaves Council employment within a certain period of completing the course - A process is in place for recording the impact of ongoing supported training after an agreed period has lapsed following the end of the supported training - An annual learning and development budget and plan are in place for Council
Potentially there could be a lack of HR documentation retention and control leading to poor audit trails, a lack of transparency and potential non-compliance with data protection requirements	- There is adequate processes and procedures for documenting information on recruitment, retention, learning and development. - All performance review documentation is stored in locked cabinets or secure CCAG systems accessible only using passwords - Access to recruitment and performance review documentation is restricted only to those who require it.

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Appendix III: Points for the Attention of Management

Post Training Evaluation
Following attendance at a training course, staff are requested to complete a course evaluation form. We were advised that evaluation forms are generally completed post completion of training courses provided by external bodies but these are not always returned to the HR. Where forms have been returned to HR, these are reviewed informally within the team. Evaluation of training courses is a useful mechanism for the Organisational Development/Human Resources Department to evaluate courses and ensure that these meet the needs of those seeking training therefore a formal evaluation process is recommended. Staff should be reminded of the importance of completing course evaluation forms to enable the Organisational Development/Human Resources Department to analyse courses and ensure that these continue to meet the changing needs of the Council.
Management Response: Agreed. OD/HR Manager, implementation date 1 April 2019