



HARFORD COUNTY, MARYLAND

Office of the County Auditor

AUDIT OF RECRUITMENT AND HIRING PRACTICES

Report Highlights

Why We Did This Audit

This audit was conducted as part of the County Auditor's risk-based Annual Audit Plan approved by the County Council for FY2015.

What We Found

Screening for qualified applicants is not always effective.

Pre-employment reference checks are performed inconsistently.

Not all recruitment documentation has been maintained.

What We Recommend

Controls should be improved to ensure all positions are efficiently staffed with the most qualified candidates.

Report Number: 2016-A-03

Date Issued: 03/25/2016

Council Members and County Executive Glassman:

In accordance with Section 213 of the Harford County Charter, we have performed an audit of Harford County's Recruitment and Hiring Practices. The results of that audit, our findings and recommendations for improvement are detailed in the attached report. We would like to thank the members of management for their cooperation during the audit.

The audit found that procedures in place to staff vacant positions can be improved. Additionally, procedures should be standardized to ensure sufficient documentation of each step of the recruitment process.

The audit team is available to respond to any questions you have regarding the attached report.

Sincerely,

A handwritten signature in black ink that reads "Chrystal Brooks, CPA".

Chrystal Brooks
County Auditor

cc: Mr. James Richardson, Director of Human Resources
Mr. Billy Boniface, Director of Administration



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REVIEW RESULTS

We have audited Harford County's Recruitment and Hiring practices for the period of 1/1/2014 through 11/15/2015. Human Resources coordinates with County departments to ensure all vacant positions are adequately and efficiently staffed.

Our opinion, based on the evidence obtained, is that controls can be improved to ensure the recruitment process results in the best candidates being hired and that the County be viewed as having a fair and objective selection process. The audit approach focused on testing the key controls that address management's objectives for the process. Conclusions drawn are below.

Risk	Expected Control	Conclusion
Vacant positions are not filled in a timely manner.	Human Resources sets timeframes for application acceptance and monitors the entire process from start to finish.	Satisfactory
Candidates are chosen based on favoritism or existing relationships, instead of based upon merit.	Candidates are asked to disclose any familial relationships to existing County employees at time of application. Applicants are independently screened by multiple individuals to ensure an impartial hiring process.	Satisfactory
Selected candidates have not met minimum qualifications.	Pre-employment reference checks are performed to verify the application information provided is accurate.	Needs Improvement
Candidates selected are not the best candidate.	All applicants are interviewed by panels. Interview reports are prepared summarizing the interview panels' observations of each candidate and its recommended candidate	Needs improvement

Areas for improvement are described in the Findings and Recommendations section of this report. Management has been provided an opportunity to respond to this report; the responses provided follow each of the Findings and Recommendations.

FINDINGS AND RECOMMENDATIONS

Finding Number: 2016-A-03.01 Advertising Process

New positions were not always advertised; particularly when designated as "temporary".

Analysis: New positions are not always advertised internally or externally. Instead, some are labeled as temporary positions. The County Charter includes “temporary employees” among Exempt employees; these positions do not require open recruitments. The County Code §38-30 defines “temporary appointment” as “the appointment of a person for a maximum of ninety days for the purpose of preventing the stoppage of public business.” .

We found four employees that were appointed to temporary positions rather than going through the standard recruitment process for classified positions. The positions were not grant related and the individuals hired remained in these positions beyond the ninety day maximum. Further, the employees have accrued annual leave which is allowed for permanent classified employees, but not allowed for temporary employees. Per the County’s Personnel Department Regulations - Exempt Personnel, “Annual Leave shall accumulate at the same rate for classified employees.” Guidelines for Leave with Pay for Classified employees are provided in County Code §38-38 D.(6) :“Temporary employees. Annual leave shall not be granted to temporary employees, nor shall they accrue or accumulate such leave.” There is currently no mechanism in place to define the recruitment process or employment terms for these long-term appointed employees. Additionally, three of these positions are not included in the approved pay and classification plan, as required for all other positions.

Recommendation: We recommend management propose changes to the County Code creating a designation for Executive branch appointed employees and/or defining the maximum length of temporary employment. We further recommend temporary status only be assigned as designated in the County Code and Charter and all classified positions be advertised as required.

Management Response: Management disagrees and it is Management’s position that the definition of “temporary appointment” in Section 38-30 of the Harford County Code pertains only to a specific appointment made during the temporary absence of a classified employee and not to the entire class of temporary employees. Pursuant to Section 602 of the Harford County Charter, positions within the County are categorized as either classified or exempt. Those employees within the classified service are governed by

Article IV of Chapter 38 of the Harford County Code, which is entitled "Classified Service", and conversely, the provisions located within that Article are applicable only to those positions within the classified service in Harford County. As a result, any provisions contained within Article IV must somehow relate back to classified positions. A review of Article IV reveals that the only reference to the specific phrase "temporary appointment" is in Section 38-38 and refers to an individual who receives a "temporary appointment" to replace a classified employee who is on maternity leave.. Section 38-38 also prohibits such a person from earning annual leave. Inasmuch as the actual position remains obligated to the classified employee on maternity leave, it follows that such a "temporary appointment" would be for a limited time period and prohibited from earning annual leave. It is Management's position that the phrase "temporary appointment" places limitations on the individual utilized during a classified employee's maternity leave, but such limits are not applicable to the general class of temporary employees.

The Auditor correctly states that four individuals were selected for temporary positions; however, it is Management's responsibility to determine its operational needs and as such, retains the authority to determine whether a position should be categorized as temporary or fall within the classified service. Furthermore, although the Auditor indicates that the earning of annual leave is not permitted under the Personnel Department Regulations-Exempt Personnel, Management refers the Auditor to Regulation R-007(a), which specifically indicates that exempt employees (which by Charter includes temporary employees) accumulate annual leave at the same rate as classified employees. Therefore, there was no deviation from the regulations by Management with regard to those temporary employees.

Regarding the finding that three temporary classifications were not in the Pay and Classification Plan, Management agrees and those positions, while having different working titles, will be assigned an appropriate classification within the Plan by March 26, 2016.

Expected Completion Date: 03/26/2016

Finding Number: 2016-A-03.02 Application Review Process

Screening for qualified applicants was not always effective.

Analysis: The methods used to evaluate job applicants appear to be applied inconsistently. Generally a Subject Matter Expert, from the hiring department, and an HR employee independently review applications to determine which are "qualified" and "not qualified" and rate the qualified applicants to determine which ones should be

interviewed. The subject matter expert should confirm that each applicant's experience, education and certifications are relevant and adequate. HR's role in this process is generally to confirm that applicants are not inappropriately included or excluded.

In some cases, the application reviewers did not consistently exclude candidates who did not submit a transcript or other required licensure/certification information as required in the job posting. For example, for one position, there were several candidates who were disqualified because of lack of transcripts while several other applicants were interviewed even though they did not submit a transcript.

In addition, we found candidates who did not meet the qualification requirements were interviewed. For example, for one recruitment, we noted candidates who were not disqualified even though their applications did not reflect possession of a required relevant certification.

Also, for positions requiring a valid driver's license, applicants were routinely disqualified for not providing their license number at time of application, even when they did state they were in possession of a valid license. As a consequence, likely qualified candidates were removed from the interview pool. This disqualification appears unnecessary since driver's license status will eventually need to be confirmed as part of the on-boarding process.

Management has advised that procedures were changed to address these matters; our testing did not note any issues since the change in May 2015.

Without standard application review processes in place, the County is losing the chance to interview qualified candidates, while also spending time interviewing unqualified applicants.

Recommendation: We recommend the method of reviewing applications be standardized and followed by all parties involved in the review process.

Management Response: Management agrees and as indicated, Management has modified the procedures to address the recommendation raised by the Auditor.

As indicated, the procedure was modified in May of 2015, prior to completion of this Audit.

Expected Completion Date: 05/31/2015

Finding Number: 2106-A-03.03 Recruitment Documentation

Not all recruitments generated or retained the relevant supporting documentation.

Analysis: For a number of positions, it is not clear that the standard recruitment procedures were followed because supporting documentation was not available. Standard County practice is for a Request to Hire memo be generated by the department requesting and justifying the necessity of the job posting. This memo must be approved by the Directors of Administration and Human Resources before the position can be advertised, either internally or externally. However, of the twenty seven (27) positions we reviewed, three (3) did not follow this procedure. Instead of creating a request document for approval, the hiring department sought, and was granted, verbal approvals. These positions were related to the landfill outsourcing to Maryland Environmental Services. Since the requests were not documented in writing, it is not possible to review the justifications for filling the vacancies.

Once a position has been posted and applications received, pools of candidates are chosen for the interview process. At this stage of the recruitment, several County employees meet with the candidates and independently document their observations of the individual including how well they fulfill the requirements of the job. After all the interviews have been completed, the interviewers meet to review their findings and rank the candidates in order of qualifications. Human Resources maintain these interview packets for each position. This method is meant to ensure an impartial and fair hiring process. However, for two of the positions noted above, the interview packets were not maintained. Without having this information available for review, a third party would not be able to confirm that the hiring process was done in a fair manner or that there was a general consensus on the best individual for the position.

Recommendation: We recommend Human Resources consistently require and maintain documentation of each step of the recruitment process.

Management Response: Management acknowledges the recommendation by the Auditor and will take the recommendation under advisement. Management has developed a system to comply with the recommendation and will be conducting training on the issue.

Training will occur within six months.

Expected Completion Date: 09/30/2016

Finding Number: 2016-A-03.04 Pre-employment Reference Checks

Reference checks are performed inconsistently or provide insufficient information.

Analysis: Once an individual has accepted a job offer from the County, Human Resources performs a series of routine background checks. These include drug testing, a search for criminal records, and proof of a valid driver's license (if required for the position). These items were well documented for the positions that we reviewed.

However, it does not appear that verification of education, prior work history, or required licenses/certifications are routinely performed and documented. Of the recruitments tested, ten (10) positions were filled by new employees, necessitating background checks. Of those, five (5) were missing verification of education, seven (7) were missing verified prior work history, and four (4) did not independently verify the required license or certification. In the instances where this documentation was available for review, the information received from the other party was not always sufficient. For example, a college might confirm that an individual attended their institution but not confirm if a specific degree was obtained. These types of confirmations may have an inherently low response rate.

Also, certain job postings require that a specific license/certification be obtained (or maintained) within a certain time frame from being hired. For example, the Deputy Director of Planning and Zoning job posting required the selected individual pass an AICP exam within eighteen months of hire. We confirmed that required licenses and certifications are current for appointed employees. However, it does not appear that Human Resources tracks these requirements for current employees or that there are penalties for not meeting the requirement. While supervisors should ensure their employees maintain required licenses, a number of positions with licensing requirements are exempt and/or appointed and do not have a supervisor that would routinely confirm this information.

In order to ensure the best candidate has been selected for a position, it is important to independently verify that the application information provided is accurate and truthful, especially for positions that require specific technical education and/ or licenses.

Recommendation: We recommend the on-boarding reviews include documentation of all required items listed in the job posting, including proof of education and licenses, as applicable. We further recommend Human Resources periodically confirm that required licenses and certifications are maintained for County Charter defined Exempt employees.

Management Response: Management disagrees and as the Auditor has indicated, confirmations from prior employers and educational institutions have a historically low response rate. As explained to the Auditor during the audit interview, the Department of Human Resources makes multiple attempts in writing to independently confirm with prior employers and educational institutions all information provided by candidates and maintains all information received. The Department of Human Resources will remain diligent in its efforts to obtain relevant information with regard to prior employers and educational institutions.

With regard to licenses and certifications, if the vacancy announcement requires the possession of a license/certification prior to employment, the candidate must provide proof of the license/certification at time of application to the Department of Human Resources in order to be considered for the position. If the candidate is required to obtain a license/certification within a specific time period after being hired, the supervising department would verify that such license/certification was obtained. As the Auditor indicated, all required licenses and certifications are current for County Exempt employees; however, Management agrees to designate the Director of Administration as the individual responsible for verifying the licenses and certifications for County Exempt employees.

Expected Completion Date: Completed.

Finding Number: 2016-A-03.05 Neogov access

Access to the Neogov system is excessive.

Analysis: Employment applications are submitted and managed in the NeoGov system. Subject Matter Experts are given system access to review applications that have been submitted. We reviewed access to the Neogov system and found that 45 of 161 active user accounts were inappropriate. Forty-three (43) of those users are no longer employed by Harford County and two (2) have moved to positions that do not have application review responsibilities.

Since Neogov is a system that is hosted on the vendor's servers, it is accessible from any internet browser and does not require a user to be connected to the County's network. For each recruitment a user was assigned to review, the Neogov account would continue to allow access to each candidate's employment application. These records contain sensitive information.

The County's policies, and information technology best practices, require separated employees' access to systems be revoked in a timely fashion. To maintain file integrity, accounts should be disabled, rather than deleted.

Recommendation: We recommend user accounts be disabled for separated employees and employees that no longer require access.

Management Response: Management agrees that user accounts should not be deleted since such information is necessary for auditing purposes; however, Management can modify user accounts to reflect "active" or "inactive" and has already completed this task.

Management disagrees with the comments regarding the Neogov system. It is important to note the application operating system, while a web-based service, is a secure server and the transmission of any data contained within is only accessible by strictly enforced access given by the Department of Human Resources. Furthermore, applicant data will only include information that has been expressly submitted by an applicant and does not include classified confidential information. The application vendor has expanded its security measures by only permitting access to the application operating system via secure web browsers IE9, IE10, IE11 or Firefox 25 and above.

Expected Completion Date: Completed.

BACKGROUND INFORMATION

PROGRAM DESCRIPTION AND KEY STATISTICS

Harford County employed 1,219 employees as of September 2015. During our audit period, there were 195 recruitments and 223 new hires (excluding directors and elected officials). Per the County Charter §601, the purpose of the personnel system is to "recruit, select, develop, and maintain an effective and responsive work force." The hiring process involves coordination between Human Resources and all County departments to ensure the best candidate is selected for each vacant position. This process includes multiple steps beginning with the job requisition approval and continuing through the final on-boarding checks performed for new hires.

REVIEW OBJECTIVE, SCOPE AND METHODOLOGY

The objective of this audit was to determine if controls are adequate to ensure that recruitments were performed in accordance with the County's Code, Charter and other relevant regulations. The scope was limited to the hiring and recruitment practices for County employees. The Sheriff's Office, Circuit Court and State's Attorney's Office were excluded.

The audit focused on activity during the period of 1/1/2014 through 11/15/2015. Our audit procedures included interviewing personnel, observation and testing. Specifically, we met with Jim Richardson, Director of Human Resources, and Tiffany Stephens, the Deputy Director, to discuss the current recruitment process. We then compiled a list of all posted positions during the audit period, and after performing data analysis, chose samples for testing. We reviewed each step in the recruitment process for each position to determine whether the County's practices, policies and procedures were followed.

Harford County management is responsible for establishing and maintaining effective internal controls. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets and compliance with applicable laws, rules and regulations are achieved. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected.

The audit was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Team:

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