

**FREDERICK COUNTY
INTERAGENCY INTERNAL AUDIT AUTHORITY**

**FREDERICK COUNTY
HUMAN RESOURCES DIVISION'S
PROCESS FOR RECRUITING AND SELECTING
EMPLOYEES**

**REPORT # 09-08
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Frederick County Human Resources Division's Processes for Recruiting and Selecting Employees

Frederick County
Internal Audit Division

Executive Summary

The Human Resources (HR) Division has established program goals to deliver recruitment and selection services efficiently, and to promote fair and equitable hiring practices in order to attract the best-qualified candidates for County employment. To its credit, approximately 78 percent of the County employees directly involved with the recruitment and selection process who responded to our survey rated the recruitment and selection process as “effective.” However, our audit found that improvements are needed in HR’s supervisory review and approval of its recruitment and selection process. Further, our audit, which included a comparison to four other comparable Maryland counties, found that opportunities exist to make the recruitment and selection process more effective and efficient.

SUPERVISORY REVIEW AND APPROVAL OF RECRUITMENT AND SELECTION ACTIONS IS NEEDED

We found that supervisory review and approval by HR management is needed to monitor recruitment actions to detect and correct errors and ensure compliance with existing policies and procedures. Our review of a randomly selected sample of 62 of 182 competitive recruitment actions from July 1, 2007 through August 31, 2008, found errors in the process and hiring actions that were not conducted in compliance with HR’s written policies and procedures. Specific details are provided in the body of the report.

In our opinion, the errors and non-compliance with HR policies and procedures should have been detected through supervisory review. However, HR does not have a formal monitoring procedure that includes supervisory review and approval of recruitment and selection actions. Instead, the HR Director and Deputy Director rely on feedback from staff, applicants, and the hiring departments regarding problems with recruitment and selection actions. Ongoing monitoring through qualified and continuous supervision is a key component of internal control, which serves as the first line of defense in detecting errors and fraud. Accordingly, we recommend that the HR Division: (1) 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; (2) clarify its written policy to stop the practice of allowing applicants to submit additional materials after the position closing date, and (3) specify the documentation that must be included in recruitment and selection files.

OPPORTUNITIES EXIST TO MAKE THE PROCESS MORE EFFECTIVE AND EFFICIENT

While approximately 78 percent of the County employees directly involved with the recruitment and selection process rated the recruitment and selection process as “effective,” almost 19 percent of County employees rated the recruitment and selection process as “ineffective.” Because the HR Division is operating with limited staffing resources, implementing effective procedures and using staff time efficiently are especially important. We found that policies and procedures for advertising jobs, interviewing and testing candidates, verifying applicant references, and storing applicant information could be improved. The recruitment and selection process could also be enhanced by: using HR’s current information system, PeopleSoft Human Resources Management System (HRMS), to track more steps of the process; accepting online applications; and conducting workforce planning. The four other Maryland counties we surveyed have already incorporated many of these steps in their recruitment and selection process. Specifically, we are recommending that HR Management:

- Periodically analyze the effectiveness of all advertising methods and provide this information to hiring departments so that they can utilize the most cost-effective methods to generate the widest pool of qualified applicants.
- Establish a process to rank “best-qualified” applicants for interview, which would limit the number of interviews to be conducted by the hiring departments.
- 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.
- Implement a policy requiring the hiring department to conduct reference checks to verify a job candidate’s employment and education history, and to return completed Selection Summary forms to HR, before the candidate is hired.
- Adequately secure applicant information.
- Determine how PeopleSoft HRMS can replace manual records for tracking and managing the recruitment and selection process, adequately train staff on the system, and establish a target date for its expanded use.
- Continue to work with the County’s Interagency Information Technology (IIT) Division to provide better access for online applicants, and consider the cost effectiveness and feasibility of implementing an integrated, automated recruitment and selection process.
- 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.

On April 3, 2009, the HR Director provided a written response to our March 31, 2009 Draft Report. He agreed with all recommendations, except Recommendation 5 to establish a process to rank best-qualified applicants, and has starting taking action to implement most of the recommendations (See Attachment). We provided our comments to his response in Section VIII, which addresses Recommendation 5. We also provided comments to Recommendations 9 and 10, which were only partially addressed.



Frederick County Human Resources Division's Processes for Recruiting and Selecting Employees

Frederick County
Internal Audit Division

I. Introduction

Internal Audit (IA) conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate 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.

This report is intended to provide information to management; however, it also a matter of public record, and with the exception of any applicable disclosure exemptions, distribution should not be limited. Information extracted from this report may also serve as a method to disseminate information to the public as a reporting tool to help citizens assess government operations. Management responsible for the functional area reviews the report, and their formal written responses are incorporated into the final report, which is posted on the Internal Audit Division's website.

It is management's responsibility to design and implement an adequate system of internal control, and it is the Internal Audit Division's responsibility to determine if management's system of internal control is functioning properly in relation to the audit objectives. It is also management's responsibility to decide if action should be taken in response to any reported audit recommendations, taking into consideration related costs and benefits. Management, therefore, assumes the risk of making the decision not to implement any reported recommendations.

II. Background

Frederick County's Human Resources (HR) Division is responsible for helping County departments recruit and select new employees. The Division Director, assisted by the Deputy Director, is responsible for personnel management functions including recruitment and selection. The HR Division currently employs ten full-time and three part-time staff, which serve a total of 2,337 full-time, 129 part-time, and 722 temporary/part-time Frederick County employees. According to the Deputy HR Director and an HR Analyst, 3.5 FTEs work on the recruitment and selection process. Three HR staff members work full-time processing applications, entering applicant data into the PeopleSoft information system, reviewing applicant qualifications, sending rejections letters, and coordinating interviews with hiring departments. Additionally, the HR Division employs interns and uses volunteer assistants to help with the applicant review process.

According to data obtained from the HR Division, these HR staff members processed 529 Request to Fill Vacancy (RTFV) forms from County hiring departments, and received and

reviewed 7,935 employment applications in fiscal year 2008. As shown on the following chart, HR projects that the number of RTFV forms processed and employment applications they will receive in FY 2009 will be significantly reduced due to the countywide hiring freeze, effective October 21, 2008.

Analysis of RTFV Forms and Applications Received and Processed

Fiscal Year	2006	2007	2008	2009 (projected)
RTFV Forms Received and Processed	527	532	529	325
Employment Applications Received and Reviewed	7,208	6,990	7,935	4,000

According to HR Division management, they have developed their current recruitment and selection policies and procedures in accordance with all applicable Federal, State and local laws and regulations to ensure fair and equal treatment of all applicants for County employment. These policies and procedures are contained in Section 2 of the County's Human Resources *Policies and Procedures Manual*.

The process begins when a hiring department has a position vacancy and submits an RTFV form to the HR Division for processing. HR staff, in consultation with the hiring department, first determine the job requirements for that position based on the County's position classification system. HR staff then write the recruitment announcement, advertise the open position, review and rate all employment applications, refer qualified candidates to hiring departments for interview, and send rejection letters to all applicants deemed to be unqualified. The hiring department has the option of reviewing HR staff decisions regarding qualified and unqualified candidates. According to HR management, the hiring departments usually choose to perform this review. At this point, the hiring department becomes responsible for completing the selection process, including administering skills exams when applicable, conducting the interviews, sending rejection letters to interviewees not selected for hire, making an offer of employment, and coordinating the pre-employment drug testing and physical exam.

III. Objectives, Scope and Methodology

The objectives of the audit were to determine whether the HR Division's recruitment and selection practices are effective and efficient and meet the Division's stated program goals. The scope of our audit was the Division's current recruitment and selection policies, procedures and

practices, as well as all open competitive hiring actions initiated from July 1, 2007 through August 31, 2008.¹

To address our audit objectives, we surveyed directors, deputy directors, managers and administrative specialists in every Frederick County Government division to determine whether County staff involved in the recruitment and selection process are satisfied with HR's services, policies and procedures. In addition, we conducted extensive, on-site interviews with five other Maryland counties, and used the results from the four most similar counties – Carroll, Charles, Harford and Howard – to compare their recruitment and selection process with Frederick County's.² We also evaluated the HR Division's internal controls over the recruitment and selection process.

Finally, we randomly selected a sample of 63 hiring actions from the 182 open competitive recruitments HR conducted during our audit period. Of these, one hiring file was missing.³ The remaining files included 1,978 applications for 62 hiring actions. Of those 62 hiring actions, we analyzed a sample of 116 rejected applicants and 133 applicants referred for interview.

IV. Survey of County Employees

We conducted an online survey of 208 Frederick County employees directly involved in the recruitment and selection process, with 129, or 62 percent, of those surveyed responding. We asked about specific components of the recruitment and selection process, and whether, overall, County employees are satisfied. In all, 30 percent of respondents found the recruitment and selection process to be very effective, and 48 percent found it to be somewhat effective. However, almost 19 percent of those who responded to our survey did not find that the recruitment and selection process is effective. Their suggestions for improvement included that HR accept online applications, use alternative advertising methods, and find ways to expedite the entire process.

Most County employees were satisfied with the level of customer service that the HR Division provides during the recruitment and selection process, which is one of the HR Division's program goals. One survey respondent noted, "[t]he cooperation and support received from the Human Resources Department has always been excellent." Another commented that,

¹The audit did not include countywide promotional recruitments, for which vacancies are open only to regular and probationary County employees; or in-house promotional recruitments, which are posted only within the agency or department.

²We used U.S. Census Bureau and the State of Maryland census information to assess which counties were comparable to Frederick County in population, budget amount, and number of employees. We also conducted an on-site interview with Montgomery County. However, its recruitment and selection office is much larger, and its practices did not provide a useful comparison with Frederick County. Therefore, Montgomery County was not included in our analysis.

³At the conclusion of the audit, HR staff informed Internal Audit that this file had been misfiled, and was eventually located.

“I feel very confident that the HR department always has our best interests at heart, and I feel very comfortable knowing that when I need help they are ready, able and willing to give it.”

Customer Service Ratings are shown on the following chart.



See *Appendix* for complete employee survey results.

V. Comparison with Other Counties

We also conducted a survey of several Maryland counties to find out how Frederick County’s recruitment and selection practices compare with those of similar county governments. Like Frederick, the HR Divisions of Carroll, Charles, Harford and Howard Counties all share recruitment and selection responsibilities with the hiring departments. In general, we found that:

- Carroll, Charles and Harford Counties all had more HR staff per county employee to handle recruitment and selection duties than does Frederick County;
- Howard County has less HR staff per County employee than Frederick County and processes approximately 2,000 more employment applications each year;

⁴Although 129 people responded to our survey, not every person answered every question. Consequently, not every question has 129 responses.

Frederick County Human Resources Division's Process for Recruitment and Selecting Employees

- All four other Maryland counties have a more automated recruitment and selection process than Frederick County's; and
- HR management in all four other counties has established formal monitoring procedures throughout the recruitment and selection process.

A detailed comparison is shown on the following chart.

Comparison with HR Divisions in Other Counties

	Frederick County	Howard County	Carroll County	Charles County	Harford County
Number of HR employees responsible for recruitment and selection	3.5	3	4	2	4
Number of County employees served (numbers are approximate)	2,500	2,200	970	700	1,940
Number of employment applications processed each year (numbers are approximate)	7,300 ⁵	9,000	2,500	2,900	Not tracked
Fully automated recruitment and selection process		√			√
Online applications accepted		√	√	√	√
Formal HR management supervision process		√	√	√	√
Limit on number of candidates interviewed		√	√	√	√
Applicants' work experience always verified		√		√	√
HR routinely analyzes applicant-provided data on the effectiveness of advertising methods	√ ⁶	√	√	√	√
HR uses targeted advertising⁷			√	√	
Recruitment and selection training provided to County employees	√	√	√	√	√

⁵For FY 2006 and FY 2007, the HR Division processed approximately 7,000 applications. This increased to approximately 7,900 in FY 2008. This averages to 7,300 applications per year.

⁶The HR Division regularly provides data to the Division of Fire and Rescue Services and the Frederick County Sheriff's Office for their use, and could provide this data to other hiring departments at their request. However, HR does not analyze the data as do the other counties.

⁷Both counties analyze the best advertising method for the type of position advertised (see page 10 for additional details).

VI. Audit Results

The HR Division has established program goals to deliver recruitment and selection services efficiently, and to promote fair and equitable hiring practices in order to attract the best qualified candidates for County employment. To its credit, approximately 78 percent of the County employees directly involved with the recruitment and selection process who responded to our survey rated the recruitment and selection process as “effective.” Most respondents were also satisfied that the assistance received from the HR Division was timely, professional, and helpful. In addition, according to the County Attorney’s Office, there has been no legal action against the County for discriminatory hiring practices for several years. According to the HR Director, during his tenure, the County has never been successfully sued for monetary damages in connection with any part of the recruitment and selection process. Our audit also found that HR processed RTFV forms promptly, as it took HR an average of 13 calendar days from receipt of the forms to the date the draft announcements were sent to the hiring departments. However, our audit, which also included a comparison to four other comparable Maryland counties and a review of hiring files, found that improvements are needed in the recruitment and selection process.

SUPERVISORY REVIEW AND APPROVAL OF RECRUITMENT AND SELECTION ACTIONS IS NEEDED

The HR Division has policies and procedures that specify recruitment steps to be completed by the HR staff and hiring departments. However, HR management does not have a formal monitoring procedure that includes supervisory review and approval of recruitment and selection actions, although the Division Director and Deputy Director indicated that some individual recruitment decisions are verbally approved on an as-needed or exception basis. They also rely on feedback from HR staff, hiring departments, and applicants. A monitoring procedure would provide control for detecting and correcting errors on hiring actions, and ensuring compliance with HR procedures.

Ongoing monitoring is a key component of internal control, which serves as the first line of defense in safeguarding assets and detecting errors and fraud. In any government process, management supervision is a key internal control, and “qualified and continuous supervision should be provided to ensure that internal control objectives are achieved.”⁸ Without adequate supervision, the risk increases that staff will make errors or not follow procedures. Errors in the recruitment and selection process could potentially cause the County to miss out on qualified candidates, waste County staff time interviewing unqualified candidates, and reflect poorly on the County to potential applicants.

We did find that ongoing management supervision is an important part of the recruitment and selection process for the HR Divisions at the other counties that we surveyed. For example, in both Howard and Harford Counties, the Deputy Director is responsible for reviewing and

⁸Government Accountability Office. 1999. *Standards for Internal Control in the Federal Government*, [November, 1999]. Washington, D.C.: Government Accountability Office., pg. 13.

approving each completed hiring action. Additionally, throughout each hiring action in Howard County, their automated online recruitment and selection software sends reminders to HR analysts and hiring departments if any step of the process is due or late. Both Carroll and Charles Counties have regular supervisory reviews as part of their recruitment and selection process to ensure that each step is proceeding in a timely manner.

ERRORS SHOULD BE REDUCED AND COMPLIANCE SHOULD BE ENFORCED

During our review of hiring actions, we found errors in our sample of 62 hiring files that, in our opinion, could have been detected by an ongoing monitoring process. Some errors did not adversely impact the County. For example, we found that letters sent to 22 applicants contained inaccurate or incomplete information and 3 applicants did not have their applications processed correctly.

However, we did find some errors that could have adversely affected the County. For example, we found that HR rejected 2 qualified applicants and referred 9 unqualified applicants to the hiring departments for interview. These errors were corrected, by either the applicant or the hiring department, so the qualified applicants were ultimately interviewed and none of the unqualified applicants were hired. We also found seven applicants who were notified by HR that they would be interviewed, but they were not included on the list of referred candidates sent to the hiring department.

Hiring department staff that responded to our survey also observed errors and inconsistencies in the process. One commented that,

“in past and recent recruitments (past few years and very recently), applicants that were not appropriate for interviews (and this was made clear to the HR staff person) were found to have been offered an interview after the interview packets were given to the department. The reverse has occurred also, an appropriate applicant was not provided an interview even though the dept. agreed to an interview. Errors were found on letters to applicants.”

Another noted that,

“on occasion, we have found that the interview schedules given to us by HR do not match up with the candidate's interview letters. This can be quite embarrassing and not a positive reflection of the County's process.”

We also found instances where HR practices were not in compliance with their written policies and procedures. For example, HR allowed 43 applicants to submit new or additional materials after the position closing date, which could raise questions as to whether all applicants were treated fairly. In practice, HR staff has allowed rejected applicants to submit new, different or additional materials, such as revised resumes or a verbal assertion of the required skills that were not included with the original application, to make the case that he or she meets the minimum qualifications. If, upon reviewing this new material, the HR analyst agrees that the applicant does meet the qualifications, this person is referred for interview and the hiring department is

required to conduct an interview. This often happens after the position's closing date, and after the hiring department has begun conducting interviews. This practice is not in compliance with HR's written policy requiring applications to be submitted by 4 p.m. on the deadline date posted in the recruitment announcement. According to the HR Director, this practice was stopped as a result of our audit, and HR policies and procedures are being clarified to prevent this in the future.

Recommendation 1: We recommend that the 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.

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

DOCUMENTATION TO SHOW COMPLIANCE WITH PROCEDURES NEEDS IMPROVEMENT

We also could not determine, from the documentation in the files we reviewed, whether HR Division staff involved in recruitment and selection were following their own internal procedures. We found that:

- The "Recruitment Checklist," which provides a place for staff to initial and date after each step of the process is completed, was included in every hiring file, but was either blank or only partially completed for all of the 62 hiring files we reviewed.
- The application review sheet does not include a signature line to document who reviewed applications, or made rejection and referral decisions.
- The processing of applicants is not clearly documented. For three of the hiring actions in our sample, documentation was inadequate for us to determine whether or not the hiring department or HR had followed the correct policies and procedures. HR staff indicated that, for these hiring actions, the hiring department did not go through the HR Division, which is not in compliance with HR's *Policies and Procedures*.
- Eight applicants in our sample should have received rejection letters from the HR Division, but there was no evidence that those letters were sent.
- The applicant rating system is also not clearly documented. Applicants are rated on the application review sheet with one, two, three or more stars, depending on the number of required or preferred qualifications that they meet. However, there is no legend or any other documentation indicating which applicants are ultimately referred for interview. We found eight hiring actions where applicants with different star ratings were referred for interview, which does not conform with HR's current practice, although the Division's *Policies and Procedures Manual* does not address this issue. Finally, we found three applicants who

were referred for testing who were given no stars, and instead were rated as a “?” on the applicant review sheet.

- For one hiring file with 108 applicants, there was not enough documentation to determine which applicants were tested, which were interviewed, or why some “two-star” applicants were rejected, while several “one-star” applicants were referred for interview.

Recommendation 3:

We recommend that HR management specify the documentation that must be completed and included in recruitment and selection files and review the files to ensure that they contain adequate documentation.

OPPORTUNITIES EXIST TO MAKE THE PROCESS MORE EFFECTIVE AND EFFICIENT

Overall, 78 percent of those who responded to our survey found that the County’s recruitment and selection process was effective.⁹ However, we found that some policies and procedures for advertising jobs, interviewing candidates, testing candidates, verifying applicant references, and storing applicant information could be improved. The recruitment and selection process could also be enhanced by: using PeopleSoft HRMS to track more steps of the process; accepting online applications; and conducting workforce planning.

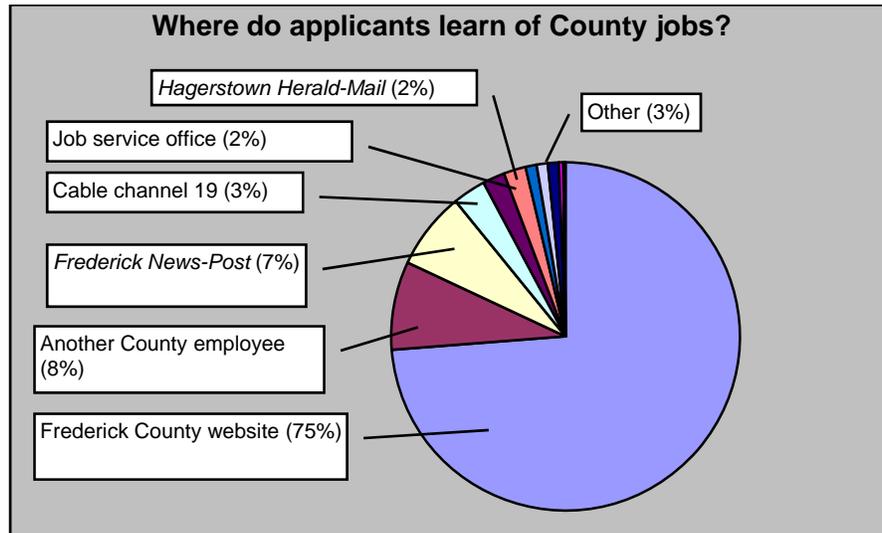
ADVERTISING SHOULD BE EXPANDED FOR CERTAIN POSITIONS

The HR Division advertises all open, competitive recruitments in the same manner. Recruitment announcements are posted on the County website, on Cable Channel 19, on a job board in the HR Division, and in a block ad in the Sunday *Frederick News-Post* and *Hagerstown Herald-Mail*. If hiring departments choose to use additional advertising outlets, such as trade publications, other newspapers, or online recruiting websites, the department must cover the additional cost, and HR must still approve and place all advertisements. When surveyed, 93 percent of employees were either very or somewhat satisfied with the appropriateness of advertising outlets.

However, our testing showed that HR’s use of the same media outlets for every position is not an effective use of County resources because very few applicants are learning about jobs from sources other than the County’s website. Applicants can indicate where they learned of a County position if they choose to complete an Affirmative Action Data Form with the County employment application. Although HR staff enter this data into PeopleSoft HRMS, this information is not analyzed, nor is it used to determine whether or not current advertising methods are efficient and cost-effective.

⁹Of those who responded to our survey, 30% found the process very effective, 48% somewhat effective, 17% somewhat ineffective, 2% very ineffective, and 3% indicated “N/A or don’t know.”

We analyzed the affirmative action data available for the applications in our sample. As shown on the following chart, less than ten percent of the applicants learned about County jobs from local newspapers.



As one survey respondent noted,

“Professional positions are difficult to recruit using local advertising. Advertising on professional websites gets costly to the department. Perhaps the county could expand its recruitment efforts to include monster, fetch [sic] or other career search sites.”

Another agreed that advertising methods are effective, but

“only because our office pays extra to advertise in the Washington and Baltimore areas and through our professional association web etc. If we only used HR’s standard advertising in Frederick and Hagerstown I would respond NO.”

Both Carroll and Charles Counties’ HR Divisions regularly analyze the recruiting methods that have been historically successful for each position, and base their advertising decisions on that data. The Frederick County HR Division could do this as well with the data they are already gathering and entering in the PeopleSoft system. However, according to the Deputy HR Director, they currently do not do so. In our opinion, such information could help hiring departments identify the most cost-effective advertising methods to generate the widest pool of qualified applicants. Since the start of this audit, the HR Division has chosen not to renew its advertising contract with the *Hagerstown Herald-Mail*, which will help save additional advertising costs.

Recommendation 4:

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

THE NUMBER OF CANDIDATES INTERVIEWED SHOULD BE REDUCED

The HR Division's interviewing policy requires that the hiring department interview all candidates who meet the minimum qualifications for a position. HR staff, including HR analysts and interns, review and rate all employment applications. Hiring departments are allowed to review all applications and ratings, but HR makes the final decision as to who meets the required qualifications. If a recruitment announcement includes preferred qualifications, the applicant pool can be further limited to those meeting preferred qualifications, but every applicant who meets those preferred qualifications must be interviewed.¹⁰

The HR Division also allows applicants, who are initially rejected for not meeting minimum qualifications, to contest that rejection. It is HR policy to send a rejection letter to every applicant who was not referred to the hiring department for interview. Each rejection letter includes a specific reason(s) why the applicant was rejected. HR staff have indicated that these letters are sent both as a professional courtesy, and as an internal control, and provide the applicant the opportunity to alert the HR Division of essential qualifications or job experience that may have been overlooked during the initial application review.

The HR Division Director stated that the referral process was designed to ensure a fair process, and equal treatment of every applicant in compliance with local, State and Federal laws. However, the four other counties surveyed, which are bound by the same non-discriminatory legal requirements, all limit the number of applicants interviewed to those who are best qualified. Most require that a minimum of three applicants be interviewed, but no more than ten. They also often conduct the application review in conjunction with the hiring department to screen out unqualified applicants.

In our sample of Frederick County's hiring actions, we found instances where the departments were required to test and/or interview as many as 23 to 46 applicants for one position, which is not an efficient use of management's time.¹¹ Details are shown on the following chart.

¹⁰Although HR notifies hiring departments via memo that they must interview all referred candidates, the requirement that every applicant who meets certain qualifications must be referred for interview is not included in the Division's *Policies and Procedures Manual*. Both HR management and staff, however, indicated that this is the procedure they follow when making referral and rejection decisions.

¹¹Section 2.4 "Employment Interviews & Checking References" in HR's *Policies and Procedures Manual* notes that hiring departments have "the option of administering related tests as part of the selection process (upon approval from HR)." A skills test can be administered as the "first round" of interviews to help narrow the applicant pool. Section 2.5 of the *Policies and Procedures Manual* does note that "[I]t is the responsibility of individual departments to administer and score these examinations."

Analysis of the Number of Applicants Tested and Interviewed

Type of position	Average number of applicants per position	Average number referred for testing/ interview	Most referred for testing/ interview	Least referred for testing/ interview
Administrative Specialists	79	19	46	5
Laborer/Paraprofessional	32	13	28	2
Professional	22	8	23	1

Several County staff complained about this policy in our survey. As an example,

“We have found that we end up having to interview way too many candidates just because they met the basic requirements. However compared to a few obvious candidates they don’t have enough relevant experience or are obviously less qualified than others.”

Recommendation 5:

We recommend that 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.

HR SHOULD OVERSEE THE TESTING OF CANDIDATES

Pre-interview skills exams are usually administered and scored by the hiring department, and are used to eliminate less qualified candidates from the initial pool of applicants referred by HR for interviews. Prior to administering an exam, hiring departments are required to submit a draft to the HR Division for review and approval to ensure that the exam is appropriate for the position, consistent with similar tests administered by other departments, and free from bias. However, once the exam is approved, the hiring department administers and scores the test without oversight by the HR Division.

Because no one is verifying that skills exams are administered and scored fairly and correctly, the HR Division cannot ensure equal treatment of applicants during this process. For example, applicants for one position in our sample of hiring actions were rejected for not achieving a passing score of “6 of 8” on the skills exam. However, there was no indication on the exams themselves as to what each individual score was, or how scores were determined, so we could not verify that the exam was scored correctly.

Other counties mitigate this risk by administering and scoring skills exams within the HR Division. For example, both Harford and Carroll Counties have computer labs within their HR Divisions where applicants take any required pre-interview skills tests. The computer program, rather than the hiring or HR departments, scores these exams ensuring that this part of the selection process is free from bias and applicants are treated equitably. Although the HR Division does not have its own computer lab, other County Divisions, such as the Interagency Information Technology Division do. HR may be able to use existing County resources to establish and operate a job skills testing location for all County employment applicants. HR management indicated that the lab is difficult to schedule; however, they are reviewing several testing software programs. The ability to purchase software will depend on funding. If hiring departments continue to administer all pre-interview skills testing, HR should ensure that the hiring departments are conducting skills testing fairly and properly.

Recommendation 6:

We recommend that the 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.

REFERENCE CHECKS SHOULD BE REQUIRED

Currently, HR's *Policies and Procedures* require hiring departments to return a completed "Selection Summary" form to the HR Division once the interview and selection process is complete. For benefited positions, hiring departments use the Selection Summary form to document the reasons that the chosen candidate was selected for hire, although HR will continue with the hiring process whether or not the department returns this form. Also, the HR Division does not require hiring departments to verify applicant references prior to extending a job offer. The Division's *Policies and Procedures* note, "the hiring manager is strongly encouraged to conduct a reference check on the final candidate(s). Candidates should be notified that a reference check will be done and that the information will be used in making the final hiring decision." HR management has stated that this is the hiring department's responsibility.

Three of the four counties we visited require reference checks. The HR Divisions in Charles and Harford Counties are responsible for verifying work experience with previous employers and Howard County contracts with a private vendor to do this. By verifying that applicants have the required work and educational experience for the position, Frederick County could reduce the risk of hiring an unqualified person, and the costs affiliated with such a hire. Likewise, hiring someone who has falsified his or her employment or educational history could pose a legal risk to the County, and this risk could be mitigated with a simple reference check.

Recommendation 7:

We recommend that 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.

APPLICANT INFORMATION SHOULD BE SECURELY STORED

The HR Division does not store the personal information of applicants properly and securely. Recruitment files, which include applicants' names, addresses and driver's license numbers, are sometimes kept unsecured in the Human Resources Division. This creates the risk of both identity theft for the applicants, and legal action against the County, should an applicant's personal information be stolen due to lax security measures by the HR Division. We also noted during the audit that the personal information of applicants who go through background checks prior to employment (such as those who would be working with children, in transportation, or in certain "security-sensitive" positions) was stored in binders on open shelving in an unsecured conference room in the HR Division. These binders contain the applicants' names, dates of birth, Social Security numbers, and, if applicable, criminal history. HR has since required all active recruitment files to be kept in locked file cabinets when they are not being used by HR staff. In addition, HR has removed the binders from the unsecured conference room to a locked closet in a locked storage room.

Recommendation 8:

We recommend that HR management adequately secure all applicant information.

PEOPLESOFT HRMS SHOULD BE USED TO ADMINISTER THE PROCESS

The HR Division currently uses PeopleSoft HRMS, a recruitment and selection management information system, to administer some steps of the recruitment and selection process. For example, staff enter data from the RTFV form into PeopleSoft HRMS and the system generates a position requisition number. Staff also enter applicant data, such as name, address, education, and any affirmative action data the applicant may have submitted, into the system. This information is then used to track which applicants are applying for which position. PeopleSoft HRMS will also flag any applicant who has been barred from future County employment.

While HR staff use PeopleSoft HRMS to track and manage some steps of the recruitment and selection process, they duplicate much of this effort through more manual procedures. HR staff currently use two different Excel spreadsheets, hand-written applicant review sheets, and paper checklists to track and manage their process. This reliance on multiple tracking systems and the process of manual recordkeeping is inefficient and contributes to an increased risk for processing errors. HR management has acknowledged that the current PeopleSoft HRMS is robust enough

to administer more of the process, but states that they have not had the time to explore its full capabilities, or to evaluate the effectiveness of their current tracking procedures. HR management and staff have also stated that they will revisit how PeopleSoft can be used more effectively when the Division next upgrades its PeopleSoft operating system.

Recommendation 9:

Because there is no current plan to upgrade PeopleSoft HRMS in the near future, we recommend that HR management determine how the current PeopleSoft HRMS can replace manual records for tracking and managing the recruitment and selection process. We also recommend that management adequately train staff on the system, and establish a target date for its expanded use.

HR SHOULD CONSIDER ACCEPTING ONLINE APPLICATIONS

HR Policies and Procedures require that all candidates for County employment submit a paper application, either by regular mail or hand-delivery, to the HR Division. However, all four counties we surveyed accept fully automated online applications through their county websites. Additionally, two of those counties have implemented a recruitment and selection process that is completely automated. Both Harford and Howard counties use Neogov, which is an online recruitment and selection tool through which people can search for County jobs and apply online. The HR Divisions then manage the recruitment and selection process through Neogov until a candidate is hired.

Several survey respondents requested that the County move to an online recruitment and selection process, such as Neogov. Because most applicants for County jobs learn of those positions from the County website, and they can go to the website to download an employment application, making the website a more integral part of the recruitment and selection process makes sense. In our opinion, a more automated and integrated recruitment and selection process would be more efficient, and would improve the HR Division's customer service to hiring departments. Current County budget restrictions might limit the feasibility of purchasing such a program in the immediate future.

In the interim, using PeopleSoft HRMS to its fullest capabilities, as discussed previously, could significantly improve the current process. According to the HR Division Director, they are also working with the County's IIT to convert the manual workflow of processing RTFV forms to an electronic, automated process between the hiring departments, HR, and the Budget Office using an in-house software program. This would address some of the concerns expressed by County staff, and should improve efficiency.

Also, as a result of our audit, HR and IIT have made the necessary modifications for applicants to complete an employment application form in a PDF document and submit it to HR as an e-mail attachment. This work was completed March 9, 2009. HR management has indicated that this process will be further refined to provide better access for online applicants.

Recommendation 10:

We recommend that the 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.

MANAGEMENT SHOULD CONDUCT WORKFORCE PLANNING

Workforce planning, or ensuring that an organization has “the right number of people, with the right skills, at the right time to perform the required work,”¹² should be an essential component of the HR Division’s goal of attracting “the best-qualified candidates who apply for County employment.”¹³ According to the Institute of Internal Auditors in its Research Foundation Handbook *Auditing Human Resources*, “to truly understand its workforce needs,” HR should

“conduct an analysis of its current and future strategic, operating, and workforce plans to determine how its workforce needs are likely to change. A ‘supply analysis’ provides information on the current workforce profile and what it needs to accomplish future organizational objectives. This analysis would include an employee demographic review and a skill profile. A ‘demand analysis’ provides information on the future workforce needed by the organization. Finally, a ‘gap analysis’ compares the current workforce projection and the demand forecast.”¹⁴

Although the HR Division maintains employee data, such as rates of employee turnover, which could be used to conduct these types of analyses, the Division does not conduct any kind of workforce planning. This type of long-term planning can be especially valuable as County managers face difficult decisions about how best to allocate limited staffing resources during tight budget years. HR management has indicated that this is the responsibility of hiring departments and the Budget Office. Consequently, HR does not assist the Board of County Commissioners, hiring departments, or the Budget Office with projecting future staffing needs, and developing strategies to ensure that County staffing levels will be adequate to provide delivery of County services.

The HR Division in Carroll County regularly provides retirement eligibility data to assist in County succession planning decisions. They also use this data when working with hiring departments to ensure that current staffing plans are adequate to meet long-term department needs. Also, Harford County’s HR Division recently began working with consultants to develop a workforce planning process.

¹²Vito, Kelli W., CPHR, CCP, *Auditing Human Resources* (Altamonte Springs, FL: The Institute of Internal Auditors Research Foundation, 2007), 23.

¹³ Frederick County Division of Human Resources “Goals for Major HR Programs”

¹⁴Vito, p. 23.

Recommendation 11:

We recommend that 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.

VII. Summary of Response

In his response, the HR Director stated that he was pleased that the online survey conducted as part of the audit showed that nearly 80 percent of those responding felt that the County's recruitment and selection process is effective. He also stated that he received very few complaints over the years and that the County has never been sued for money damages in connection with the recruitment and selection process. However, he recognized that the audit identified some aspects of the recruitment and selection process that should be changed and agreed with all recommendations, except Recommendation 5.

The HR Director stated that HR has updated its Recruitment Checklist to include verification of supervisory approval and created a New Hire Approval Checklist, which must be completed, reviewed, and approved before any hiring supervisor extends an offer of employment. He stated these checklists should improve documentation in recruitment and selection files. HR has already discontinued the practice of allowing applicants to submit additional materials after the closing date, and secured all applicant information. The HR Director also plans to clarify written procedures and implement other changes to improve the recruitment and selection process.

Regarding Recommendation 5, the HR Director stated that, although they do not use a formal rating system, they encourage hiring departments to reduce the number of applicants who will be referred for interviews by using preferences to narrow the applicant pool. He also stated that they recommend that hiring departments utilize skills testing as a "first round" of interviews to evaluate an applicant's ability to perform duties, and to help narrow the applicant pool and reduce the number of applicants referred for personal interviews. He believes this approach is preferable to preparing a written "ranking" of applicants by giving each a specific numerical score based only on what appears on paper. He stated that a ranking of applicants by numerical score could present a problem when establishing a clear "cut-off" point for interview and could be potentially discriminatory.

VIII. Auditor Comments

We are providing comments on the HR Director's response related to Recommendation 5, which he disagreed with, and with Recommendations 9 and 10, which he only partially addressed.

Recommendation 5:

Our audit testing showed that, while hiring departments currently have the option of using qualification preferences to try to limit the applicant pool, they are still often required to interview a large number of applicants. We also received several comments in our online survey which indicated that the inability to rank applicants, or to narrow a large pool of applicants, is a source of frustration among County hiring officials. Additionally, using skills testing to narrow the applicant pool may not be practical for many professional positions.

In our opinion, which is based on our discussions with other counties, ranking procedures should be used to narrow the applicant pool to those found to be "best qualified." Regardless of which method is used, a system to reduce the number of applicants interviewed by hiring officials is critical given the likelihood of a significant increase in applications expected for each position in today's economic conditions.

Recommendation 9:

Regarding Recommendation 9, the HR Director stated that they will explore the options available for enhancing the PeopleSoft HRMS system based on existing resources by June 2009. He also noted that it is the goal of HR to fully automate the applicant tracking system when the County upgrades to PeopleSoft HRMS 9.0.

The response did not address the issue of providing HR staff training on the current PeopleSoft system, which would allow for the elimination and/or reduction of duplicate record-keeping. In light of the current economic situation, we believe utilizing the current PeopleSoft HRMS to its fullest capabilities would make the HR Division more effective and efficient.

Recommendation 10:

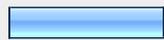
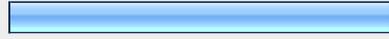
The HR Director's response did not address the second part of our recommendation, which was to consider the cost effectiveness and feasibility of implementing an integrated, automated recruitment and selection process. The GFOA study that he mentioned was not related to such a process. We still believe that HR management should conduct a cost-benefit analysis to determine if implementing an integrated, automated recruitment and selection process, such as an online program like Neogov, would be cost beneficial and meet the current and future needs of the County.

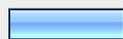
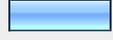
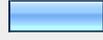
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Interagency Internal Audit Authority

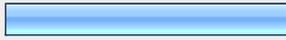
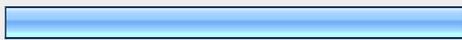
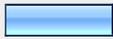
April 15, 2009

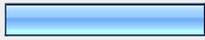
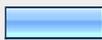
Internal Audit Survey of County Recruitment and Selection Practices

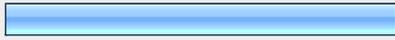
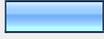
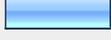
1. What is your role in the recruitment and selection process for your division or department?			
		Response Percent	Response Count
I am in charge of all hires.		18.8%	24
I share hiring responsibilities with other division management.		46.9%	60
I assist division management with hiring responsibilities.		22.7%	29
I do not participate in the hiring process.		10.2%	13
Other (please specify)		1.6%	2
		answered question	128
		skipped question	1

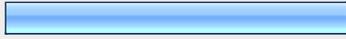
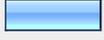
2. Which of the following most closely describes your current position?			
		Response Percent	Response Count
Division Director		13.9%	16
Department Director/Manager/Teamleader		62.6%	72
Senior staff		12.2%	14
Support staff		11.3%	13
Uniformed personnel		0.0%	0
		answered question	115
		skipped question	14

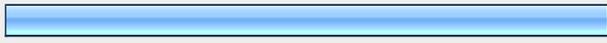
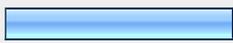
NOTE: This appendix is a summary of survey responses only, and does not include respondents' comments.

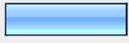
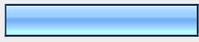
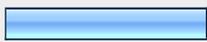
3. What types of positions do you fill most often?			
		Response Percent	Response Count
Labor positions		22.1%	25
Administrative positions		33.6%	38
Professional and/or management positions		54.9%	62
Uniformed personnel		12.4%	14
Other (please specify)		9.7%	11
		answered question	113
		skipped question	16

4. When was the last time you filled a vacant position?			
		Response Percent	Response Count
1-3 months ago		50.9%	58
4-6 months ago		14.0%	16
7-12 months ago		23.7%	27
more than one year ago		11.4%	13
		answered question	114
		skipped question	15

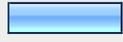
5. On average, estimate how many vacancies and/or new positions your division or department fills each year.			
		Response Percent	Response Count
0-1 position		26.3%	30
2-5 positions		46.5%	53
6-10 positions		11.4%	13
11-15 positions		3.5%	4
more than 15 positions		12.3%	14
<i>answered question</i>			114
<i>skipped question</i>			15

6. When filling a vacant or new position, approximately what percentage of your time is spent on the recruitment and selection process rather than on your regular job duties?			
		Response Percent	Response Count
less than 10%		40.7%	44
10% to 25%		46.3%	50
25% to 50%		11.1%	12
more than 50%		1.9%	2
Do you feel the amount of your time required for this process is appropriate? Please explain:			54
<i>answered question</i>			108
<i>skipped question</i>			21

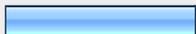
7. What hiring activity do you spend the most time on?			
		Response Percent	Response Count
Preparing the recruitment announcement		9.3%	10
Reviewing and approving the referred candidate list from Human Resources		14.8%	16
Interviewing candidates		72.2%	78
Completing paperwork associated with the hiring process		26.9%	29
Does the amount of time spent on this step seem appropriate for your division or department? Please explain:			52
			answered question
			108
			skipped question
			21

8. How long does it take, on average, to fill a vacant position from the time your division or department notifies Human Resources of a vacant or new position until the applicant is selected?			
		Response Percent	Response Count
Two months or less		14.3%	15
More than two months but less than three months		39.0%	41
More than three months but less than four months		22.9%	24
More than four months		23.8%	25
Do you have any recommendations for expediting this process?			49
			answered question
			105
			skipped question
			24

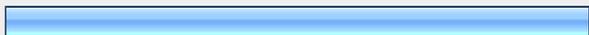
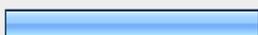
9. Do you find Human Resources' policies and procedures for the recruitment and selection process easy to understand and to follow?				
			Response Percent	Response Count
Yes			80.4%	78
No			19.6%	19
If no, please explain:				26
answered question				97
skipped question				32

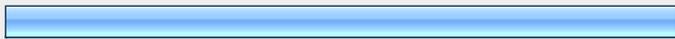
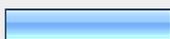
10. Do you feel that Human Resources has informed you of all recruitment and selection procedures, as well as potential legal liabilities during the recruitment and selection process?				
			Response Percent	Response Count
Yes			86.3%	82
No			13.7%	13
If no, please explain:				14
answered question				95
skipped question				34

11. When you have questions or need guidance during the recruitment and selection process, how would you rate the assistance you received from Human Resources in the following areas?					
	Strongly Agree	Agree	Disagree	Strongly Disagree	Response Count
Assistance was timely	33.0% (31)	54.3% (51)	10.6% (10)	3.2% (3)	94
Assistance was professional	43.2% (41)	49.5% (47)	6.3% (6)	1.1% (1)	95
Assistance was helpful	42.1% (40)	52.6% (50)	6.3% (6)	0.0% (0)	95
If you disagreed or strongly disagreed with any of these choices, please explain:					17
answered question					95
skipped question					34

12. Does the current recruitment and selection process allow your division or department adequate discretion in determining job requirements and qualification standards?				
			Response Percent	Response Count
Yes			77.4%	72
No			22.6%	21
If no, please explain:				25
answered question				93
skipped question				36

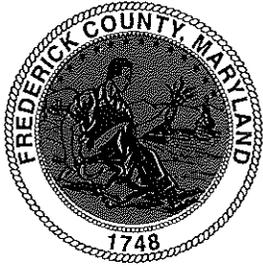
13. How satisfied are you with the following components of the position advertising process?					
	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied	Response Count
Guidance provided by Human Resources for writing position descriptions	44.6% (41)	42.4% (39)	13.0% (12)	0.0% (0)	92
Accuracy and clarity of advertisements	51.1% (48)	44.7% (42)	4.3% (4)	0.0% (0)	94
Appropriateness of media outlets in which positions are advertised	44.1% (41)	48.4% (45)	8.6% (8)	0.0% (0)	93
Please explain:					22
answered question					94
skipped question					35

14. Are you satisfied with the number of candidates to interview that Human Resources refers to your division or department?				
			Response Percent	Response Count
Yes			69.9%	65
No			30.1%	28
If no, why not?				38
answered question				93
skipped question				36

15. Have you been able to find well-qualified candidates using the current recruitment and selection process?					
			Response Percent	Response Count	
Yes			80.4%	74	
No			19.6%	18	
If no, do you have any suggestions for improving the candidate pool?				37	
				answered question	92
				skipped question	37

16. How would you rate the overall effectiveness of the County's recruitment and selection process?								
	Very Effective	Somewhat Effective	Somewhat Ineffective	Very Ineffective	N/A or Don't Know	Rating Average	Response Count	
The County's recruitment and selection process is:	29.5% (28)	48.4% (46)	16.8% (16)	2.1% (2)	3.2% (3)	1.91	95	
Please explain. Also, if applicable please include any suggestions for improving this process:							35	
							answered question	95
							skipped question	34

17. Do you have any other comments or concerns about the recruitment and selection process that have not been addressed in this survey? Please explain below.	
	Response Count
	30
	answered question
	30
	skipped question
	99



DIVISION OF HUMAN RESOURCES FREDERICK COUNTY, MARYLAND

Winchester Hall • 12 East Church Street • Frederick, Maryland 21701
301-600-1070 • Fax 301-600-2314
www.co.frederick.md.us

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Director

Tracy P. Lobuts
Deputy Director

April 3, 2009

Richard A. Kaplan, CIA
Director, Internal Audit Division
8 E Second Street
Suite 100
Frederick, MD 21701

Dear Richard:

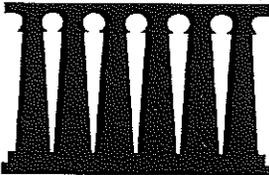
Please find enclosed the responses to the Frederick County Human Resources Division's Process for Recruiting and Selecting Employees Audit. We appreciate all the hard work and effort made by your staff and the recommendations that will be implemented to improve our recruitment and selection process.

In addition to this hard copy response, I will also be sending you a version in PDF.

Sincerely,

Mitchell L. Hose
Director, Human Resources Division

CHARACTER COUNTS!



JOSEPHSON INSTITUTE OF ETHICS SM

TRUSTWORTHINESS • RESPECT
RESPONSIBILITY • FAIRNESS
CARING • CITIZENSHIP

CHARACTER COUNTS! and the Six
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www.charactercounts.org

VII. Response

Introduction

The Frederick County Human Resources Division has primary responsibility for the recruitment, selection and classification of employees, as well as for the administration of compensation, leave, all employee benefits and the County retirement plan.

Frederick County HR is strongly committed to non-discriminatory employment practices, and closely monitors every step in the recruitment and selection process to ensure that all hiring decisions are based only on merit.

HR staff also works diligently to anticipate the hiring demands of our many Divisions, and to promptly accommodate those needs in each specific recruitment and selection process. A major part of HR's work is to ensure that every Division properly addresses the frequent and often sweeping changes in recruitment and selection imposed by state and federal legislative bodies, administrative agencies and appellate courts.

HR is gratified that the online survey conducted as part of this audit shows that nearly 80% of those responding felt that the County's current recruitment and selection process is effective. HR has received very few complaints over the years, and feels that its success is truly the result of team effort by everyone involved – including both HR staff and the staff in every hiring department.

While internal customer satisfaction is important, the best benchmark of whether HR is performing all of its responsibilities properly may be that Frederick County has never been successfully sued for money damages in connection with any part of the recruitment and selection process. And that the current HR Director has never even had to go to court during his 30-year tenure.

HR benefited from this audit process, which identified some aspects of recruitment and selection that could be changed. HR has already implemented most of the recommended changes, and will begin implementing others after all Division Directors have been notified and given an opportunity to consider them and respond. It is worth noting, however, that while a number of recommendations were made, this audit did not identify any instances in which any applicant was improperly deprived of employment.

Finally, it should be noted that unlike some other local jurisdictions that accept job applications for any position at any time –even for positions that are not vacant, Frederick County only accepts applications for recruitments that are currently open. While this means that HR's numbers may be slightly lower than those in some other jurisdictions, it also means that these

numbers accurately reflect the actual workload in the Frederick County HR office, where 3.5 FTE's handle approximately 7,300 job applications each year.

RESPONSES TO RECOMMENDATIONS

Recommendation 1: We recommend that the 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.

Response to Recommendation 1: HR agrees that a more formal monitoring process that includes supervisory review and approval of each hiring action should be implemented. HR created the attached New Hire Approval Checklist in March 2009, which must be completed, reviewed and approved before any hiring supervisor extends an offer of employment. In addition, to ensure that internal procedures are adhered to in HR's internal review process, its Recruitment Checklist was updated in March 2009, to include verification of supervisory approval (copy attached). While these changes will require additional work for every Division, they will create a clearer record that every applicable procedure was followed, and that each step in the selection process received the appropriate level of review.

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

Response to Recommendation 2: HR agrees that this is a reasonable recommendation, and changed the manner in which applicants are allowed to submit additional materials after the closing date in February 2009. Now, applicants may only do so if HR staff incorrectly interpreted information previously submitted by an applicant, which happens very rarely. HR will clarify its written policy on this practice when the next round of revisions is made to its *Policies and Procedures Manual* in May 2009.

Recommendation 3: We recommend that 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.

Response to Recommendation 3: HR agrees that more specific file documentation would be appropriate. Several of the steps included in this recommendation have already been taken, and others will be briefly addressed below. It should be noted, that while a number of

recommendations were made, this audit did not identify any instances in which any applicant was improperly deprived of employment.

- Recruitment Checklist and application review sheet – HR currently uses two forms to document the steps taken in the recruitment process. The Recruitment Checklist has been revised by HR to include signature lines that show who reviewed applications and who made the decision to reject or refer applicants, and includes both HR and hiring department staff. This checklist will be kept in the recruitment folder at all times. The applicant review sheet will also be signed by each HR staff member who reviewed applications and made decisions during the recruitment process.
- Changes to written procedures for hiring part-time employees – Some Divisions have an ongoing need to hire part-time (non-benefited) employees. HR's *Policies and Procedures* give Divisions the ability to hire part-time employees without going through the recruitment and selection procedures that apply to full-time positions. HR will revise these *Policies and Procedures* in May 2009 to give more specific guidance to hiring supervisors about the steps they should take when filling part-time positions.
- Rejection letters – Frederick County HR has chosen to send every rejected applicant a brief, polite letter informing them why their application was not successful. HR believes this builds goodwill in our community, and is fair in light of the time applicants spend completing the County's application and interview process. HR believes, although the documentation was not evident, because the applications were attached to the master rejection letter, that the letters were sent. Nevertheless, the revisions to the Recruitment Checklist include management approval to ensure that this does not happen in the future.
- Use of stars to rate applicants' qualifications – The audit recommends clearer documentation to reflect how a candidate's qualifications are evaluated during the selection process, and HR agrees that a clearer statement on ratings would be appropriate. HR now includes a legend on its application review sheet that more clearly defines and explains the rating system. However, it is also worth noting that the rating system did not result in any adverse actions.
- Documentation in hiring file with 108 candidates – The audit mentions one hiring file with 108 applicants that it views as insufficiently documented. HR reviewed the file, and due to the large number of applicants, skills testing by the department to narrow the applicant pool, and the use of several log sheets, it was very difficult to provide easy to read and clear documentation. But, we believe this issue will be alleviated in the future with increased supervisory monitoring and the use of the revised Recruitment Checklist and improved documentation.

Recommendation 4: We recommend that 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.

Response to Recommendation 4: HR agrees with this recommendation, and feels that it reflects the manner in which it has been dealing with advertising for quite some time. HR only has enough money to pay for job announcements to be published locally. HR ensures, though, that all job announcements are posted on the County's website. Not only is the existence of the County website widely promoted and publicized by every County Division as well as other units of government, the statistical analysis on page 10 of the audit report reflects that 75% of applicants learned about the job from the County website. This should come as no surprise. Job applicants in today's highly competitive market quickly learn that the fastest and best way to learn about jobs is by going to each government's website - and in most cases, everyday. While specialty publications such as industry and professional journals are also available, a job announcement submitted today may not be printed and published for weeks, or longer. HR staff does rely on the hiring department to provide specialty publication sources. However, on an annual basis, HR will analyze the data received in PeopleSoft to determine trends, etc. and share that information with the hiring departments as vacancies occur.

Recommendation 5: We recommend that 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.

Response to Recommendation 5: Although we do not use a formal rating system, we do use preferences to narrow the applicant pool. Currently, based on the recruitment being posted, HR encourages hiring departments to reduce the number of applicants who will be referred for interviews by stating qualification "preferences" in the job announcement. Preferences are additional qualifications (beyond the minimum requirements for the position) that will result in an applicant being more likely to advance to a personal interview. Generally, the more preferred qualifications that are stated, the smaller the number of referred applicants.

HR has also recommended that hiring departments utilize skills testing to evaluate an applicant's ability to perform job duties. HR has often assisted departments with their development and review of these tests. A skills test can be administered as the "first round" of interviews to help narrow the applicant pool, which can be very helpful in reducing the number of applicants referred for personal interviews. Many departments have done so, with considerable success.

HR believes this approach is preferable to preparing a written “ranking” of applicants by giving each a specific numerical score based only on what appears on paper. Sometimes the best candidate is not the candidate who looks best on paper. A problem that often arises when ratings are conducted in this manner is the establishment of a “cut-off” point. It can be difficult, and potentially discriminatory, to set a cut-off point where a significant gap is not present between rated applicants. Based on many decades of experience, HR feels strongly that it is ultimately in the County’s best interest for all highly qualified applicants to be interviewed, even if this does take some additional time. And despite the occasional complaint, this approach has been verified on many occasions by very favorable comments from hiring departments to HR staff. Therefore, HR will continue to coordinate with the hiring supervisor to ensure that preferences are included in the job announcement to be able to limit the number of candidates to be interviewed. This practice is already in place.

Recommendation 6: We recommend that the 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.

Response to Recommendation 6: HR agrees that pre-interview skills testing is a valuable selection tool that is often overlooked by County hiring departments. While skills testing has long been an option available to hiring departments, Section 2.5 of HR’s *Policies and Procedures* Manual notes that it is the responsibility of individual departments to administer and score these examinations. IIT does have a testing “lab”, but it is a small room with few PC’s, and is often difficult to schedule. HR is currently reviewing a number of testing software programs to determine which best suits the needs of Frederick County. Due to current funding restrictions, this may be a long term goal. In the meantime, testing and scoring will be monitored using the New Hire Approval Checklist form to be implemented in May 2009. Under it, every hiring department must obtain HR’s approval before making an offer of employment. HR will verify that all testing and interviews were conducted appropriately, and in accordance with the County’s written policies.

Recommendation 7: We recommend that 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.

Response to Recommendation 7: HR agrees with this recommendation, and has developed a New Hire Approval Checklist that must be completed, reviewed and approved before any hiring supervisor extends an offer of employment. HR intends to implement the use of this checklist in May 2009. It will require hiring departments to check references and verify employment,

education and the certification/license of the selected candidate, and certify that all of this has been completed before an offer of employment is made.

Recommendation 8: We recommend that HR management adequately secure all applicant information.

Response to Recommendation 8: HR agrees with this recommendation, and has already taken a number of steps to implement it. Binders containing background checks and criminal history information are now stored in a locked file cabinet at all times. All active recruitment files are kept in locked file cabinets when they are not being used by HR staff. Closed recruitment files are kept in a file cabinet in an area that is not accessible to either the public or to other County employees, and which can only be accessed by HR staff. The door to the office where this file cabinet is located is locked when the office is not being used for other purposes. While this filing cabinet is not capable of being locked, HR will consider ordering a locking file cabinet when and if sufficient funding becomes available in the future.

Recommendation 9: Because there is no current plan to upgrade PeopleSoft HRMS in the near future, we recommend that HR management determine how the current PeopleSoft HRMS can replace manual records for tracking and managing the recruitment and selection process. We also recommend that management adequately train staff on the system, and establish a target date for its expanded use.

Response to Recommendation 9: HR agrees that the applicant tracking system needs to be enhanced and fully automated. At this time, HR will explore the options available for enhancing the system based on existing resources. This analysis will be completed by June 2009. It is HR's goal to fully automate the applicant tracking system when the County upgrades to PeopleSoft HRMS 9.0.

Recommendation 10: We recommend that the 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.

Response to Recommendation 10: HR agrees with this recommendation insofar as online applications are concerned. After years of requests from HR to make the changes necessary for applicants to submit employment applications online, IIT very recently made those changes. Within the last six months, the Finance and IIT Divisions had a cost effectiveness and feasibility study completed by GFOA regarding PeopleSoft Financials and HRMS systems. The results of that study have been taken under advisement.

Recommendation 11: We recommend that 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.

Response to Recommendation 11: HR will provide information about workforce needs to assist Divisions in their own workforce planning, and can also assist in identifying recruiting resources that are capable of furnishing adequate numbers of qualified applicants, as requested by Budget, BOCC and/or hiring Divisions. In the event that Frederick County makes workforce planning one of its strategic goals, HR will provide assistance in identifying the steps that will have to be taken.

New Hire Approval Checklist

ATTACHMENT 1.1

HR approval of completed checklist is required before FT or PT benefited job offer is made (1 Checklist per person)

RECRUITMENT INFORMATION – Completed by HR

Position Title _____ Req# _____ Job Code # _____

Department Name _____ Dept ID _____

Hiring Supervisor _____ Recruitment Closing Date _____

SELECTION INFORMATION – Completed by hiring supervisor

New Hire Name _____ Proposed Start Date _____

Justification for this hire _____

Was testing administered during the interview/ selection process? Yes _____ No _____
(testing materials must be submitted with this checklist for HR review and approval)

Completed Selection Summary Sheet attached? Yes _____ No _____ If no, why? _____
(Specific reasons for not selected candidates is required)

Appropriate Education and/or Certification / License Verified? Yes _____ No _____ If no, why? _____

Reference Checks Completed? Yes _____ No _____ If no, why? _____
(Minimum of 1 employment reference check required)

Employment Reference Check #1

Company Name / Contact Name & Title _____ Date completed _____

Information Received _____

Reference Check #2 Employment/Professional _____ Personal _____

Company Name / Contact Name & Title _____ Date completed _____

Information Received _____

Reference Check #3 Employment/Professional _____ Personal _____

Company Name / Contact Name & Title _____ Date completed _____

Information Received _____

Pay Above Entrance (check if requested) (Attach justification) Approved by HR? Yes _____ No _____

Hiring Supervisor Signature _____ Date _____

Division Director Signature _____ Date _____

FOR HUMAN RESOURCES USE ONLY

Approved for hire? Yes _____ No _____ If no, why? _____

HR Approver Signature _____ Date: _____

Name of Hiring Supervisor Notified _____ Date Notified _____

See reverse for additional information

Responsibilities for hiring supervisors before an offer of employment has been made:

1. The New Hire Approval Checklist is required for all full-time or part-time benefited placements. Human Resources (HR) approval is required **prior** to making a verbal or written job offer.
2. Prior to making your offer, a minimum of one employment reference check is mandatory. Additional employment/professional and/or personal reference checks may be conducted and must be documented on the New Hire Approval Checklist for HR review.
3. If you are hiring a position that is classified as "Security Sensitive", approval of the New Hire Approval Checklist is required before the new hire begins the background process.
4. Thoroughly complete the Selection Summary form indicating specific reasons why the new hire was offered the position and reasons why the other candidates were not selected. This form must be sent along with the New Hire Approval Checklist and must be appropriately completed before approval to hire can be granted.
5. If testing was administered, compile all testing materials (including results) and send this information along with the New Hire Approval Checklist. Testing materials will be reviewed by HR staff to verify that all testing was administered in a fair and consistent manner.

Responsibilities for hiring supervisors after receiving approval from Human Resources management:

1. You must send rejection letters (by mail) to all interviewed candidates who were not selected for hire. The rejection letter should not mention future call backs or application retention. For samples of acceptable wording, please contact Kristi Houck (HR 301-600-1614). Copies of rejection letters must be sent back to HR with other closing paperwork.

Note: You may wait to send rejection letters to your top two or three candidates, until you confirm that your first choice accepts the job offer. When your first choice accepts the job offer, you must send a rejection letter to each remaining candidate.

2. Your new hire(s) must receive a written offer letter. A copy of this offer letter must also be sent back to HR with final documentation of the hiring process. For samples of acceptable wording, please contact Kristi Houck (HR 301-600-1614).

Your offer letter must include:

- The position title and department name;
- Pay rate of the position being offered;
- Proposed start date;
- Conditions under which the offer is made (e.g. physical exam, drug test, and complete background check, if applicable)
- If the position is grant funded, you are required to include information regarding the grant (i.e. The grant that funds this position will determine the duration of the position as well as the benefits available to the employee in this position)

Your offer letter may include:

- The date your new hire is scheduled for New Employee Orientation;
- The date your new hire is scheduled to attend New Employee Emergency Preparedness training

Note: The proposed start date, approval to begin the physical examination and drug testing, approval to begin the background check, scheduling the new hire for New Employee Orientation and scheduling the new hire for New Employee Emergency Preparedness training are all contingent upon receiving HR's notification that you may proceed with a job offer.

3. When your offer has been accepted, notify Kristin Brandenburg (HR 301-600-1854) of the person's name, social security number, position title and if the employee is required to hold a CDL license. After notifying Kristin, provide the candidate with the pre-employment physical exam and drug test packet (enclosed with the referral and orientation packet). After you receive confirmation of the satisfactory physical exam and drug test from HR, you must complete the I-9 form (with the new hire) and Personnel Action Notice and submit them to Payroll.

Note: For "Security Sensitive" positions, after you receive HR approval of your selection and the chosen candidate accepts the conditional job offer, initiate the background investigation and follow the remaining procedural instructions for those positions.

4. Give the enclosed Orientation Packet to your new employee at the same time he/she receives the physical exam/drug test packet. Do not remove anything from inside this packet. Save the outside instruction sheet. When the physical exam and drug test have cleared and a starting date has been set, contact Bonnie Madison (HR 301-600-1190) to schedule your new hire for New Employee Orientation. Use the tear-off portion of the instruction sheet to give your new employee his/her appointment information.
5. Upon completing the selection process, you must send all remaining documentation of the hiring process to Kristi Houck in HR:
 - Completed Selection Summary form, if changes were made since the last HR review;
 - All copies of candidates' employment application materials (including the new-hire's application);
 - Copies of all letters to candidates; including interview appointments, offer & rejections

of benefited vacancies: _____
 # of non-benefited vacancies: _____

RECRUITMENT CHECKLIST

REQUISITION # _____ Date Opened: _____ Check if
 Until Filled: _____ Date Closed: _____

Position # _____ Position Title: _____

Cost Center/Department # _____ Dept/Div: _____

	Date Completed	Initials
Recruitment announcement draft:	_____	_____

FAX, e-mail, phone or deliver to dept/division (name): _____

Approved by dept/division representative (name): _____ (phone): _____

Advertisement input &/or sent/called to newspaper or other source:

County cable TV _____

Human Resources Website _____

Frederick News-Post ad begins on Sunday (date): _____

Applicants from previous eligible list are notified _____

HR Intern review (Name: _____) _____

HR Analyst review (includes edits and approval if HR Intern reviewed) _____

Hiring department review (Name: _____) _____

Letters compiled to advise applicants of referral _____

Date sent: _____

Letters compiled to advise applicants of rejection _____

Date sent: _____

HR Management review & approval of review & letters _____

Established new eligible list _____

Referral/Interview packet sent to department _____

Documentation completed - file prepared for archive _____

COMMENTS / NOTES: