ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	28 November 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2422 – Recruitment
REPORT NUMBER	IA/AC2422
DIRECTOR	N/A
REPORT AUTHOR	Jamie Dale
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

1.1 The purpose of this report is to present the planned Internal Audit report on Recruitment.

2. RECOMMENDATION

2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix.

3. CURRENT SITUATION

3.1 Internal Audit has completed the attached report which relates to an audit of Recruitment.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

7.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations, consistent with the Council's Risk Appetite Statement, are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

8. OUTCOMES

8.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.

8.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Privacy Impact Assessment	Not required

10. BACKGROUND PAPERS

10.1 There are no relevant background papers related directly to this report.

11. APPENDICES

11.1 Internal Audit report AC2422 – Recruitment

12. REPORT AUTHOR CONTACT DETAILS

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Internal Audit

Assurance Review of Recruitment

Status: Final
Date: 06 August 2024
Risk Level: Corporate

Report No: AC2422
Assurance Year: 2023/24

Net Risk Rating	Description	Assurance Assessment
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	**Reasonable**

Report Tracking	Planned Date	Actual Date
Scope issued	19-Feb-24	19-Feb-24
Scope agreed	26-Feb-24	22-Feb-24
Fieldwork commenced	01-Mar-24	01-Mar-24
Fieldwork completed	29-Mar-24	04-Jul-24
Draft report issued	03-May-24	11-Jul-24
Process owner response	24-May-24	25-Jul-24
Director response	31-May-24	06-Aug-24
Final report issued	07-Jun-24	06-Aug-24
Audit Committee	26-Sep-24	

Distribution	
Document type	Assurance Report
Director	Andy MacDonald, Director – Customer Services
Process Owner	Lesley Strachan, Service Lead – People
Stakeholder	Isla Newcombe, Chief Officer – People & Citizen Services
	Vikki Cuthbert, Interim Chief Officer - Governance*
	Jonathan Belford, Chief Officer - Finance*
*Final only	External Audit*
Lead auditor	Rachel Brand, Auditor

1 Introduction

1.1 Area subject to review

Aberdeen City Council is committed to adopting modern, efficient, flexible, and fair recruitment and selection practices in order to appoint the best possible people who will help ensure quality service delivery to our customers.

Effective recruitment and selection depends upon identifying and selecting individuals with the appropriate level of skills, knowledge, and behaviours and those who will readily identify with the aims and objectives of the Council while making a positive and valuable contribution towards them. This in turn will help to improve staff and customer experience and the use of resources.

The recruitment and selection process also offers an opportunity to promote the Council as an employer of choice. Recruiting managers should aim to enhance the Council's reputation by maintaining a professional approach throughout the process.

1.2 Rationale for the review

The objective of this audit is to evaluate the adequacy and effectiveness of internal controls over the recruitment processes. Potential risks in this area include being able to attract, select and retain the right quality of candidates, ensuring only those eligible to work in specific roles are offered employment, and developing the workforce in accordance with strategic plans.

This audit was previously carried out in 2015/16 (AC1601), where a number of recommendations were made across the whole process for improvement. These included: ensuring all PVG checks are carried out prior to starting in post, ensuring procedures and policies are reviewed and kept up to date, ensuring appropriate records are kept for all candidates - whether successful or not, and evidencing authorisations for higher salary gradings.

1.3 How to use this report

This report has several sections and is designed for different stakeholders. The executive summary (section 2) is designed for senior staff and is cross referenced to the more detailed narrative in later sections (3 onwards) of the report should the reader require it. Section 3 contains the detailed narrative for risks and issues we identified in our work.

2 Executive Summary

2.1 Overall opinion

The full chart of net risk and assurance assessment definitions can be found in Appendix 1 – Assurance Scope and Terms. We have assessed the net risk (risk arising after controls and risk mitigation actions have been applied) as:

Net Risk Rating	Description	Assurance Assessment
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement w ere identified, which may put at risk the achievement of objectives in the area audited.	**Reasonable**

The organisational risk level at which this risk assessment applies is:

Risk Level	Definition
Corporate	This issue / risk level impacts the Council as a w hole. Mitigating actions should be taken at the Senior Leadership level.

2.2 Assurance assessment

The level of net risk is assessed as **MODERATE**, with the control framework deemed to provide **REASONABLE** assurance over the adequacy and effectiveness of internal controls over the Council's recruitment processes.

In general there is clear guidance on the required process, which has recently been reviewed and rationalised to more clearly and concisely set out key roles and tasks, and following which should provide assurance over officers meeting relevant obligations in respect of employment legislation relating to recruitment and selection.

Whilst it was not possible to gain full assurance, due to a lack of responses from recruiting managers contacted as part of the audit (14 (47%) did not respond), where responses were provided positive assurance over the application of the process was obtained.

However, the review identified some areas of weakness where enhancements could be made to strengthen the framework of control, specifically:

- **Employee Files** – The HR Service Centre (HRSC) collates relevant information and documentation into a single file for each employee, known as an employee's personal file. Whilst there are checklists included, covering completion of key recruitment administration tasks, there is no index for each file, and every file was in a different order. This makes it difficult to determine whether files are complete and up to date, without reviewing the entire contents. Within the sample of employee files reviewed there were missing documents. This reduces assurance that all appropriate documents are being correctly completed/obtained and retained, and that all required checks have been carried out during the recruitment process.
- **Recruitment Checklists** – Attached to every employee file is a recruitment checklist that is a record of the recruitment and selection process. This is marked off and dated when each step of the process is completed and any checks required are carried out. The form sets out that if any of the checks are not required, the user should state "N/A" (not applicable) in the relevant column. However, not all checks had been completed meaning it was unclear if the check was not completed or if it was not required. Variations in recording present a risk that not all recruitment checks will have been completed satisfactorily in advance of an employee joining the Council. In the event of an error, this could result in additional cost, and reputational damage.
- **Interviews** – Out of 30 cases reviewed, there was no record of 16 Recruiting Managers (53%) having undertaken the appropriate recruitment and selection training course. In 10 of the cases (33%), none of the panel members, including the Recruiting Manager, if present, had a record of having completed the training course. If there are insufficient suitably trained staff on

interview panels, the quality and consistent application of the recruitment process could be adversely affected. In the event of any issues or challenges regarding the process, this could result in reputational damage, and potential costs.

- **PVG Dispensation** – For regulated work with children or vulnerable adults, PVG (Protection of Vulnerable Groups) membership must be established and record received and checked prior to offering a preferred candidate the job. Failure to do so could result in the Council employing unsuitable staff, putting service users at risk. The Council does however have an agreed temporary dispensation process whereby a Chief Officer (in consultation with the People & OD Manager with Lead responsibility for Disclosure Scotland) may approve a risk assessment for short-term dis-application of this requirement, subject to the application of agreed mitigating controls to avoid service users being placed at risk, pending receipt of the outcome of a PVG check. In one of the cases reviewed, the preferred candidate had a PVG for children, but the new role required a PVG for both children and adults. There were delays obtaining the correct PVG and as of their start date they did not have the correct updated PVG. Although a risk assessment was undertaken, this was not completed and approved prior to the start date.

Recommendations have been made to address the above risks including reviewing the layout of employee files, and administration of checklists, to ensure all required documentation is in place and has been satisfactorily checked (particularly in respect of PVG checks) in advance of employment being confirmed; and ensuring recruitment panels record that they comprise suitably trained staff.

2.3 Severe or major issues / risks

Issues and risks identified are categorised according to their impact on the Council. The following are summaries of higher rated issues / risks that have been identified as part of this review:

Ref	Severe or Major Issues / Risks	Risk Agreed	Risk Rating	Page No.
1.4	**PVG Dispensation** – For regulated work with children or vulnerable adults, PVG membership must be established and record received and checked prior to offering a preferred candidate the job. Failure to do so could result in the Council employing unsuitable staff, putting service users at risk. The Council does however have an agreed temporary dispensation process whereby a Chief Officer (in consultation with the People & OD Manager with Lead responsibility for Disclosure Scotland) may approve a risk assessment for short-term dis-application of this requirement, subject to the application of agreed mitigating controls to avoid service users being placed at risk, pending receipt of the outcome of a PVG check. In one of the cases reviewed, the preferred candidate was an internal employee with PVG membership (children's register), but the new role required a PVG for both children and adults. There were delays obtaining the updated PVG and as of their start date the updated PVG had not been received. Although a risk assessment was undertaken, this was not completed and approved prior to the start date. This means the employee was working in their new role for one week, prior to receipt of the satisfactory PVG check for adults (but did	Y	**Major**	12

Ref	Severe or Major Issues / Risks	Risk Agreed	Risk Rating	Page No.
	have a valid PVG check for children). The risk was only assessed retrospectively, and not formally signed off by the Chief Officer until four weeks later. Whilst in this instance the outcome was ultimately satisfactory, if employees can commence in posts carrying out regulated work prior to receipt of a satisfactory PVG check, and without a risk assessment being completed in advance, there is a higher risk of employing unsuitable candidates, and placing vulnerable service users at risk of harm.			

2.4   Management response

The Service has welcomed the input of Internal Audit in this area and has worked in partnership to identify potential risks and improvement actions. The audit findings have highlighted a number of areas where we can make improvements to our process, and in particular the need to communicate clearly with recruiting managers that even where a candidate is an internal employee of the council, they cannot commence their new role until such time as they have had confirmation from the HR Service Centre that all preferred candidate checks are complete.

In addition, the audit has identified a need to review some of the methods used to record stages within the recruitment process and how documentation is stored within an employee's personal file.

In terms of the audit findings, and major risk identified, in the PVG Dispensation section (1.4), this was an unusual and isolated case and the risk level was very low (in that a PVG was in place for the employee's current role and any convictions / causes of concern would be known to us as employer). The case relates to an internal employee who's current role involved undertaking regulated work with children and where a PVG check for the children's register was already in place. This employee became the preferred candidate for a role within the Environment team, that would from time to time, involve regulated work with both children and vulnerable adults, and therefore an additional PVG check for the adults register was required.

In this case, the recruiting manager had not appreciated that there was a requirement for the additional PVG for the adults register, and made arrangements for the (internal) employee to transfer over to the new role. As soon as this issue was alerted to the HR Service Centre, a risk assessment as part of the agreed Temporary Dispensation process commenced and 7 days later, the PVG check was received.

In terms of actions, this case has highlighted that there is a need to reinforce the message to recruiting managers of the need to await confirmation from the HR Service Centre that all preferred candidate checks have been completed before they can proceed to agree a start date / or that they follow the temporary dispensation process in terms of seeking approval to commence an employee in advance of the PVG check being completed. This will be done both by re-enforcing this particular point within the recruitment and selection training for managers, the refresher training and the online module that will be developed, as well as within all the correspondence with managers during the recruitment process.

In terms of actions, we accept all the recommendations within the report and will work on providing assurance against these within the agreed timescales as set out within the report.

3 Issues / Risks, Recommendations, and Management Response

3.1 Issues / Risks, recommendations, and management response

Ref	Description	Risk Rating	Moderate
1.1	**Employee Files** - A sample of 30 recruitment exercises concluded in 2024 was reviewed as part of the audit. Documentation was obtained from relevant employee files, and recruiting managers were asked to confirm the process applied during the recruitment process. The HR Service Centre (HRSC) collates relevant information and documentation into a single file for each employee. Whilst there are checklists included, covering completion of key recruitment administration tasks, there is no index for each file, and every file was in a different order. This makes it difficult to determine whether files are complete and up to date, without reviewing the entire contents. Within the sample of employee files reviewed there were missing documents. For example: • Three cases (10%) had no confirmation email from TalentLink attached that the job was approved for advertising *(this confirms Chief Officer, HR, and Finance approval)*. • Whilst the remaining 27 files included confirmation that the vacancy had been approved, there was no indication of who had approved it. Due to the way in which it is recorded, it was also not possible to review and confirm that all vacancies had received Establishment Control Board (ECB) approval. • One file (3%) did not have the job application form attached. • In four cases (13%) no interview details form was attached to the employee file. • In six cases (20%) no interview assessment form was attached to the file for the successful candidate. • Two interviews (7%) did not use the standard assessment forms. • Two (7%) interview assessment forms did not have the names of the panel member/s completing the form recorded. • One (3%) did not have references attached. • Two of the cases (7%) had no employment contract attached, and another (3%) only had part of a contract attached. • Only seven files (23%) held a signed copy of the contract. • In four of seven cases (57%) where an employee was placed above the first point of the job salary grading, no justification had been recorded. This reduces assurance that all appropriate documents are being correctly completed/obtained and retained (or correctly disposed of), and that all required checks have been carried out during the recruitment process.		

IA Recommended Mitigating Actions

The Service should review the layout of the employee file, consider the use of an index at the start listing all attached documents, and ensure all required documentation is correctly completed/obtained, retained, and attached to the file.

Management Actions to Address Issues/Risks

Whilst the audit has shown above that there were some missing items within the personal file, or incomplete forms, we are confident that checks were in place, but may not have been recorded due to human error. It is fully accepted that there can be improvements made to our processes here in terms of improving the recruitment checklist, noting approval to advertise, and interview documentation and the team will review this as soon as possible.

It should be noted that the vacancy approval process is robust and undertaken within Talentlink and a clear audit trail is contained there, ensuring that vacancies would not be advertised 'live' on the myjobscotland website without approval.

In accordance with the audit findings the team will review the recruitment checklist and interview documentation record process to ensure it is accurate and up to date. The HR Service Centre team that undertake recruitment administration will be fully briefed on the revised process and the need to ensure accurate and comprehensive recording for audit purposes.

Employee personal files have been held as pdf documents on a shared network drive for some years, since they were moved from manual, hard-copy files. It is fully accepted that this format provides limitations in terms of the ease of searching for information and lack of indexing and structure.

In accordance with the audit findings, the team will work with colleagues in Design and Technology to investigate options for how these could better be stored, for ease of access and searchability.

Risk Agreed	Person(s)	Due Date
Yes	Service Lead - People	31 December 2024

Ref	Description	Risk Rating	Moderate
1.2	**Recruitment Checklists** - Attached to every employee file is a recruitment checklist that is a record of the process. This is marked off and dated when each step of the process is completed and any checks required are carried out. The form sets out that if any of the checks are not required, the user should state "N/A" (not applicable) in the relevant column.		

However, only four of 30 recruitment checklists reviewed had been fully completed. In each of the remaining 26 cases (87%), checks had not been recorded as complete, reducing assurance that they had been completed or were not required. For example:

- Four checklists (17%), out of 23, showed a PVG was required, but these boxes were left blank, so there was no certainty the PVG had been checked.
- For six of 30 checklists (20%), the boxes in respect of required qualifications were blank, and in one instance it had been marked that qualifications were required but there was no confirmation this had been checked.
- In 19 cases (63%), lines had been deleted from the checklist. Whilst it might be assumed this indicated the checks were not required, it could equally be an error. Clear annotation (e.g. noting a check is not applicable) provides more positive assurance that due consideration has been given to the applicability of each check on the list.
- In one case, the file indicated that a formal offer had been sent to the preferred candidate in error, in advance of all recruitment checks being completed.

Ownership of updates to the checklists is demonstrated through application of the users' initials and date of completion. This is not currently recorded for changes / areas determined as not applicable. Recording this would provide more assurance that due regard has been given prior to recording an item as not required.

Variations in recording present a risk that not all recruitment checks will have been completed satisfactorily in advance of an employee joining the Council. In the event of an error, this could result in additional cost, and reputational damage.

IA Recommended Mitigating Actions

Ref	Description	Risk Rating	Moderate
	The Service should review and confirm all tasks have been completed, recorded as such, and appropriately documented/evidenced prior to setting up an employee on the system.		

Management Actions to Address Issues/Risks
The recruitment checklist document has not been reviewed for some time and it is acknowledged that team members processing the recruitment are perhaps not completing the form as diligently as possible, in all cases, often due to the need to process the appointment as timeously as possible. In particular, leaving sections blank where a check is not required, rather than stating 'not applicable'.
In accordance with the audit findings, the recruitment checklist document will be reviewed to ensure that it is accurate and up to date, recording all the necessary information required for each step of the recruitment process, and HR Service colleagues will be fully briefed on the need to complete the checklist accurately and fully for audit purposes. In addition, options to host the recruitment checklist within TalentLink (or some other digital solution) will be investigated which would reduce the likelihood of gaps, due to the use of mandatory fields, as well as improving the process overall.

Risk Agreed	Person(s)	Due Date
Yes	Service Lead - People	31 December 2024

Ref	Description	Risk Rating	Moderate
1.3	**Interview Panel Composition and Training** - Recruiting Managers will complete an interview details form, which has all the details relating to the interview requirements for Business Services to book in on the TalentLink system.		

As noted above, not all files included an interview details form. In one instance (3%) the names on the form were different from those recorded as having completed the candidate interview assessments. In three cases (10%) there were fewer panel members listed than would normally be required for that type of post. This reduces assurance that interviews are being completed by appropriate staff in line with Council requirements.

The Recruitment and Selection guidance states that the Recruiting Manager should chair the interview panel. Based on the interview details form and interview assessment forms, four cases reviewed (13%) did not have the Recruiting Manager present at the interview. There was no information on file to indicate why this would have been the case, or who had been appointed as chair in the Recruiting Manager's absence. When job advertisements are entered into TalentLink, the person who enters this is recorded as the Recruiting Manager. This was particularly the case in schools, where a member of the Administrative or Support team would enter the job on behalf of the Head Teacher[1]. If there is a facility to record the person creating the advertisement separately from the Recruiting Manager, its use would provide more assurance over the correct workflow.

The Recruitment and Selection guidance states that all recruiting managers should have completed the Recruitment and Selection Training Course, and it is advised that all panel members undertake the training course, but it is not a requirement. The course covers aspects of equality and diversity that are important in undertaking interviews to ensure everyone is treated fairly and equally during the process.

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[1] This is separate from the cases noted above where the Recruiting Manager was not recorded as present

Ref	Description	Risk Rating	Moderate

Out of the 30 cases reviewed, there was no record of 16 Recruiting Managers (53%) having undertaken the recruitment and selection training course. In 10 of the cases (33%), there were no records of any of the panel members, including the Recruiting Manager, if present, having completed the training course.

If there are insufficient suitably trained staff undertaking key roles on interview panels, the quality and consistent application of the recruitment process could be adversely affected. In the event of any issues or challenges regarding the process, this could result in reputational damage, and potential costs.

Recruitment and Selection training is available through regularly scheduled in-person training sessions, supplemented with some online content and guidance. In addition to those without a training record, instances were identified where panel members had completed training several years previously, or had undertaken it as part of an induction process (e.g. Directors, Chief Officers, or Councillors). As the requirements may have changed in the intervening period, it may be appropriate to offer a refresher course. If there were also the option of taking an online course that can be taken at any time, this might reduce the amount of panel members and Recruiting Managers who attend interviews without having completed the training.

IA Recommended Mitigating Actions

The Service should ensure an appropriate level of assurance is obtained and documented that recruitment panels are sufficiently composed and adequately trained, prior to interviews taking place.

Management Actions to Address Issues/Risks

Whilst it is normal practice for the recruiting manager to chair the interview panel, there may be circumstances where this is not possible. An example may include for teaching or business admin roles, where a number of candidates are interviewed for the same role, with the same job profile, but could be placed in a range of establishments with vacancies.

In terms of the audit findings on interview panel composition, these relate to promoted teaching appointments.

In terms of the audit findings on training, it should be recognised that although we endeavour to record those who attend the recruitment and selection training, there may be instances where training / 1-2-1 sessions have taken place and this has not been recorded. The team have undertaken to ensure that going forward this is accurately recorded on the employee's training record within the HR /Payroll system (CoreHR).

In accordance with the audit findings, the following actions will be undertaken:

- *the TalentLink form that managers use to enter the vacancy details into Talentlink will be updated to ensure that roles in the process are clear, e.g. the employee entering the details (e.g. an administrator) and who the recruiting manager is.*
- *the TalentLink form that managers use to enter the vacancy details will be amended to include a question to determine whether the recruiting manager / team have completed their recruitment training and if not, this will be arranged.*
- *panel composition requirements will be reviewed in consultation with the Education management team, guidance amended and this will be communicated to all Head Teachers to ensure they are fully aware of the requirements.*
- *In addition, the recruitment checklist will be reviewed to include a check that the Chair of the Panel (and other panel members) have attended recruitment and selection training.*
- *refresher recruitment and selection training is currently being developed by the Talent Team, which when finalised will be a requirement for managers to complete every 3 years to ensure they are up to date . It is agreed that this refresher training could be provided by an online module, target implementation date 1 January 2025*

Ref	Description	Risk Rating	Moderate
	- regular communications will be undertaken via a range of communications channels to reinforce the importance of completing the recruitment and selection training, the requirement for refresher training and the online module once implemented.		

Risk Agreed	Person(s)	Due Date
Yes	Service Lead - People	31 December 2024

Ref	Description	Risk Rating	Major
1.4	**PVG Dispensation** – For regulated work with children or vulnerable adults, PVG membership must be established, and the record received and checked prior to offering a preferred candidate the job. Failure to do so could result in the Council employing unsuitable staff, putting service users at risk. The Council does however have an agreed temporary dispensation process whereby a Chief Officer (in consultation with the People & OD Manager with Lead responsibility for Disclosure Scotland) may approve a risk assessment for short-term dis-application of this requirement, subject to the application of agreed mitigating controls to avoid service users being placed at risk, pending receipt of the outcome of a PVG check.		

In one of the cases reviewed, the preferred candidate was an internal employee with PVG membership (children's register), but the new role required a PVG for both children and adults. There were delays obtaining the updated PVG and as of their start date the updated PVG had not been received. Although a risk assessment was undertaken, this was not completed and approved prior to the start date:

- Start date: 01/04/24
- PVG recorded as received: 08/04/24 (documented but not evidenced in file, as these are not permitted to be retained)
- Risk assessment completed: 09/04/24
- Chief Officer approval: 25/04/24

This means the employee was working in their new role for one week, prior to receipt of the satisfactory PVG check for adults (but did have a valid PVG check for children). The risk was only assessed retrospectively, and not formally signed off by the Chief Officer until four weeks later.

Whilst in this instance the outcome was ultimately satisfactory, if employees can commence in posts carrying out regulated work prior to receipt of a satisfactory PVG check, and without a risk assessment being completed in advance, there is a higher risk of employing unsuitable candidates, and placing vulnerable service users at risk of harm.

IA Recommended Mitigating Actions

Controls should be implemented to ensure employment in regulated work cannot commence until a satisfactory PVG check, or approved dispensation, has been confirmed.

Management Actions to Address Issues/Risks

As outlined in the management response at section 2.4, having investigated the particular case, this is an unusual and an isolated incident. It relates to an internal employee, and the risk level was very low (in that a PVG was in place and any convictions / causes of concern would be known to us as employer).

In terms of actions, this case has highlighted that there is a need to reinforce the message to recruiting managers of the need to await confirmation from the HR Service Centre that all preferred candidate checks have been completed before they can proceed to agree a start

Ref	Description	Risk Rating	Major
	date / or that they follow the temporary dispensation process in terms of seeking approval to commence an employee in advance of the PVG check being completed. This will be done both by re-enforcing this particular point within the recruitment and selection training for managers, the refresher training and the online module that will be developed, as well as within all the correspondence with managers during the recruitment process.		

Risk Agreed	Person(s)	Due Date
Yes	Service Lead - People	31 August 2024

4 Appendix 1 – Assurance Terms and Rating Scales

4.1 Overall report level and net risk rating definitions

The following levels and ratings will be used to assess the risk in this report:

Risk Level	Definition
Corporate	This issue / risk level impacts the Council as a whole. Mitigating actions should be taken at the Senior Leadership level.
Function	This issue / risk level has implications at the functional level and the potential to impact across a range of services. They could be mitigated through the redeployment of resources or a change of Policy within a given function.
Cluster	This issue / risk level impacts a particular Service or Cluster. Mitigating actions should be implemented by the responsible Chief Officer.
Programme and Project	This issue / risk level impacts the programme or project that has been reviewed. Mitigating actions should be taken at the level of the programme or project concerned.

Net Risk Rating	Description	Assurance Assessment
Minor	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Substantial
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	Reasonable
Major	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Limited
Severe	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	Minimal

Individual Issue / Risk Rating	Definitions
Minor	Although the element of internal control is satisfactory there is scope for improvement. Addressing this issue is considered desirable and should result in enhanced control or better value for money. Action should be taken within a 12 month period.
Moderate	An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on the audited area's adequacy and effectiveness. Action should be taken within a six month period.
Major	The absence of, or failure to comply with, an appropriate internal control, which could result in, for example, a material financial loss. Action should be taken within three months.
Severe	This is an issue / risk that could significantly affect the achievement of one or many of the Council's objectives or could impact the effectiveness or efficiency of the Council's activities or processes. Action is considered imperative to ensure that the Council is not exposed to severe risks and should be taken immediately.

5 Appendix 2 – Assurance Scope and Terms of Reference

5.1 Area subject to review

Aberdeen City Council is committed to adopting modern, efficient, flexible, and fair recruitment and selection practices in order to appoint the best possible people who will help ensure quality service delivery to our customers.

Effective recruitment and selection depends upon identifying and selecting individuals with the appropriate level of skills, knowledge, and behaviours and those who will readily identify with the aims and objectives of the Council while making a positive and valuable contribution towards them. This in turn will help to improve staff and customer experience and the use of resources.

The recruitment and selection process also offers an opportunity to promote the Council as an employer of choice. Recruiting managers should aim to enhance the Council's reputation by maintaining a professional approach throughout the process.

5.2 Rationale for review

The objective of this audit is to evaluate the adequacy and effectiveness of internal controls over the recruitment processes. Potential risks in this area include being able to attract, select and retain the right quality of candidates, ensuring only those eligible to work in specific roles are offered employment, and developing the workforce in accordance with strategic plans.

This audit was previously carried out in 2015/16 (AC1601), where a number of recommendations were made across the whole process for improvement. These included: ensuring all PVG checks are carried out prior to starting in post, ensuring procedures and policies are reviewed and kept up to date, ensuring appropriate records are kept for all candidates - whether successful or not, and evidencing authorisations for higher salary gradings.

5.3 Scope and risk level of review

This review will offer the following judgements:

- An overall **net risk** rating at the **Corporate** level.
- Individual **net risk** ratings for findings.

Please see for details of our risk level and net risk rating definitions.

5.3.1 Detailed scope areas

As a risk-based review this scope is not limited by the specific areas of activity listed below. Where related and other issues / risks are identified in the undertaking of this review these will be reported, as considered appropriate by IA, within the resulting report.

The specific areas to be covered by this review are:

- **Procedures and Policies**
  - Clarity and content, including legal obligations, and required documentation.
  - Requirements for clusters / managers, and the P&OD Team.
  - Governance and approvals.
  - Systems, document retention, and data protection.
- **Approvals**
  - New posts and extensions to fixed term posts.
  - Commencement of recruitment.
  - Selection, grading, placement, contract length, allowances, and incentives.
  - Interview expenses.
- **Recruitment and Selection**
  - Panel composition and training.

- o Record keeping, documented decision making, and evidenced adherence to procedure.
  - **Eligibility and Checks**
    - o Evidenced and checked in advance of formal offer of employment:
      - Right to work in the UK.
      - Disclosure Scotland and PVG checks.
      - Qualifications and licences.

5.4 Methodology

This review will be undertaken through interviews with key staff involved in the process(es) under review and analysis and review of supporting data, documentation, and paperwork. To support our work, we will review relevant legislation, codes of practice, policies, procedures, and guidance.

Due to hybrid working across the Council, this review will be undertaken primarily remotely.

5.5 IA outputs

The IA outputs from this review will be:

- A risk-based report with the results of the review, to be shared with the following:
  - o Council Key Contacts (see 1.7 below)
  - o Audit Committee (final only)
  - o External Audit (final only)

5.6 IA staff

The IA staff assigned to this review are:

- Rachel Brand **(audit lead)**
- Colin Harvey, Audit Team Manager
- Jamie Dale, Chief Internal Auditor **(oversight only)**

5.7 Council key contacts

The key contacts for this review across the Council are:

- Andy MacDonald, Director – Customer Services
- Lesley Strachan, Service Lead – People **(process owner)**
- Lindsay MacInnes, Interim Chief Officer – People & Organisation Development and Customer Experience

5.8 Delivery plan and milestones

The key delivery plan and milestones are:

Milestone	Planned date
Scope issued	19-Feb-24
Scope agreed	26-Feb-24
Fieldwork commences	1-Mar-24
Fieldwork completed	29-Mar-24
Draft report issued	3-May-24

Milestone	Planned date
Process owner response	24-May-24
Director response	31-May-24
Final report issued	07-Jun-24