HARFORD COUNTY, MARYLAND
Office of the County Auditor

AUDIT OF RECRUITMENT AND HIRING PRACTICES

Report Number:
2023-A-23

Report Date:
2/20/2024

Council Members and County Executive Cassilly:

In accordance with Section 213 of the Harford County Charter, we have performed an audit of Recruitment and Hiring Practices for the period of 7/1/2021 through 10/31/2023. This audit was conducted as part of the County Auditor's risk-based Annual Audit Plan approved by the County Council for FY2023.

The objective of the audit was to confirm that recruitments were performed in accordance with the County Code, Charter and other relevant regulations. The scope of this review was limited to the hiring and recruitment practices for county employees and those employees for whom Human Resources is responsible for on-boarding procedures. We excluded the Sheriff's Office and Circuit Court from our review. The results of the audit, our findings and recommendations for improvement are detailed in this report.

We would like to thank the members of management for their cooperation during the audit; they have been provided an opportunity to respond to this report; the responses provided follow the Issues and Corrective Actions.

Sincerely,

Chrystal Brooks, CPA

Chrystal Brooks
County Auditor

CONCLUSIONS

Our conclusion, based on the evidence obtained, is that while the recruitment process generally appears to work as designed, controls can be improved to ensure on-boarding procedures are completed prior to the start of employment and all new employees are paid within the appropriate pay scale. This assessment is based on the strengths and weaknesses identified for the operational objectives below.

Business Process Objective	Assessment[i]
Candidates are chosen because they are the most qualified and best fit for the position	Effective
The recruitment process is performed consistently for all new hires	Effective
On-boarding procedures for new hires are completed prior to start dates	Generally Effective
New hire's salaries are commensurate with their position	Generally Effective

ISSUES AND CORRECTIVE ACTIONS

2023-A-23.01 On-Boarding Procedures

Standard County on-boarding procedures call for a criminal background check and physical/drug test be performed for each new hire prior to their start date. This is meant to ensure that any adverse information, such as felony convictions or positive drug tests, that would preclude the person from County employment are found before the person actually begins working. When these procedures are not completed timely, there is the chance a new employee will need to be terminated, creating more work for the staffing departments.

We tested 28 of the 357 new hires in the audit period and noted the following:
- one criminal background check was not completed until after the hire date,
- one new hire was missing a criminal background check, and
- four physicals were not completed until after the hire date.

In addition, for one employee who had previously been employed as an intern, a new background check and drug test were not performed before being rehired years later.

We recommend Human Resources ensure on-boarding procedures are completed prior to start dates.

Management Response: Human Resources does require physical and drug screens to be completed prior to starting their employment, however there are exceptions and with the surge of EMS hiring we made an exception due to the urgent need of Paramedics and EMTs.

2023-A-23.02 Non Standard Positions

Each year, Human Resources prepares, and the County Council approves, an updated Classification and Compensation Plan for the new fiscal year. It includes all County Classifications, or job positions, along with the minimum and maximum salary for each position. During the normal recruitment process, when positions are advertised, they list these salary numbers. Once a candidate has been selected for hire, prior to offering the job, senior management approves the actual salary to be provided.

While reviewing all of the new hires during the audit period, we noted three positions that were not included on the Classification and Compensation Plan. As a result, we were not able to determine if those employees are being paid within the appropriate guidelines. We also noted 47 new hires that were classified as "Non Standard Position". Some of these are grant funded positions without a directly comparable classified position; for all of them it is not possible for us to determine what the appropriate pay grades should be. In addition, we found three instances where the employee was being paid above the pay grade maximum. One was a long term employee whose regular raises put her pay above the maximum. The other two are part-time contractual employees who were being paid an hourly rate above the County's maximum for any classified position.

We recommend the Classification and Compensation Plan be updated to include all current County position classifications and pay scales. We also recommend, when possible, that nonstandard positions be given an appropriate classification within the Plan, so pay scales can be appropriately applied.

Management Response: All classified positions are in the Pay & Class Plan. Thos that are non-standard are cross-walked to existing classifications for the most part. This will be addressed when we implement our new HRIS system in January of 2025.

Expected Completion Date: January 31, 2025

BACKGROUND, OBJECTIVES, SCOPE AND METHODOLOGY

Human Resources is responsible for the County's hiring function, which consists of coordinating the initial recruitment process, including advertising of the position, identifying the candidates for interviews based on necessary qualifications and managing the on-boarding process for new hires.

When departments identify a need for a new employee, the Department Head requests approval from the Directors of Human Resources and Administration. Job openings are then advertised through various sources and applicants are reviewed for qualifications by a Human Resource Specialist. Candidates are interviewed by a three-person panel and interview questions are approved by Human Resources in advance. The candidates are ranked by the interviewers and the decision on whom to hire is provided to senior management for approval before the candidate is offered the job by the Human Resource Specialist. After the candidate accepts the offer, but before the hire date, Human Resources will perform a criminal background check and the candidate will be required to pass a drug test. During the audit period, approximately 350 new employees were hired.

The audit approach focused on testing the key controls that address management's objectives. Our audit procedures included interviewing personnel, observation and testing as described in the table below.

Process / Control Objective	Scope of Review
Qualified Candidates	
Candidates are chosen because they are the most qualified and best fit for the position	For a sample of recruitments, confirm: • Interviewees were qualified for the position • Hired employee was highest rated by the interview panel
Recruitment Process	
Recruitment process is consistently performed for all new hires	For a sample of recruitments, confirm: • The position requisition was approved by the Director of Administration • The position was advertised properly • The job posting details agreed with the job description • The interview panel was appropriate for the position • Interview questions were consistent across all interviews

Process / Control Objective	Scope of Review
On boarding Process	
On-boarding process is completed prior to employee's start date	For a sample of new hires, confirm: • Criminal background checks were completed before start date • Drug testing/physical was completed before start date
New Hire Salaries	
New hire's salaries are commensurate with their position	For a sample of new hires, confirm: • Payrate agrees to the Pay and Classification Plan • Payrate was approved by the Director of Administration

Areas for improvement are described in the Issues and Corrective Actions section of this report. We have reviewed the issues reported in a prior audit. Prior to beginning this audit, all of the findings reported in the prior audit had been closed.

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

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Report Distribution:	Audit Team:
Ms. Tiffany Stephens, Director of Human Resources	Chrystal Brooks
	CPA, CIA, CGAP, CISA, CGFM, CRMA
	County Auditor
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[i] Definitions

Effective: The design and effectiveness of the internal control environment address key risks. The business unit complies with external laws and regulations, and internal policies, procedures and guidelines. Business processes are managed effectively resulting in achievement of expected outcomes.

Generally Effective: The design and/or effectiveness of the internal control environment generally address key risks; however, the number and severity of findings relative to the size and scope of the business unit being audited indicate that some minor areas of weakness in the control environment need to be addressed. Isolated instances of non-compliance with external laws and regulations, and internal policies, procedures and guidelines may exist. Business processes may not be managed effectively in all areas resulting in reduced achievement of expected outcomes.

Not Effective: The design and/or effectiveness of the internal control environment does not address key risks. Non-compliance or historical patterns of non-compliance with key regulatory requirements and internal policies, procedures and guidelines exist which expose the audited entity to financial, reputational, and operational risks. Business processes are not managed effectively and expected outcomes are not achieved.