FREDERICK COUNTY
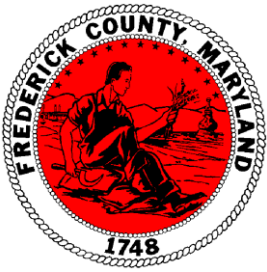# INTERAGENCY INTERNAL AUDIT AUTHORITY

**FOLLOW-UP TO REPORT NO. 09-08
FREDERICK COUNTY HUMAN RESOURCES DIVISION'S
PROCESS FOR RECRUITING AND
SELECTING EMPLOYEES
ISSUED APRIL 15, 2009**

**REPORT # 10-D
APRIL 21, 2010**

INTERAGENCY INTERNAL AUDIT AUTHORITY
INTERNAL AUDIT DIVISION
FREDERICK COUNTY, MARYLAND

COUNTY GOVERNMENT   PUBLIC SCHOOLS   COMMUNITY COLLEGE

8 East Second Street, Suite 100 ● Frederick, Maryland 21701
301-600-1154 ● FAX 301-600-2211 ● TTY Use Maryland Relay
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MEMORANDUM

To: Mitch Hose
            Director, Human Resources Division

From: Richard A. Kaplan
            Director, Internal Audit Division

Date: April 21, 2010

We have completed our follow-up review of the recommendations made in Frederick County Human Resources Division's Process for Recruiting and Selecting Employees, Audit Report No. FCG#09-08, issued April 15, 2009. On December 23, 2009, the Director of Human Resources provided a written response which described the specific actions taken to address our recommendations (see attached). We reviewed the policies and procedures implemented by the Human Resources Division (HR) and held discussions with HR staff. We found that all recommendations made have been implemented and no further actions are needed.

Recommendation (1): HR Division implement a formal monitoring process that includes supervisory review and approval of each hiring action, and ensure that internal procedures are effectively communicated to and followed by staff.

The HR Division implemented NEOGOV on January 4, 2010 which fully automated the recruitment and selection process as recommended. This process requires applicants to respond to supplemental questions set by HR and agreed to by the hiring manager. The decision to reject or refer candidates to the hiring departments is done automatically based on the applicant's responses. NEOGOV also requires final authorization of benefitted recruitments by the HR Director, Deputy Director, or Benefits Administrator before any final action can be made by the hiring department.

Recommendation (2): HR Division clarify its written policy to stop the practice of allowing applicants to submit additional materials after the position closing date.

The HR Division revised the Recruitment section of its Policies and Procedures Manual in May 2009 and applicants are no longer permitted to submit additional materials after the closing date.

Recommendation (3): HR management specify the documentation that must be completed and included in the recruitment and selection files and review the files to ensure that they contain adequate documentation.

The implementation of NEOGOV has eliminated the need for manual records since it automatically documents the steps in the entire process. NEOGOV requires and documents approvals by HR and the hiring departments. NEOGOV also clearly documents the rating system, which is established based on screening criteria set by HR and the hiring manager. Accordingly, the need for HR to review all files for adequate documentation has been eliminated.

Recommendation (4): HR management periodically analyze the effectiveness of all advertising methods, and provide this information to hiring departments so they can utilize the most cost-effective methods to generate the widest pool of qualified applicants.

Advertising information is entered into NEOGOV which enables HR to better track advertising sources for job postings.

Recommendation (5): HR management establish a process to rank best-qualified applicants for interview, which would limit the number of interviews to be conducted by the hiring departments.

Applicants are ranked in NEOGOV based on their qualifications, test scores, etc., depending upon the preferences set by the hiring departments, who can choose to interview only the top ranked candidates.

Recommendation (6): HR Division administer all pre-interview skills testing or verify that any pre-interview skills testing conducted by the hiring departments is administered and scored properly to ensure equitable treatment of all applicants.

HR now verifies that all testing, which is usually given by hiring departments, is administered in a fair and consistent manner. The HR Director stated that the administration of skills testing has been limited due to the hiring freeze.

Recommendation (7): HR management implement a policy requiring hiring departments to conduct reference checks verifying the employment history and education of the selected candidate, and to return the completed Selection Summary form to HR before the candidate is hired.

HR implemented new procedures in May 2009 requiring hiring departments to verify an applicant's education and certifications and conduct reference checks before HR authorizes them to make an offer for hire.

Recommendation (8): HR management adequately secure all applicant information.

Hard copies of confidential applicant information are kept in locked file cabinets, with offices locked at night. With the implementation of NEOGOV, only authorized users have access to online application information.

Recommendation (9): HR management should determine how the current PeopleSoft HRMS can replace manual records for tracking and managing the recruitment and selection process. Management should adequately train staff on the system, and establish a target date for its expanded use.

The recruitment and selection process is fully automated under NEOGOV. HR is continuing to train departments on NEOGOV as they need to post positions for hire.

Recommendation (10): HR Division continue to work with IIT to provide better access for online applicants, and consider the cost effectiveness and feasibility of implementing an integrated, automated recruitment and selection process.

The HR Division's implementation of NEOGOV fully automated the recruitment and selection process.

Recommendation (11): HR management use its employee data to conduct workforce planning analyses. This information should be used to assist the Budget Office, the Board of County Commissioners, and hiring departments with projecting future staffing needs and developing strategies to ensure that County staffing levels will be adequate to meet future County service needs.

The HR Director, as part of the FY 11 budget process, has met with the Division Directors who are assessing their current and future staffing needs.

If you need further information regarding this follow-up, please contact Richard Kaplan, Director, Internal Audit at 301-600-1675.

Interagency Internal Audit Authority

Interagency Internal Audit Authority

Attachment

DIVISION OF HUMAN RESOURCES
FREDERICK COUNTY, MARYLAND

Winchester Hall • 12 East Church Street • Frederick, Maryland 21701
301-600-1070 • FAX 301-600-2314
www.FrederickCountyMD.gov

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MEMORANDUM

TO: Richard Kaplan, Director of Internal Audit

FROM: Mitch Hose, Director of Human Resources

DATE: December 23, 2009

SUBJECT: Follow Up Regarding Recruitment and Selection Process Internal Audit
Report

The following is a status report regarding the recruitment and selection process audit which was performed in Fall 2008. All recommendations that were provided by Internal Audit have been addressed by the Division of Human Resources.

Recommendation (1): HR Division implement a formal monitory process that includes supervisory review and approval of each hiring action, and ensure that internal procedures are effectively communicated to and followed by staff.

Human Resources Response:
The Division of Human Resources completed this task, effective May 1, 2009. The Director and/or Deputy Director are required to review all benefited recruitment files prior to referral to the hiring department and must sign off that review has been completed. Hiring departments must also receive HR Director and/or Deputy Director approval prior to making a job offer. This is being monitored by the use of a New Hire Approval Checklist form. This form must be submitted and signed by HR before any final action can be made.

With the implementation of NEOGOV, this internal control will continue. The Director and Deputy Director have access to the database and can review recruitment processes at anytime. Hiring departments will continue to submit the New Hire Approval Checklist form for review and approval. NEOGOV also has a process set up that the HR Director and/or Deputy Director must provide final authorization before any final action can be made by the hiring department.

Recommendation (2): HR Division clarify its written policy to stop the practice of allowing applicants to submit additional materials after the position closing date.

Human Resources Response:
The Division of Human Resources completed this task, effective May 1, 2009. The Recruitment section of the Policy and Procedures manual has been updated to reflect this change. Notification letters have also been modified to delete reference to additional information being accepted.

Recommendation (3): HR management specify the documentation that must be completed and included in the recruitment and selection files and review the files to ensure that they contain adequate documentation.

Human Resources Response:
The Division of Human Resources completed this task, effective May 1, 2009. The Director and/or Deputy Director are required to review all benefited recruitment files prior to referral to the hiring department and must sign off that review has been completed. This process verifies that all necessary documentation is in place.

Recommendation (4): HR management periodically analyze the effectiveness of all advertising methods, and provide this information to hiring departments so they can utilize the most cost-effective methods to generate the widest pool of qualified applicants.

Human Resources Response:
Due to the current hiring freeze, the number of job opportunities within the County, has been limited. The positions that have been granted approval for hiring have not required additional advertising; therefore, the need to analyze advertising methods is unnecessary at this time.
The NEOGOV system allows HR to keep better track of advertising sources for job postings. Advertising information will be entered along with the job posting information and can be pulled by a report at any time.

Recommendation (5): HR management establish a process to rank best-qualified applicants for interview, which would limit the number of interviews to be conducted by the hiring departments.

Human Resources Response:
Effective January 1, 2010, the Division of Human Resources is going "live" with NEOGOV. NEOGOV is a fully-automated online hiring system which will rank applicants based on their qualifications, test scores, etc. The system will allow hiring departments to interview the top 3, 5, 7 or all qualified candidates.

Recommendation (6): HR Division administer all pre-interview skills testing or verify that any pre-interview skills testing conducted by the hiring departments is administered and scored properly to ensure equitable treatment of all candidates.

Human Resources Response:
The Division of Human Resources will administer any related skills testing when requested and if not requested, will verify that all skill testing is being handled in a fair and equitable manner. The administration of skills testing has been limited due to the hiring freeze but the HR Analyst has performed this task a handful of times since May 1, 2009.

Recommendation (7): HR management implement a policy requiring hiring departments to conduct reference checks verifying the employment history and education of the selected candidate, and to return the completed Selection Summary form to HR before the candidate is hired.

Human Resources Response:

The Division of Human Resources completed this task, effective May 1, 2009. This is being monitored by the use of a New Hire Approval Checklist form. This form requires hiring departments to complete information regarding the new hire such as, justification for hire, testing result verification; education/certification/licensure verification and reference check verification. This form is a requirement and must be completed and submitted to HR prior to an offer of employment being made. The Director and/or Deputy Director of Human Resources review these forms and take action as necessary.

Recommendation (8): HR management adequately secure all applicant information.

Human Resources Response:

Effective May 1, 2009, the Division of Human Resources took more action to properly secure all confidential application information. This includes the placement of files under lock and key at night, locking offices at night and also purchasing a new filing cabinet to lock all background check reports.

This will no longer be an issue with the implementation of NEOGOV. All application information will be online and only authorized users will have access to that information.

Recommendation (9): HR management determine how the current PeopleSoft HRMS can replace manual records for tracking and managing the recruitment and selection process. We also recommended that management adequately train staff on the system, and establish a target date for its expanded use.

Human Resources Response:

Effective January 1, 2010, the NEOGOV system will take the place of PeopleSoft HRMS. This system will fully automate the recruitment and selection process. HR staff is currently working on adequately training staff on the system.

Recommendation (10): HR Division continue to work with IIT to provide better access for online applicants, and consider the cost effectiveness and feasibility of implementing an integrated, automated recruitment and selection process.

Human Resources Response:

Effective January 1, 2010, the recruitment and selection process will be moved to a fully automated system. This automation includes the acceptance of Employment Applications form. Applicants will now log into NEOGOV, create a user account and maintain their Applicant Master Profile. This Master Profile includes details regarding the applicants personal contact information, education background, work history, skills, personal and/or professional references, and can house the applicants resume. The HR office will continue to accept paper applications until February 1, 2010.

Recommendation (11): HR management use its employee data to conduct workforce planning analyses. This information should be used to assist the Budget Office, the Board of County Commissioners, and hiring departments with projecting future staffing needs and developing strategies to ensure that County staffing levels will be adequate to meet future County service needs.

Human Resources Response:

It is anticipated that HR will be an integral part of the FY'11 budget process, especially in light of revenue shortfalls that may result in program cuts.