



## 1 Background

- 1.1 Human Resources, a part of Corporate Resources, plays a critical role in providing a fully integrated strategic, advisory, and support function to service managers. Its purpose is to enable effective people management across the council, aligning with the objectives of the People Strategy and supporting the delivery of corporate priorities and goals.
- 1.3 The findings of this review will contribute to the council's self-assessment under the Fighting Fraud and Corruption Locally (FFCL) 2020-2025 framework, ensuring alignment with best practices in anti-fraud and corruption measures.

## 2 Objective and Scope

- 2.1 The aim of the audit is to review and evaluate the operation of the systems, including controls, to ensure that appropriate procedures and controls are in place and operating effectively. This review will be conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN).
- 2.2 The objective of this review was to assess the effectiveness of the council's recruitment and disciplinary procedures, as well as the processes and controls established to ensure managerial compliance. By evaluating these systems, this audit seeks to confirm that managers and employees adhere to the required standards.
- 2.3 The scope of the audit review included the following areas:
  - Examination of the recruitment, selection, and disciplinary policies and procedures.
  - Verification that policies are regularly reviewed, updated, and communicated effectively to managers and employees.
  - Identification of any weaknesses or gaps in existing controls.
  - Assessment of the training provided to managers and employees regarding the recruitment, selection, and disciplinary procedures.
  - Sample testing of recruitment, selection, and disciplinary records to determine whether internal procedures and controls are operating effectively.

## 3 Findings

### 3.1 Employee References

A review of 15 new starter cases revealed that 10 employees employed by the Council had two references on file, with no issues identified.

However, for the 5 new starters employed by schools, no references were available on the Council's files, as the respective schools retain these documents.

It is acknowledged that responsibility for conducting pre-employment checks lies with School Governing Bodies. However, in the case of maintained schools, the Council remains the employer of school staff, not the Governing Body. In addition there remain child protection concerns which these checks are intended to mitigate, and where the Council also continues to bear a significant risk.

**See Recommendation 1 in Section 6 below.** (The recommendation is reproduced from the 2024/25 Fundamental Financial Systems – Payroll Review)

The audit also identified a potential gap in the employee vetting process. The sample review revealed a case where an employee's reference questionnaire contained "no comment" responses to all questions. Despite this lack of feedback, the individual was hired.

**See Recommendation 2 in Section 6 below.**

3.2 Pre-employment checks – Right to Work, DBS and disclosure of criminal convictions

Information provided by applicants regarding previous criminal offenses is not disclosed to the recruiting manager until the role is offered to the employee. This information is contained in the front sheet of each applicant's initial application form. The front sheet of the application form is not shared with the recruiting service prior to interview. The recruiting service are not aware of this information during the initial selection process up to and including final candidate selection and making a firm offer of employment. This raises potential risks in ensuring that recruitment decisions are fully informed and aligned with the council's policies on safeguarding, integrity, and suitability for the role.

**See Recommendation 3 in Section 6 below.**

3.3 Disciplinary Training and Awareness Programs

While online training is available for HR employees on conducting investigation interviews (via the Investigation Skills Training program), there is a gap in the training available for those Officers serving as disciplinary hearing Chairpersons. A lack of training presents a risk to the consistency, fairness, and legal compliance of disciplinary processes, as Chairpersons may not have the necessary skills or knowledge to conduct their roles effectively.

**See Recommendation 4 in Section 6 below.**

3.4 Disciplinary Case Review

A sample of 55 gross misconduct cases was examined as part of the review of disciplinary process. Each case was classified by the HR Advisory Service as Gross Misconduct. The table below summarises the outcomes of these cases and identifies certain inconsistencies in the disciplinary process.

**Outcome Summary Table:**

<b>Outcome Type – Gross Misconduct</b>	<b>Number of Cases</b>
Misconduct Cases categorised as Gross Misconduct	6
No Further Action	11
Management Instruction / Letter of Concern / Final Written Warning	19
Summary Dismissal	19
<b>Total</b>	<b>55</b>

Six cases were incorrectly classified as Gross Misconduct as opposed to Misconduct, as outlined in the Council's Disciplinary Policy and Procedure. Additionally, it was noted that the HR service relies on the relevant operational team to drive the individual cases forward rather than utilising a dedicated case management system. Such a system could assist managers in conducting case reviews and enable officers to set case reminders effectively.

Of the 30 Gross Misconduct cases reviewed where the outcome was not "Summary Dismissal," only 19 cases proceeded to a Disciplinary Hearing. During the preliminary investigations, the other 11 cases were discontinued due to a lack of evidence. If no evidence was available to substantiate the allegations in the first instance, these cases may have been

misclassified. It is crucial to review these classifications to ensure accuracy and fairness in the decision-making process.

**See Recommendation 5 of Section 6 below.**

All 19 cases reviewed that went to a Disciplinary hearing, but which did not result in dismissal, were found to have been proven. These cases variously resulted in a final written warning, a letter of concern, or a Management Instruction. By definition, where Gross Misconduct cases are proven the expectation exists that this would lead to dismissal. This raises questions about the consistency of applying Gross Misconduct standards and the rationale for alternative outcomes.

**See Recommendation 6 of Section 6 below.**

The review identified significant variations in outcomes other than dismissal. It is unclear to us the difference between a Final Written Warning, a Letter of Concern, and a Management Instruction. Guidance on the meaning of each of these outcomes would be beneficial.

In addition, guidance on acceptable mitigating factors and appropriate subsequent sanctions would also be beneficial. HR Management oversight of any mitigating factors to be considered would also provide benefits in ensuring balanced and objective decision-making across all cases.

**See Recommendation 7 of Section 6 below.**

The findings from this initial review have been forwarded to the Interim Assistant Director of HR and OD for further assessment and examination.

**See Recommendation 8 of Section 6 below.**

Appeals following dismissal.

Among the 19 cases that resulted in summary dismissal, it was pleasing to confirm that payroll payments ceased for all individuals upon dismissal.

A review of practices in North West authorities showed that the majority have transitioned away from member-led appeals. Instead, appeals are typically managed by a newly appointed senior officer, who serves as the Disciplinary Chair to review the case.

Authorities utilising Member Appeals	2
Authorities not utilising Members Appeals	4
Member appeal for Officers at Head of Service or above only	1
Total Authorities Responding	7

**See Recommendation 9 of Section 6 below.**

Referral to Internal Audit

A review of the cases classified as Gross Misconduct revealed that 12 were identified as instances of Fraud/Theft. According to the Council's Disciplinary Policy and Procedure, such cases should be referred to Internal Audit and Counter Fraud for advice and investigation

assistance, and to allow monitoring and reporting of trends and to the Council's External Auditors. However, not all of these cases were referred to the Audit and Counter Fraud Team.

**See Recommendation 10 of Section 6 below.**

#### Adherence to Disciplinary Policy and Guidelines

#### 3.5 Code of Conduct and Disciplinary Policy

The Codes of Conduct and Disciplinary Policy is well-established and has been formally agreed with Trade Unions. However, the last review was conducted in September 2022. Similarly, the Recruitment and Selection Policy was last reviewed in March 2022. To ensure these policies remain compliant with legislative changes and continue to meet organisational needs, it is recommended that they be reviewed annually.

**See Recommendation 11 in Section 5 below.**

### 4 Overall Opinion

4.1 We noted control weaknesses in the following areas which require improvement in order to protect the Council, and employees, as follows:

- Employee References
- Criminal convictions
- Disciplinary Training and Awareness
- Disciplinary Case Review
- Compliance with Referral and Policy Guidelines

4.2 In light of the above, the overall audit opinion is that the existing systems and controls are Inadequate to effectively manage the risks and ensure compliance with established policies and procedures.

### 5 Way Forward

5.1 We would like to thank officers within the HR Service for their support whilst undertaking the review. An Action Plan including management comments is included in Section 5 of this report. Progress against the agreed recommendations will be reviewed as part of an agreed timetable.

5.2 In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.

#### 5.3 Disclaimer

This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list as an aid to the effective management of Council resources, and for no other purpose. Our audit work has been undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.



## 6. Action Plan

The table below shows the recommendations for the findings arising from our review. We have prioritised the recommendations to provide you with an indication of the importance for each nominated officer. If an officer disagrees with the prioritisation, they should discuss this with the auditor as part of the finalisation process.

- High Priority** - Significant risk to the Council or Service, the recommendation is essential for sound or effective control.  
**Medium Priority** - Moderate risk to the Service it is important that the recommendation is completed.  
**Low Priority** - Small risk to the Service it would improve control if the recommendation were to be completed.

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
1	The Payroll and HR Service should consult with the Head of Education Support Services and HR colleagues to agree a procedure for the collection and storage of a central record of statutory pre-employment checks, including DBS checks.  (The recommendation has been duplicated in the 2024/25 Fundamental Financial Systems – Payroll Review)	High	Agreed – to be dealt with via Payroll report response.	Assistant Director of Workforce & Organisational Culture	See Payroll Report <del>June 2025</del> March 2026	This action is included in the Payroll report also, however this is a wider HR issue and is not specifically a Payroll issue.  This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.  Currently, LAE schools retain pre-employment checks locally, and records are not kept in the OMBC HR team records.  Since August 2025 a high-level options appraisal has been undertaken to understand options, including a regular audit cycle ran through the schools HR Advisory team.  A meeting to discuss a way forward is being planned for October 2025 with the Heads of Education Support Services.
2	Strengthen the employee vetting process by ensuring that incomplete or	High	Agreed. This should be happening currently, and this	Assistant Director of Workforce &	February 2025	This was discussed and addressed at the time of the audit.

	ambiguous reference checks, such as "no comment" responses, are thoroughly reviewed and escalated for further investigation before proceeding with hiring decisions.		will be raised as an issue within the Service.	Organisational Culture		<p>However, a wider conversation has taken place in September 2025 about ensuring the competence of recruiting managers, as accountability for approving references sits with managers not Employment Services.</p> <p>There is a Recruitment &amp; Selection e-learning module which is optional for recruiting managers currently. A scoping piece of work is underway to understand take up of this and the feasibility of this becoming mandatory.</p>
3	Implement stricter protocols for reviewing DBS checks to ensure that all relevant information, including any criminal history, is made available to the recruiting Manager during the recruitment process. A formalised checklist should be created for vetting purposes with evidence provided to the recruiter prior to recruitment interviews.	High	Agreed. This action will require a change in Oldham's use of the GM wide recruitment system in place.	Assistant Director of Workforce & Organisational Culture	<del>March 2025</del> November 2025	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>The current application form means that this information is not available at interview stage. It is not usual procedure to do this.</p> <p>It has been agreed that an additional "Declaration form" will be included at onboarding stage where individuals will be asked to declare convictions, warnings, bindovers, investigations and fitness to practice. This will be shared with recruiting managers at onboarding stage.</p> <p>DBS's are processed through CBS and if concerns are raised these are shared with the recruiting manager.</p>
4	Create a dedicated mandatory training program to equip disciplinary chairpersons with the	High	Agreed. The Service to liaise with the Learning and Development Team to take this forward.	Assistant Director of Workforce & Organisational Culture	<del>March 2025</del> January 2026	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p>

	knowledge and skills required for their role.					<p>This work has now commenced, with stakeholders working to agree content for a disciplinary chairperson e- learning package.</p> <p>This is aimed for completion by January 2026.</p>
5	Explore the implementation of a dedicated case management system to streamline case reviews, improve record-keeping, and facilitate the setting of case reminders. This system should support accurate classification and enhance oversight of disciplinary processes.	High	This action has already started. However, this is a large piece of work and will require time for implementation.	Assistant Director of Workforce & Organisational Culture	<p><del>October 2025</del></p> <p>October 2026</p>	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>A programme of work to optimize the iTrent system has been approved in principle. This includes – among other things – scoping the implementation of the case management module. This is in the long-term actions and therefore will not be actioned until at least October 2026.</p> <p>In the interim the HR Advisory team will imminently implement a new and more robust Employee Relations Excel tracker. This clearly breaks down cases, timelines and actions in a more meaningful way.</p> <p>This will be a standing agenda item on weekly Team meetings and 121s.</p>
6	The service should clearly define and consistently apply the criteria for Gross Misconduct to ensure consistent expectations and outcomes in disciplinary proceedings emphasising that dismissal should be	High	This work has already commenced. This will also require additional training for staff.	Assistant Director of Workforce & Organisational Culture	<p><del>March 2025</del></p> <p>September 2025</p>	<p>The HR Advisory team has strengthened it's quality &amp; assurance process around case management, which includes review of misconduct and gross misconduct cases. This includes:</p> <ul style="list-style-type: none"> <li>- Weekly case meeting</li> <li>- Bi weekly 121s and case reviews</li> <li>- Acting HR Manager (team lead) quality checking all panel packs prior to hearing dates and outcome letters</li> </ul>

	the default outcome when Gross Misconduct is proven.					Learning sessions and case reviews happen regularly.  It is anticipated this will strengthen quality and focus of case work.
7	Develop and implement comprehensive sentencing guidelines that outline acceptable mitigating factors and appropriate sanctions to ensure consistency in disciplinary outcomes. Strengthen management oversight of HR's advice on mitigating factors to promote fairness and accountability in decision-making processes.	High	This will be addressed by way of the additional staff training noted at Recommendation 6 above.	Assistant Director of Workforce & Organisational Culture	<del>March 2025</del> September 2025	The HR Advisory team has strengthened its quality & assurance process around case management, which includes review of potential sanctions This includes:  <ul style="list-style-type: none"> <li>- Weekly case meeting</li> <li>- Bi weekly 121s and case reviews</li> <li>- Acting HR Manager (team lead) quality checking all panel packs prior to hearing dates and outcome letters</li> </ul> Learning sessions and case reviews happen regularly.  It is anticipated this will strengthen quality and focus of case work
8	The service should conduct a thorough review of the cases dropped due to insufficient evidence to confirm their proper outcome and classification.	High	This will be addressed by way of the additional staff training noted at Recommendation 6 above.	Assistant Director of Workforce & Organisational Culture	<del>March 2025</del> September 2025	It has been agreed that we will not review historic cases given the time elapsed since this Audit is done.  The HR Advisory team has strengthened its quality & assurance process around case management, which includes review of potential sanctions This includes:  <ul style="list-style-type: none"> <li>- Weekly case meeting</li> </ul>

	Establish clear guidelines to ensure that cases are accurately categorised, particularly when evidence is lacking.					<ul style="list-style-type: none"> <li>- Bi weekly 121s and case reviews</li> <li>- Acting HR Manager (team lead) quality checking all panel packs prior to hearing dates and outcome letters</li> </ul> <p>Learning sessions and case reviews happen regularly.</p> <p>It is anticipated this will strengthen quality and focus of case work</p>
9	<p>The Council should review its current member-led appeals process to assess its effectiveness and alignment with best practices.</p> <p>Explore the feasibility of adopting a senior officer-led appeals process, where a new, impartial senior officer acts as the Disciplinary Chair to hear appeals. This approach would align with the practices of neighbouring authorities and enhance impartiality and consistency.</p>	Medium	The current appeals system will be subject to review.	Assistant Director of Workforce & Organisational Culture	<p><del>June 2025</del></p> <p>December 2025</p>	<p>This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.</p> <p>Discussions will commence imminently with relevant stakeholders regarding the possibility of adopting a senior officer-led appeal process.</p> <p>However, as this will take time, a guidance document highlighting the role of an appeal against dismissal panel and the role of Elected Members is currently being drafted with the intention to launch in December 2025.</p>

10	The Council should reinforce compliance with its Disciplinary Policy and Procedure by ensuring that all cases involving Fraud/Theft are promptly referred to Internal Audit and Counter Fraud for advice and assistance.	Medium	Agreed. To be implemented immediately.	Assistant Director of Workforce & Organisational Culture	January 2025 September 2025	Complete.  An extra column has been included in the Employee Relations tracker to ensure fraud/theft cases are picked up specifically for referral to IA and Counter Fraud.
11	Establish an annual review process for the Codes of Conduct and Disciplinary Policy and the Recruitment and Selection Policy to ensure they remain up to date with legislative changes and organisational requirements.	Medium	Agreed. Review of all policies and Procedures is an ongoing process	Assistant Director of Workforce & Organisational Culture	Ongoing	This action had not been completed to the initial implementation date due to capacity constraints and turnover in senior leadership, however is now progressing.  However from September 2025 the Head of HR and HR Manager are working on a programme of Policy updates, starting with Grievance and Dignity at Work. This will cover Code of Conduct and R&S.