

AGENDA MANAGEMENT SHEET

Name of Committee Resources and Performance & Development Overview & Scrutiny Committee

Date of Committee 13th January 2009

Report Title Recruitment Practice Standards

Summary This report confirms that since the establishment of the HR Service Centre compliance with corporate recruitment standards has improved significantly, particularly in relation to obtaining references

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Would the recommended decision be contrary to the Budget and Policy Framework? No

Background papers Internal audit report on recruitment practices (30th September 2008)

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members
- Cabinet Member
- Chief Executive
- Legal
- Finance
- Other Strategic Directors
- District Councils

Health Authority

Police

Other Bodies/Individuals

FINAL DECISION Yes

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by
this Committee

To Council

To Cabinet

To an O & S Committee

To an Area Committee

Further Consultation

Agenda No

Resources and Performance & Development Overview & Scrutiny Committee – 13th January 2009

Recruitment Practice Standards

Report of the Strategic Director, Performance & Development

Recommendation

That the Committee note the improvement in rates of compliance with corporate recruitment standards that has occurred since the establishment of the HR Service Centre.

Background

1. Members may recall that, in 2006, concern was expressed about the levels of compliance with corporate standards of recruitment practice across the Authority, particularly in relation to obtaining references. This concern had arisen following the case of a particular unsatisfactory appointment which, it transpired, had been made without obtaining references nor following the Council's probationary process.
2. A subsequent internal audit revealed that the Council's policy of obtaining two satisfactory references was being complied with in 51% of appointments and in 41% of cases a probationary process been fully completed.
3. In response, guidance and support was provided to managers to remind them of their responsibilities in this area. A further audit, undertaken in 2007, showed some improvement, with two satisfactory references being obtained in 68% of appointments and a 60% compliance with probationary processes.
4. While these improvements were welcome, the results still fell well short of the degree of reassurance that we require on standards of recruitment practice.
5. The long-term solution was felt to lie with the establishment of the HR Service Centre, one of the purposes of which was to ensure that a single consistent standard of recruitment practice was to apply throughout the Council. In particular, the co-location of recruitment and payroll administration would make it practical to impose a requirement that all pre-employment checks are completed before new employees are entered onto the payroll.

6. The HR Service Centre opened in September 2007. Allowing for a period of settling-in and transfer of processes, a further internal audit was carried out in the summer of 2008, the results of which are summarised below.

Internal audit report results

7. The results are summarised as follows,
 - A sample of new appointments made between 1st January and 30th June 2008 showed evidence of a 91.9% level of compliance with the prescribed standard of obtaining two satisfactory references before appointment (compared with 68% compliance reported in the previous audit). A further 5.4% of appointments had one satisfactory reference recorded.
 - A sample of new appointments made between 1st September 2007 and 31st March 2008 showed evidence of a 66.6% level of completion of probationary processes (compared with 60.0% compliance reported in the previous audit)
 - A sample of new appointments made between 1st September 2007 and 30th June 2008 showed evidence of an 89% level of compliance with the prescribed requirement that evidence of eligibility to work in the UK be obtained before appointment. This standard was not previously audited, but is an important pre-employment check that carries potential legal risks if it is not properly completed.

Conclusions

8. In respect of obtaining **references**, it seems clear that the inception of the HR Service Centre and the associated introduction of a consistent recruitment process has succeeded in greatly improving compliance with this important element of the recruitment process.
9. While a 100% compliance would be ideal, there are clearly occasional circumstances where obtaining two references may not be practical or useful—for example, where someone has worked for a single employer for many years a second reference may be of little worth. Therefore, in exceptional circumstances, the HR Service Centre will exercise a degree of discretion in respect of compliance with this standard.
10. Accordingly, it is considered that compliance with this standard is at a level where further monitoring should now be exercised through the regular performance management of the Centre.
11. Compliance with **probationary processes** has also improved and, again, it is accepted that there will be some circumstances where it is not appropriate to follow the prescribed process.
12. However, a compliance rate of 66.6% is not considered strong enough. This is a process where the scope for the HR Service Centre to exercise control is more limited but instead depends upon line managers and the strength of the advice they receive from HR advisors. Accordingly, it is proposed that the

newly formed HR Advisory Centre should be requested to prioritise this as an area for improvement.

13. Finally, it is clear that in the majority of cases we have obtained clear evidence of employees' **eligibility to work in the UK**. It is important to understand that this requirement is applied to everyone and not just those who might appear to be non-UK or EU citizens. Thus, it may be understandable that in some areas there has been some slowness to recognise the importance of these checks.
14. Nevertheless, this is an area where we should be aiming for 100% compliance, and to that end it is proposed that this, again, should be a prescribed element in the performance monitoring of the HR Service Centre.

David Carter
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21st December 2008

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