

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
2.3
(ID # 2837)

MEETING DATE:

Tuesday, November 8, 2016

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR CONTROLLER: Internal Audit Report 2016-307: Riverside County Human Resources, HR Recruitment Process, Follow-up, [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2016-307: Riverside County Human Resources, HR Recruitment Process, Follow-up

ACTION: Consent

Paul Angulo

Paul Angulo, Director of Auditor Controller 10/27/2016

BACKGROUND:

Summary

We have completed a Follow-up Audit of the Riverside County Human Resources, HR Recruitment Process Follow-up. Our audit was limited to reviewing actions taken as of August 18, 2016, to correct findings noted in our original audit report 2013-001 dated April 17, 2013.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: NO	
			For Fiscal Year: N/A	

C.E.O. RECOMMENDATION: APPROVE

BACKGROUND:

Summary (continued)

The original audit report contained three recommendations, all of which required implementation to help correct the reported findings. Our follow-up audit found that four recommendations were implemented and three recommendations were partially implemented. For an in-depth understanding of original audit, please refer to Internal Audit Report 2013-001 at www.auditorcontroller.org/Divisions/InternalAuditReports.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

SUPPLEMENTAL:

Additional Fiscal Information

N/A

ATTACHMENT A:

Riverside County Auditor-Controller - Internal Audit Report 2016-307: Riverside County Human Resources, HR Recruitment Process, Follow-up

Internal Audit Report 2016-307

**Riverside County Human Resources,
HR Recruitment Process, Follow-Up**

Report Date: September 22, 2016



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
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CONTROLLER
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Frankie Ezzat, MPA
Assistant Auditor-Controller

September 22, 2016

Michael Stock
Assistant CEO/Human Resources Director
Riverside County Human Resources
4080 Lemon Street, 7th Floor
Riverside, CA 92501

Subject: Internal Audit Report 2016-307: Riverside County Human Resources, HR Recruitment Process, Follow-up

Dear Mr. Stock:

We have completed the first Follow-up Audit of Riverside County Human Resources, HR Recruitment Process. Our audit was limited to reviewing actions taken as of August 18, 2016, to correct the findings noted in our original audit report 2013-001 dated April 17, 2013.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance that our objective, as described in the preceding paragraph, is achieved. Additionally, the standards require that we conduct the audit to provide sufficient, reliable, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our opinion.

The original audit report contained three recommendations, all of which required implementation to help correct the reported findings. For an in-depth understanding of the original audit, refer to Internal Audit Report 2013-001 at www.auditorcontroller.org/Divisions/InternalAuditReports.

This follow-up audit found that of the seven recommendations:

- Four recommendations were implemented.
- Three recommendations were partially implemented.

Detailed status of the findings identified in the original audit and respective status are provided in the body of this report.

We appreciate the cooperation and assistance provided by the staff of the Riverside County Human Resources Department during this follow-up audit. Their assistance contributed significantly to the successful completion of the audit.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

A handwritten signature in blue ink, appearing to read "René Casillas".

By: René Casillas, CPA, CRMA
Interim Chief Internal Auditor

cc: Board of Supervisors
Executive Office
Grand Jury

HR Recruitment Process

Finding 1: Department does not adhere to policies and procedures in Job Match Manual

- (a) 6 of 10 CRFs (Candidate Requisition Forms) were not date stamped upon receipt nor were the receipt dates documented in the recruitment folders. In accordance with the Human Resources *Job Match Manual*, requisitions are to be created in Job Match within one business day of receiving the CRFs from hiring departments. Since receipt dates are not noted, we are unable to test and determine if requisitions are entered in Job Match in a timely manner or within one business day, as required by department policy. Untimely processing of CRFs delays the recruitment process and may result in providing poor customer service.
- (b) 3 of 26 CRFs reviewed were considered incomplete due to missing information; however a requisition was still processed. In accordance with the Human Resources *Job Match Manual*, a recruiter has three business days to obtain missing information from the hiring authority otherwise the CRF should be returned to the hiring authority to accurately complete the form and resubmit. Upon discussion with staff, the missing information was collected via telephone; however, the CRF was not updated with the missing information. Processing requisitions without complete information on the CRF may provide erroneous results that may go undetected.
- (c) In 21 of 26 recruitments reviewed, we identified candidates that were not sent an *Unable to Contact Letter* for those candidates classified as difficult to contact due to disconnected/incorrect phone numbers or email addresses on file. In accordance with the Human Resources *Job Match Manual*, an *Unable to Contact Letter* should be sent to the address of record informing candidates of the interview opportunity. The impact of not attempting to notify qualified candidates for interviews may result in the opportunity of hiring highly talented candidates for vital positions in the county.
- (d) 4 of 26 recruitment folders were missing pertinent information. The department utilizes a *Recruitment Folder Content Checklist* to ensure all required documents are maintained. However, we identified three recruitment folders missing a signed certification list and one recruitment folder missing a pre-screening candidate contact log, although signature evidencing completeness of files by staff was documented. In accordance with the Human Resources *Job Match Manual*, a completed certification list is required to be kept in the recruitment folder as stated in the recruitment folder contents checklist. Lack of pertinent information being properly maintained in the recruitment folder may result in exposure to liability regarding hiring practices.

Recommendation 1(a):

Adhere to Human Resources *Job Match Manual* requirements by date stamping CRFs upon receipt to provide a tracking mechanism to ensure requisitions are created in Job Match within one business day of receipt.

Recommendation 1(b):

Adhere to Human Resources *Job Match Manual* requirements by ensuring requisitions are not processed until a complete CRF is submitted by the hiring authority.

Recommendation 1(c):

Adhere to Human Resources *Job Match Manual* requirements by ensuring an *Unable to Contact Letter* is sent to candidates classified as difficult to contact.

Recommendation 1(d):

Adhere to Human Resources *Job Match Manual* requirements by ensuring all elements of the *Recruitment Folder Content Checklist* are properly maintained in all recruitment folders.

Current Status on Recommendations 1: Partially Implemented

Riverside County Human Resources has revised its recruitment procedures which eliminated requirements for *Unable to Contact Letter* and the *Recruitment Folder Content Checklist* as the system requires candidates to enter their contact information and online checklists are now utilized, respectively. However, based on our review of eight recently closed recruitments, which included a review of an online version of the checklist, revealed six recruitment files were incomplete and lacked documentation that specific steps outlined in the revised recruiting procedures had been accomplished.

Finding 2: Inadequate applicant pool for recruitments of specialized positions

The results of a recent countywide risk assessment conducted by an independent consultant revealed a common weakness among at least 4 of 10 departments interviewed during their review that the recruitment process conducted by County Human Resources does not consistently produce an applicant pool of qualified candidates.

During our interviews with hiring departments, we substantiated the above noted results and found that at times, departments experienced inefficient hiring practices due to inadequate applicant pools for recruitments of specialized positions. Specifically noted was a recruitment conducted for the District Attorney's Office which resulted with 481 qualified candidates on the job certification listing to fill one vacancy. The *Official Job Match Hiring Certification List* prepared and distributed to departments by Human Resources states, "Departments are mandated by County policy to interview all candidates on the certification list." We requested Human Resources to provide a copy of the county policy; however, they were not able to provide the policy for our review.

In the above mentioned recruitment, the District Attorney's Office management indicated it was not possible to interview all 481 candidates due to time constraints and inefficient use of human resources. Instead, the hiring committee reviewed the resumes and selected 115 candidates to interview. It took the hiring committee six days to interview the 115 candidates for the one vacancy. The table below depicts the actual expense of conducting the 115 interviews versus

the potential cost of conducting 481 interviews with the candidates listed on the *Official Job Match Hiring Certification List*. We computed actual salary of the 9 panel members that conducted the interviews and utilized the average hourly rate, along with a 40% basis to compute benefits. Based on this analysis, if the District Attorney's Office would have conducted interviews for all 481 candidates listed on the *Official Job Match Hiring Certification List*, it would have cost the department an additional \$218,488 to complete this portion of the interview process.

Interview Process Analysis

Comparison	Total Hours to Conduct Interviews	Total Cost
Actual Expense of Conducting 115 Interviews (Salary & Benefits of 9 Panel Members)	432	\$54,480
Potential Expense of Conducting 481 Interviews (Salary & Benefits of 9 Panel Members)	2,164.5	272,968
Potential Additional Costs:		\$218,488

In circumstances that warrant specific technical skill sets that may be difficult for a Human Resources recruiter to identify, the department/hiring committee should be permitted to review the pooled candidates and interview those candidates that best meet the specifications and qualifications of the position. This change in procedure will increase efficiency and effectiveness and can potentially result in a cost savings over the hiring process.

Recommendation 2:

HR recruiters work collaboratively with department hiring managers to clearly identify technical skills required to produce an adequate pool of recruitments for specialized positions.

Current Status 2: Implemented

The new recruiting system and selection procedures mitigate the concerns identified. For example, all applicants must pass basic eligibility, prescreen questionnaire, and minimum qualifications screening levels. At basic eligibility, applicant confirms whether they are eligible to work in the United States. Once applicant passes this level, they advance to the prescreen questionnaire where questions specific to a certain department, position-type or classification are presented. These questions work as qualifiers for the minimum qualifications screening level. If candidate passes at this level, this minimum qualification requires candidate to show they actually qualify for the position with licensure, education, and/or skill/work experience. Recruiters take the top candidates based on total points scored in the screening level processes.

Recommendation 2.1:

Reevaluate current county or department policies and procedures in regards to mandating the interviewing of all candidates on the *Official Job Match Hiring Certification List* prepared and distributed to departments by Human Resources. Department management and personnel are professionals in their respective fields, and therefore, should be allowed to evaluate and select candidates to interview that best meet the requirements of the recruited position from the certification list.

Current Status 2.1: Fully Implemented

In order to be interviewed, all candidate names must appear on a Certified Hiring List. As such, all candidates who are referred to this certified list are interviewed. This certified list is developed for each recruitment which is based on hiring criteria provided by hiring managers. Additional details regarding the required knowledge, skills, abilities and other requirements are provided by the hiring manager to assist in creating a candidate pool. These new procedures mitigate any bias in the selection process.

Finding 3: Untimely verification of resumes in Job Match

Candidates apply for open positions with the county by either submitting resumes via Job Match or by emailing resumes directly to service team recruiters, dependent on the specific requirements stated in the supplemental information of the job posting. Upon submittal in Job Match, resumes are verified by HR Talent Management team members to ensure Job Match converts the resumes into electronic text files accurately. On any given day, there are approximately 2,000 to 7,000 resumes placed in queue waiting to be verified. On average, the age of resumes waiting for verifications is two to three weeks. This backlog of resumes of awaiting verification is due to staffing issues as a result of recent budget cuts. To lessen the backlog, service team recruiters have set up dedicated email addresses to receive resumes directly for specific recruitments.

When job postings close and recruiters begin to perform resume searches in the Job Match System, it is possible the resume population the recruiters are searching from is incomplete, since there may be approximately 2,000 to 7,000 unverified resumes still in the queue waiting for verification. Consequently, candidates who apply for specific positions might not be evaluated and considered due to untimely verification of resumes in the Job Match System. This negates the county's merit base policy to select the best candidate for the job so that the county can maintain a quality workforce.

Recommendation 3:

The department is currently in the process of implementing a new recruiting software system to improve the efficiency of resume verification. We recommend the new software system be thoroughly analyzed to ensure circumstances as noted above do not occur in the new system.

Current Status 3: Fully Implemented

Riverside County Human Resources implemented the new recruiting system and revised their recruitment procedures outlining the new selection process which is an interactive platform for all applicants. Once a position is posted, the applicants apply for the position. The new recruiting system eliminates resume verification as it completes five different screening levels: basic eligibility, prescreen questionnaire, minimum qualifications, qualification options and quality ranking. In order to interact with the applicant, the system requires contact information to be provided. This facilitates the communication to the applicant at each phase in the process. A letter is automatically generated to notify applicant's status depending on the phase.