



2003

PARLIAMENT OF TASMANIA

**AUDITOR-GENERAL
SPECIAL REPORT No. 49**

**STAFF SELECTION IN GOVERNMENT
AGENCIES**

December 2003

*Presented to both Houses of Parliament in accordance with the provisions of Section 57 of the
Financial Management and Audit Act 1990*

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President
Legislative Council
HOBART

Speaker
House of Assembly
HOBART

Dear Mr President
Dear Mr Speaker

**PERFORMANCE AUDIT NO. 49
STAFF SELECTION IN GOVERNMENT AGENCIES**

This report has been prepared consequent to examinations conducted under section 44 of the Financial Management and Audit Act 1990, for submission to Parliament under the provisions of section 57 of the Act.

Performance audits seek to provide Parliament with assessments of the effectiveness and efficiency of public sector programs and activities, thereby identifying opportunities for improved performance.

The information provided through this approach will, I am sure, assist Parliament in better evaluating agency performance and enhance Parliamentary decision making to the benefit of all Tasmanians.

Yours sincerely



D W R Baulch
ACTING AUDITOR-GENERAL

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Executive summary

EXECUTIVE SUMMARY

INTRODUCTION

In the 2001 – 2002 financial year in the Tasmanian State Service there were a total of 2 457 positions advertised across 10 agencies and other government organisations covered by the *State Service Act 2000*.¹

Appointment and promotion decisions within the State Service are based on the merit principle as described by the *State Service Act 2000*. Under the ‘merit principle’ the selected applicant should be the applicant whose work-related qualities most closely match the work-related requirements of the position. Refer to the Introduction (page 10 of this report) for the full legislative description of merit.

The Act also requires that members of the community be provided with a reasonable opportunity to apply for employment within the State Service.

OBJECTIVE

The objectives of this compliance audit were to:

- Determine whether agencies have complied with applicable legislation, and the spirit of the legislation with respect to appointment and promotion processes; and
- Review whether there are levels of fairness and courtesy inherent in appointment and promotion processes that are likely to encourage and attract a wide field of applicants.

SCOPE

The scope included:

- The process of recruitment and promotion from advertisement of vacancy to post-appointment counselling within government agencies;
- Permanent and fixed-term appointments; and
- Any positions filled by employees, as defined by the *State Service Act 2000*.

The audit’s scope does not include Heads of Agency, senior executives (or equivalent specialists), and prescribed officers.

¹ State Service Commissioner *Annual Report 2001- 2002* P 11.

AUDIT OPINION

Agency selection procedures

We found that most agencies had documented procedures relating to the selection process and selection panels. On the whole, any documentation held was of an acceptable standard and was accessible to staff.

Treatment of applicants

In the main, applicants were treated with fairness and courtesy. However, there were some exceptions that included:

Lack of courtesy

- The duration of the selection process exceeding our 100-day benchmark in 7% of cases, at 5 agencies; and
- Post-selection counselling was not offered to 16% of unsuccessful applicants. In particular, external applicants were less likely to be offered post-selection counselling.

Lack of fairness

- Applicants with at least 6-month incumbency in a position possessed a decisive advantage over other applicants. We found that this occurred in 32 cases (16%) from our sample.

Selection criteria

We found that selection criteria complied with applicable legislation and were appropriate.

We did, however, note that a number of Statements of Duties contained an excessive number of selection criteria and frequently there was no guide to the relative importance of selection criteria.

Selection panels

We were satisfied that selection panels, when used, had members with a detailed knowledge of the subject position as well as the appropriate technical knowledge where required.

Effective selection process

In the great majority of selections, proper processes were followed and documented. Deficiencies identified in a small number of unsatisfactory selection processes included:

- Failure to hold interviews where an interview appeared to be the best source of evidence for some criteria;
- Failure of documentation to support the decision;
- Deficiencies in the documentation on shortlistings of applicants; and

- Failure to obtain objective verification of applicant claims from referees.

MANAGEMENT RESPONSE

All agencies were asked to provide comment on the report.

Responses were received from:

- DHHS;
- DIER;
- DJIR;
- DoE;
- DPAC; and
- Treasury.

DHHS responded to the report with a detailed response. In conclusion they stated that the Agency acknowledged that their existing documentation required further refinement and further training of selection panel members was required in order to ensure adherence to Agency procedures. The Agency's objective was to be outcome and not process focussed.

DIER made a number of points in its response including:

- Lack of fairness: Executive Summary did not refer to the finding that in all cases sampled 6 month's incumbency was a decisive factor; and
- Referee Reports: DIER was concerned that a widespread use of referee reports may become a substitute for judgement and decision-making. The prime role of Referee Reports should be to gain other information to assist and clarify judgement.

DJIR had no comment to make on the report.

The Department of Education is currently undertaking a recruitment project, which entails a rewrite of Recruitment, Selection and Vacancy procedures. Following completion of this project, the outcome will be delivery of detailed documentation to all staff, including selection panels, which will assist in improving selection processes and achieving best practice.

The compliance audit report will provide useful feedback to the departmental officers who are undertaking the recruitment project.

In their response DPAC concluded that recruitment and selection isn't a process that can always operate in accordance with a set 'formula'. They were satisfied that the procedures operating within DPAC in this area did satisfy the merit principle.

DPPS commented that the review had highlighted a number of areas where business processes could be improved, and the comments noted on the audit provided a valuable platform upon which to address those issues.

In particular, the comments relating to appropriate and documented procedures for the selection process, including the establishment of selection panels, were acknowledged.

DPPS would continue to assess and enhance recruitment and selection processes, and the matters raised during the review would be addressed.

Treasury advised that they intended to alter their internal guidelines to reflect some of the audit's recommendations.

Treasury advised that they considered it unnecessary to seek referee reports for short-listed applicants found not to be suitable for the position.

SUMMARY OF RECOMMENDATIONS

This summary paraphrases major recommendations contained within the report.

Agency selection procedures

- Agencies are to align their staff selection guidelines with current legislation and Commissioner's Directions.

Treatment of applicants

- Selection process to be completed within 100 days.
- Agencies are encouraged to advertise vacancy positions as soon as possible.
- Agencies are encouraged to offer post-selection counselling to all unsuccessful applicants.
- Agencies date-stamp applications upon receipt and formally document delegations from Head of Agencies as necessary for late applications.
- Agencies document clear criteria for the acceptance of late applications.

Selection criteria

- Number of selection criteria to be kept to a minimum.
- Selection criteria weightings to be both clearly stated in the documentation and to applicants.

Effective selection

- Agencies should ensure that reasons are documented for shortlisting decisions for all applicants.
- Selections should not be approved by the delegate until documentation is adequate to support the decision made.
- Referee reports should always be obtained for shortlisted applicants.

LIST OF ACRONYMS AND ABBREVIATIONS

CD 1	Commissioner's Direction No. 1
DHHS	Department of Health and Human Services
DIER	Department of Infrastructure, Energy and Resources
DJIR	Department of Justice and Industrial Relations
DoE	Department of Education
DPAC	Department of Premier and Cabinet
DPIWE	Department of Primary Industries, Water and Environment
DPPS	Department of Police and Public Safety
DSD	Department of State Development ²
FTE	Full-Time Equivalent
TAO	Tasmanian Audit Office
Treasury	Department of Treasury and Finance

² DSD has now been replaced by the Department of Economic Development and the Department of Tourism, Parks, Heritage and the Arts. This report refers consistently to DSD because during the period covered by this audit DSD was still in existence.

Introduction

INTRODUCTION

Background

In the 2001 – 2002 financial year in the Tasmanian State Service there were a total of 2 457 positions advertised across 10 agencies and other government organisations covered by the *State Service Act 2000*.³

Appointment and promotion decisions within the State Service are based on the merit principle as defined by the *State Service Act 2000*. Under section 7 (2) of the Act:

‘...a decision relating to appointment or promotion is based on merit if –

- (a) An assessment is made of the relative suitability of the candidates for the duties; and
- (b) The assessment is based on the relationship between the candidates’ work-related qualities and the work-related qualities genuinely required for the duties; and
- (c) The assessment focuses on the relative capacity of the candidates to achieve outcomes related to the duties; and
- (d) The assessment is the primary consideration in making the decision.’

Therefore, positions advertised should not only be available to interested persons from within a particular agency but also to anyone from other agencies and beyond.

Under the current legislation and its associated regulations, agencies and selection panels are given only a broad framework to work by. Unlike previous legislation, there are no detailed manuals providing prescriptive guidelines. Each agency is given the freedom to develop its own internal guidelines within the broad legislative umbrella.

Prior to this audit there had been some anecdotal and other evidence suggesting that recruitment to and promotion within the State Service was not always a satisfactory process.

Deficiencies cited were:

- Excessive time taken in the selection process;
- Inappropriate selection criteria;

³ State Service Commissioner’s *Annual Report 2001- 2002* P. 11.

- Poor documentation of selection decisions; and
- Lack of courtesy in dealings with applicants.

Other general problems discussed include lack of guidelines for recruitment under the current Act.

Legislation

Current legislation affecting staff selection includes:

- *State Service Act 2000*;
- State Service Regulations 2001; and
- State Service Commissioner's Directions (CD 1).

The *State Service Act 2000* and attendant Regulations replaced the *Tasmanian State Service Act 1984* and accompanying regulations. The new Act is less definitive and prescriptive and does not have the accompanying detailed *Tasmanian State Service Personnel Manual* that its predecessor had. However, some agencies are still using this guide for direction on administrative and procedural matters relating to the 2000 Act and regulations.

Mandate for the audit

Under the provisions of section 44(b) of the *Financial Management and Audit Act 1990* the Auditor-General may:

‘Carry out examinations of the economy, efficiency and effectiveness of Government departments, public bodies or parts of Government departments or public bodies’.

The conduct of such audits is often referred to as performance auditing.

Objective

The objectives of this compliance audit were to:

- Determine whether agencies have complied with applicable legislation, and the spirit of the legislation, with respect to appointment and promotion processes; and
- Review whether there are levels of fairness and timeliness inherent in appointment and promotion processes that are likely to encourage and attract a wide field of applicants.

Scope

The scope included:

- The process of staff selection from advertisement of vacancy to post-appointment counselling within government agencies;
- Permanent and fixed-term appointments; and
- Any positions filled by employees, as defined by the *State Service Act 2000*.

The audit's scope does not include Heads of Agency, senior executives (or equivalent specialists), and prescribed officers.

Criteria

Five audit criteria were applied, viz:

1. Each agency should ensure appropriate procedures for staff selections and selection panels;
2. Applicants should be treated with fairness and courtesy;
3. In relation to selection criteria agencies should satisfy expectations that they should not be unduly complex, excessive in number and have unclear weightings;
4. Selection panels should have sufficient knowledge; and
5. There should be an effective selection process.

Standards applied

This audit has been performed in accordance with Australian Auditing Standard AUS 806 (*'Performance Auditing'*), which states that:

‘The objective of a performance audit is to enable the auditor to express an opinion whether, in all material respects, all or part of an entity's activities have been carried out economically, and/or efficiently and/or effectively.’

This audit has included such tests and other procedures we considered necessary in the circumstances.

Detailed tests involved judgement sampling of records rather than statistical methods. The evidence provided by these means is persuasive rather than conclusive in nature.

Audit methodology

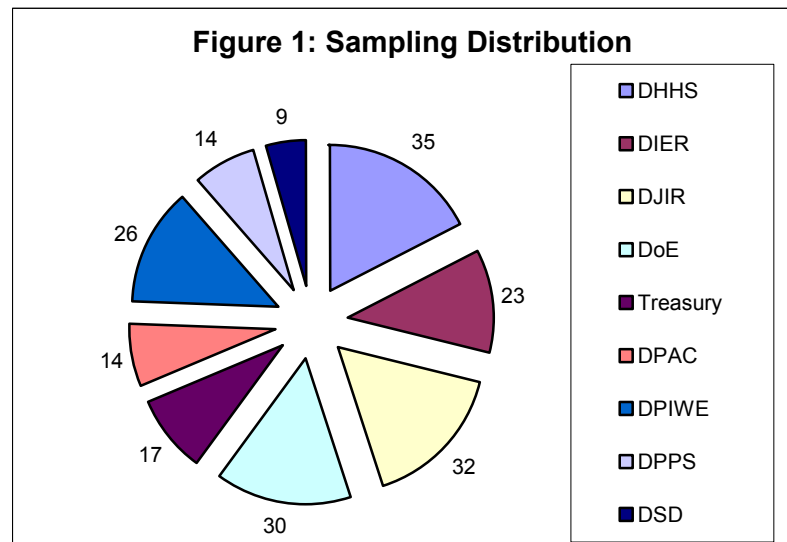
Audit procedures included:

- Detailed testing of personnel records (for 200 positions);

- Reviewing agency selection procedures and documentation; and
- Discussions with agency staff.

We conducted field-testing at each of the agencies covered by this audit. Samples of positions advertised were drawn for the 12-month period between the beginning of May 2002 and the end of April 2003. The size of the sample drawn from each agency was related to the number of positions advertised in the 2001-2002 financial year, as contained within the State Service Commissioner's Annual Report 2001 – 2002.

Figure 1 provides a distribution of advertised positions sampled throughout the agencies.



Stakeholder input

In line with the Audit Office's established practice for the conduct of performance audits, an advisory committee was convened to reflect stakeholder views. The committee provided input to the audit's methodology, mid-term progress, and reviewed the draft report upon its completion.

Nevertheless, the views expressed in this report are those of the Auditor-General and are not necessarily shared by other members of the committee.

The Auditor-General chaired the committee and its members were drawn from the following areas:

- Department of Primary Industries, Water and the Environment (DPIWE);
- Department of Premier and Cabinet (DPAC);

- Department of Health and Human Services (DHHS);
- Department of Infrastructure, Energy and Resources (DIER);
- Tasmanian Audit Office (TAO); and
- Office of the State Service Commissioner (OSSC).

Timing

Planning for the performance audit commenced in May 2003. Field-testing began in June 2003 and was completed in September 2003 with the report being finalised in November 2003.

Resources

The total cost of the audit excluding report production costs was \$130 000.

1 Agency selection procedures

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This section of the report deals with our findings, conclusions and recommendations made in relation to the audit criteria.

1 AGENCY SELECTION PROCEDURES

- **We sought evidence that each agency had documented procedures relating to:**
 - **The selection process; and**
 - **Selection panels.**

1.1 THE SELECTION PROCESS

We reviewed each agency's documented procedures to establish if they had adequate procedures in place to guide persons applying for positions in the agencies and also those staff members processing applications.

Under the *Tasmania State Service Act 1984*, all agencies were urged to use the companion personnel manual for all matters in relation to the selection process. Whilst this manual was quite prescriptive it allowed agencies to follow a uniform approach.

The *State Service Act 2000* was proclaimed on 1 May 2001 and had as its core element in the selection process 'The Merit Principle'. The personnel manual from the 1984 Act was withdrawn upon the proclamation of the *State Service Act 2000*. The only directions now in place that elaborate on the provisions of the new Act are the regulations and Commissioner's Directions No. 1 (CD 1) *Employment in the State Service*. CD 1 is a statutory requirement for Heads of Agencies covering a number of areas, including:

- Employment in the State Service;
- Statement of Duties;
- Appointment and promotion; and
- Fixed-term employment.

Thrust of the new Act was to give agencies more independence

The thrust of the new Act was to give Heads of Agencies an independent role to initiate their own policies and guidelines to conform to their agency's requirements. These are to be put in place with the merit principle and CD 1 as the core requirements. This contrasted with the more prescriptive format of the 1984 personnel manual.

We examined each agency’s documented procedures relating to staff selection.

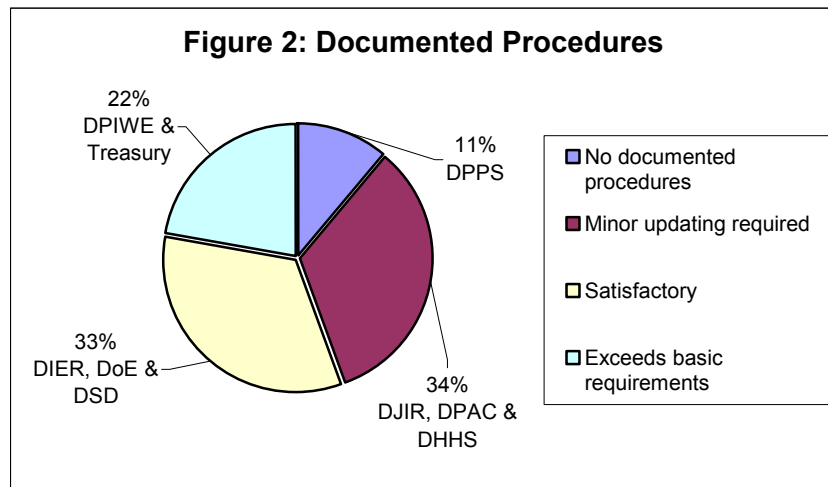


Figure 2 illustrates the variation found between the agencies and the differing levels of documented procedures. The Department of Police and Public Safety (DPPS) had no documented procedures, however, it was noted that they were abiding by the requirements of CD 1. Senior human resources staff acknowledged that their processes should be documented and we were informed that DPPS was to commence this process shortly.

DPIWE and the Department of Treasury and Finance (Treasury) set a very high standard. Both agencies had clearly defined selection processes that were available to all prospective applicants. Treasury gave particularly comprehensive advice to applicants.

The other agencies’ procedures either required minor updating (such as still referring to the 1984 Act) or were satisfactory.

We noted that most agencies had drawn on some of the principles, guidelines and pro-formas of the 1984 personnel manual. This was probably because the current Act and its associated legislative framework are considerably less prescriptive even when compared to CD 1.

All agencies covered core requirements

Recommendation 1

Agencies should ensure that they have written internal guidelines relating to staff selection. These guidelines should be in accordance with current legislation and the State Service Commissioner’s Directions.

1.2 PANEL SELECTION

CD 1 is silent on the appointment and composition of selection panels. We noted that most agencies had adopted the former 1984 personnel guidelines and had refined them. For example, some agencies required a member of the selection panel to be from outside the agency. Others included a requirement that at least one member of the panel had attended a recognised training course on selection procedures.

Whilst we did not note any agency that had deviated from the essential elements of the 1984 personnel manual guidelines in relation to selection panels, there is no legislative requirement for a panel of this description to be used.

1.3 CONCLUSION

We found that most agencies had documented procedures relating to the selection process and to selection panels. On the whole, any documentation held was of an acceptable standard and was accessible to staff.

2 Treatment of applicants

2 TREATMENT OF APPLICANTS

We tested each of the agencies as to whether they treated applicants with fairness and courtesy. In particular, we examined:

- Time taken to fill vacancies;
- Planning;
- The advantage of long-term incumbency;
- Clear instructions;
- Post-selection counselling; and
- Late applications.

2.1 TIME TAKEN TO FILL VACANCIES

We sought to measure the average time it took an agency to appoint a person to a position. For this purpose we tested a sample across the nine agencies (refer to the Introduction for audit methodology).

To measure the average time taken to appoint a person to a position we compared the date when the position was advertised with the date of the first appointment letter. In the case of readvertised positions we measured from the last advertisement placed.

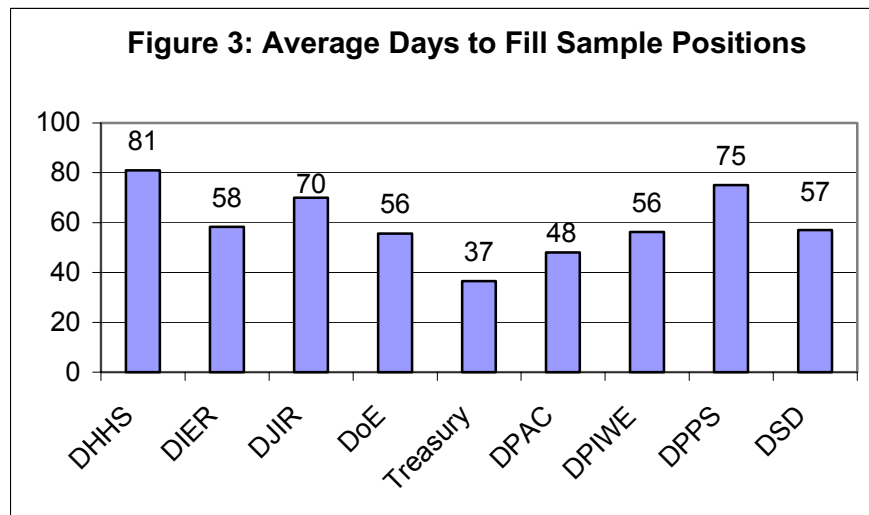
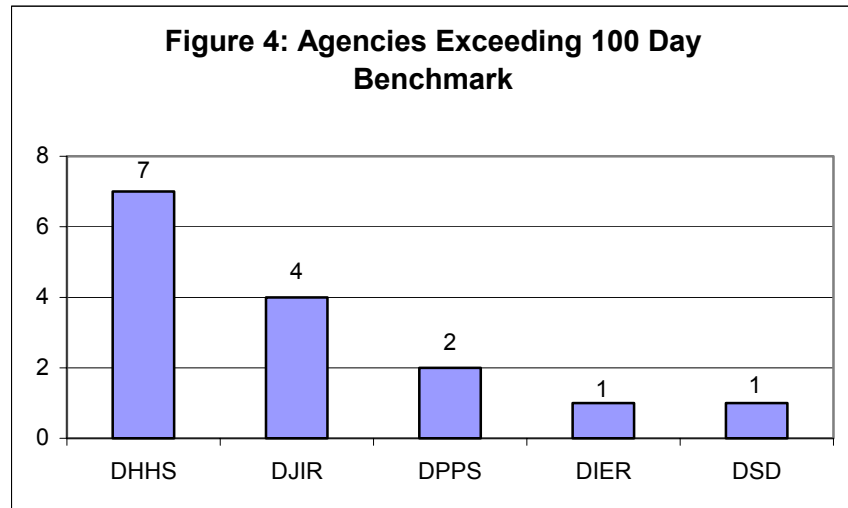


Figure 3 shows that there was a significant variation between the quickest (Treasury 37 days) and the slowest (DHHS 81 days) times to make an appointment. The average time taken to fill a position, for the sample on a service-wide basis, was 60 days.

In our opinion, a selection process exceeding 100 days in duration does not meet the ‘fairness’ and ‘courtesy’ criteria.

DHHS took on average 81 days to fill positions

We arrived at the 100-day maximum benchmark after referring to the *Infohrm 97 Benchmarking Report*. The survey was taken from a cross-section of Australian organisations, both public and private, and noted that 90% of sampled vacancies were filled in less than 101 days.⁴



Only 7% of positions exceeded 100-day benchmark

Figure 4 illustrates the distribution of positions sampled that exceeded our 100-day maximum benchmark. Out of 9 agencies 5 were found to contain positions that took more than 100 days to fill. DHHS had the highest number with 7 (from a total sample of 35). Across all agencies, only 7% of positions sampled exceeded the 100-day benchmark.

We were satisfied that most positions were being filled within a reasonable timeframe with some notable exceptions.

Recommendation 2

Agencies should ensure that the selection process is completed within 100 days.

2.2 PLANNING

We sought evidence that planning for positions advertised was being undertaken by the agencies.

We generally found that selection panels were being established in an orderly and timely fashion. In many instances correspondence to and amongst the selection panel was not retained in the position file, however, the selection report itself contained key dates such as when selection interviews were being conducted.

Some agencies (Treasury in particular) made use of internal memos containing standard directions to selection panels and

⁴ *Infohrm 97 Benchmarking Report* P. 513.

a listing of applicants. These memos indicated that selection panels were, at a minimum, receiving a list of all applicants together with some basic directions on what was required.

2.3 ADVANTAGE TO INCUMBENT

We sought to establish whether applicants were gaining an advantage, by acting in a position for more than 6 months prior to it being advertised.

Allowing an incumbent at least 6 months experience in a position clearly gives that person a distinct advantage over other applicants.

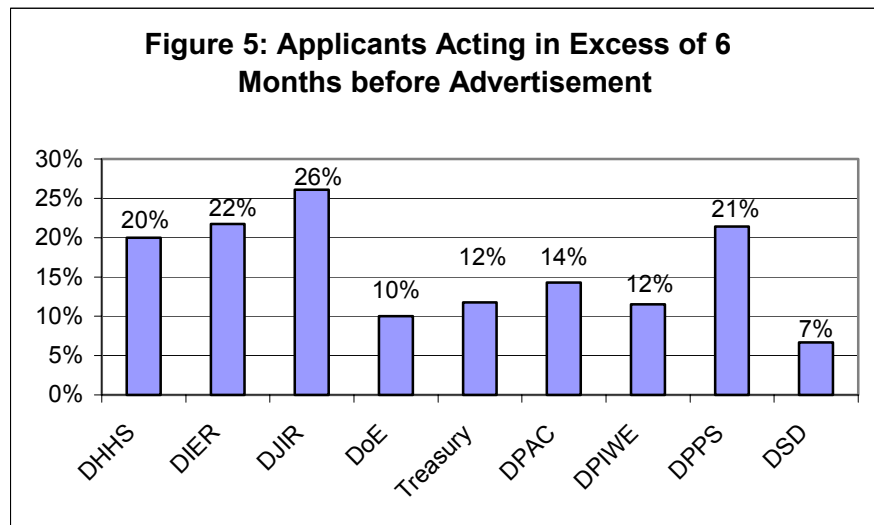


Figure 5 shows the percentage of positions by agency where an applicant had acted in the position for 6 months or more. We found in our sample that on all of the 32 occasions (16% of the total) where an applicant had been acting in the position for 6 months or more, that person was successful. We thus conclude that where a person has been acting in a position long-term, other applicants have virtually no chance of unseating them. It follows that wherever possible agencies should advertise a position as soon as possible rather than giving one particular applicant a distinct advantage.

Agencies should advertise positions earlier

There will occasionally be situations where it is beneficial or expedient for a person to act in a position for 6 months or more. For example, where there are no suitable applicants, the least unsuitable might be placed in the position for a fixed term, and the position readvertised at a later date.

We are concerned at the waste of effort and resources involved for agencies and frustration for applicants in performing a full selection process in those cases where the agency has previously determined that an incumbent is highly efficient and should continue in that position.

Use of direct selections

One possibility that is allowed by the *State Service Act 2000* in special circumstances is promotion without advertising (direct selections), which is a process for appointing a permanent employee without advertising the vacancy.

However, direct selection requires the approval of the State Service Commissioner who has demonstrated an intention to minimise the use of direct selections because:

- It is contrary to the requirement under the Act to provide reasonable opportunity for members of the community to apply for State Service employment; and
- It is inconsistent with the merit definition contained within the Act.

Recommendation 3

Agencies are encouraged to advertise vacant positions as soon as possible to minimise the incumbency affect.

2.4 CLEAR INSTRUCTIONS

We sought to ensure that applicants were given clear instructions on the required format and method for lodging applications. Consideration was given to:

- Addressing selection criteria;
- Using the required forms; and
- Informing applicants of closing dates.

Agencies providing clear instructions

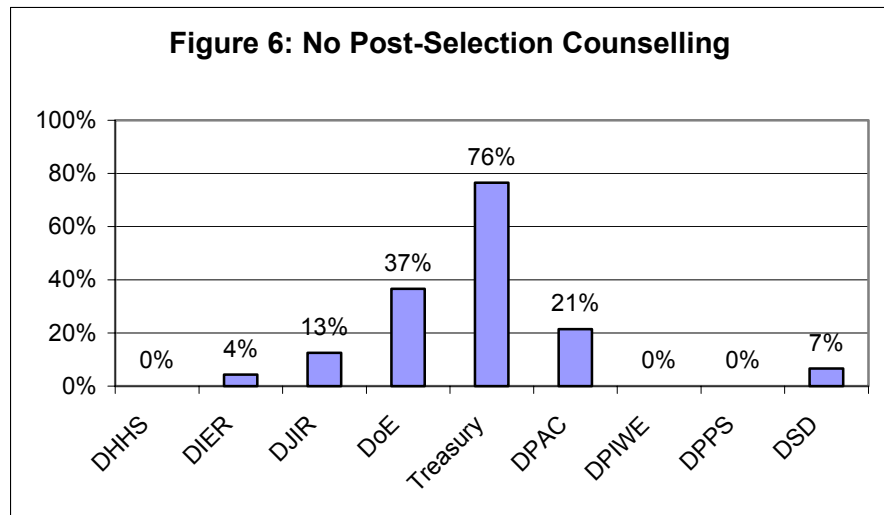
We found that all agencies were providing clear instructions. From our examination of positions advertised in the Tasmanian Government Gazette (and broader media) reference was made to the Statement of Duties (document containing selection criteria). The State Government's jobs website contained links to both the Statement of Duties and the Application for Employment form (Form 201) for any submitted application. Closing dates always appeared in the Tasmania Government Gazette, as it was an essential requirement when completing an electronic request.

We were concerned that applicants may be excluded from consideration for a position because of some technicality such as the non-use of a Form 201. However, we only found one instance where the non-use of a Form 201 was only partly used as the reason for not short-listing an applicant.

2.5 POST-SELECTION COUNSELLING

We sought to determine whether all unsuccessful applicants were being offered the opportunity to seek post-selection counselling.

Our sampling revealed significant variations between agencies with regard to post-selection counselling. We sought evidence either from within the documented selection-panel report or from letters to unsuccessful applicants.



Offers of post-selection counselling should be in writing

Figure 6 illustrates that Treasury had the largest percentage of positions sampled that did not offer post-selection counselling to unsuccessful applicants. Despite the lack of documented offers, counselling may have been offered verbally. However, our opinion is that the offer should be made in writing.

Agencies, on the whole, utilised standardised letters to advise both successful and unsuccessful applicants. An inclusion of an appropriate sentence could easily remedy the omission of the offer of counselling for unsuccessful applicants.

We found instances at Treasury (3) and Department of Education (DoE) (7) where post-selection counselling was only offered to unsuccessful State Servants. Most agencies' documented guidelines advised that post-selection counselling should be offered to all applicants. DPIWE, however, only required post-selection counselling for unsuccessful State Servants (otherwise optional).

Overall, 84% of unsuccessful applicants were offered post-selection counselling. Whilst agencies may be wary of offering post-selection counselling to unsuccessful applicants, especially where there are large numbers of applicants, TAO encourages its use as much as possible.

Recommendation 4

Agencies are encouraged to offer post-selection counselling to all unsuccessful applicants.

2.6 LATE APPLICATIONS

We sought to ensure that late applications were not being accepted by agencies without the approval of the Head of Agency or their delegate.

All applications should be received by the agency by the close of business on the closing date (usually a Friday).

Convention has arisen allowing applications to be accepted if they are received by an agency by the first internal mail on the next business day (usually a Monday). This convention appears to pre-date faxes and emails. We found varying degrees of acceptance by agencies in regards to late applications, with some being more rigid than others.

CD 1 allows late applications to be accepted, but only by the Head of Agency, or their delegate. In practice, approval is usually by the chairperson of the selection panel. We examined agency delegations and determined that only DHHS had a delegation from the Head of Agency for acceptance of late applications. We could not always determine whether the Head of Agency, or their delegate had approved late applications.

We concede that it is not practicable (especially in the larger agencies) for the Head of Agency to be required to individually approve late applications.

2.6.1 Date stamping

We observed that applications were sometimes not date stamped upon receipt but rather after the closing date (following Monday) or not stamped at all. To assist with determining the receipt of applications, agencies need to consider date stamping applications upon receipt (except where the date is self evident e.g. fax and email header details).

Varying degrees of acceptance of late applications found

Recommendation 5

We recommend that:

Agencies formally document delegations from the Head of Agency as necessary in regards to the acceptance of late applications.

Agencies document clear criteria for the acceptance of late applications; and

Agencies date stamp applications upon receipt wherever necessary.

2.7 CONCLUSION

In the main, applicants were treated with fairness and courtesy. However, there were some exceptions that included:

Lack of courtesy

- The duration of the selection process exceeding our 100-day benchmark in 7% of cases, across 5 agencies; and
- Post-selection counselling was not offered to 16% of unsuccessful applicants. In particular, external applicants were less likely to be offered post-selection counselling.

Lack of fairness

- Applicants with at least 6-month incumbency in a position who had a decisive advantage over other applicants. We found that this occurred in 32 cases (16%) from our sample.

3 Selection criteria

3 SELECTION CRITERIA

We tested certain expectations relating to selection criteria, including:

- **Essential requirements must be either part of an award or approved by the State Service Commissioner;**
- **The number of selection criteria should not be excessive;**
- **Individual selection criteria should not include unrelated sub-criteria; and**
- **There was predetermined weighting of selection criteria.**

3.1 ESSENTIAL REQUIREMENTS

We sought to ensure that where ‘essential requirements’ were listed in a position advertisement that they were either part of an award or that the State Service Commissioner had specifically approved the position in accordance with the *State Service Act 2000*.

Our sample included 68 positions where there were essential requirements and we noted no discrepancies.

3.2 EXCESSIVE NUMBER OF SELECTION CRITERIA

We sought to test whether agencies were requiring applicants to address an excessive number of selection criteria. We regarded seven criteria as being the upper-limit of what could be considered reasonable.

We set a maximum acceptable number of 7 selection criteria

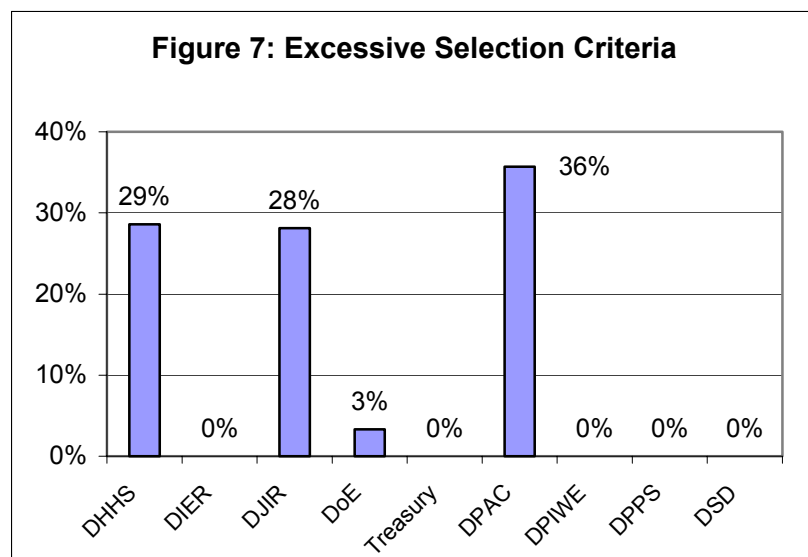


Figure 7 shows there were three agencies (DHHS, Department of Justice and Industrial Relations (DJIR) and DPAC) that had more than 25% of positions advertised with more than seven selection criteria.

We consider that excessive selection criteria make the assessment process unduly complex for both the applicants and the selection panel.

Recommendation 6

Agencies should consider it best practice to keep the number of selection criteria to a minimum.

3.3 MULTIPLE UNRELATED SUB-CRITERIA

We sought to determine whether agencies were allowing selection criteria in Statements of Duties to contain multiple unrelated sub-criteria.

By multiple unrelated criteria, we mean criteria having a number of sub-criteria (often requiring considerable individual attention) that are placed within over-arching criteria. We only found two instances of the above within our sample and concluded that their use was not widespread.

3.4 PREDETERMINED WEIGHTINGS

In relation to weightings we were not looking for a numeric description of weightings. Instead we were more concerned with whether there was any indication given as to the relative importance of selection criteria. We tested whether agencies were weighting selection criteria at a sufficiently early stage to ensure the selection process was objective in the decision-making process. We also wanted to ascertain whether agencies were advising applicants of the weighting applicable to each selection criteria.

Wide variation found between the agencies

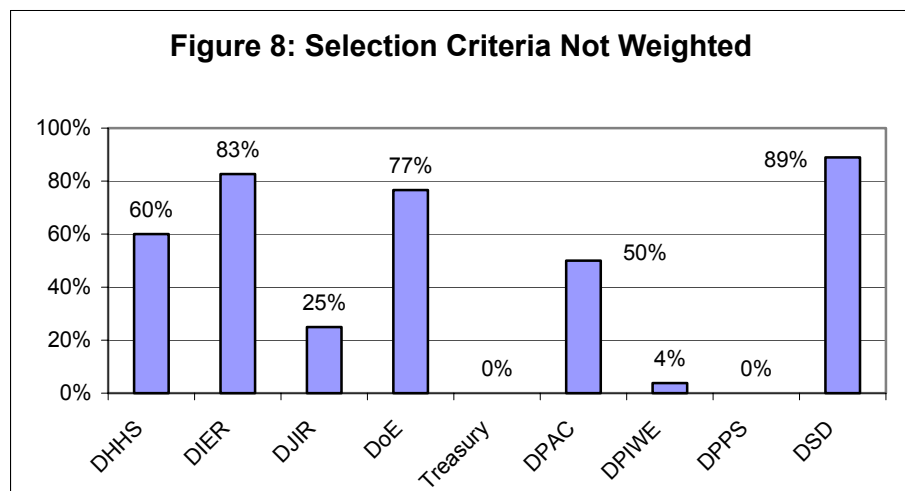


Figure 8 illustrates the wide variation found between the agencies. A number of selection panels in some agencies did not actively document or advise applicants in the use of non-numeric weightings. Other agencies such as Treasury and DPPS adopt a consistent approach to weightings. In the case of Treasury, all criteria were weighted equally unless otherwise advised via their Statements of Duties. This strategy also assisted applicants.

Criteria weightings to be determined at outset

We consider it best practice to determine and document criteria weightings at an early stage in the selection process, and to inform all applicants. However, we are in no way stating that selection criteria are required to be assigned a specific numeric weighting.

Recommendation 7

Agencies should clearly state both in their documentation and to applicants the weighting of each selection criteria.

3.5 CONCLUSION

We found that selection criteria complied with applicable legislation and were appropriate.

We did, however, note that a number of Statements of Duties contained an excessive number of selection criteria and frequently there was no guide to the relative importance of selection criteria.

4 Selection panels

4 SELECTION PANELS

We examined the make-up of selection panels. To this end we examined selection panels' composition to determine whether:

- **Panel members had technical and detailed knowledge; and**
- **They were representative.**

4.1 SELECTION PANELS

Selection panels are not mentioned in the *State Service Act 2000*, its associated regulations or CD 1. However, most agencies have internal guidelines that specifically address the use of selection panels. They all express a preference for the use of a selection panel. Some agencies have documented that selection panels should generally contain three members. Whilst others do not specify a specific number they do advise representation from both genders.

4.2 TECHNICAL AND DETAILED KNOWLEDGE

We sought to ensure that agencies were including in selection panels members with a detailed knowledge of the position being filled, and relevant technical knowledge. For example at least one doctor should be on a selection panel where the position to be filled was a doctor.

In general, we found that agencies were including people on selection panels that had an acceptable level of detailed knowledge of the work area associated with the position being filled. The direct supervisor for the position being filled was usually a member of the selection panel.

Our sampling of DHHS found one instance (professional position) where the selection panel was comprised of people without comparable qualifications to the position being filled. Otherwise, instances of selection panels not complying with their own agency's guidelines were sufficiently low to not warrant further comment.

4.3 WERE PANELS REPRESENTATIVE?

We sought to test the premise, contained within most agency guidelines, that selection panels should comprise both men and women.

We found with DHHS there were three permanent positions (8% of sample) where the selection panel contained members of one gender. For one of these positions there was only one person on the panel to make the selection. There was also one

Selection panels generally had technical and detailed knowledge

Full selection process
should have been
completed

position in DJIR (3%) where again there was only one person on the selection panel made an appointment. These positions were not direct-selection appointments so in our opinion, a full selection process should have been completed including the appointment of a representative selection panel.

4.4 CONCLUSION

We were satisfied that selection panels, when used, had members with a detailed knowledge of the subject position as well as the appropriate technical knowledge where required.

5 Effective selection

5 EFFECTIVE SELECTION

We examined whether:

- Short-listings were based on selection criteria;
- Appropriate weight was placed on the interview;
- The appointment was based on the selection criteria;
- The process was properly documented; and
- There was objective verification of applicant claims.

5.1 SHORTLISTINGS

Shortlistings are used to select those applicants that best meet the selection criteria or those applicants who have shown sufficient merit for more detailed consideration. Applicants short-listed are then usually interviewed or subjected to some other further assessment, from which the successful applicant is selected. We sought to test whether agencies were shortlisting applicants in accordance with selection criteria.

Agencies tested on short-listing practices

We took the view that the shortlisting process need not be extensively documented. A brief sentence for each unsuccessful applicant, or for groups of applicants, was considered sufficient.

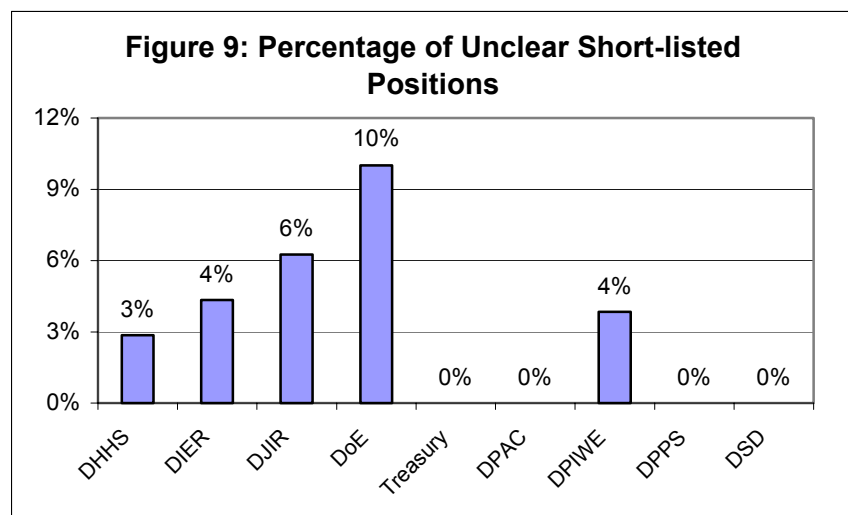


Figure 9 shows that 5 agencies had selection reports where the shortlisting of applicants was not always clear. DoE, from a sample of 30 had three positions where we could not discern from the selection reports why applicants were or were not

shortlisted. Similarly, DJIR had two positions where either the selection report was not sighted or the reasoning for the shortlisting was not documented.

We found that agencies held documented procedures relating to the shortlisting of applicants, with many agencies making the point that the reasons for shortlisting should be included in the selection report.

Recommendation 8

Agencies should ensure that reasons are documented for shortlisting decisions for all applicants.

5.2 APPROPRIATE WEIGHT ON INTERVIEW

We tested whether interviews, where used, were necessary and whether some other method of assessment could have been more appropriate. We also examined cases where there had been no interview.

We found instances at DJIR and DHHS where appointments to permanent positions had been made without interviews. In one case involving a DHHS position, an interview was not conducted even where one of the selection criteria for the position called for communication, negotiation and conflict resolution skills. We believe this criterion was best tested by way of an interview.

Though we acknowledge that an interview can be an imperfect method of selection, if it is not going to be used a suitable alternative should be substituted.

There were a number of short-term positions where interviews were not conducted. However, in all of those cases we considered that the approach taken was appropriate. The extension of a fixed-term position where no one else other than the person currently performing the duties applies may be an instance where interviews (or a suitable alternative) need not be used.

5.3 APPOINTMENT BASED ON THE SELECTION CRITERIA

The whole selection process should be built around appointing the person who best meets the selection criteria. We sought to test whether agencies were appointing applicants based on the selection criteria.

We only found two positions within DoE and one within DJIR where it was not clear to us the selection was made against the selection criteria. With the two DoE positions we

Instances found where interviews were not conducted

found that the interview questions could not be satisfactorily matched against the selection criteria. We could not determine that the successful applicant for the DJIR position was selected against the criteria as no interview was conducted and the supporting documentation was inadequate.

5.4 *PROPER DOCUMENTATION*

We sought evidence to establish that agencies were properly documenting their decisions. Decisions were documented in the selection reports. Most agencies provided guidelines on how to set out a selection report. Often, these guidelines included pro-forma selection reports that only needed to be completed by the panel members.

Documentation for some decisions found to be inadequate

We found permanent positions at DoE (2), DHHS (2) and DJIR (1) where the decision was not adequately documented, despite those agencies having internal guidelines that covered documentation.

Problems noted included:

- The reasons for the selection of an applicant contained in only one sentence;
- Reasoning for final selection not properly documented; and
- Not following the agency's guidelines for completion.

Recommendation 9

Selections should not be approved by the delegate until documentation is adequate to support the decision made.

5.5 *OBJECTIVE VERIFICATION*

The Australian National Audit Office in a recent report stated that:

‘Structured reference checking is used as an integral component of the selection process, not as an ‘add on’ to confirm a decision’⁵

We sought to test whether agencies were following up on the claims made by applicants. As their claims are used to measure applicants against the selection criteria, it is important to test the validity of such claims. The best-established way to do this is the use of referee reports. Most agencies that had documented procedures had guidelines relating to referee reports. Some agencies recommended the

⁵ Australian National Audit Office, *Managing People for Business Outcomes* 2002 P. 49.

use of written referee reports whilst others were more inclined to use oral reports (with notes from the discussion taken).

We sought to measure whether referee reports were used in the positions sampled. In some cases an applicant was already working in the area where the position was to be filled and one or more people on the selection panel were already aware of the work performance of the successful applicant. However, we consider that formally seeking the opinion of referees is an important component of the selection process.

Seeking the opinion of referees considered important

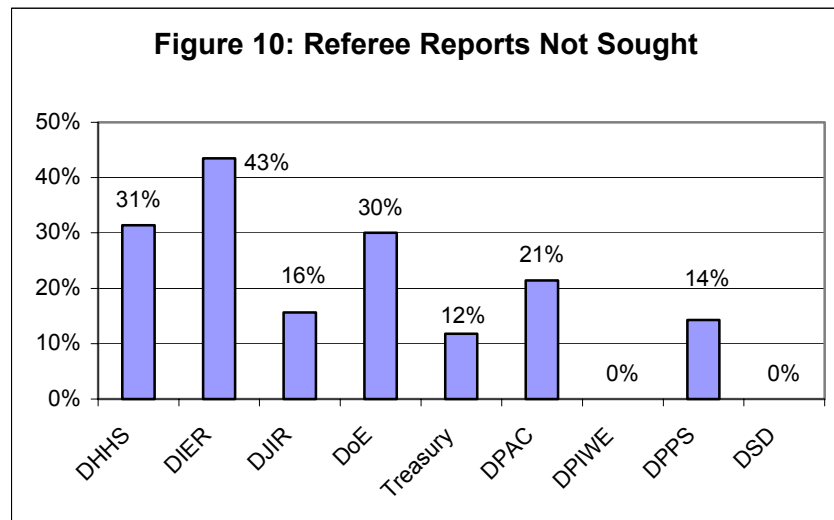


Figure 10 shows that selection panels (for permanent positions only) in some agencies were not consistently using referee reports. There were a number of reasons why selection panels had not used referee reports including that they were:

- Sought but were not documented in the selection report;
- Not considered necessary because of the familiarity of the successful applicant to the members on the selection panel; and
- Simply not being used.

We consider it good practice to formally request referee reports for short-listed applicants, even – or perhaps especially – where the selection panel is familiar with the applicant.

Considered good practice to request referee reports

Recommendation 10

Referee reports should always be obtained for shortlisted applicants.

5.6 CONCLUSION

In the great majority of selections, proper processes were followed and documented. Deficiencies identified in a small number of unsatisfactory selection processes included:

- Failure to hold interviews where an interview appeared to be the best source of evidence for some criteria;
- Failure of documentation to support the decision;
- Deficiencies in the documentation on shortlistings; and
- Failure to obtain objective verification of applicant claims from referees.

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