



# Recruitment Checks

## City of York Council

### Internal Audit Report 2015/16

Business Unit: Customer & Business Support Services  
Responsible Officer: Assistant Director – Customer Service & Governance  
Service Manager: Business Change and Performance Manager  
Date Issued: 16/11/2015  
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	P1	P2	P3
<b>Actions</b>	<b>0</b>	<b>3</b>	<b>3</b>
<b>Overall Audit Opinion</b>	Reasonable Assurance		

# Summary and Overall Conclusions

## Introduction

Recruitment of competent and appropriately qualified staff is essential to the achievement of the council's objectives and in the execution of its duties. Therefore, it is crucial that rigorous pre-employment checks are undertaken in order to detect fraudulent applications and to avoid the appointment of candidates who are less than suitable. Of equal importance is that this system of pre-employment checks is embedded across the council and is applied consistently such that the risk of employing unsuitable candidates is reduced.

Under the current arrangements, the recruiting manager is required to photocopy original right to work in the UK documentation and qualifications, with recruitment and redeployment staff in the Human Resources Business Centre (HRBC) ultimately responsible for determining the acceptability of these documents and for obtaining the remaining checks (Disclosure and Barring Service (DBS) clearance, employment references, medical, register of interests etc.). References received into the HRBC are sent to the recruiting manager for approval. Agency staff are not recruited through the HRBC but through Work with York. However, if a candidate were to be successful in obtaining a temporary, fixed term or permanent role within the council, pre-employment checks would be redone by the Human Resources recruitment team within the HRBC.

An electronic record of the entire vetting process is maintained for all council employees (including agency staff) in their personal files on Documentum.

## Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- Recruitment policy or guidance is available that covers the entire vetting process
- Suitable pre-employment checks are undertaken and evidence of these checks is retained
- The existing vetting process is in line with best practice
- Applicants are appointed only after the full vetting exercise has been undertaken

## Key Findings

Overall, no major issues were found with the recruitment check process. However, some issues which would warrant management's attention were identified, the most serious of which was the apparent failure to obtain DBS clearances for two individuals who had, at the time of audit testing, been employed by the council for several months. This suggests that the hastening process is not operating effectively on occasions

where clearances have not been obtained prior to the commencement of employment. In addition, there is an issue with the timeliness of obtaining DBS clearances xxxxxxxxxxxxxxxxxxxxxx and manager approval of references.

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The arrangements surrounding recruitment checks for agency staff employed through agencies other than Work with York were reviewed. This revealed that recruiting managers need to ensure that they are aware of the terms of the contracts held with agencies in respect of suitability checking and to communicate more effectively with HR in cases where the council is expected to conduct its own checks in order that this is done correctly.

As part of the audit, guidance documents supporting the Recruitment and Selection policy were reviewed. These were reasonably comprehensive but did not include the internal process for DBS clearances. The documents were also found to be outdated with regards to occupational health referrals and, in some instances, contained conflicting information. Nonetheless, satisfactory counter fraud measures are in place, with the procedures for obtaining employment references being particularly robust.

## **Overall Conclusions**

It was found that the arrangements for managing risk were satisfactory with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

## 1 DBS clearances

### Issue/Control Weakness

DBS clearances have not been obtained.

### Risk

Vulnerable persons may have been put at risk of harm or sensitive data compromised.

### Findings

Testing of new starters included 8 where DBS clearance was required. Errors in the retention of these documents were observed in 2 (25%) of these cases. In the first instance, DBS clearance has not been received (as at 17/08/2015). Whilst a risk assessment had been completed, this is a temporary arrangement, with the employee being given restricted access to vulnerable persons or sensitive data until clearance has been received.

In the second instance, HR had requested that the original certificate be brought to interview in order that a DBS1 or DBS Update Service form could be completed. No evidence of DBS clearance is held on file and no risk assessment had been completed.

There was one further instance where the recruitment file could not be located. However, the member of staff is xxxxxxxxxxxxxxx and, therefore, it is unlikely that a DBS check would have been required.

### Agreed Action 1.1

HR will issue a reminder to recruiting managers reiterating the importance of ensuring that DBS clearance has been obtained for all posts for which this clearance is required and to complete a DBS1 or DBS Update Service form as appropriate.

HR undertakes periodic reviews of schools and directorate DBS logs to ensure that all clearances have been received. However, this is currently done on a more ad-hoc basis. A definitive schedule for these reviews will be established and the process adopted as a formal procedure within HR.

#### Priority

2

#### Responsible Officer

Team Leader  
(Customers &  
Resourcing)

#### Timescale

29 January 2016

**2 xxxxxxxxxxxxxxxxxxxxxx**

**Issue/Control Weakness | Risk**

xxxxxxxxxxxxxxxxxxxx.

xxxxxxxxxxxxxxxxxxxx.

**Findings**

xxxxxxxxxxxx.

**Agreed Action 2.1**

xxxxxxxxxxxxxxxxxxxx.

<b>Priority</b>	2
<b>Responsible Officer</b>	Team Leader (Customers & Resourcing)
<b>Timescale</b>	29 January 2016

### 3 Pre-employment check arrangements for agency staff

Issue/Control Weakness	Risk
Arrangements in place with agencies for pre-employment clearances.	The council employs an individual through an agency who is not suitable to perform the assignment as described in the contract.

#### Findings

During audit testing it was discovered that, across the council, several agencies other than Work with York are used. Managers from the departments employing agency staff were contacted and the contracts held with these agencies obtained. In the majority of cases the contracts made it clear that the agency would conduct the suitability checks, in which case evidence of these checks would not necessarily be held by the departments. However, other contracts specified that responsibility for determining the suitability of the individual rests with the council, while another was not specific in this respect and made it clear that the agency would not accept liability should the individual prove to be unsuitable. In a further case, contractual arrangements were found not to be in place for a service provided by individuals independent of the council and only limited consideration of the need to obtain pre-employment clearances had been given.

Some responses from managers indicated that DBS clearances had been coordinated by the council though no record of this was able to be found on the recruitment folders in Documentum and HR had previously informed the auditor that it has had no involvement with staff recruited through agencies.

#### Agreed Action 3.1

Guidance will be issued to recruiting managers reaffirming the need to fully understand the terms of the contracts held with agencies in respect of pre-employment clearances and to ensure that, where contracts specify that the council is responsible for these clearances, the necessary checks are undertaken.

<b>Priority</b>	2
<b>Responsible Officer</b>	Head of Business HR
<b>Timescale</b>	29 January 2016

HR will liaise with Work with York to ensure that this same advice is given to managers on occasions when they are unsuccessful in recruiting through the agency.

## 4 Guidance documents

### Issue/Control Weakness

The guidance made available to staff is outdated and conflicting.

### Risk

The recruitment process does not proceed in line with council policy.

### Findings

The Recruitment and Selection Policy is enacted through guidance notes produced by HR. These are available to all staff via the intranet.

The following issues were observed with the guidance documents:

- Eligibility to work in the United Kingdom: an external link to Home Office guidance on preventing illegal working is provided but this does not redirect to the website.
- Verification of qualifications and professional body registration: the provisional offer letter sent to candidates asks that copies be sent to the HRBC. However, the guidance notes state that originals must be examined for authenticity and then photocopied and scanned.
- Employment references: the 'Safeguarding Vulnerable Groups' section references the Criminal Records Bureau which has now been replaced by the Disclosure and Barring Service.
- A link is provided to the Disclosure and Barring Service webpage which contains details on the checks themselves, eligibility criteria, code of practice for recipients and information on regulated activity. This information is useful in determining the appropriate level of clearance for a post and for fulfilling obligations on the use and retention of these documents. However, there is no specific guidance available on the internal procedures for confirming DBS clearance (i.e. the requirement for the line manager to see the original certificate in order to complete a DBS1 or DBS Update Service form).
- Medical clearance: this suggests that HR will send all pre-employment health questionnaires to the occupational health specialist regardless of responses to the health questions. As the procedure currently stands, HR send the candidate a Work Health Assessment Form (WHAF) on offer of conditional employment and this is only referred to the occupational health specialist should responses raise concern or the hazards associated with the post require this.

## Agreed Action 4.1

There are already plans for the Recruitment and Selection Policy to be updated before implementation of the new recruitment module on iTrent. The content of the guidance documents enacted through this policy will be reviewed to ensure that they reflect current working practices.

**Priority**

3

**Responsible Officer**

Team Leader  
(Customers &  
Resourcing)

**Timescale**

29 January 2016



## 5 Instruction on qualification certificates

### Issue/Control Weakness

Conflicting instruction is provided as to the procedure for accepting qualification certificates.

### Risk

Increased likelihood of fraudulent qualification certificates being accepted as genuine.

### Findings

Attached to the interview pack email (circulated to the interview panel to instruct on the interview process) is a document entitled 'Note to Interview Panel'. This explains that original qualification certificates must be brought to interview. However, based on discussions held with the HRBC team and review of the conditional offer letter, copies (i.e. not originals) are requested. Essentially, therefore, it appears that line managers are being asked to certify a photocopy of a photocopy. Written instruction is provided on the email itself and this also seems to suggest that photocopies should be taken of the copies brought to interview by the candidate and then certified. Furthermore, the invitation to interview letter states that 'proof' is required, though it is not explicit as to what this means.

### Agreed Action 5.1

HR will amend the content of the conditional offer letter in respect to qualification certificates so that it is clear that original versions must be provided. The content of both the interview pack email and invitation to interview letter will also be amended to bring the instructions in line with the revised conditional offer letter.

#### Priority

3

#### Responsible Officer

Team Leader  
(Customers &  
Resourcing)

#### Timescale

29 January 2016

## 6 Timeliness of pre-employment checks

### Issue/Control Weakness

Employees commence work before the completion of the full pre-employment check process.  
The hastening process post-employment appears not to be effectively regulated for DBS and right to work clearances.

### Risk

Unsuitable employees recruited by the council may remain undetected.

### Findings

A sample of new starters who had obtained DBS clearance was taken. In 24% of these cases, issues with the timeliness of these clearances were observed. In two of these cases, the clearances were received between 1 and 8 working days after the confirmed start date. One clearance is still awaited some 10 months after the employee's start date and has been only recently hastened. For the final case, it has not been possible to establish (based on the evidence on file) that a DBS1 form had been completed at all and, as such, is not considered to be timely.

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In 10% of cases issues were found with the timeliness of manager approval of employment references. In one case, approval was given after the employee had been in work for one day. In another instance, HR had not sent the references to the manager for their approval. In the final case, the missing recruitment file discussed above has meant that it has not been possible to confirm whether or not manager approval had been obtained prior to the commencement of employment.

### Agreed Action 6.1

HR will email recruiting managers, reminding them of the need to ensure that all pre-employment clearances have been returned before a start date can be confirmed.

Consideration will also be given to maintaining a log of 'frequent offenders' so that targeted reminders can be issued to those individuals who regularly set start dates before the pre-employment exercise has been concluded.

**Priority**

3

**Responsible Officer**

Team Leader  
(Customers &  
Resourcing)

**Timescale**

29 January 2016

# Audit Opinions and Priorities for Actions

## Audit Opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

## Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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