SC&H GROUP

Expertise that Works

Frederick County Government
Human Resources Onboarding / Offboarding Performance Audit

April 17, 2024

Report #23-02

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I. Executive Summary

SC&H Attest Services, P.C., a wholly owned affiliate of SC&H Group, Inc. (SC&H), was engaged by Frederick County Government Interagency Internal Audit Authority to conduct a performance audit of Frederick County Government's Division of Human Resources (DHR) Onboarding and Offboarding process. The audit was performed in two phases: a planning and risk assessment phase and a testing phase.

The Frederick County Government (FCG) DHR is charged with facilitating the recruitment, selection, onboarding, and offboarding processes of County employees. This includes the creation of job postings, review of employment applications against approved qualifications, candidate interview and testing support, processing of reference and background checks, processing of pre-employment requirements, coordination of employee start dates and granting of physical and system access. DHR also processes inter- and intra-departmental employee transfers, promotions, demotions and facilitates employee terminations, both voluntary and involuntary.

The following provides a summary of the audit objectives, procedures, and results. Additional details surrounding the audit can be found in the report body and appendices.

SC&H thanks DHR and personnel, whose assistance knowledge, and availability were essential during the completion of this audit.

Audit Objectives

A. Perform data analytics related to the end-to-end hiring process to identify trends and potential areas of improvement within the hiring process.
B. Evaluate County transfer processes to determine if employees are appropriately transferred inter- or intra-departmentally and access is updated timely.
C. Evaluate County offboarding processes to determine if employees are terminated timely, all pertinent County access is deactivated, and County equipment is returned timely.
D. Evaluate County recruitment processes to determine if jobs are posted timely, candidates are appropriately selected, and onboarding procedures are performed timely.
E. Perform comparative analysis of the end-to-end hiring process, transfer process, and offboarding process for numerous department narratives to identify trends and potential process improvements.

Performance Audit Process

SC&H conducted the audit with the following two-phased approach.

1. Phase 1, Planning Survey and Risk Assessment: Understand processes, develop process flowcharts, evaluate risks/controls, and develop audit program.
2. Phase 2, Testing: Conduct evaluation procedures to achieve internal audit objectives and conclude internal audit and report results.

Summary Results

DHR employs knowledgeable individuals with an extensive understanding of the end-to-end hiring process. While they perform their duties competently, areas for improvement exist. Four reportable observations were included as a result of this audit related to:

1. Timeliness regarding the completion of key steps in the onboarding, transfer, and termination processes.

2. Outdated policy and procedural documentation utilized by DHR and County departments.
3. Maintenance of documentation and evidence of review of certain key process steps.
4. NeoGov/Infor system limitations and certain system capabilities not being used to their capacity.

II. Performance Audit Summary

Background

SC&H Attest Services, P.C., a wholly owned affiliate of SC&H Group, Inc., was engaged by Frederick County Government Interagency Internal Audit Authority to conduct a performance audit of Frederick County Government's Division of Human Resources (DHR) Onboarding and Offboarding process. The audit was performed in two phases: a planning and risk assessment phase and a testing phase.

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Between January 1, 2022 and December 31, 2022, FCG hired 1,497 employees, transferred 712 employees, promoted 615 employees, and terminated 1,561 employees across County departments and divisions. The following provides a summary of DHR's end-to-end hiring process, including recruitment and selection, onboarding, transfers, and terminations.

Onboarding

Recruitment and Selection

The onboarding process begins with the recruitment and selection of qualified candidates to fill a vacant position within a County department/division. The Hiring Manager/HR Liaison within the department/division accesses NeoGov, the County's third-party human resources management software, and completes a Job Requisition Form. Hiring Managers can be a direct supervisor looking to fill a position within their division/team, or any member of management within a department/division seeking to hire. In some instances, departments have dedicated staff or administrative personnel, known as HR Liaisons, who facilitate the hiring process and coordinate with members of DHR to complete all hiring tasks. The Job Requisition Form details pertinent information including the hiring department/division, job specifications (e.g., job title, full-time or part-time, and estimated salary range), and hiring specifications (e.g., internal and/or external posting of the job advertisement). NeoGov routes a completed job requisition to the hiring department/division Director and the County Budget Office for review and approval. The department/division reviews the requisitions for reasonableness, ensures the vacancy exists, and funding is available to hire an individual to fill the vacant position. Approved requisitions are routed to the HR Recruitment Office, a team of HR Analysts and the HR Administrator – Recruitment, for final review and inclusion on the Requisition Tracking Spreadsheet, a file utilized by DHR to track all active recruitments across the County. The spreadsheet serves as a secondary system of record outside of NeoGov and is updated throughout the recruitment process.

Utilizing the approved job requisition, the assigned HR Recruitment staff member creates a job posting to be included with the job advertisement on the County website. The job posting includes the hiring department/division; position title and grade; full-time, part-time, or temporary/seasonal job type; and salary range. It also includes an expanded job description with minimum educational and/or experience requirements for applicants, and a supplemental questionnaire that applicants are required to complete. The supplemental questionnaire includes education, experience and preference specific questions to assist HR in the final application review process. The assigned HR Recruitment staff member submits the job posting to the Hiring Manager for final review and approval. The Hiring Manager reviews the posting and offers suggested updates back to the assigned HR Recruitment staff member for finalization. HR Recruitment staff make the final determination of language to be included in the advertised job posting. Final job postings are advertised on the County website through NeoGov and other external recruitment sites based on the discretion of the hiring department/division and the position.

Postings remain active on NeoGov for a minimum of five business days, but can be posted as open until filled, which is a continuous posting for high turnover positions (e.g., Custodians) or positions with a higher difficulty to fill (e.g., Engineers). Applicants complete applications by accessing GovernmentJobs.com. Completed applications are routed through NeoGov to the assigned HR Recruitment staff member. No applications are reviewed until the posting is closed, except for positions that are open until filled. Those position applications are reviewed weekly. All completed applications are included on a list automatically generated from NeoGov and provided to the assigned HR Recruitment staff member. The applicants are then reviewed to verify they meet the minimum requirements and any advertised preferences included in the job posting. Applicants that do not meet the minimum requirements are removed from the applicant pool and notified by the assigned HR Recruitment staff member they do not meet the minimum qualifications of the position. The listing of applicants that meet the minimum requirements is provided to the Hiring Manager, who reviews the applications in detail. In instances where there is a high volume of applications, review procedures may require consultation with other department/division staff and subject matter experts (SMEs) to ensure the most qualified candidates are selected for further consideration. Entry level positions do not require an SME review prior to selection for interview. The Hiring Manager consults with Human Resources to determine candidate scoring criteria and both ensure all equally scored candidates are included in the interview pool. Scoring is based on the advertised job preferences. Applicants who receive the highest scores are communicated to the assigned HR Recruitment staff, who updates the candidate information and processes the candidates further within NeoGov. HR Recruitment staff make the final decision on requirement and/or preference language interpretation, and which applicants qualify or not qualify for further consideration.

The Hiring Manager or department HR Liaison contacts the top candidates to schedule a formal interview. The Hiring Manager, in consultation with other department/division staff, develops interview questions to be asked during individual candidate interviews. The Hiring Manager may request DHR review and provide feedback on the interview questions, but it is not required. Individuals within the department then conduct candidate interviews and evaluate them based on predetermined criteria agreed upon prior to commencement of the interviews. Based on the results of the interviews, the top candidate is selected for hire and is moved to Preboarding within NeoGov.

Preboarding

A selected candidate is moved to the “Preboarding” status within NeoGov to perform various hiring steps prior to their official start date, which includes completion of the Criminal History Disclosure Form. Candidates first complete the form, which is reviewed by their Hiring Manager and/or HR Liaison prior to being submitted to DHR. If the candidate has been convicted of a crime, the department/division may need to consult with DHR and the candidate to obtain additional information and determine if this will prevent them from entering into employment at the County. Within DHR, the HR Onboarding Analyst receives and reviews the Criminal History Disclosure Form. Candidates who do not pass the review of self-disclosed criminal history are removed from the preboarding process and are notified that they are no longer being considered for the position. Passing criminal history self-disclosure forms are acknowledged as approved by the HR Onboarding Analyst via signature and sign-off within NeoGov.

NeoGov then generates an automatic email notification to the Hiring Manager notifying them to complete the next step in the selection process.

While the Criminal History Disclosure Form is being completed by the candidate, the Hiring Manager and/or HR Liaison will perform reference checks. At least one reference is required for each candidate selected for a position, and the results of reference checks are uploaded to the candidate's Hire Details page within NeoGov as complete.

Following notification, the Hiring Manager extends a verbal offer to the candidate. The candidate notifies the Hiring Manager of their intent to accept or reject the offer. Wage negotiations may be warranted if a candidate initially rejects an offer, but the hiring department wishes to continue pursuing the candidate. In cases where the current job market and equity warrants a higher pay rate, the department submits justification to DHR presenting the candidates qualifications. DHR researches and analyzes internal equity and applicant qualifications prior to making a final pay decision. Upon acceptance of an offer, the Hiring Manager completes a Hire Details Form within NeoGov. The form includes information pertinent to the position, as well as the selected candidate, and requires the hiring department to upload all selection documentation related to the recruitment process. The Hire Details Form is utilized by the HR Onboarding Analyst to generate a formal offer letter for the candidate. It is also utilized to perform a review of the selection process, ensure reference check information is obtained, verify interview selection documentation is complete and proper notification and disposition procedures have been completed for candidates not selected for hire. The Hire Details Form is reviewed by the HR Recruitment Administrator, who also provides final authorization when all required documentation is completed.

Onboarding (post offer)

Candidates who have completed the preboarding are moved into a "Hired" status within NeoGov and are considered "New Hires" with the County. A manual offer letter is generated by the HR Onboarding Analyst and is submitted to the selected hire for review and formal acceptance of the position. While waiting for the candidate to return the signed offer letter, the HR Onboarding Analyst continues the onboarding process within NeoGov and generates a Pre-Employment Checklist, to be completed by the candidate prior to their agreed upon start date at the County. A fully executed offer letter, with evidence of signature by the candidate and an HR representative is maintained once received.

New Hires must complete the Pre-Employment Checklist provided to them. Required components of this checklist may include the completion of a fingerprint supported background investigation, other background investigations, a mandatory physical examination, and/or drug test.

Based on position type and position requirements, the HR Onboarding Analyst assigns the required Pre-Employment Checklist. Results of required pre-employment steps are received by the HR Onboarding Analyst and communicated with the hiring department. The start date is verified by the hiring department and the New Hire profile is updated accordingly. The offer letter within NeoGov is finalized by the HR Onboarding Analyst and an interface is performed between NeoGov and Infor, the County's third-party ERP system. The interface uploads all information for individuals that are designated as "Hired" within NeoGov. The HR Analyst – HRIS reviews the new hire information within Infor and approves the New Hire once the hire has been confirmed as physically starting employment. The HR Onboarding Analyst assigns additional onboarding checklists to both the New Hire and Hiring Manager and schedules a new employee orientation for the New Hire to attend. Based on Infor system limitations, the timing of processing new hires start date cannot be adjusted.

Payroll is not notified prior to a new hire starting in the County. Payroll exports all new hires from Infor daily and imports the employee information into Workforce Management, the County's employee platform, which includes timekeeping and payroll information. Following their start date and system account activation, the New Hire submits direct deposit and tax withholding information that is included in their Infor employee profile. Payroll reviews the direct deposit and tax withholding information and ensures the employee's Infor profile is setup with their elections prior to their first paycheck.

IIT exports new employee information from Infor and imports it into Job Title, the County's ticketing system related to information technology inquiries. IIT then notifies the hiring department of the need to complete a Job Title Request Form for the New Hire. The Hiring Manager completes the Job Title Request Form and provides the systems the New Hire will need to be granted access to based on their day-to-day job duties. IIT subsequently creates the employee account within Job Title and Infor and provides their credentials to the Hiring Manager to provide to the New Hire on their start date. The Hiring Manager also completes a County Property Checklist, detailing the IT equipment the New Hire will need and provides it to IIT. IIT processes the request and aggregates the equipment to be distributed to the New Hire, along with their County access badge, when they begin work.

On their first day of employment, the New Hire reports to their hiring department for departmental orientation and receipt of their County issued equipment. Receipt of their access badge occurs once an employee ID is established by IIT which typically occurs within 2 business days of HR's new hire approval process. On the Wednesday following their start date, the new hire attends virtual new employee orientation and works with representatives in DHR to learn about County HR policies, procedures, and benefits. HR staff also answer questions about the benefit election process on the Infor employee profile.

Transfers

Employees regularly transfer positions across County divisions and departments. Transfers may arise from an employee applying for a new position and can result in a promotion, demotion, or demographic transfer within the system. Promotions and voluntary demotions are initiated within NeoGov and Infor by the Hiring Manager and/or HR Liaison within the department. Demographic, involuntary demotions and any other status change transfers are initiated within Infor by the Hiring Manager and/or HR Liaison.

Current employees who are interested in transferring their County position are required to submit an Employment Application form through Governmentjobs.com to an active job announcement, and participate in a competitive selection process. If selected for hire, a Hire Details Form is completed in NeoGov by the hiring department. This form is reviewed and authorized by the HR Administrator – Recruitment, and the employee is then onboarded into their new role. Following the approval of the transfer, the HR Onboarding Analyst processes a Status Change Offer Letter within NeoGov detailing the nature of the transfer and assigns it to the employee for review and acceptance. The employee electronically signs the letter acknowledging the transfer. Concurrently, the Hiring Department enters the transfer information within Infor, including the employee name, old position and department, new position and department, and the transfer's effective date. Department/divisional transfers are entered into Infor by the HR Onboarding Analyst and reviewed by the HR Analyst – HRIS for final approval.

IIT is notified by the HR Analyst - HRIS of the transfer and employee access requests and demographic information are updated within applicable systems. Similarly, a County Property Checklist is processed, depending on the nature of the transfer, and the employee is issued updated equipment and/or physical access badges. The OnBoarding HR Analyst also verifies if additional pre-employment testing is required for the new position. Pre-employment checks are applied in onboarding accordingly.

Offboarding

Terminations can either be voluntary or involuntary based on the reason behind an employee's separation from the County.

Voluntary Terminations

Voluntary terminations may be a resignation or retirement of an employee, which is initiated by the employee notifying their department management and submitting a resignation or retirement letter. Upon receipt of the notice of resignation/retirement, the Hiring Manager and/or HR Liaison submits a termination request within Infor. The request is reviewed and approved by the HR Onboarding Analyst, who then initiates the offboarding process within NeoGov and assigns required offboarding checklists to the department/employee within the system. The termination date is also communicated to IIT through a nightly report so that the employee's system access can be deactivated in a timely manner following their departure.

Involuntary Terminations

Involuntary terminations are the result of inadequate job performance, or other unsatisfactory actions that violate County policy and result in the need for an employee termination. When the decision is made to terminate an employee, department leadership consults with DHR and other County departments, including IIT, to coordinate termination of an employee's system access following formal removal from the County. Offboarding checklists are assigned to the terminated employee with the expectation they be completed following departure.

In both termination cases, the department completes a County Property Checklist and ensures all County-issued property is collected on the employee's final date of employment. In the event of an involuntary termination, special arrangements may be required to ensure the return of outstanding County equipment. In the termination letter, the County references the importance of returning County equipment after the termination date and initiates an effort to receive the County property. This includes any equipment, such as computers and cell phones, County credit cards, physical access badges, and keys that were issued to the employee when they were initially onboarded. Timely completion of the checklist and collection of County-issued property is prioritized to mitigate the risk individuals maintaining access for an extended period of time following their termination date[1].

The offboarding checklists assigned to the employee are processed and reviewed by DHR once the employee has vacated their position. In addition to DHR, Payroll reviews the County Property Checklist processed at the time of termination. As needed, Payroll will adjust the final paycheck to cover the costs of outstanding County issued property or if 2 weeks of notice was not granted to the County (in which case accrued leave is adjusted). The department determines the need to either leave the position vacant or recruit to fill the position with a new candidate. Recruitment processing may commence when the department is ready to backfill the vacancy.

Objectives

During the testing phase, SC&H developed audit objectives and identified the steps necessary to evaluate the effectiveness and efficiency of the onboarding and offboarding process. The following objectives for the testing phase were developed based upon the understanding gained during the planning phase and approved by the Director - IIAA.

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[1] At the time of this review, the County was also undergoing an audit of the P-Card process County-wide. As a component of testing procedures, the audit team reviewed the collection and deactivation of P-Cards to assess controls in place to mitigate the risk of untimely collection and deactivation of County property. As of the date of this report, the audit is ongoing.

A. Perform data analytics related to the end-to-end hiring process to identify trends and potential areas of improvement within the hiring process.
B. Evaluate County transfer processes to determine if employees are appropriately transferred inter- or intra-departmentally and access is updated timely.
C. Evaluate County offboarding processes to determine if employees are terminated timely, all pertinent County access is deactivated, and County equipment is returned timely.
D. Evaluate County recruitment processes to determine if jobs are posted timely, candidates are appropriately selected, and onboarding procedures are performed timely.
E. Perform comparative analysis of the end-to-end hiring process, transfer process, and offboarding process for numerous department narratives to identify trends and potential process improvements.

Scope

The audit was initiated in February 2023 and focused on recruitment and selection, onboarding, employee transfers, and employee terminations across County departments/divisions. The period in scope included new hires, transfers, and terminations from January 1, 2022 to December 31, 2022.

Methodology and Approach

SC&H 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.

In order to obtain the necessary documentation to appropriately perform and conclude upon the objectives of this audit, SC&H conducted the following procedures.

Creation of Audit Program

Based on procedures performed during the planning and risk assessment phase, SC&H developed an audit program to achieve the objectives, which was reviewed and approved by the Director- Internal Audit Division prior to implementation. This program included detailed steps to address each objective with the goal of verifying the existence of internal controls and identifying opportunities for improvement.

The approved program was then used as a guide throughout the review process to ensure that the goals of each objective were thoughtfully addressed.

Execution of Audit Program

SC&H executed the audit plan by completing the following tasks.

Objective A

Perform data analytics related to the end-to-end hiring process to identify trends and potential areas of improvement within the hiring process.

Summary Procedures
A.1 – Performed data analysis and identified hiring and termination trends County-wide and:
1. Performed data analytics on various hiring, transfer, and termination data fields.
2. Documented results on the analytics and identified trends and areas of improvement.

Objective B

Evaluate County transfer processes to determine if employees are appropriately transferred inter- or intra-departmentally and access is updated timely.

Summary Procedures
B.1 – Verified transfer requests were appropriately entered into the system and approved prior to processing. 1. Selected a sample of transfers and obtained supporting documentation. 2. Verified the transfers were entered within the system timely. 3. Verified the transfers were appropriately reviewed and approved.
B.2 – Verified access was updated appropriately and timely for each employee transfer. 1. Selected a sample of transfers and obtained supporting documentation. 2. Verified system access was updated timely.

Objective C

Evaluate County offboarding processes to determine if employees are terminated timely, all pertinent County access is deactivated, and County equipment is returned timely.

Summary Procedures
C.1 – Verified termination requests were appropriately entered into the system and approved prior to processing. 1. Selected a sample of terminations and obtained supporting documentation. 2. Verified the terminations were entered within the system timely. 3. Verified the terminations were appropriately reviewed and approved.
C.2 – Verified access was updated appropriately and timely for each employee termination. 1. Selected a sample of terminations and obtained supporting documentation. 2. Verified system access was deactivated timely.

Objective D

Evaluate County onboarding processes to determine if jobs are posted timely, candidates are appropriately selected, and onboarding procedures are performed timely.

Summary Procedures
D.1 – Evaluated the timeliness of obtaining approval for a job posting, completion of the posting, and advertisement on the County website and external sites. 1. Selected a sample of new hires and obtained supporting documentation. 2. Verified the job posting was approved and advertised to the County website, and external sites, where applicable.
D.2 – Evaluated the preboarding process to ensure all checklists were completed and an offer letter was received and signed by the new employee. 1. Selected a sample of new hires and obtained supporting documentation. 2. Verified all preboarding steps were performed timely and the offer letter agreed to personnel information within the system.
D.3 – Evaluated the onboarding process to ensure all checklists were completed and the employee access was granted timely. 1. Selected a sample of terminations and obtained supporting documentation. 2. Verified system access was granted timely.

Objective E

Perform comparative analysis of the end-to-end hiring process, transfer process, and offboarding process for numerous department narratives to identify trends and potential process improvements.

Summary Procedures
E.1 – Reviewed department narratives and identified challenges and areas of improvement to be considered as part of the recommendations. 1. Met with department personnel during planning to verify department hiring practices mirrored procedures implemented by DHR for the end-to-end hiring process. 2. Documented the results of interviews in high-level narratives noting any differences in process. 3. Documented challenges faced by the department pertaining to the end-to-end hiring process.

Summary of Work

Based on the audit procedures performed, opportunities exist to improve onboarding, transfer, and termination processes and mitigate risks within DHR.

These opportunities are represented by three observations, which are outlined below.

Observations

1. Reviews of onboarding processes and employee system access transfers and terminations are not completed timely.
2. Policies and procedural documentation does not reflect the current procedures performed within Human Resources and other County departments related to the onboarding and offboarding processes.
3. New hire and onboarding documentation is not consistently maintained for all steps within the onboarding/pre-boarding process.
4. DHR performs manual and redundant tasks that duplicate NeoGov system functions due to both system limitations and certain system capabilities not being used to their capacity.

The following section provides detailed observations and recommendations to help mitigate associated risks.

We appreciate the assistance and cooperation of the management and staff of the Frederick County Division of Human Resources who assisted in the performance of this audit. Please contact us if you have any questions or comments regarding any of the information contained in the performance audit report.

SC+H attest Services, P.C.

SC&H Attest Services, P.C.
Sparks, Maryland
April 17, 2024

III. Observations

Observation 1

Reviews of onboarding processes and employee system access transfers and terminations could be completed more timely.

Detail

Within DHR and County divisions, internal expectations exist to complete non-termination employee actions within one week of the request/notification and within 24 hours for all terminations. Between January 1, 2022 and December 31, 2022, FCG hired 1,497 employees, transferred 712 employees, promoted 615 employees, and terminated 1,561 employees across County departments and divisions. At that time DHR employed two full-time individuals to facilitate the county-wide recruitment and selection process which includes requisition processing, job advertisement, employment application review, interview guidance, and hire approvals (among other duties); one full-time individual to facilitate the county-wide onboarding, transfer, and termination actions within NeoGov (among other duties) and one full-time individual to approve the county-wide final hires and status changes in Infor (among other duties). One of these individuals is cross-trained to facilitate and approve the county-wide onboarding, transfer, and termination actions within NeoGov and Infor. Considering 249 working days in calendar year 2022 (by accounting for weekends and County holidays, and not accounting any other leave/days off), these employees processed an average of 6.01 new hires, 2.86 transfers, and 6.27 terminations per day.

Analytics were performed with data from the in-scope period to identify the average time to complete personnel actions within Infor. Analytics excluded individuals hired, transferred, and terminated by the Board of Elections. Results of analytics determined completion of required reviews and tasks within the system were not completed within the prescribed one-week timeline for new hires, transfers, and terminations. Based on the analytical procedures performed, the following was identified.

1. 687 new hires: 194 were completed after the new hire start date within the system and 16 were completed more than one week following the new hire start date.
2. 666 transfers executed within the system: 43 were completed after the effective date of the transfer within the system and 19 were completed more than one week following the effective date. Of those 43, seven transfers were departmental changes, while the remainder were demographic changes to an employee profile such as a change in hours or a change in supervisor within the system.
3. 623 terminations: 193 were completed after the termination date in the system. This included 24 involuntary terminations that occurred following the effective date of the termination in the system.

Additionally, onboarding, transfer, and termination documentation was received for 40 new hires, 10 employee transfers, and 40 employee terminations within the period in scope. Documentation and system data was reviewed to confirm the timely completion of key process steps in the administration of the onboarding, transfer, and termination processes. This includes communication and granting of system access for new hires, transfer of system access rights, when necessary, for employees transferring departments/divisions, and revocation of access for employees leaving the County, both voluntarily and involuntarily. Based on the procedures performed, the following was identified.

1. <u>New Hires:</u>
    a. 12 of 40 new hires sampled did not have an active Active Directory. A listing of active accounts was provided for all new hires and terminations sampled. The 12 new hires identified did not have an Active Directory account attributed with their employee

number. Therefore, they did not have an active user account. Of the 12 employees identified, one was hired into a part-time position.

2. Transfers:
   a. 3 of 10 transfers sampled were not completed within NeoGov and/or Infor timely. Completion of the transfer was more than 5 business days following the stated effective date of the employee transfer.
   b. 2 of 10 transfers sampled did not have evidence to support the timely update of the employee's Active Directory account to reflect their new department/job responsibilities as of the date of testing.
3. Terminations:
   a. 23 of 40 terminations sampled were not completed within NeoGov and/or Infor timely. Completion of the termination was more than 5 business days following the stated effective date of the employee termination.
   b. 5 of 40 terminations sampled had an active Active Directory account. A listing of active accounts was provided for all new hires and terminations sampled. The 5 terminations identified had an Active Directory account attributed to their employee number. Therefore, they had an active user account that had not been deactivated.

Human Resources processes a high volume of new hires, transfers, and terminations on a regular basis across County departments. As a result, various requests may not be processed timely, resulting in delays for candidates, new hires, employees transferring departments, and individuals vacating their position.

Based on the analyses performed and documentation reviewed, Human Resources is not meeting the internal expectations set forth regarding the processing of termination and non-termination employee actions. Enhancements to the process and evaluation of staffing needs may result in more timely processing of employee actions department-wide.

The completion of key process steps, such as activation of system access, prior to/on an employee’s start/effective date is considered best practice in internal controls with respect to the hiring process. This allows system access controls to work appropriately and timely in order to mitigate risk.

Risk

Untimely completion of tasks and activities could result in:

1. Undue delays in the recruitment and onboarding process further resulting in loss of qualified candidates for positions, as well as ineffective performance of duties by new members of staff waiting for all onboarding tasks to be completed.
2. System access not being granted or removed by the effective date causing delays in the onboarding and transfer processes, and potential security breaches if transferred or terminated employees retain their system access after their separation.

Recommendation 1.1

DHR should consider the following:

1. Evaluate staffing needs and determine if additional employees (full time or part time) are needed to help ensure the timely completion of all tasks related to the hiring and onboarding, transfer, and termination processes. If additional employees are needed, DHR should allocate new resources to areas with the most delays. On an as needed basis, staffing should be reassessed and resources reallocated to help ensure continuity of operations in a timely manner.
2. Cross-train all DHR staff involved in the end-to-end onboarding and offboarding process in key functional areas to help ensure continuity of operations should a member within a given

functional area be out of office for an extended period of time. This may also facilitate knowledge sharing and promote succession planning within the department.

3. In conjunction with #1, consider establishing a "help desk" and designate a member of staff to be responsible for aiding County employees, as well as members of the public seeking employment with the County, related to all HR activities. This individual should have access to all hiring data, including the status of candidate applications and should be well-versed in the process to effectively communicate next steps and tasks to customers. Any issues that cannot be immediately resolved should be communicated to other members of the department to help research and resolve the issue. This may help to alleviate questions from candidates, departments, and new hires as it relates to the timely completion of onboarding, transfer, and termination requests within the system. Additionally, it may help to alleviate the burden of staff members completing hiring functions within the department and allow for more timely completion of hiring tasks.
4. Develop an inter- and intra-departmental communication plan to drive timely communication of tasks related to key process steps within the onboarding, transfer, and termination processes. This should include timely communication to IIT of any new hires, transfers, and terminations. Evidence of communication, and any follow-ups, should be maintained with the individual personnel records to ensure timely completion of the tasks prior to the effective date of a new employee start, transfer, or termination.
5. In conjunction with #4, establish communication across the County to convey expectations and realistic timelines needed for the completion of tasks and key process steps related to new hires, transfers and terminations. Expected timelines should be built into the system and be visible to both County personnel and employees/applicants. This will allow for transparent understanding of the overall process and establish structured timelines and goals which align with internal controls surrounding access and information gathering.

<u>Management's Action Plan</u>

1. In response to #1 under Recommendation 1.1, Human Resources agrees with this recommendation and is planning to request and allocate additional talent to support these areas and processes. We are also considering procedural improvements and systems improvements to support these processes.

   Human Resources has recognized the need for additional talent within its Recruitment area for some time and requested an additional HR Analyst-Recruitment position in the FY24 budget. This new position was approved, and the additional HR Analyst-Recruitment was hired in October 2023. This employee specializes in social media and marketing techniques. An initial and urgent focus of this position has been to modernize outward-facing communications. While learning full-cycle recruitment policies and procedures, this position has created HR social media accounts, expanded the use of the NEOGOV Attract portal, increased our communications to our applicants and potential job-seekers, and has begun assisting the HR Recruitment Administrator in the overall communications strategy for the Recruitment area. This position will be responsible for assigned operational areas, enabling Recruitment to move toward its new service delivery model, described below.

   Additionally, a current Administrative Specialist/File Clerk vacancy is expected to be filled in Spring 2024 and will also administratively support the area of Recruitment and HR Employee Services (which handles onboarding). An HR Analyst-Onboarding position is currently vacant (the incumbent changed roles within HR) and is expected to also be filled Spring 2024. With new software enhancements and the hiring and training of the new HR Analyst-Onboarding, we will have the opportunity to review all applicable policies, procedures and end user guidance.

HR is also asking for additional administrative support and budget for FY25 to allow the current Recruitment Administrative Specialist to advance to a higher-level role, which will support these processes. HR anticipates the need to add more resources in the future and will continue to assess as we work to improve processes as recommended in this audit and across the division.

We recognize that in order to implement many of the recommendations herein, and to enable our HR team to perform all functions more timely and to provide more comprehensive support to our divisions/departments at FCG, an increase in staffing as noted here is necessary. Therefore, our team will be including additional staffing needs to the FY25 and FY26 budgets as we work to implement these recommendations.

2. In response to #2 under Recommendation 1.1, Human Resources agrees with this recommendation. HR is looking to better define and coordinate the onboarding and offboarding functions and processes across the Recruitment and Employee Services areas (which handles onboarding and offboarding). This will create a more defined workflow that can be better covered in the case of absence. Upon filling our current Onboarding Analyst vacancy, which we expect to fill Spring 2024, we expect to have at least one individual cross-trained on the Recruitment-side processes, and at least two on the Onboarding/Offboarding side. Additionally, a current Administrative Specialist/File Clerk vacancy will also administratively support these areas. HR is also asking for additional administrative support and budget for FY25 to allow the current Recruitment Administrative Specialist to advance to a higher-level role. HR will continue to assess the need to add more resources.

3. In response to #3 under Recommendation 1.1, Human Resources agrees with this recommendation. As an immediate measure, we will work to expand our "help desk" capabilities in the recruitment and onboarding areas through our current Administrative Specialist assigned to the Recruitment team. This position was assigned to the Recruitment area in Fall 2023 and has been operating as a help-desk resource for job seekers and applicants. This position is currently responsible for responding to day-to-day phone calls, emails, and FCG Fix It software correspondence used by FCG job-seekers and applicants. The incumbent is currently and will continue to be trained to further support hiring managers, including in the processes at issue.

   The Recruitment area is moving toward a new service delivery model to improve the applicant and hiring manager experience, and this new model will better support the processes at issue. The goal of the Recruitment area is to provide an assigned point of contact for all hiring divisions/departments. Each of the Recruitment area Analysts and Administrator will have a group of County divisions/departments assigned to them, and they will assist these areas with all steps of the recruitment process, from posting to job offer. Each Recruitment staff member will handle a full range of sourcing and pre-boarding services for their assigned operational areas, from candidate sourcing and initial contacts with candidates, through the various pre-boarding processing steps that occur through the time of job offer. Under this new model, many of the processing duties at issue will be spread across the Recruitment staff members as they perform their sourcing and pre-boarding services for their assigned areas, which should improve timeliness of processing.

   Going forward, Recruitment's new service delivery model will address this help desk need Under this new model, Recruitment staff members will each focus on providing services to assigned hiring divisions/departments. It is anticipated that the Administrative Specialist – Recruitment will develop into a Recruitment Analyst role, to handle the full support of assigned operational areas. As explained above, the plan is for each Recruitment staff member to handle a full range of sourcing and pre-boarding services for their assigned operational areas, from candidate sourcing and initial contacts with candidates, through the time of job offer. Under this new model, the assigned Recruitment representative would be the point of contact for help desk questions that arise from their assigned areas.

Human Resources is also in the process of filling a new Administrative Specialist I/File Clerk position, which is anticipated to be filled Spring 2024. The Administrative Specialist I/File Clerk position will absorb some of the Administrative Specialist – Recruitment responsibilities, allowing growth of the incumbent Specialist into the Analyst role.

4. In response to #4 under Recommendation 1.1, Human Resources agrees with this recommendation. HR will schedule a meeting with IIT management in Spring 2024 to discuss the current HR to IIT processing that occurs between NEOGOV and Infor, as well as efficacy of related communication that occurs between key players of each department. There are known communication issues with the transfer process specifically, and this process discussion will be included in the scheduled meeting. Once further discussion occurs and a procedure is agreed upon, an SOP will be developed. Corresponding updates will be made to the HR Policies and Procedures manual, and needed guidance resources will be offered to hiring divisions/departments. In our communications with IIT, we will determine whether there are audit log reports of access changes to utilize in a regular review process. This control would allow IIT and/or Human Resources to monitor whether accounts are set up in a timely manner.

   Importantly, Infor does not seem to be an effective system for retaining documentation regarding access changes. It allows for document upload related to certain personnel actions, but the document is not retained once the action is completed. We will address this at the meeting with IIT management.

   Further, when the implementation of a new e-offer process occurs (described in detail below, regarding Observation 4), follow-up meetings with IIT will be held to build a new file channel process between NEOGOV and Infor.

5. In response to #5 under Recommendation 1.1, Human Resources agrees with this recommendation. Human Resources Recruitment staff currently uses the "Step-by-step Overview of Hiring in Frederick County Government" as an easy resource for hiring personnel. This resource provides a brief overview of the full recruitment process with date expectations listed. In addition, when an individual is hired, promoted, transferred, or terminated and the personnel action is completed, a checklist is applied to their NEOGOV Onboard or Offboard portal. This is accessible to the hiring manager, HR Liaison, the employee, and HR. This checklist is action specific, and provides all parties involved an overview of required tasks and due dates. Email notification is also auto-generated by NEOGOV, ensuring all parties involved are immediately notified when their action is needed.

   The Recruitment Administrator recently provided training on key process steps and date expectations to HR Liaisons at the HR Liaison meeting on 4/11/24, and the presentation materials were provided for future reference.

   Going forward, Human Resources will review their written resources and update these materials to current expectations. Flow charts will also be considered to aid all parties in the full process of each transaction occurring in the Recruitment and Employee Services areas. With upcoming changes addressed above, additional updates to hiring reference guides will be completed. For example, extensive review will be required when the e-offer letter implementation occurs. Material review will occur through 2024, and updates will be made through early 2025.

Observation 2

Policies and procedural documentation does not reflect current onboarding and offboarding procedures performed within DHR and other County departments.

Detail

DHR policy and procedure documentation related to recruitment and selection, onboarding, transfers, and terminations has not been revised within the last year, with some policies being last reviewed and updated in 2020. Current policies and procedures are housed on DHR's SharePoint site for County employees to access when needed. Based on the audit procedures performed, the following was identified.

1. Content does not reflect the current procedures being performed by DHR staff and department employees throughout the recruitment, selection and onboarding process, as well as the transfer and termination processes. DHR's SharePoint site includes copies of outdated policies, as well as updated versions. The site has not been formally reviewed to ensure all outdated policies are removed so that County employees do not utilize and reference policy that has been superseded.
2. The current policy does not include guidance related to the various reviews of key documentation and tools utilized during the recruitment and hiring process, such as the job description included in each job posting, supplemental questions created by Human Resources and appended to the standard application included for applicants to complete, and offer letters prepared following verbal acceptance of an offer of employment by a candidate.
3. There is no policy and procedural documentation detailing the process performed when an employee transfer is required.
4. Current policy documentation is high level and does not include all steps required to be completed by DHR and department staff when performing the various procedures within the end-to-end hiring process. This leaves room for interpretation and leniency that could result in the perception of unfair hiring practices by an individual County department or the County as a whole. For example, DHR has not sufficiently detailed the qualifications that would qualify or disqualify a candidate from moving forward in the hiring process following submittal of an application. Departments/divisions are not including questions that are specific enough to ensure candidates provide an adequate response, resulting in seemingly qualified individuals being excluded from the selected applicant pool. During interviews, it was noted departments/divisions frequently request a list of all applicants to review prior to making selections due to issues with receipt of the auto-generated list and exclusion of past candidates.
5. Supplemental trainings related to the hiring process are minimal and do not appear to be sufficient for the needs of some departments who hire more infrequently and are not well-versed in the standard hiring practices of the County.

DHR provided commentary stating the policy and procedural documentation has been updated on an as-needed basis in the past, but has not been regularly reviewed to ensure all updates to process have been effectively captured within current approved documentation.

Risk

1. Insufficient policy and procedural documentation could result in inconsistent hiring procedures, incomplete and inaccurate information being reviewed and maintained for individual applicants, inconsistent completion of tasks/reporting, and noncompliance with equal opportunity employment requirements associated with hiring. This could further lead to undue delays in the completion of tasks and processing of applicant information by departments and/or DHR. Further, it could result in departments/divisions selecting unqualified candidates to fill vacant positions.

2. Insufficient policy and procedural documentation could impede the department's ability to sufficiently on board a new hire in the event an individual with detailed knowledge of the process and procedures vacates their position. The lack of detailed policies and procedures to support the process could result in incomplete and inaccurate documentation being maintained, insufficient/incomplete performance of tasks/reporting, and noncompliance with regulatory requirements.

Recommendation 2.1

DHR should consider the following:

1. Update and disseminate current policy and procedural documentation detailing the current end-to-end hiring, transfer, and termination processes. Policies should be updated to reflect any changes to the process that are currently being considered and implemented and should outline the steps to be performed at all key junctures within the process. Consideration should be paid to the development of detailed standard operating procedures (SOPs) to supplement the policies and procedures and provide additional details related to individual steps in key sub-processes.
2. Establish formal roles and responsibilities for department personnel within policies and procedures to ensure proper completion of individual steps within the hiring process. Roles and responsibilities should define the requirements of individuals at all levels and include specific information related to the escalation of questions and issues to upper management within a department/division and/or DHR.
3. Establish a periodic monitoring program to evaluate compliance with policies and procedures. Policies should be reviewed and updated based on current practices. Policies should include job specific details related to the various sub-process areas. Evidence of review of the policies should be documented and any substantial changes should be immediately communicated to impacted staff. Policies should be made readily available for all County employees to access and review. Further, updated policies and procedures, and their locations in SharePoint, should be included in County-wide communications so all County employees are provided with and aware of updates to policy and effective dates of implementation of the policy, as well as where to locate the updated documentation.
4. Develop and disseminate trainings related to the end-to-end hiring, transfer, and termination process to be made available on DHR's SharePoint for all County employees to access. Trainings should provide comprehensive breakdowns of key sub-process areas and provide useful tools for completing process steps within the system in a timely manner. Similar to the policies and procedures, trainings should be reviewed and updated on a regular basis to reflect updates to policies and procedures.
5. Develop and disseminate webinars, guides, and/or checklists to assist in the facilitation of hiring/onboarding, transfers, and terminations within departments/divisions. These should at least include key steps within each onboarding, transfer and termination area, and details about what County departments/divisions to be contacted throughout the process. Communication with DHR, Payroll, IIT, etc. should be detailed and key points of contact identified to ensure departments/divisions know who they need to reach out to in the event of a new hire, transfer, or termination. Similar to the recommendations above, these tools should be made readily available to all County staff and should be reviewed and updated on a periodic basis to ensure all current policies and procedures are reflected.

Management's Action Plan

1. In response to #1 under Recommendation 2.1, Human Resources agrees with this recommendation. Many focus areas of the HR division are working to create new forms and procedures to aid HR staff and hiring departments in the various functions performed. This

includes a request process for the approval of above-base-rate wage offers, a pre-posting questionnaire for pre-employment, and a job posting review form. These are some of the various changes underway that will require extensive review of processes and policies. Efforts to continue this review will occur through 2024 and appropriate updates will be occurring through early 2025, especially considering the new Recruitment service model, the creation of multiple forms, the e-offer implementation anticipated for later in 2024, and the additional support being hired over the next several months. As procedures are finalized, updates will be made to the HR Policies and Procedures manual.

There are a variety of topics and best practices that will be addressed with new Human Resources leadership surrounding the situation where an employee submits an application for a position in another division/department. For example, we will address the following: Are reference checks required? Should the hiring department be required to review the employee's personnel file? When should the employee discuss their request to transfer positions with their current supervisor? Policy will be created by Summer 2024.

2. In response to #2 under Recommendation 2.1, Human Resources agrees with this recommendation. As explained, these processes will be reexamined and allocated in conjunction with various upcoming changes. Recruitment staff will continue their efforts to review and update policies and procedures, ensuring expectations and roles and responsibilities are clearly defined. This work will occur through early 2025 and will include the consideration of the new service delivery model, the creation of multiple forms, and the e-offer implementation scheduled for later in 2024.

   More immediately, the "Step by Step Overview of Hiring in Frederick County Government" will be reviewed. This document lists each task of the recruitment process, and who is responsible for what task. The Recruitment Administrator recently provided training on key process steps and key HR contacts and roles to HR Liaisons at a meeting on 4/11/24, and the presentation materials were provided.

3. In response to #3 under Recommendation 2.1, Human Resources agrees with this recommendation. As has been shared with the Internal Audit office, HR recognizes the need to regularly review the FCG portal page regarding the hiring process, considering the use of readily understandable terms to assist departments and FCG staff with their various needs. With our recent hiring of our new Recruitment Analyst – Social Media and Digital Marking position, Human Resources has positioned itself to better communicate information to various FCG stakeholders. The HR Recruitment Analyst – Social Media and Digital Marketing position has been tasked with a complete FCG portal page review and update. As focus areas are completed, communication will be sent to FCG staff. Once updated, we will look to review everything on an annual basis. This will be a significant and on-going project for the HR Recruitment Analyst – Social Media and Digital Marketing employee, who also is learning and handling a recruitment workload.

   While Human Resources does have many resources available for department review on the FCG portal page, these resources are not date stamped, which can cause doubt as to whether the materials are updated. This will be reviewed and corrected.

4. In response to #4 under Recommendation 2.1, Human Resources agrees with this recommendation. Human Resources recognizes this need and has been assessing training

software and resources over the last several months. Human Resources currently has a vacancy in a Training Administrator role, and it is anticipated that this vacancy will be filled Summer 2024.

In the meantime, the current Administrative Specialist I, who has been operating as a help-desk resource for job seekers and applicants, is currently being trained to further support hiring managers. As discussed above, it is anticipated that this position will develop into a Recruitment Analyst role, to handle the full support of assigned operational areas. Human Resources is in the process of filling a new Administrative Specialist I/File Clerk position, which is anticipated to be filled Spring 2024. The Administrative Specialist I/File Clerk position will absorb some of the Administrative Specialist – Recruitment responsibilities allowing growth of the incumbent into the Analyst role. The intention is for the current Administrative Specialist I employee to further assist in the development and on-going review of training materials for the Recruitment office. The Recruitment area expects to have updated training materials completed by early 2025.

In regard to action occurring in Manager Space, Infor's manager platform, training guides are provided on the FCG portal page. HR staff are helping to support an organization-wide project to move to Infor's cloud-based product. This will necessarily change processes and require the review and updating of training materials. As training guides are updated, this information will be sent to all parties involved in these processes and will also be updated on the FCG portal page. HR staff will review procedures to ensure a regular review of these materials occurs and clear communication of review dates.

5. In response to #5 under Recommendation 2.1, Human Resources agrees with this recommendation. Recruitment staff will continue their efforts to review and update policies and procedures, ensuring expectations and roles and responsibilities are clearly defined. This work will occur through early 2025 and will include the consideration of the new service delivery model, the creation of multiple forms, and the e-offer implementation planned for later in 2024. Discussion of a regular review process will also be implemented and documented.

   In regard to action occurring in Manager Space, training guides are provided on the FCG portal page. HR staff are helping to support an organization-wide project to move to Infor's cloud-based product. This will necessarily change processes and require the review and updating of training materials. As training guides are updated, this information will be sent to all parties involved in these processes and will also be updated on the FCG portal page. HR staff will review procedures to ensure a regular review of these materials occurs and clear communication of review dates.

   Notification to hiring managers and HR Liaisons are and will continue to be sent as updates occur, and need to notify all County employees will be assessed as well.

   And again, while HR is working to make improvements and meet the recommendations in this report with our existing HR personnel resources, more resources in the Recruitment and Onboarding areas would enable us to move to best practices.

Observation 3

New hire and onboarding documentation is not consistently maintained for all steps within the onboarding/pre-boarding process.

Detail

Recruitment and onboarding documentation was reviewed for 40 new hires. Based on the procedures performed, evidence of completion and/or evidence of review of documentation was provided but may not be consistently maintained for all candidates. Multiple modules and locations within NeoGov exist where members of DHR can upload and attach documentation associated with a new hire. This could result in members of DHR attaching and updating candidate profiles inconsistently, creating the appearance of incomplete candidate records.

Risk

Inconsistent maintenance of documentation could result in lost or missing documents and incomplete personnel files, further resulting in inaccurate records being maintained related to the recruitment and selection process.

Recommendation 3.1

DHR should consider the following:

1. DHR should assess the feasibility of designating one system as the official system of record for all recruitment and onboarding documentation for County employees. Designating one system, whether it is NeoGov or Infor, could allow for a centralized repository of all documentation utilized and completed during the recruitment process and help ensure all key process steps were performed to determine and select the most qualified candidate. This further allows for other members of the department to access recruitment files for individuals, including candidates that weren't selected, and relay pertinent information to individuals inquiring about where they are in the process. If it is not feasible to designate one system, DHR should clearly define the documentation to be housed across systems and on the network and communicate this to those charged with performing the end-to-end hiring process. Policies and procedures, and SOPs, should be updated to reflect document retention requirements, as part of Recommendation 2.1.
2. Following the completion of onboarding of a new hire, HR personnel should review the personnel record within NeoGov and/or Infor and ensure copies of all key recruitment documentation is uploaded. Personnel files should be subsequently reviewed by another member of DHR to ensure all documentation was uploaded timely, and nothing is missing from the file.

Management's Action Plan

1. In response to #1 under Recommendation 3.1, Human Resources agrees that it would be ideal to designate one system as the official system of record, though it is unlikely that one system can be so designated. However, as explained below, we plan to reexamine the functionality of the Infor system and its integration with NEOGOV.

   Currently, NEOGOV is the system of record for recruitment and onboarding, and all recruitment and onboarding related data is stored in this system, across several modules.

   - The Insight module of NEOGOV is where HR houses recruitment-specific information (requisition, job posting, employment application forms, eligibility, and referral lists, hire action information, job denial information and all applicant/candidate correspondence). Hiring departments use the Online Hiring Center section of this module to access assigned recruitment data and correspond with applicants;

- The Preboarding module of NEOGOV is where HR houses (and the hiring department can access as appropriate) criminal history disclosure information;
- The OnBoarding module houses all pre-employment data (offer letter, pre-employment checklists, new hire form assignments, hiring department task assignment such as completion of building key request form).

Recruitment and Employee Services staff will review all written resources available to ensure that all information is up-to-date, with the understanding that the current process will be changing over the next several months as described herein. Review will occur through 2024, and updates will be made through early 2025.

Importantly, we understand that Infor does not offer a document repository. Hiring Managers may upload documentation to justify personnel actions, such as upgrade, but those documents are removed from the system once the action is processed. Accordingly, the HR HRIS Analyst prints the justification document for the personnel file when reviewing the action in Infor. Again, we plan to reexamine the function of Infor and its integration with NEOGOV.

Human Resources would also like to note the reason that certain historical recruitment and onboarding documentation is located in two areas of the NEOGOV system. On December 10, 2021, the OnBoard module of NEOGOV suffered a systemwide crash, which resulted in the forms and tasks functionality of the Onboarding module to no longer work. This impacted not only Frederick County Government, but all NEOGOV agency users. This required all preboarding and onboarding forms and tasks to be recreated, which took many months. In the interim, Human Resources used other forms of electronic correspondence and documentation to preboard and onboard new hires. This included the completion of criminal history disclosure forms and offer letters. Because the OnBoarding module was non-functional, final documents were uploaded to the Hire Details Form for final HR Recruitment Administrator review, approval, and record.

Finally, while HR is working to make improvements and meet the recommendations in this report with our existing software resources, further resources to address software limitations may be necessary.

2. In response to #2 under Recommendation 3.1, Human Resources agrees with this recommendation. HR currently has such processes in place, but we will be reassessing those with the hire of a new full-time Administrative Specialist I/File Clerk. Human Resources has employed a part-time File Clerk position for over 20 years. This position is responsible for filing all employment related paperwork, maintaining personnel files, and performing file retention/destruction procedures, including reviewing and auditing files for completion. The incumbent was recently promoted within HR, and the position is currently vacant. The increase in overall HR workload and the need for HR to transition to an online personnel file management system justified the need for HR to convert this position to full-time benefited, which was approved. Human Resources is in the process of filling the new full-time position, which is anticipated to be filled Spring 2024. The Administrative Specialist I/File Clerk position will receive access to the NEOGOV system to print and file all employment-related documents for new hires, transfers and terminations, and for auditing purposes.

   With regard to recruitment documentation, this information is stored in the NEOGOV system as explained above, accompanying the corresponding requisition and hire. Selection documentation for all interviewed candidates, reference check information, and information about decisions to offer above the base wage rate must be uploaded before the Recruitment Administrator will authorize the hire for onboarding. Every hire processed in NEOGOV is reviewed and approved by the Recruitment Administrator or designated HR professional.

Observation 4

DHR performs manual and redundant tasks that duplicate NeoGov system functions due to both system limitations and certain system capabilities not being used to their capacity.

Detail

DHR utilizes manual tracking spreadsheets to supplement the information maintained and tracked within NeoGov. This includes the Requisition Tracking Spreadsheet completed by the HR Administrator – Recruitment when positions are posted to the County website. The spreadsheet is updated daily, but is a redundant and manual process that should not be required if utilizing NeoGov to its full capabilities.

Risks

1. Manually performed tasks could be prone to errors if not adequately prepared and reviewed, resulting in incorrect and/or inaccurate data being tracked and maintained and reported within a department/division.
2. Validation tasks performed to mimic system available and/or generated information, that are avoidable if system capabilities are in use, result in redundant operations that reduce available time for the DHR to perform its responsibilities.

Recommendation 4.1

DHR should consider identifying opportunities to reduce manual and duplicative tasks when they are unnecessary or could be limited, and then applying them to practice. This may include:

1. Identifying and documenting all NeoGov processes and tasks that require additional validation procedures.
2. Determining why the additional, manual procedures are necessary (e.g., system limitations, review requirements, reporting purposes, etc.)
3. Determining what manual task components NeoGov is capable of fully (or mostly) conducting, then:
   a. Testing instances to ensure the system outputs the necessary information that is complete and accurate.
   b. Applying to practice.
   c. Performing limited validation procedures (e.g., reconciliations, etc.) on a periodic basis to confirm the system continues to produce complete and accurate information.
4. Identifying what manual task components NeoGov doesn't appear to be capable of conducting. Contact system representatives to understand if there are additional functions DHR may not be aware of.
   a. If NeoGov is capable, apply recommendations in 4.1.3 above.
   b. If NeoGov is not capable, determine if there are ways to streamline or limit the tasks. If they cannot be streamlined or limited, conduct operations as they currently stand. Further, DHR should consider the cost/benefit of other software products to supplement/replace the use of NeoGov.

Management's Action Plan

Human Resources agrees with this recommendation, though again it is unlikely that any one system can be used exclusively. As explained above, NEOGOV functionality will be examined in detail. The Recruitment Administrator is working with NEOGOV to implement new functionality of the software around offer and onboarding processes, due to recent upgrades to the NEOGOV system. Specifically, NEOGOV has enhanced their offer letter abilities, allowing an e-offer letter to be transmitted to the selected candidate prior to action occurring in the onboarding portal. These changes should allow the Recruitment area to more efficiently align new hire functions with HR's Employee Services area (which handles onboarding) and optimize the use of the NEOGOV system. At the same time, we plan to reexamine the functionality of the Infor system and its integration with NEOGOV, with subject matter expert vendors currently retained by the County.

Currently HR does utilize a tracking spreadsheet for process status and a tracking spreadsheet for new hire post-offer testing requirements. At this time, HR is planning to maintain these spreadsheets as useful internal tools. However, with the hiring of a new HR OnBoarding analyst position and the implementation of a new e-offer process, HR staff will assess these processes and determine if there are ways to streamline the processes and whether the use of spreadsheets can be modified or replaced with other tracking and reporting tools.

The HR Recruitment Administrator is planning to meet with a NEOGOV representative to discuss reporting options in Spring 2024. If reporting options are available that meet the needs of HR staff and allow for confidentiality to be maintained, we will certainly consider transitioning from Excel spreadsheets.

And again, while HR is working to make improvements and meet the recommendations in this report with our existing software resources, further resources to address software limitations may be necessary.

IV. Appendix A: Additional Context

DHR provided detailed responses related to each of the observations that included additional context related to the efforts the department is making to improve processes. Additional context is included below to supplement the responses included in the Management Action Plans for each observation.

Observation 1

Findings of Untimeliness
HR agrees that personnel actions are best processed as quickly as possible and commits to examining processes to ensure that avoidable delay does not occur.

HR notes that it has sought to adhere to a one-week turnaround for completing personnel actions, generally calculated from the date that HR has *both* received notification of the need for action *and* that all external, non-HR preliminary steps have been taken. (This excludes employment terminations, which HR seeks to process as soon as possible.) This turnaround time has been a working deadline rather than policy, recognizing that HR staffing constraints, systems limitations, and the need to rely on processing steps by those outside of HR (such as by HR Liaisons in the divisions/departments) can cause unavoidable delay.

Further, many workers processed as employees in the Infor system are non-traditional employees with unique work arrangements that do not allow for typical processing.

HR staff reviewed a sample of new hire actions identified as having occurred outside of the 1-week window. The following are reasons that actions occurred beyond this window for necessary reasons and do not represent error:

- Many of these hires are not traditional employees, but rather are remunerated for serving on an FCG Board either on an hourly or stipend basis. Based on the role, their start date may be their first scheduled meeting or a date of appointment. Within the last year, HR has requested board members to submit a modified employment application for limited purposes including payroll.
- The hiring and onboarding of appointed employees, including those within the County Executive's Office and Court system, may have necessary delays due to their special appointee status. Again, they are not processed like traditional employees. Some may be sourced through recruitment efforts, and some may be directly appointed by the appointing authority. Many times, HR staff is notified after the appointment occurs for confidentiality reasons, and the gathering of personnel information is conducted via the appointing authority rather than with the employee directly. Again, HR requests a modified application to ensure all required information is obtained.

HR also confirmed several examples where divisions did not appropriately process an employee before allowing them to start, or the timing of a resignation and last-day-worked was not properly communicated to HR. As discussed below, this will be addressed by better training and communication with hiring divisions. This timing was addressed in training provided by the Recruitment Administrator to HR Liaisons on 4/11/24, and the training materials were provided.

HR staff also reviewed a sample of transfer actions identified as having occurred outside of the 1-week window. The following are reasons that actions occurred beyond this window for necessary reasons and do not represent error:

- Though not traditional transfer situations, transfer action in the HR system is required in situations where a full-time employee changes their scheduling model (such as when uniformed personnel changes from working 40 to 48 hours in a workweek). HR relies on the department to enter this action in Infor; however, this does not always occur in a timely manner for payroll to be issued accurately. In those cases, HR must make a last-minute approval so retro pay is not owed.

- If multiple actions are due on the same effective date for the same employee, due to system limitations processing cannot occur on the same day. Actions must be approved 24 hours apart to ensure the system has time for internal refreshing to occur.
- For payroll processing purposes, all personnel actions must occur at the beginning of a pay period. Which pay period start date is used – whether forward or retro – is determined by when the action is submitted to HR. Some are processed retroactively if that is the closest pay period start date.
- A similar example, if an employee is hired into a 2nd FCG job, HR may need to backdate the effective date so it matches a pay period start date. This isn't a true start date for the employee but is a required date per our current payroll processing requirements.

Again, delay may occur when departments enter transfer actions late. Only transfers that occur as a result of recruitment efforts can be directly processed solely by HR. In that case, the HR Onboarding Analyst enters that action in Infor once the offer letter has been accepted. Otherwise, HR cannot approve transfers until the department has acted. Again, this timing was addressed in training provided by the Recruitment Administrator to HR Liaisons on 4/11/24, and the training materials were provided.

HR staff also reviewed a sample of termination actions identified as having occurred outside of the 24-hour window. The following are reasons when termination processing beyond this window was necessary and does not represent error:

- Resignations are entered in Infor by departments when a resignation notification is received from the exiting employee, and in many cases are entered after the employee's last day. In turn, hiring departments rely on employees to share their exit/termination dates as soon as possible to allow for early processing to occur, but employees may not do so.
- Departments that employ part-time seasonal workers may leave them as active employees for some time after services cease, to allow the department to determine their continued interest for the next season. If interested, the department does not terminate the employee.
- County policy states that if an employee is "no call / no show" for 3 days, they may be terminated. In this case, the termination action occurs in Infor after 3 days, and the effective date is backdated to the last day worked.
- HR will not approve a termination action in the system until documentation (for example, the resignation letter or termination letter) and confirmation of last day worked is received. This is to ensure the termination action reason and the last day worked is accurately entered. If a termination action is entered in Infor, and this required documentation does not accompany the action, the action will remain pending. At times, this documentation is not finalized or provided immediately.

And again, each of the above examples require department action before HR can proceed with processing the action. We are committed to improve turnaround time through enhancement of internal HR processes, use of electronic resources, and better coordination and communication with our non-HR partners. We appreciate that hiring departments would benefit from improved guidelines and training by the HR team. Human Resources staff meet with HR Liaisons quarterly to discuss overall updates, upcoming events, process changes, etc. Training about processes, timelines, and the timeliness of division/department actions was provided by the Recruitment Administrator to HR Liaisons on 4/11/24, and the training materials were provided.

Additional Apprentice Resource

In January 2024, Human Resources employed an apprentice through Frederick County Public Schools. This apprentice reports to the Recruitment Administrator and is currently working on a DEIB (Diversity, Equity, Inclusion and Belonging) Hiring Guide. The apprentice is also assisting the Recruitment Administrator in updating other written resources to be used by hiring managers and HR Liaisons.

Communication with IIT

Communication regarding the completion of IIT actions also requires further exploration with IIT. In general, HR notifies IIT that certain actions need to be taken, but ultimately HR neither receives nor houses any confirmation or documentation that the process is completed by IIT. Overall, maintenance of records of access changes is an IIT function.

As examples, the HR OnBoarding Analyst receives an email generated by IIT when a new hire begins the network access process; however, HR is not notified when systems access is complete. The HRIS Analyst email notifies IIT when a transferring employee has been entered into the INFOR in-basket for further processing; however, HR is not notified when system access has been updated by IIT. For terminations, IIT is notified when the employee termination has been approved by HR staff through the use of a termination report sent daily; however, HR is not notified when system access has been updated by IIT.

Observation 2

Creation of Job Postings

HR takes extensive steps to ensure that job postings are appropriately detailed. Advertised job announcements require the following details: job title, department name and work location, rate of pay FLSA status, work schedule, benefit status, brief position overview detailing the general work being performed and the supervisory structure, essential functions of the position, qualifications and requirements, knowledge/skills/abilities, preferred qualifications that may be considered, physical requirements and working conditions, pre-employment requirements, and other conditions such as random drug testing and the need to serve as essential personnel in emergencies. All interested applicants are required to submit an FCG Employment Application form, complete the general agency-wide questionnaire, and complete a supplemental questionnaire specific to the position. The supplemental questionnaire asks the applicant to detail certain essential or preferred qualifications. This supplemental questionnaire is then used to create internal scoring criteria that are then applied by the NEOGOV system to each submitted application. The system generates a listing of minimally qualified applicants, tiered rankings of qualified applicants based on preferred qualifications, and a listing of not qualified applicants. The logic built into the NEOGOV system allows HR Recruitment staff to focus its review based on the applicant's self-disclosed responses.

The hiring department does not have access to all applications (except in rare circumstances discussed below). All applicants who meet all the minimum and all the preferred qualifications are required to be interviewed. Based on the number of applicants who meet the minimum qualifications, Recruitment may work with the hiring department to identify a subset of preferred qualifications that will enable a candidate to be advanced to interview. Critically, all candidates who meet that standard will be interviewed, and again this is determined by HR rather than the department. This structured process is necessary to keep the interview and selection process fair and manageable. Recruitment staff hold their application review responsibilities to the highest standard and will not let a candidate be overlooked who has comparable qualifications based on the standard selected to advance a candidate to interview. Likewise, Recruitment staff will not assume an applicant meets the standard if the applicant does not adequately document their qualifications. On occasion, Recruitment will use tools such as across-the-board follow-up questionnaires to clarify whether qualifications are met.

That said, Human Resources recognizes that more robust policies may increase perception of fairness. We will further examine such policies. Also, we are currently undergoing an extensive Classification and Compensation study, which will result in updated and accurate job descriptions. Finally, we look to continue to partner with new leadership in FCG's Office of Equity and Inclusion to examine inclusive and equitable HR practices, including in the areas of recruitment and selection. We are currently planning for further HR-specific training around DEIB-focused (diversity, equity, inclusion, belonging) HR practices.

In regard to the observation that departments/divisions frequently request a list of all applicants to review prior to making selections due to issues with receipt of the auto-generated list and exclusion of past candidates, Human Resources clarifies that this is not a regular occurrence. Rather, referral of all applicants to a hiring department occurs rarely and only in special circumstances. As discussed above, Human Resources may refer only those applicants who meet all the minimum and all the preferred qualifications, in which case all would be interviewed (these are also referred to as top-tier or 100% applicants). If the department would prefer to see more candidates, further referrals are not selected by the department. Human Resources will review and refer the next tier, based on a fewer number of preferred qualifications. (The NEOGOV system ranks candidates into tiers based on the preferred qualifications they meet.) Human Resources generally does not review the applications that were immediately rejected or placed in lower tiers by the system as not meeting the minimum requirements or has having met too few preferred requirements. Again, this is for fairness and consistency. In rare cases, when a position is hard to fill and/or the requirements are very technical in nature (for example, IIT positions), Human Resources may extend the option for the hiring department to review all the applicants, but this is not common practice.

Again, it is critical to note that while the hiring department assists in the selection of the subset of preferred qualifications that will advance someone to interview, the hiring department does not review all the applicants when making that decision. HR then ensures that the standard is applied fairly and consistently to the applicant pool, to ensure that all equally qualified applicants are given similar consideration.

Nor are hiring departments permitted to change requirements or add preferences mid-search. In rare situations, a department may determine based on initial referred applications that the posted requirements will not result in candidates that meet the needs of the role. In that case the position is reposted with revised requirements, and candidates are notified of the changes and the need to reapply if they remain interested.

Additionally, HR is assessing further measures to enable Recruitment to confirm ahead of time that the details of a job posting and all minimum and preferred qualifications are relevant and applied consistently by HR and the department. For example, Recruitment is developing and will require completion of a detailed form about a vacant role prior to job posting. Recruitment currently meets and will continue to meet with hiring departments to ensure that everyone is defining qualifications consistently (for example, what it means to have "building inspection experience"). The new service model will also enable Recruitment staff to become better subject matter experts in their assigned areas, further enhancing the accuracy and fairness of our processes.

Updates to Policies and Procedures

As explained above, numerous changes currently underway will require Recruitment staff to review current practices, policies and procedures to determine where updates are needed. For example, extensive review will be required when the e-offer letter implementation occurs. Recruitment staff will review current practices, policies and procedures to determine where updates may be needed and will discuss an internal procedure to ensure routine reviews are conducted. Notification to hiring managers and HR Liaisons are and will continue to be sent as updates occur, and the need to notify all County employees will be assessed as well.

HR notes that, according to its practice, individual policies within the various recruitment, onboarding and terminated-related sections of the HR Policies and Procedures have been reviewed independently, rather than reviewing whole sections of many policies together. Accordingly, each policy has its own revision date, rather than an overall revision date for a whole section. When HR pulled examples of policies identified by Internal Audit as outdated, we found that many of these policies indeed have recent review dates. We will examine whether review dates can be communicated more clearly. Further, the audit states that there are outdated policies on the FCG portal page. HR cannot locate these policies and would be happy to examine them upon further direction.

Observation 4

Use of Status Spreadsheet

The HR Recruitment Administrator was the sole individual responsible for recruitment and selection activities until the hiring of an HR Recruitment Analyst in April 2022. At this time of this hire, it was determined that a tool was needed to allow both employees insight into the status of any open matter at any time. This spreadsheet ensured that duplicative recruitment work was not performed, and in the event one staff member was out of the office, the other recruitment staff member could complete next recruitment steps. This tool has become more useful for these purposes as the Recruitment team has further grown.

This spreadsheet has been extremely helpful in tracking key processes and providing a tool for status to be determined at a glance. This includes all requisitions (682 requisitions were entered in 2023) and the course of action taken on those requisitions; the 60+ ongoing open-until-filled job postings and documentation of the completion of weekly application reviews; and job postings with the following key dates: advertised application deadline dates, when review actions are assigned to the hiring department, when action occurs regarding the referred list, when correspondence is sent to applicants, and the hires made for each approved requisition. This spreadsheet serves as an easy way to audit and confirm that all steps in the recruitment process have been taken. Also importantly, the Administrative Specialist I, who handles a help desk role, has access to this spreadsheet, allowing her to quickly view where vacancies are in the process and the recruitment staff person assigned. We do not believe that this tracking spreadsheet duplicates action or a tool available in the NEOGOV system, but we will review that functionality.

The HR OnBoarding Analyst uses a separate spreadsheet to track new hire post offer testing requirements including drug testing, physical examination, background investigations through the Sheriff's Office, fingerprint background investigations, enhanced background checks, etc. So far in 2024, 322 hire / status changes have occurred in NEOGOV. Again, this spreadsheet ensures that all required steps are completed timely. Recruitment personnel have considered combining the spreadsheets; however, given the confidential nature of the information pre-employment information, it has been decided to keep them separate. NEOGOV does not allow for the tracking of post offer results, and again given the confidential nature of this information, HR must ensure that the pre-hire information is only accessed on a need-to-know basis. With the hiring of a new HR OnBoarding Analyst position and the implementation of a new e-offer process, HR staff will assess these processes and determine if there are ways to streamline the processes and whether the use of spreadsheets can be modified or replaced with other tracking and reporting tools.