



**Consultants, Interims and Specialists**  
**City of York Council**  
**Internal Audit Memo**

Service Area: Human Resources and Procurement  
Responsible Officer: Head of Business HR  
Date Issued: 24 July 2015

## 1.0 Introduction and scope

- 1.1 The audit of Consultants, Interims and Specialists was included in the 2014-15 audit plan. The initial scope was to audit policies and procedures applied across the council for engaging these types of staff.
- 1.2 Discussions were held with key officers in November 2014 in order to agree a detailed scope. At this time, a revised framework for the appointment of such staff was being developed and it was agreed with the Head of Business HR to defer the audit until early 2015.
- 1.3 In the meantime, transitional arrangements had been put in place and agreed by CMT in May 2014 as a way forward xxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxx
- 1.4 These transitional arrangements, which relate specifically to senior level consultants, Interims and Specialists, are in place until the revised framework can be implemented. HR and Procurement are in the process of completing a new contract with NEPRO for the managing of consultants, interims and specialists within the council.
- 1.5 As at February 2015, the revised framework was still under development. Therefore, it was agreed with the Head of Business HR to complete a review of the current arrangements and provide an assessment on their effectiveness. This review carried out a snapshot of the transitional arrangements currently in place for consultants, interims and specialists.
- 1.6 For the transitional arrangements, it was agreed that a business case or statement of need would be completed, in every case, for the request for an interim or specialist resource. This request would be forwarded to the Head of Business HR and it would be their responsibility to discuss the request with the relevant parties. They would make a decision as to whether they agreed with the request and would then forward it to the Chief Executive and Director of CBSS for approval (in the same manner that is currently carried out for redundancies) or reject the request made. The Head of Business HR would where appropriate coordinate the approval of the Chief Executive and Director of CBSS and would advise on the preferred route to market.
- 1.7 The Head of Business HR is therefore acting as a gatekeeper in this transitional process.

## 2.0 Findings

### Sample testing

- 2.1 Procurement provided a list of all consultants, interims or specialists who had been brought into the council using the transitional process (From May 2014). At the time the list was requested 12 individuals had been contracted to work with the council. Of the 12 individuals, further information relating to the initial request through to the authorisation process was requested on 6. This formed our audit sample.

2.2 It was found that whilst the Head of Business HR had authorised the requests, the evidence available to support the decisions was only email correspondence. xxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxx Going forward there should be clear authorisation retained as evidence to support such requests.

2.3 Within some of the requests made to the Head of Business HR, specific individuals and costs were discussed. This pre-empts the Head of Business HR advising on the correct route and opens the council up to allegations of impropriety which, in the absence of robust processes, cannot fully be refuted.

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### Data Integrity

2.5 As part of the review, the auditor tried to ascertain the total number of consultants, interims and specialists working within the council (broken down into those categories) as at 1 March 2015<sup>1</sup>. It was found that the data requested is not captured in such a way as to pull together the information easily. It was therefore not possible to conclude the number of consultants, interims or specialists working within the council, however the total spend for this area could be retrieved from the ledger.

2.6 Information provided subsequent to the review confirmed that £2.88M had been spent in this area for the financial year 2014/15.

## 3.0 Conclusions and Recommendations

3.1 Although the current transitional processes are not ideal it has brought all appointments of consultants, interims and specialists clearly into the scope of HR and Procurement. Whilst there is a lack of supporting evidence, the Head of Business HR is acting as the key control (in his role as gatekeeper).

3.2 However, the evidence for decisions is lacking and officers were unable to provide a full list of the number of consultants, interims or specialists currently working for the council.

3.3 The known issues are being addressed within the new contract with NEPRO and Veritau will be working with HR and Procurement to ensure that recommendations from previous audit reports are included in any new processes.

<sup>1</sup> The question asked was for: *A list of all Interims, Specialists and Consultants who are working for the council as at 1 March 2015, using the definitions in Appendix A.*

- 3.4 Consideration should also be given to how data is captured in order to provide clear management information on consultants, interims and specialists and on clarifying the definitions that will be used going forward. Suggested definitions were taken to CMT to agree (appendix A), these should become the generic definitions used going forward.

**Definitions:** as agreed by CMT May 2014

It is helpful to agree definitions of interims and specialists to determine the correct route for appointment and the following are suggested for future use:

***Casual worker***

A worker likely to be paid within the council's 12 grade pay structure – all requests to be placed via Work with York (part of City of York Trading Ltd). This will ensure all spend is directed at a wholly owned council company and in line with Cabinet's decision made in July 2013.

***Interim***

Likely to be a senior manager at Director/ Assistant Director or equivalent, and may require a specialist search and selection approach.

***Specialist***

A specialist who is appointed on a daily rate via an agency.

***Consultant***

A resource who is procured through the council's procurement process and paid via a private company.

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