COUNTY AUDIT DEPARTMENT

REPORT # 366

An Audit of:

CLERK HUMAN RESOURCES (HR) RECRUITMENT & HIRING PROCESS

JULY 15, 2019
July 15, 2019

Dear Pat Frank, Clerk of Court and Comptroller:

The Audit Team performed an audit of the Clerk’s Human Resources (HR) recruitment process. (Audit Report #366, dated July 15, 2019). Responses to the Audit Team’s recommendations were received from the Director of the Clerk’s Human Resources Department and have been included in the Report after each audit comment and recommendation.

The purpose of this Report is to furnish management independent, objective analysis, recommendations, counsel, and information concerning the activities reviewed. It is not an appraisal or rating of management.

Although the Audit Team exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

The Audit Team appreciates the cooperation and professional courtesies extended to the auditors by the Director and personnel of the Clerk’s Human Resources Department during this audit.

Sincerely,

Heidi Pinner, CIA, CISA, CFE, CRMA
Director of County Audit

CC: Dan Klein, Chief of Staff, Clerk of Court and Comptroller
    Kimberly Richards, Chief Deputy, Clerk’s Administration
    Manuel Mangual, Director of Human Resources
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EXECUTIVE SUMMARY

BACKGROUND INFORMATION

The Clerk’s Human Resources Department (HR) represents and serves all functional areas of the Clerk’s Office, to help maximize organizational efficiency and effectiveness, and to support the strategic goal of being an employer of choice. This includes responsibilities related to the recruitment and hiring of new employees into the Clerk’s Office. When a job position needs to be filled, the position is advertised online with the job requirements and starting pay. Applicants may submit their applications online using a system called JobApps.

OBJECTIVE

The objective of the audit was to determine whether or not Clerk’s HR has adequate and effective controls over the recruitment and hiring process.

SCOPE

The audit was conducted in conformance with the Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal Auditing. These Standards require that County Audit plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on the audit objectives. County Audit believes that the evidence obtained provides this reasonable basis.

The scope of this audit included Clerk recruitments during Fiscal Year 2017 and 2018.

OVERALL EVALUATION

The Human Resources Department and the employees within the hiring departments were responsive to the Audit Team’s inquiries and provided the requested information as needed. The Audit Team encountered knowledgeable and dedicated employees during the course of the audit.

The following table summarizes the audit comments and corresponding cross references to the page number where the audit comment details can be found in this Report.
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| 1             | Interviews with hiring managers indicated there may be opportunities to improve the recruitment process.  
  • Some hiring managers feel there are inconsistencies in how applicants are qualified/disqualified.  
  • Training or instructions on the JobApps system may be helpful. | 3    |
| 2             | Opportunities exist to enhance the qualification and disqualification process for job candidates.  
  • 99% of the job applications tested were properly qualified/disqualified.  
  • There is an opportunity to enhance controls for applicant education and work history verifications.  
  • System limitations were observed within the JobApps system. | 5    |
| 3             | The recruitment and hiring process has been performed in a timely manner.  
  • There was an average of 16 workdays from the job posting close date to the date a candidate was selected for recruitments tested.  
  • Implementing a new process to track recruitment times may identify further improvement opportunities. | 8    |
| 4             | The Clerk’s HR Department has adequate controls in place to ensure that the testing in the recruiting and hiring process is efficient and effective. | 10   |

**OPINION**

The overall control environment relative to the recruiting and hiring process is at the formal (defined) maturity level. This means that controls are well defined and are in place, an overall control awareness exists, and control gaps are detected and remediated in a timely manner. Performance monitoring is informal, placing great reliance on the diligence of people.

The exit conference was held on June 13, 2019.

Other minor concerns not included in this Report were communicated to management and/or corrected during fieldwork.

**AUDITED BY**

Heidi Pinner, CIA, CISA, CFE, CRMA, Director of County Audit  
Ben Everett, CPA, CIA, CFE, Audit Manager  
Terrell Alston, Internal Auditor II
AUDIT COMMENTS & RECOMMENDATIONS

AUDIT COMMENT 1

Interviews with hiring managers indicated there may be opportunities to improve the recruitment process.

The objective was to obtain an overview of the recruitment process from the hiring managers’ point of view.

The Audit Team met with a sample of hiring managers in the Clerk’s Office and reviewed the process they follow when recruiting for a vacancy in their department. The Audit Team solicited feedback and suggestions for improvements, inconsistencies, pros and cons, and what was working well in the process.

HR works with hiring managers to prepare and post job vacancy announcements into the JobApps system. JobApps is a web-based recruiting and applicant tracking system used to meet the hiring requirements for the Clerk. During the recruiting and hiring process, applicants create a profile in JobApps where they can apply for vacant positions. The applicant can log into JobApps and work on their application up to the closing date. Applicants can make changes to their applications until the application is submitted.

Testing Results

- Hiring managers would like to have a more active role in the contents of the exams to ensure that the knowledge and skills of potential candidates are being aligned with the requirements for their department.
- Hiring managers would like to see job titles updated. Current job titles could be misleading and could attract candidates with different expectations.
- Hiring managers would like to see more flexibility in the process. Some managers would like the option to conduct interviews before testing.
- Hiring managers feel there may be inconsistencies in how candidates are qualified or disqualified and would like to collaborate more with HR in making these decisions.
- Hiring managers would like to have training on the features of JobApps and how to utilize them in the hiring process.

RECOMMENDATION

To improve the efficiency, effectiveness and controls for the recruiting and hiring process, management should consider:

1. Holding a recruitment workshop with all hiring managers to facilitate a discussion and collaborate on the current recruitment process and any improvement opportunities. Discussion or decisions should be documented and shared with all hiring managers to provide points of clarity and for future reference.
2. Making JobApps training and operational manuals available to hiring managers to assist in the navigation of the system.

CLIENT RESPONSE

1. Concur
2. Concur

CORRECTIVE ACTION PLAN

1. Develop a procedure on the recruitment process for everyone to follow. Include hiring manager input in developing the procedure.

2. Take the current JobAps operation manual and provide managers with only the essential instructions that pertain to their roles.

TARGET COMPLETION DATE

1. September 2020
2. August 2019
AUDIT COMMENT 2

Opportunities exist to enhance the qualification and disqualification process for job candidates.

Clerk HR and the hiring managers from the recruiting departments work together to create a job announcement that contains the ideal candidate profile and minimum qualifications. These qualifications may include the applicants’ work history, educational level, preferred work location, supplemental questions and veterans’ preference. Applicants are classified by HR as being qualified or disqualified based on these credentials.

The Audit Team judgmentally selected five (5) recruitments: one vacancy from Civil Courts, Criminal Courts, Official Records, Clerk’s Information Technology (IT), and County Finance, via JobApps to cover the 5 largest areas/departments in the Clerk’s Office. The Audit Team reviewed 100% of the applications submitted for each position (a total of 264 applications) and determined if the application was properly qualified or disqualified based on whether or not:

- The applicant met the educational level for the vacancy.
- The applicant met the experience level for the vacancy.
- The applicant indicated they would accept the starting pay rate for the vacancy.
- The supplemental questionnaire and application were completed appropriately before the deadline.
- Supporting documentation for veteran’s preference was provided, if applicable.
- Test scores and interview notes for applicants were appropriate, if applicable.
- The applicant was a current, tenured employee for internal-only positions.
- The applicant indicated acceptance of the location of the vacancy.

Testing Results

Candidates were appropriately qualified/disqualified for the recruitments tested.

Of the 264 applications tested, 262 were properly qualified or disqualified by HR based on the predetermined criteria. Two (2) exceptions were found.

- One qualified candidate was marked in JobApps as disqualified in error.
- One candidate was marked as qualified even though the applicant did not accept the starting salary in the supplemental questionnaire.

An opportunity exists to enhance controls for the verification of candidate experience and qualifications.

Education and work experience are not currently confirmed by HR for job candidates. Some hiring managers indicated that they attempt to follow up on references and previous employers when possible. This type of verification is not a requirement of the recruitment process, is not tracked or confirmed by HR and is not consistently applied by hiring managers.
System limitations were observed within the JobApps system.

The Civil Courts vacancy reviewed during audit testing had a supplemental questionnaire response missing for 85% of the applicants (140 of 164). It was determined that these omissions were a result of the supplemental questionnaire being revised after the vacancy was active. Once revised, the previously submitted responses were discarded by the system.

The Audit Team also observed that only 2 broad and generic roles are available for non-candidate users of the JobApps application. With the generic profile, hiring managers have access to all pending, open, and closed recruitments within the JobApps system without regard to department or responsibility. Hiring managers can also view incomplete applications prior to a candidate’s submission. This type of broad/generic access increases the risk of a conflict of interest, both in fact and in appearance.

RECOMMENDATION

To ensure the Clerk of Court and Comptroller is effectively recruiting the most qualified personnel, management should consider:

1. Verifying the work experience and educational background of applicants being offered a position.
2. Restricting the JobApps system or establishing mitigating controls to prohibit questionnaire changes during active recruitments and to limit user access based on need.
3. Implementing a more current, customizable and useful recruitment management system if adequate controls are not possible within the JobApps application.

CLIENT RESPONSE

1. Management Accepts the Risk.
2. Concur
3. Concur

CORRECTIVE ACTION PLAN

1. Once we develop a procedure that is followed by all, we can make a determination on how we can include this in the process.
2. We no longer change anything once the recruitment runs. A new recruitment is created. We are limiting user access based on need.
3. We are working with the County Administrator’s office to look at other recruitment systems (Taleo).
TARGET COMPLETION DATE

1. September 2020
2. Completed
3. September 2020
AUDIT COMMENT 3

The recruitment and hiring process has been performed in a timely manner.

The objective was to determine whether or not vacant positions are filled in a timely manner.

For the recruitments selected during testing, the Audit Team tracked the completion dates for key milestones in the recruitment and hiring process. Once compiled, this information was analyzed to determine if the process has functioned efficiently and whether any improvement opportunities were present. These key milestones included:

- The date the recruitment period closed.
- The date HR sent the qualified list of candidates to the hiring managers.
- The date the hiring managers completed the interview process and selected a candidate.
- The date HR or the hiring manager contacted the selected candidate to make an offer.
- The date the selected candidate started working in the new position.

Testing Results

The graphic below summarizes the average recruitment and hiring timeline observed by the Audit Team. This information is presented in working days (excludes weekends and holidays). The Range included in the diagram below is the minimum and maximum days observed for the sample.

The recruitment process appears to have been reasonably timely. Once the recruitment was closed:

- Interviews were completed within an average of 10 workdays (approximately 2 weeks)
- The job offer was extended within an average of 16 workdays (approximately 3.2 weeks)
- The employee started work within an average of 23 workdays (approximately 4.6 weeks)
However, the large ranges observed for these dates indicates that some improvement opportunities may still exist. This appears to be especially true within the interview and testing phase of the process. The number of qualified candidates did not appear to impact the recruitment timeline.

**RECOMMENDATIONS**

To ensure that the recruitment and hiring process is efficient and effective for all recruitments, management should consider:

1. Formalizing the process flow, key milestones and expected timeline for recruitments in the Clerk’s office.
2. Capturing data for these key milestones in a manner that can be easily reviewed and analyzed for exceptions or efficiency opportunities.
3. Exploring whether new training opportunities/requirements are needed to set expectations for hiring managers and ensure that the recruitment process is being carried out in a consistent manner across the organization.
4. Leveraging the hiring manager workshop recommended in Audit Comment 1 to develop strategies for any identified process inefficiencies.

**CLIENT RESPONSE**

1. Concur
2. Concur
3. Concur
4. Concur

**CORRECTIVE ACTION PLAN**

1. *We can develop a process to track recruitments from start to end.*
2. *Same as item #1 above.*
3. *Refer to Audit Recommendations #1. Once the process is developed, there should be no deviation from the process.*
4. *Same as item #3 above.*

**TARGET COMPLETION DATE**

1. September 2019
2. September 2019
3. September 2020
4. September 2020
AUDIT COMMENT 4

The Clerk’s HR Department has adequate controls in place to ensure that the testing in the recruiting and hiring process is efficient and effective.

The objective was to determine whether or not the testing process is efficient and effective in the hiring process and if adequate controls are in place.

The Audit Team performed a walk-through of the employment exam testing process with HR and reviewed elements of this process to:

- Determine whether or not exam modules were related to the position of employment.
- Evaluate how test scores are used to rate, qualify, or disqualify an applicant.
- Identify how tests were designed and updated for each department/vacancy.
- Obtain an overall understanding of the employment exam process for vacant positions.

Testing Results

Several control strengths were noted in the recruitment testing process.

- Candidates are required to be invited or referred to test and proper identification is required in order for the candidate to test.
- A proctor is present at all times while a candidate is testing. Cell phones and electronic devices are prohibited within the testing center.
- Computers are required to be logged on by each individual candidate. Candidates are issued unique login ID numbers to log into the testing station’s computer. The tests are populated based on the candidate’s log-in information.
- Modules for each test have passing scores established and provided to the candidate unless the test is a general assessment exam with no passing or failing score.
- Candidates are not allowed to move forward in the hiring/recruiting process unless they achieve a passing score for those positions that require a pass/fail exam.
- In response to feedback from the hiring managers, the exams have been reviewed/revised by hiring managers and the Clerk’s Human Resources Department to ensure the contents being tested are relevant to the department(s) where the position(s) are being recruited.

Clerk’s HR has appropriate controls in place to ensure that the employment exam testing process is efficient and effective.

RECOMMENDATION

No material concerns were identified that require management’s corrective action.