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Standards and Audit Committee

Tuesday, 21 November 2023 at 7.30 pm

Council Chamber - Civic Centre

Supplementary Agenda

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Internal Audit

FINAL

Runnymede Borough Council

Assurance Review of Housing Repair and Maintenance

2023/24

September 2023

Agenda Item 5

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Failure to comply with regulator's code - and new definition of the 'Decent Homes Standard

KEY STRATEGIC FINDINGS



A sample of 10 works orders were reviewed. It was noted that in five out of 10 cases the Northgate portal had not be updated by M.C.P. Property Group Limited to indicate that the job had been completed or cancelled. As a result, no payments relating to the completed job had been and no post inspections had taken place or variation orders raised. However, no recommendation has been raised as these issues have been raised as part of the performance monitoring meetings and should be resolved once the interface between the BARIS system and Northgate (now NEC) is complete.



Though M.C.P Property Group Limited do provide Key Performance Indicators data this data cannot be currently verified. However, no recommendation has been raised as this should be resolved once the interface between the BARIS system and Northgate (now NEC) is complete

GOOD PRACTICE IDENTIFIED



There are several good practices that have been adopted. There are contract review meetings held monthly and strategic review meetings held quarterly where major issues relating to the contract are being discussed and noted.

SCOPE

The purpose of the audit was to review the overall management of the Housing Repair and Maintenance Service. The review included the following key areas.

- Policies and procedures.
- Pre property inspections.
- Raising Works Orders.
- Variations.
- Completions and post completion inspections.
- Contractor Payments.
- Tenant satisfaction.

ACTION POINTS

| Urgent | Important | Routine | Operational |
|--------|-----------|---------|-------------|
| 0 | 0 | 0 | 0 |

• And Performance management and reporting.

Assurance - Key Findings and Management Action Plan (MAP)

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------------------------------|-----------|---------|----------------|----------|---------------------|-------------------------------------|---------------------------------|
| No recommendations were made | | | | | | | |

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

| Ref | Risk Area | Finding | Suggested Action | Management Comments |
|---|-----------|---------|------------------|---------------------|
| No operational effectiveness matters were identified. | | | | |

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

| Ref | Expected Key Risk Mitigation | Effectiveness of arrangements | Cross Reference to MAP | Cross Reference to OEM |
|-----|--|-------------------------------|------------------------|------------------------|
| GF | Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation. | In place | - | - |
| RM | Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register. | In place | - | - |
| C | Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance. | In place | - | - |

Other Findings



Discussions with the Head of Housing Technical Services confirmed that with regard to responsive repairs and void services the contract has been tendered appropriately and was awarded to M.C.P Property Group Limited for an initial period of five years commencing on the 1st April 2023 with an option at the employer's discretion to extend for a further five year period.

The contract with M.C.P Property Group Limited was obtained and reviewed. It was noted that the contract was dated 10th November 2022 and had been appropriately signed by both parties.

In addition, the contract covered the following main aspects such as:

- Contract obligation.
- Payments.
- Contract administration.
- Legal proceedings relating to adjudication and arbitration.
- Sub – contracting.
- Performance indicators.

Other Findings



It was confirmed during the previous review that a Housing Asset Management Plan has been developed to cover the period 2021-2026, which was agreed by the Housing Committee in March 2021 and further updated and presented to Committee in September 2021. The plan focuses on achieving and maintaining homes at the government's 'Decent Homes Standard' and highlights the Council's aspirations for its housing stock over the next five years, being:

- Good quality homes.
- New council owned homes.
- Environmental sustainability.
- Properties that are safe and where risks are managed.
- Investment into our retirement living accommodation.
- A wider review of our assets.

Discussions with the Head of Housing Technical Services confirmed that the Housing Asset Management Plan is reviewed on a yearly basis and was reviewed by the Housing Committee in September 2022 and is due to be reviewed again in September 2023.



Discussions with the Head of Housing Technical Services confirmed that all the policies and procedures were up to date and reflected the current processes in place.

The Responsive Repairs Policy was obtained and reviewed. It was noted that the policy had been approved in 2021 and due for review in 2024. The policy covered the following main aspects such as:

- Policy objectives.
- Policy details (Including repair responsibility, tenants repairing obligation, repairing appointments and out of hours emergency repairs).
- Repair specifics - (Including raising concerns, fire safety, and Void/Empty Properties).
- Performance management.
- Legislation and regulations.

The Recharge Policy was obtained and reviewed. It was noted that the policy was due to be reviewed in March 2025. The policy covered the following main aspects such as:

- Potential recharge reason.
- Rechargeable repair.
- Recharge Categories (Current tenants).
- Charges on Termination of Tenancy.

However, there has recently been an upgrade to the Northgate (now NEC) system and discussions with Housing Maintenance IT & Systems Administrator indicated that procedure notes will require review to ensure these incorporate minor changes which is due to take place shortly.

The control relating to the governance framework in relation to Housing Repair and Maintenance was considered to be operating efficiently and effectively as the contract with M.C.P. Property Group Limited did cover all the main aspects and the policies and procedures reviewed as part of the testing were up to date and reflected the current process and procedures.

Other Findings



As part of the previous report there was only one Operational Effectiveness Matter identified relating to procedure notes reflecting the current process and procedures. These have been reviewed. However, there has recently been an upgrade to the Northgate (now NEC) system and discussions with Housing Maintenance IT & Systems Administrator indicated that procedure notes will require review to ensure these incorporate minor changes. This is due to take place shortly.



Discussion with the Head of Housing Technical Services confirmed that he was the Contract Administrator for the responsive repairs and void service contract. However, the Corporate Head of Housing is overall responsible for the management aspects.



Discussions with the Housing Maintenance IT & Systems Administrator indicated that currently the I.T. Interface between the BARIS system (Used by M.C.P Property Group Limited) and Northgate (now NEC) has not yet been implemented. As a result, information must be currently input onto both systems separately. Therefore, various members of staff from M.C.P. Property Group Limited have access to the Northgate portal. However, the access on the Northgate portal is restricted so the relevant members of staff are not able to set up work orders. They are only able to amend the status of the work order.



It was highlighted in the previous audit report that the Council did not meet the Government's Decent Homes Standard, which was evidenced in the Regulatory notice received in October 2019. The data from the stock condition surveys completed in 2019 identified that a significant programme of planned works would be required to meet and maintain the Decent Homes Standard and, as a result, an investment plan was developed for the five years from 2022, which was incorporated as part of the Housing Asset Management Plan. The investment programme involved several property component replacements at a cost of around £10 million per year. In addition, it addressed a significant backlog of works and future investments to maintain the requisite standards. Discussions with the Head of Housing Technical Services confirmed that the Regulatory notice received in October 2019 was withdrawn in February 2023.



Discussion with the Head of Housing Technical Services confirmed that an appropriate risk assessment had taken place and that relevant mitigation arrangements had been identified.

The risk assessment outlined as part of the Housing Service Level Plan was reviewed, and the following main risks had been identified:

- Failure to comply with regulator's code - and new definition of the 'Decent Homes Standard' the main mitigating factor is the Housing Committee Oversight and the ISO 9001 policy and procedure framework.
- Claims for disrepair from tenants against the Housing Service the main mitigating factor is appropriate property inspections.
- Housing Maintenance Contracts not properly procured the main mitigating factor is that there is an appropriate Contract management framework in place.

The control relating to the risk identification and mitigation in relation to Housing Repair and Maintenance was considered to be operating efficiently and effectively. Risks with appropriate mitigating factors have been identified.

Other Findings



A sample of 10 works orders was selected. For each of the work order selected the following information was obtained and reviewed:

- Works order date issued.
- Target completion date for the job.
- Dates of any pre or post inspections.
- Any variation orders if applicable.
- Payments made to contractor.
- Satisfaction Survey completion/outcomes.

The following was noted:

- In five out of 10 cases the Northgate portal had not be updated by M.C.P. Property Group Limited to indicate that the job had been completed or cancelled. However, the BARIS system showed the relevant job to be complete or cancelled.
- No payments had been made to the contractor as none of the jobs selected had been indicated as complete on the Northgate system.
- No post inspections had taken place or variation orders raised as none of the jobs selected had been indicated as complete on the Northgate system.

However, discussions with the Head of Housing Technical Services confirmed that the Interface between the BARIS system (Used by M.C.P. Property Group Limited) and Northgate (now NEC) is due to be completed by August 2023.

The controls in relation to updating of the works orders was considered to be only partially effective as the interface between the Baris and Northgate (now NEC) is not yet complete. However, no recommendation was made as the above issues have been addressed as part of the monthly performance meetings and the interface is due to be completed shortly.

Other Findings



Discussions with the Head of Housing Technical Services confirmed that for the responsive repair and void services contract monthly performance meetings and three-monthly strategic review meetings are being held. The last monthly performance meeting was held on the 6 July 2023 and the first strategic review meeting for the new contract was held on the 19 July 2023.

Minutes of the performance review meeting held on 6 July 2023 was obtained and reviewed. It was noted that the main aspects discussed as part of the meeting were as follows:

- Recruitment by M.C.P Property Group Limited.
- KPI (Including the backlog of jobs being raised by M.C.P Property Group Limited by manual process).
- Customer Feedback is being captured and responded to by M.C.P Property Group Limited.
- I.T. Interface between BARIS and Northgate is due to be implemented by August 2023.
- Contract resourcing and Sub - Contracting (over reliance on the sub- contractor will reduce once the recruitment process has been completed).

The minutes of the strategic review meeting held on the 19 July 2023 was obtained and reviewed. It was noted that the main aspects discussed were as follows:

- Resources (Overuse of Sub - Contractors for day-to-day repairs).
- Key Performance Data (Data being supplied has not been validated and information is inconsistent and inaccurate. Without the baris integration and lack of system completed works in NEC contractor portal, Runnymede Borough Council are unable to run Key Performance Data).
- Complaints (M.C.P. Property Group Limited have not shared any complaint data with Runnymede Borough Council. Complaints have filtered through to Runnymede Borough Council directly and the numbers and reasons are concerning at this stage in a new contract).
- Missed appointments (Complaints directly coming to Runnymede Borough Council from tenants over frequent missed appointments and cancelled works).
- Quality of Workmanship (Lack of quality multi-skilled operatives causing undue works being undertaken increasing costs of works and poor-quality finish for works that have been completed).

The controls relating to the performance monitoring of the repairs and void service contract was considered to be efficient and effective as monthly performance meetings are being conducted and appropriate issues are being identified and discussed.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

| Ref | Expected Key Risk Mitigation | Effectiveness of arrangements | Cross Reference to MAP | Cross Reference to OEM |
|-----|--|-------------------------------|------------------------|------------------------|
| PM | Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner. | In Place | - | - |
| S | Sustainability The impact on the organisation's sustainability agenda has been considered. | In Place | - | - |
| R | Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted. | Out of scope | - | - |

Other Findings



Discussions with the Head of Housing Technical Services confirmed that the budgeted costs for the contract is £1.2m for the financial year 23/24. However currently no payments have been made to the contractor.

The Key Performance Indicators produced by M.C.P. Property Group Limited for the months of July 2023 were obtained and reviewed. It was noted that in relation to the following M.C.P. Property Group Limited did not meet its target:

- Repair completed in the first visit.
- Emergency attended within four hours.
- Routine repairs completed within 15 days.
- Complaints and feedback.

As per the strategic review meeting held on the 19th July the Key Performance Indicators data supplied has not been validated and the information is inconsistent and inaccurate. Without the BARIS integration and lack of system completed works in Northgate (Now NEC) contractor portal, Runnymede Borough Council are unable to run Key Performance Data.

Discussion with the Housing Maintenance IT & Systems Administrator confirmed that as per the Northgate (now NEC) system only 65 orders have been completed but as per KPI compiled by the Contractor they are 608 orders that have been completed.

The controls relating to the monitoring of the Key Performance Indicators as per the repair and void service contract was considered to be only partially effective as though M.C.P Property Group Limited do provide Key Performance Indicators data this data cannot be currently verified by Runnymede Borough Council.

Other Findings

Discussion with the Head of Housing Technical Services confirmed that aspects relating to sustainability have been incorporated as part of the contract with M.C.P. Property Group Limited. The contract was reviewed, and it was noted that a social value plan had been incorporated as part of the contract and that the plan incorporated the establishment of a carbon reduction baseline and plan. This is to be achieved by assessing M.C.P. Property Group Limited mileage data and waste management process.



There are several good practices that have been adopted. There are contract review meetings held monthly and Strategic review meetings held quarterly where major issues relating to the contract are being discussed and noted.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

| | |
|---------------------------|--|
| In place | The control arrangements in place mitigate the risk from arising. |
| Partially in place | The control arrangements in place only partially mitigate the risk from arising. |
| Not in place | The control arrangements in place do not effectively mitigate the risk from arising. |

Assurance Assessment

4. The definitions of the assurance assessments are:

| | |
|------------------------------|--|
| Substantial Assurance | There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved. |
| Reasonable Assurance | The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved. |
| Limited Assurance | The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved. |
| No Assurance | There is a fundamental breakdown or absence of core internal controls requiring immediate action. |

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

| Stage | Issued | Response Received |
|-----------------------------------|--------------------------------|--------------------------------|
| Audit Planning Memorandum: | 19 th May 2023 | 19 th May 2023 |
| Draft Report: | 14 th August 2023 | 1 st September 2023 |
| Final Report: | 5 th September 2023 | |

AUDIT PLANNING MEMORANDUM

Appendix B

| | | | |
|------------------------|--------------------------------|--------------------|-------------|
| Client: | Runnymede Borough Council | | |
| Review: | Housing Repair and Maintenance | | |
| Type of Review: | Assurance | Audit Lead: | Laila Somji |

| | | | |
|---|--|---|--|
| Outline scope (per Annual Plan): | The review will include the following: Policies and procedures Pre property inspections Raising Works Orders Variations Completions and post completion inspections Contractor Payments Tenant satisfaction, and Performance management and reporting. | | |
| Detailed scope will consider: | <p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p> | <p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p> | |
| Requested additions to scope: | (if required then please provide brief detail) | | |
| Exclusions from scope: | Non | | |

| | | | | | |
|----------------------------|------------|---------------------------|------------|--------------------------------------|-------------|
| Planned Start Date: | 21/06/2023 | Exit Meeting Date: | 02/08/2023 | Exit Meeting to be held with: | Simon Allen |
|----------------------------|------------|---------------------------|------------|--------------------------------------|-------------|

SELF ASSESSMENT RESPONSE

| Matters over the previous 12 months relating to activity to be reviewed | Y/N (if Y then please provide brief details separately) |
|---|--|
| Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc? | N |
| Have there been any breakdowns in the internal controls resulting in disciplinary action or similar? | N |
| Have there been any significant changes to the process? | N |
| Are there any particular matters/periods of time you would like the review to consider? | N |



Internal Audit

FINAL

Runnymede Borough Council

Assurance Review of Recruitment

2023/24

September 2023

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Shortage of Skilled Workforce in The South East of England.

KEY STRATEGIC FINDINGS



As part of the Human Resource Department restructure a Recruitment and Retention manager post was created, as well as one Senior Human Resource Business Partners posts and two Human Resource Business Partner posts were created. Leading to additional resources for the Human Resources Department.



Various forms/information relating to the recruitment process for 10 posts recruited to during the period April to June 2023 was reviewed. It was noted that in all cases an Authority to Recruit Form, Personal specification and Job Description had been completed/formulated. In addition, appropriate pre-employments checks had been conducted and an Onboarding Checklist had been completed. Also, appropriate reminders relating to the Probationary Review had been set up.

GOOD PRACTICE IDENTIFIED



The implementation of the new Human Resource System will enable the whole of the recruitment process to be paperless, provide additional information relating to recruitment to enable Key Performance Indicators to be formulated and measured as well as host the organisations online advertising portal, therefore not requiring the services of Jobs Go Public, resulting in a saving.

SCOPE

The purpose of the audit was to assess the adequacy of the controls in place for managing the recruitment process. The audit review included the following key areas:

- Roles and responsibilities for initiation of the vacancy and the management of the recruitment process are clearly defined.
- Appropriate training has been carried out for line managers to ensure compliance with procedures.
- Adequate records are maintained for all recruitment exercises.
- Sample testing to verify compliance with procedures.
- Procedures are in place to deal with complaints from applicants, and that appropriate management reporting is in place.

ACTION POINTS

| Urgent | Important | Routine | Operational |
|--------|-----------|---------|-------------|
| 0 | 0 | 0 | 0 |

Assurance - Key Findings and Management Action Plan (MAP)

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------------------------------|-----------|---------|----------------|----------|---------------------|-------------------------------------|---------------------------------|
| No recommendations were made | | | | | | | |

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

| Ref | Risk Area | Finding | Suggested Action | Management Comments |
|---|-----------|---------|------------------|---------------------|
| No operational effectiveness matter identified. | | | | |

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

| Ref | Expected Key Risk Mitigation | Effectiveness of arrangements | Cross Reference to MAP | Cross Reference to OEM |
|-----|--|-------------------------------|------------------------|------------------------|
| GF | Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation. | In place | - | - |
| RM | Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register. | In place | - | - |
| C | Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance. | In place | - | - |

Other Findings



The Recruitment and Selection policy was obtained and reviewed. It was noted that the policy had been updated in March 2023 and included the following main aspects:

- Key responsibilities including those relating to the Recruiting Manager and Human Resource.
- The Recruitment Process, including the following:
 - Completion of the Authority to Recruit Form.
 - Outline of the job description.
 - Outline of the personal specification requirements.
 - Draft job advert.
 - Completed recruitment timetable.
 - Process for the submission of the application.
 - Process for the shortlisting of candidates.
 - Selection process.
 - Process for offer of employment and pre - employment checks.

Other Findings



Discussion with the Corporate Head of Human Resources and Organisational Development and the Recruitment and Retention Manager confirmed that the process outlined in The Recruitment and Selection policy was current. The following is a summary of the recruitment process:

Authority to Recruit

An "Authority to Recruit" E-form should be completed by the recruiting manager, it then follows an automated approval pathway to their relevant Corporate Head, followed by Finance, and then the Head of Human Resources and Organisational Development. If the post is not on the Council's current Establishment, or additional budget is required to create the post or regrade it, the Manager should obtain proper authority either by approval from Corporate Management Committee or via Standing Order 42 agreement.

Advertising a Post/Application

The recruiting manager should email the following documents:

- Job Description.
- Personal Specification.
- Draft Advert.
- Completed recruitment timetable.

The job vacancy is than advertised both externally and internally concurrently. Electronic applications via the organisational website or through the various agencies are submitted. However in some instances a recruitment event is organised, where all interest applicants are invited to. The interested applicants receive a small presentation on various key aspects of the role as well as a tour of the department. If they are still interested applicants, can sign up for an interview time slot on the day. The rest of the selection process remains unchanged.

Shortlisting/Selection Process

All applications should be reviewed fairly and scored against the essential criteria within the Person Specification. A shortlist of applications should be formulated. Jobs Go Public has an on-line shortlisting platform to assist managers to shortlist. The applicants that are shortlisted are then invited to an interview. The interview panel should consist of a minimum of two members. The successful applicant should be telephoned by the recruiting manager which should be followed by a formal offer email from the Human Resource team if accepted.

Pre- Employment Checks

The following pre-employment checks should be carried out where appropriate/required:

- Proof of right to work in the UK.
- Receipt of satisfactory references.
- Medical clearance.
- Disclosure and Barring Service check.
- Driving Licence.
- Evidence of any qualifications or requirements specific to the position.

Other Findings



As per the previous audit there were three recommendations made:

One priority two recommendation relating to the independent scrutiny of the recruitment process, particularly where a non-standard recruitment approach is adopted. Discussions with the Corporate Head of Human Resources and Organisational Development and the Recruitment and Retention Manager confirmed that the only non-standard recruitment approach that would be adopted is the use of a Recruitment Agency. When a Recruitment Agency is used the agency only supplies the appropriate candidates curriculum vitae. However, the interview and selection process are conducted by the organisations recruiting manager, so the current recruitment process should be adhered to. Therefore, this recommendation was considered to be implemented.

They were two priority three recommendations. One relating to the updating of the recruitment policies and procedures which has been implemented as The Recruitment and Selection policy was updated in March 2023. The second priority three recommendation related to line managers being reminded to complete the three-month probationary reviews. Testing as part of the audit and discussions with the Recruitment and Retention Manager confirmed that an appointment in the form of a calendar reminder, are being sent to the relevant line managers and the appropriate Human Resource Business Partner, regarding the completion of the three-month probationary review at the time the Onboarding checklist is completed. This seems to be more effective than the previous email reminders that were sent. Therefore, this recommendation was considered to be implemented.



Discussion with the Corporate Head of Human Resources and Organisational Development and the Recruitment and Retention Manager confirmed that there was adequate segregation of duties with the Corporate Head of Human Resources having overall strategic responsibility for the recruitment process while the Recruitment and Retention Manager is responsible for the day-to-day operational management of the recruitment process. As part of the Human Resource Department restructure a Recruitment and Retention manager post was created, as well as one Senior Human Resource Business Partners posts and two Human Resource Business Partner posts were created. The Human Resource Business Partners role involves proactively assisting managers, in a group of service areas, to achieve their service objectives through the provision of expert Human Resource advice and assistance. The role of the Recruitment and Retention Manager involves the management of the two Human Resource Assistants as well as providing a strategic overview on the day- to-day operational management relating to Recruitment and Retention and acting as a Client Manager to the Vendor Neutral agency contract. Therefore, the controls relating to ensuring that appropriate roles and responsibilities had been identified were considered to be operating efficiently and effectively.



Discussion with the Corporate Head of Human Resources and Organisational Development and the Recruitment and Retention Manager confirmed that the current system is HR Pro and that only the Human Resource team have access to the system. However, a new Human Resource system which will have an integrated database with Payroll is in the process of being designed. The new system is due to be implemented in April/May 2024. The controls relating to the Human Resource System access were considered to be operating efficiently and effectively.



Discussion with the Corporate Head of Human Resources and Organisational Development and the Recruitment and Retention Manager confirmed that the main risk relating to Recruitment is that there is a shortage of skilled workforce in the South-East specifically in areas such as Community Services, Community Transport, Surveying, Human Resources and Accountancy posts. There is presently no updated Corporate Risk Register as a new Risk Management Policy is currently being developed/formulated.



A sample of 10 posts recruited to during the period April to June 2023 was selected. For the sample selected the following information/documents were obtained and reviewed.

- Authority To Recruit Form.
- Job description and Personal Specification.
- Date the job was advertised.
- Closing date of the job advert and the date the interviews were held for the candidates who were shortlisted.
- Members of staff who conducted the interviews.
- Date the appointment checklist was completed, and the conditional offer was made.

Other Findings

- Pre-employment checks conducted where appropriate e.g., Passport Copy, Driving Licence, Bupa Occupational Health Report, References, Disclosure and Barring Service check and Evidence of Right to Work.
- A copy of the signed contract.
- Completed and signed Onboarding Checklist.
- Reminder set up for the Probationary Review.

It was noted that in all cases an Authority to Recruit Form, Personal specification and Job Description had been completed/formulated. In addition, appropriate pre-employment checks had been conducted and an Onboarding Checklist had been completed. Also, appropriate reminders relating to the Probationary Review had been set up. Therefore, the controls relating to the recruitment process were considered to be operating efficiently and effectively.



Discussion with the Corporate Head of Human Resources and Organisational Development and the Recruitment and Retention Manager confirmed that there is planned recruitment training for all levels of management between September and December 2023 and that the Senior Human Resource Business Partner is in the process of finalising dates for the Comprehensive Recruitment training with the chosen provider. In addition, there has been Safeguarding training which did cover aspects relating to Recruitment. Additionally, recruitment training in the past has been provided by the Surrey Learning Partnership who provided training across the Surrey districts.



Discussion with the Corporate Head of Human Resources and Organisational Development and the Recruitment and Retention Manager confirmed that in relation to specific monitoring of the recruitment process there are two forms completed:

1) Appointment Checklist

The Appointment Checklist is signed by a member of staff authorised to make appointments and dated. The following information provided as part of the form:

- Job title of the successful applicant.
- Location of the work.
- Name of the successful applicant.
- Driving requirements for the job.
- Salary amount and any allowances that the successful applicant may receive.
- Post title of the successful applicant's manager
- The successful applicant's eligibility to work in the U.K.

2) Onboarding Checklist

Each section of the Onboarding Checklist is dated by the Human Resource assistant completing the form. The following information is recorded as part of the onboarding checklist:

- Name of successful applicant.
- Relevant post number.
- Successful applicants ID card number.
- Successful applicants start date.

Other Findings

- Name of the Line Manager.
- Contract and Form to be returned.
- Pre - Employment checks conducted relating to the successful applicant (Identity check, Reference checks and Disclosure and Barring Service check).
- Start date preparation (Date appropriate confirmation email sent and date the successful applicants start date was entered onto the Human Resources Calendar).

In addition, the Recruitment and Retention manager carries out spot checks on the relevant recruitment folders twice a month. Therefore, the controls relating to the monitoring of the Recruitment Process were considered to be efficient and effective.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

| Ref | Expected Key Risk Mitigation | Effectiveness of arrangements | Cross Reference to MAP | Cross Reference to OEM |
|-----|--|-------------------------------|------------------------|------------------------|
| PM | Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner. | In place | - | - |
| S | Sustainability The impact on the organisation's sustainability agenda has been considered. | In place | - | - |
| R | Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted. | In place | - | - |

Other Findings

- There are no Key Performance Indicators linked to recruitment. However, there is Key Performance Indicator HR1: Average number of short-term sickness days per FTE which is reported on every quarter. In addition, discussion with the Recruitment and Retention manager confirmed that once the new system has been implemented specific recruitment Key Performance Indicators will be formulated/developed which will form part of the new system dashboard.
- The budget for the new system due to be implemented has been authorised. Discussions with the Senior Accountant responsible for the Human Resource Budget confirmed that there is no specific budget for costs relating to recruitment for e.g., Advertising, as any recruitment costs is recharged to the relevant service area. The only recruitment cost in relation to Human Resources Department is staff costs relating to a Human Resource Assistant, a Recruitment and Retention Manager and a small percentage relating to the Human Resource Business Partners Costs.
- Discussion with the Corporate Head of Human Resources and Organisational Development and the Recruitment and Retention Manager confirmed that no specific reports on recruitment are provided to the Corporate Management Committee. However, statistics relating to workforce is provided to the Performance Management Office
As part of the HR Service plan last year the following statistics relating to Workforce was submitted:

 - Average headcount – 453
 - Starters – 66
 - Labour turnover – 19.9% (This included a voluntary redundancy exercise, organisational reviews, retirements, and natural labour turnover).
- The implementation of the new system will enable the whole recruitment process to be paperless, provide additional information relating to recruitment to enable Key Performance Indicators to be formulated and measured as well as host the organisations online advertising portal, therefore not requiring the services of Jobs Go Public, resulting in a saving.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

| | |
|---------------------------|--|
| In place | The control arrangements in place mitigate the risk from arising. |
| Partially in place | The control arrangements in place only partially mitigate the risk from arising. |
| Not in place | The control arrangements in place do not effectively mitigate the risk from arising. |

Assurance Assessment

4. The definitions of the assurance assessments are:

| | |
|------------------------------|--|
| Substantial Assurance | There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved. |
| Reasonable Assurance | The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved. |
| Limited Assurance | The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved. |
| No Assurance | There is a fundamental breakdown or absence of core internal controls requiring immediate action. |

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

| Stage | Issued | Response Received |
|-----------------------------------|---------------------------------|---------------------------------|
| Audit Planning Memorandum: | 26 th July 2023 | 7 th August 2023 |
| Draft Report: | 20 th September 2023 | 20 th September 2023 |
| Final Report: | 29 th September 2023 | |

AUDIT PLANNING MEMORANDUM

Appendix B

| | | | |
|------------------------|---------------------------|--------------------|-------------|
| Client: | Runnymede Borough Council | | |
| Review: | HR Recruitment | | |
| Type of Review: | Assurance | Audit Lead: | Laila Somji |

| | | | |
|---|--|---|--|
| Outline scope (per Annual Plan): | Scope: The audit will include the following key areas: Roles and responsibilities for initiation of the vacancy and the management of the recruitment process are clearly defined; Appropriate training has been carried out for line managers to ensure compliance with procedures; Adequate records are maintained for all recruitment exercises; Sample testing to verify compliance with procedures relating to: advertising and openness; shortlisting; interview and evaluation process for selection; approval processes; job offer and acceptance; pre-employment checks; employment contracts; and probationary period appraisals. Appropriate procedures are in place to deal with complaints from applicants; and Appropriate management reporting is in place. | | |
| Detailed scope will consider: | <p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p> | <p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p> | |
| Requested additions to scope: | (if required then please provide brief detail) | | |
| Exclusions from scope: | None | | |

| | | | | | |
|----------------------------|------------|---------------------------|------------|--------------------------------------|-------------|
| Planned Start Date: | 07/08/2023 | Exit Meeting Date: | 06/09/2023 | Exit Meeting to be held with: | Fiona Skene |
|----------------------------|------------|---------------------------|------------|--------------------------------------|-------------|

SELF ASSESSMENT RESPONSE

| Matters over the previous 12 months relating to activity to be reviewed | Y/N (if Y then please provide brief details separately) |
|---|--|
| Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc? | N |
| Have there been any breakdowns in the internal controls resulting in disciplinary action or similar? | N |
| Have there been any significant changes to the process? | N |
| Are there any particular matters/periods of time you would like the review to consider? | N |