



Item: 3

Monitoring and Audit Committee: 2 April 2026.

Internal Audit – Recruitment and Staff Changes.

Report by Chief Internal Auditor.

1. Overview

- 1.1. This report presents the internal audit report on recruitment and staff changes, for scrutiny.
- 1.2. The internal audit plan 2025/26 includes a review of Recruitment and Staff Changes. This audit has been completed and the internal audit report is attached as Appendix 1 to this report.
- 1.3. The processes around recruitment and staff changes play a critical role in shaping the workforce and ensuring that the organisation attracts and retains individuals with the right skills, experience, and cultural fit.
- 1.4. The objective of this audit was to review the controls and procedures around recruitment and staffing changes to ensure they were fair, transparent, efficient and effective.
- 1.5. The audit provides Substantial assurance that procedures and controls relating to Recruitment and Staff Changes are well controlled and managed.
- 1.6. The internal audit report, attached as Appendix 1 to this report, includes six low priority recommendations regarding the recruitment intranet page, user feedback, process tracking, system access and delegation levels. There are no high or medium recommendations resulting from this audit.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
 - i. Scrutinise the findings contained in the internal audit report, attached as Appendix 1 to this report, relating to the procedures and controls around recruitment and staffing changes to ensure they are fair, transparent, efficient and effective, in order to obtain assurance that action has been taken or agreed where necessary.

For Further Information please contact:

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Implications of Report

- 1. Financial:** None directly related to the recommendations in this report.
- 2. Legal:** None directly related to the recommendations in this report.
- 3. Corporate Governance:** In terms of the Scheme of Administration, the consideration of Internal Audit findings and recommendations and the review of actions taken on recommendations made, are referred functions of the Monitoring and Audit Committee.
- 4. Human Resources:** None directly related to the recommendations in this report.
- 5. Equalities:** An Equality Impact Assessment is not required in respect of Internal Audit reporting.
- 6. Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of Internal Audit reporting.
- 7. Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - Growing our Economy.
 - Strengthening our Communities.
 - Developing our Infrastructure.
 - Transforming our Council.
- 8. Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - Cost of Living.
 - Sustainable Development.
 - Local Equality.
 - Improving Population Health.
- 9. Environmental and Climate Risk:** None directly related to the recommendations in this report.
- 10. Risk:** Internal Audit evaluates the effectiveness and contributes to the improvement of the risk management processes.
- 11. Procurement:** None directly related to the recommendations in this report.
- 12. Health and Safety:** None directly related to the recommendations in this report.
- 13. Property and Assets:** None directly related to the recommendations in this report.
- 14. Information Technology:** None directly related to the recommendations in this report.

15. Cost of Living: None directly related to the recommendations in this report.

List of Background Papers

Internal Audit Plan 2025/26.

Appendix

Appendix 1: Internal Audit Report – Recruitment and Staff Changes.



Internal Audit

Audit Report

Recruitment and Staff Changes

Draft issue date: 10 November 2025

Final issue date: 14 January 2026

Distribution list:	<p>Director of Infrastructure and Organisational Development</p> <p>Head of Human Resources and Organisational Development</p> <p>Service Manager (Human Resources Operations)</p>
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Audit Opinion

Based on our findings in this review we have given the following audit opinion.

Substantial

The framework of governance, risk management and control were found to be comprehensive and effective.

A key to our audit opinions and level of recommendations is shown at the end of this report.

Executive Summary

This audit reviewed the processes surrounding recruitment and staff changes within the Council, focusing on governance, risk management, and control effectiveness.

Areas of good practice identified during the audit included:

- HR staff were praised for their assistance to managers during the process.
- Recently created detailed process video for TalentLink users.
- Feedback indicated that staff-led training was effective and appreciated.
- In depth procedural document with process maps.

The report includes 6 recommendations which have arisen from the audit. The number and priority of the recommendations are set out in the table below. The priority headings assist management in assessing the significance of the issues raised.

Responsible officers will be required to update progress on the agreed actions via the Ideagen Risk Management system.

Total	High	Medium	Low
6	0	0	6

The assistance provided by officers contacted during this audit is gratefully acknowledged.

Introduction

The processes around recruitment and staff changes play a critical role in shaping the workforce and ensuring that the organisation attracts and retains individuals with the right skills, experience, and cultural fit.

For new employees the recruitment process can act as a first step into the Council, ensuring a positive experience helps create a strong first impression.

As key components of human resource management, recruitment and staff changes must be conducted in a manner that is efficient, transparent, and compliant with relevant policies and regulations.

This review was conducted in conformance with the Global Internal Audit Standards in the UK Public Sector.

Audit Scope

The scope of this audit included a review of the following:

- Policy and Procedures.
- Compliance with relevant Laws and Legislation.
- Review of controls.
- Change in Establishment Process.
- Vacancy Management.

Audit Findings

1.0 Policy and Procedures

- 1.1 The Recruitment and Selection Policy was recommended for approval by the Human Resources Sub-committee on 25 March 2025. The procedure for Recruitment and Selection was also updated at the same time.
- 1.2 The Recruitment and Selection procedure document is a robust document that has process maps and will act as a guide for people going through the recruitment process.
- 1.3 HR have created a video on the process of completing the job description part on TalentLink. The video is in depth and can offer assistance to users on the process.
- 1.4 The Recruitment and Selection page on the Council's intranet contains some outdated information, including a previous version of the policy document and references to staff members who are no longer with the organisation or have since moved roles.
- 1.5 The Recruitment and Selection intranet page should be reviewed to ensure the information is accurate and up to date.

Recommendation 1

2.0 Recruitment Process

- 2.1 The recruitment process primarily takes place on the TalentLink system.
- 2.2 TalentLink takes users through the recruitment process. From the initial creation of a job description to the collection of pre-employment checks at the end of the procedure. The system is used by both recruiting managers and HR to assist with the process.
- 2.3 Previously, certain vacant posts had to be approved by the Vacancy Management Panel before they could be advertised. The panel has paused as of July 2025.
- 2.4 The job description and relevant information for the vacant post are completed and then uploaded onto TalentLink by the recruiting manager to be authorised.
- 2.5 Authorisation for the post to be advertised involves the vacant post's line manager, senior manager and two HR staff members to sign off before a vacant post goes live on MyJobScotland.
- 2.6 A sample of posts that had been recruited previously was reviewed to ensure appropriate staff had authorised them. Testing indicated that at times controls were overridden and posts went live after being signed off by HR staff only. The Team Manager (HR Support) advised this was done when posts went through the Vacancy Management Panel or were being readvertised. Considering the reasons given and controls later in the process this was deemed to be appropriate and can potentially save time on recruitment in certain cases.
- 2.7 Vacant posts are advertised publicly either online on websites (e.g. MyJobScotland, Orkney.com) or are currently published in The Orcadian.
- 2.8 A sample of advertised posts were reviewed to see if they had necessary information, advertised posts were found to have suitable information, e.g. salary, title, qualifications.

- 2.9 Candidates applications are done through the MyJobScotland site. HR can provide reasonable adjustments to support applicants, e.g. computer access to fill in an application.
- 2.10 Applications for a vacant post are then shortlisted by a panel and interviews are offered to potential candidates.
- 2.11 Panels for reviewing applications and conducting interviews have varying requirements depending on the position. Panels are required to consist of at least two people which helps reduce the risk of bias and increases transparency and accountability in the process.
- 2.12 Shortlisted applicants are then interviewed by the panel.
- 2.13 Applicants who are interviewed for a post will each be asked the same questions and scored based on their answers. Asking all applicants the same questions will help ensure fairness in the interview process.
- 2.14 A candidate is then selected from the interviews and offered the vacant post. If they accept, pre-employment checks can begin.
- 2.15 Pre-employment checks include references, background checks, right to work in UK, health clearance and any required qualifications.
- 2.16 Once the pre-employment checks have been completed, the recruiting manager and successful applicant can agree a start date and an offer of employment can be made.

3.0 User Feedback

- 3.1 User feedback is valuable for continuous improvement as it highlights areas for enhancement and ensures services evolve to meet actual needs.
- 3.2 It is important to note that the recruitment process is primarily completed by the recruiting manager. Writing of job descriptions, shortlisting candidates, interviews and selection are all completed by the recruiting manager. HR complete job evaluations, pre-employment checks and provide assistance and training to recruiting managers where needed.
- 3.3 During a review of the Recruitment and Selection policy and procedure, a taskforce comprising recruiting managers and union representatives were asked to provide feedback on the recruitment process. This feedback informed updates to the policy and procedure.
- 3.4 Currently feedback is not collected from recruiting managers after the process is complete.
- 3.5 It is recommended that feedback is collected from recruiting managers after they have completed the recruitment process to help with continuous improvement.

Recommendation 2

- 3.6 A sample of managers and successful applicants that had been through the recruitment process were asked to provide feedback on the procedure.

3.7.0 Manager Feedback

- 3.7.1 Generally recruiting managers found the recruitment process satisfactory but noted it can be lengthy and complex.

- 3.7.2 Managers found the TalentLink system generally usable, though described it as somewhat clunky and challenging for occasional users. Notification issues and excessive navigation were common concerns.
- 3.7.3 Training received mixed feedback—some felt well-trained, others relied on colleagues or self-learning. Recent HR training was positively received.
- 3.7.4 Pre-employment checks were commonly cited as a delay adding time to the process.
- 3.7.5 Strengths listed by managers included interview scheduling, HR responsiveness, and electronic forms.
- 3.7.6 Suggestions for improvement included streamlining paperwork, clarifying responsibilities, improving system integration, and enhancing visibility of candidate progress.

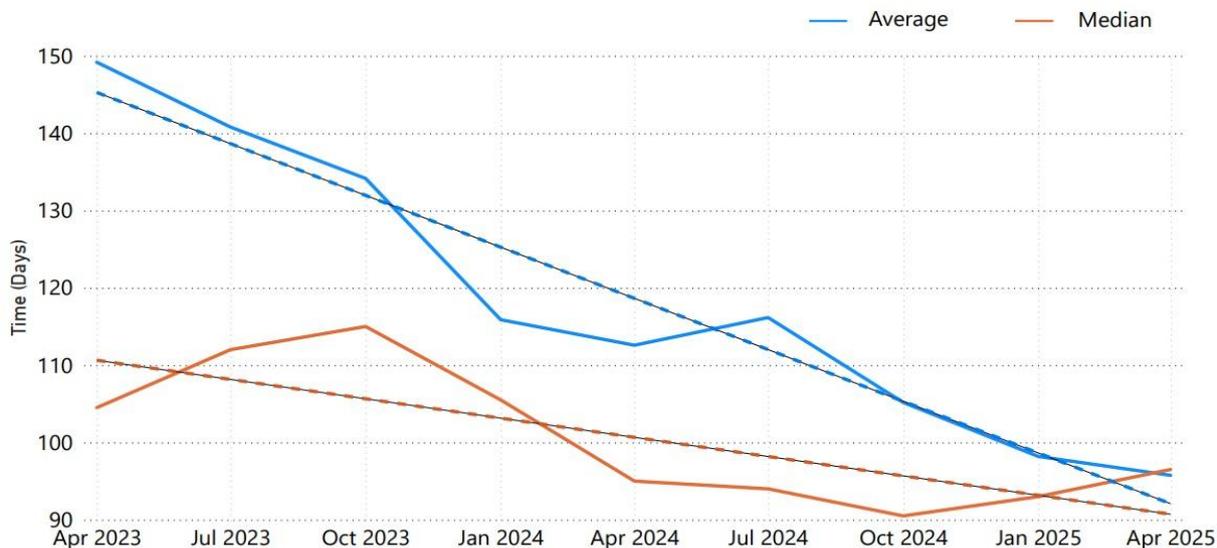
3.8.0 Applicant Feedback

- 3.8.1 Successful applicants were positive on the process, most found the procedure smooth and professional, indicating a positive first step for those entering the Council.
- 3.8.2 Delays in the pre-employment checks part of the process were also noted by applicants.
- 3.8.3 HR staff and recruiting managers were consistently described as helpful, responsive, and pleasant to deal with.
- 3.8.4 The majority of the sample of successful applicants were from outside the Council and were not internal transfers.

4.0 Data Analysis

4.1 The time taken for the recruitment process for posts advertised between January 2023 and March 2025 was analysed. The average and median were calculated for each quarter.

Figure 1 – Time Taken for the Recruitment Process



Source 1 – OIC Internal Data from TalentLink system

- 4.2 The blue upper solid line is the average per quarter; the orange lower solid line is the median per quarter. The dotted lines are trend lines.
- 4.3 Both the median and average trend lines are trending downward which indicates recruitment times have decreased over the period.
- 4.4 The gap between the median and average lines reducing in size implies that large outliers, recruitments that take much longer than average, are happening less frequently as time has gone on.
- 4.5 A performance indicator on average time to complete the recruitment process is not currently tracked.
- 4.6 It is recommended that the average time taken for the recruitment process is tracked as a performance indicator to enable benchmarking against past performance.

Recommendation 3

- 4.7 In the feedback collected, pre-employment checks were listed by several managers as an area that can face delays.
- 4.8 A sample of recruitments were reviewed and there was no evidence to suggest there were delays in requests for references.
- 4.9 Pre-employment checks can require multiple pieces of evidence from applicants, information required for health clearance, checks from Disclosure Scotland or previous employers for references. Given the need to get information from many different parties unfortunately this introduces several points of potential delays.
- 4.10 A review of the access onto the TalentLink system has been previously completed, but it is currently not reviewed on a periodic basis. TalentLink can be accessed outwith the Council's network.
- 4.11 The TalentLink system access should be reviewed periodically to ensure only those that require access have it.

Recommendation 4

5.0 Change in Establishment

- 5.1 Changes to staffing or roles, e.g. adding a new post or changing a job title is governed by the Change in Establishment process.
- 5.2 Part of the process is authorisation from an employee with appropriate authority level, the level of sign off required for authorisation was reviewed.
- 5.3 Currently, all new posts within the Council require sign off from a Director and the Chief Executive.
- 5.4 Given their roles, Directors may have the necessary level of authority and responsibility needed to sign off on new posts.
- 5.5 There are potential advantages (such as improved strategic oversight and enhanced financial control) and potential disadvantages (including possible bureaucratic delays and reduced scrutiny) associated with requiring sign off from the Chief Executive.

- 5.6 Consideration should be given to streamlining the approval process for new posts by requiring sign-off from a Director only, rather than both a Director and the Chief Executive.

Recommendation 5

- 5.7 Posts above the overtime threshold require sign off from the Head of Service for these posts to earn overtime.
- 5.8 A Service Manager will be a budget holder and will be responsible for ensuring the service spend remains within the budget allocated. Part of this will include staff costs and any potential overtime.
- 5.9 Allowing Service Managers to sign off on overtime for employees above the threshold may add flexibility to use more resource if workloads and budgets permit.
- 5.10 Consideration should be given to delegating overtime approval for posts above the threshold to Service Managers, reducing the need for sign-off at Head of Service level.

Recommendation 6

Action Plan

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
1 The Recruitment and Selection intranet page should be reviewed to ensure the information is up to date.	Low	The Intranet page has been updated and will be routinely reviewed to ensure it remains updated.	Service Manager (HR Operations)	Complete.
2 It is recommended that feedback is collected from recruiting managers after they have completed the recruitment process to help with continuous improvement.	Low	Online methods for applicant and manager feedback will be developed and implemented.	Service Manager (HR Operations)	31 March 2026.
3 It is recommended that the average time taken for the recruitment process is tracked as a performance indicator to enable benchmarking against past performance.	Low	HR and OD will aim to implement automated time to recruit reporting as part of the launch of the new HR and Payroll System. Explore whether any interim solution may be possible.	Head of HR and OD	29 February 2028.
4 TalentLink system access should be reviewed periodically to ensure only those that require access to the system have it.	Low	HR and OD will aim to implement single sign on, so that when Council IT access is removed when people leave the organisation, Talentlink access is also removed automatically. An annual review of the user list will be carried out in addition.	Service Manager (HR Operations)	31 March 2026.
5 Consideration should be given to streamlining the approval process for new posts by requiring sign-off from a Director only, rather than both a Director and the Chief Executive.	Low	HR Sub-committee on 6 November 2025 recommended further changes to levels of delegation, which was subsequently approved at the	Service Manager (HR Operations)	30 June 2026.

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
		General Meeting held on 9 December 2025.		
6 Consideration should be given to delegating overtime approval for posts above the threshold to Service Managers, reducing the need for sign-off at Head of Service level.	Low	This will be considered.	Service Manager (HR Operations)	30 June 2026.

Key to Opinion and Priorities

Audit Opinion

Opinion	Definition
Substantial	The framework of governance, risk management and control were found to be comprehensive and effective.
Adequate	Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective.
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Recommendations

Priority	Definition	Action Required
High	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium	Weakness in governance, risk management and control that if unresolved exposes the organisation to a significant level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.