



Companies House

Audit Report

January 2025

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Executive Summary

The Civil Service Commission audits organisations to drive greater innovation and improvement in departmental practice, while ensuring the important principle of recruitment on merit, after fair and open competition remains the cornerstone of an effective and impartial Civil Service.

The new audit programme better reflects the differences in scale and the challenge of recruitment within the different departments and organisations that the CSC regulates.

For each audit the Commission requests evidence on six campaigns, with each to include records related to:

- o the job advert;
- o the candidate pack;
- o the sift records (with scores);
- o the interview questions;
- o the interview scores (with feedback);
- o the appointment; and
- o the chair / panel report.

and:

- requests evidence on six exceptions;
- issues a questionnaire related to diversity, innovation and SCS recruitment;
- identifies areas of concern; potential breaches to the Recruitment Principles; and clarifying evidence from the organisation required for the interim audit;
- discusses the above with each organisation at an audit meeting;
- moderates the final report with Civil Service Commissioners including, where relevant, the department's Link Commissioner;
- issues the Final Audit Report with the audit rating to the organisation; and
- follows up recommendations with the organisation to ensure the actions have been addressed.

Profile

Companies House (CH) is an executive agency sponsored by the Department for Business and Trade. Its role is to incorporate and dissolve limited companies. It also registers company information and makes it available to the public.

- **Headcount:** 1,500 (September 2024)
- **Appointments:** 583 (last four quarters)
- **Exceptions:** 5 (last four quarters)
- **SCS1+2 / Commissioner-led competitions:** 0/0 (last four quarters)

CH was audited in September 2024.

The CH Complexity Score is 2. This reflects a small department with a low range and public profile. CH agreed with this complexity rating.

CH was engaged throughout the audit process, including during a proactive audit meeting. CH staff have attended the CSC Recruitment Principles training.

Audit Findings

The audit reviewed six campaigns and five exceptions.

Good Practice

Each job advert contains a link to a webpage with tips on writing CVs and personal statements. These also contain useful information about how Success Profiles are used. This is a valuable resource for external candidates.

There was detailed guidance in each job advert about how to write a personal statement and what CH is looking for in these statements. CH also included guidance on the use of AI in personal statements and CVs. This shows that CH are adapting their processes with new technological developments.

In most cases, it was very clear in the job adverts how candidates would be assessed, as well as which criteria were essential and which were desirable.

Areas for Improvement

There was some ambiguity across campaigns about elements of the selection process additional to application and interview. Some adverts stated, 'Candidates may be required to undertake an activity as part of the selection process.' The Commission noted that CH should be more specific here. CH responded that they would improve their quality check process for adverts. Another similar issue of ambiguity was found where the advert stated that the recruitment process 'may include strength-based questions in the interview.'

In some cases, CH did not state how the desirable criteria would be used. This makes it unclear to candidates how they will be assessed. CH responded that they are considering removing desirable criteria from all adverts.

CSC noted there was a lack of clarity across some adverts about how 'Experience' would be assessed. CH confirmed that experience was assessed at sift using the person specification. CSC confirmed that this process should be made clearer.

Queries Raised

Throughout the adverts, CH referred to how CVs would be assessed. However, the Commission could not see a score for CVs in the sift records. CH should be clearer in the job advert on how they are using the CV as part of the assessment.

Breaches of the Recruitment Principles

There were no breaches recorded during the audit or outside of the audit process.

Exceptions

The audit reviewed the following five exceptions:

- **Exception 1:** AO support for government employment programmes (Exception 2) for 2 years.
- **Exception 2:** AO support for government employment programmes (Exception 2) for 2 years.
- **Exception 3:** AO support for government employment programmes (Exception 2) for 2 years.
- **Exception 4:** AO support for government employment programmes (Exception 2) for 2 years.
- **Exception 5:** G6 temporary appointment (Exception 1) for 18 months.

Exception 1 usage

- **Total (last 4 quarters):** 0

CH made no appointments through Exception 1.

An Establishment Control Process (ECP) for exceptions is in place with Senior HRBPs and Directors signing off. Appointments for approvals to utilise Exception 2 schemes (either their own accredited schemes which CH have two, or approved GFIE schemes) are completed and encouraged at a local level between recruitment managers and hiring managers when arranging campaigns.

Approvals to use other exception routes are sought through Senior HRBP and Head of Resourcing. All approvals to appoint for any role must have first been through the ECP.

Diversity, Innovation and SCS Recruitment

Diversity

CH diversity targets in 2021/22 and 2022/23 were exceeded in both years.

CH has developed an Outreach Champions Network made up of 59 colleagues who support other organisations and schools around the Cardiff and South Wales area.

CH created a 5-week recruitment mentoring programme, running employability sessions with Cardiff People First, an advocacy group for people with learning disabilities.

CH are involved in a programme of school-based outreach activities. CH partnered with Cardiff Commitment, which is part of Cardiff Council, whereby organisations and businesses pledge to support children and young people in the Cardiff area to understand the sorts of jobs and industries that are growing in Cardiff.

CH have supported Adult Learning Wales in delivery of a 30-hour accredited course supporting people to gain employment within the civil service.

CH provides work experience to students at the Marion Centre, which is a specialist resource base for students aged 11 to 19 with an Autism Spectrum Disorder (ASD).

CH were re-accredited as a Level 3 Disability Confident Leader.

CH has created application guidance for neurodivergent candidates, built in collaboration with the CH neurodiversity network, DWP and the CH external communications team.

Innovation

CH will be giving hiring managers the option of providing all candidates with interview questions on their campaigns. At present this is offered as a reasonable adjustment for candidates when asked. However, following a small pilot in 2023, and researching best practice around inclusive interviews, CH feels that this will enable them to ensure all candidates have the best chance to be successful at interviews.

CH are currently working on developing individual recruitment pathways to support specific disabilities working with Delsion, who provide comprehensive disability support for organisations.

SCS Recruitment (including External by Default)

- CH has not run any SCS competitions in the last four quarters.

Conclusions and Recommendations

There were no breaches recorded for CH inside or outside of it. CH have not made any appointments through Exception 1. CH has excellent diversity and inclusion initiatives showing a proactive and comprehensive approach. CH has not run any SCS campaigns over the last four quarters.

Management Action Plan

The audit identified one recommendation:

	Recommendations	Priority	Implementation Date
1	Companies House should take steps to ensure that candidates are provided with greater clarity in relation to expectations at application, sift and interview stages.		June 2025

The Civil Service Commission will follow up with the organisation to ensure actions have been taken to address the recommendation.

Moderation Meeting

The Moderation Meeting, held on 29 October 2024, noted the exceptional diversity and innovation work.

Additionally, with no Exception usage, and no breaches, the Commissioners were in agreement on the audit rating.

Audit Rating

The audit rating is determined by compliance (breaches and Exception 1 usage); positive actions (diversity and innovation) and SCS recruitment (including external by default and Commissioner insight). The weighting will also be determined by the department size – for example, larger departments will have more SCS staff than smaller departments who may not have any SCS staff.

	Breaches	Exception 1 Usage	Diversity	Innovation	SCS Recruitment
Scale: 1-5	5	5	5	4	3
Weight (100%)	40%	25%	10%	10%	15%
Sub Score	40	25	10	8	9
Total Score			92		
Rating	Good				

Our Classification Systems

Complexity Score

- 5** **Most Complex** – largest most varied or currently most high-profile departments
- 4** **Complex** – large, varied or a high-profile department
- 3** **Average Complexity** – small, more focused departments, medium range and public profile
- 2** **Less Complex** – small department, low range and public profile
- 1** **Least Complex** – smallest departments with a focused remit

Considerations Informing Audit Rating

Compliance, Breaches, Exception 1 Usage, Diversity, Innovation, and SCS Recruitment.

Audit Ratings

Good	70-100
Fair	50-69
Needs Improvement	30-49
Needs Regulatory Intervention	20-29

Recommendations

Priority	Definition	Action Required
High	Non-compliance with the Recruitment Principles	Remedial action must be taken taken urgently within an agreed timescale.
Medium	Impact on the legal requirement of the Recruitment Principles related to fair, open, and based on merit.	Remedial action should be prioritised within an agreed timetable.
Low	No, or minimal, impact on the legal Requirement of the Recruitment Principles related to fair, open, and based on merit.	Remedial action should be taken at earliest opportunity within an agreed timetable.