
**CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR**

**HUMAN RESOURCES DEPARTMENT
AUDIT OF RECRUITING & HIRING
PROJECT NO. AU23-019
MAY 16, 2024**

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CITY AUDITOR**



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Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Human Resources Department, specifically recruiting and hiring. The audit objectives, conclusions, and recommendations follow:

Determine if Human Resources recruiting and hiring processes are efficient and in compliance with relevant HR regulations and policies.

Overall, Human Resources (HR) is in compliance with relevant HR regulations and policies. HR is adequately analyzing recruitment events. Job descriptions are appropriate and new positions and pay are appropriately approved. Screening criteria is consistent and pre-employment hiring controls are effective. Additionally, costs associated with recruitment and selection are supported and approved. Further, hiring metrics are accurately calculated.

However, the audit team identified areas in which controls could be improved. HR has inadequate procedures for documentation of recruitment efforts and applicant documentation is maintained longer than is administratively valuable. Additionally, user access reviews for candidate processing systems and training documentation for NeoGov could be improved.

We provided recommendations to management to strengthen controls and resolve identified issues. Human Resources Management agreed with the audit findings and has developed positive action plans to address them. Management's verbatim response is in Appendix B on page 10.

Background

The Human Resources Department (HR) supports the City of San Antonio (COSA) in attracting and retaining a qualified and capable workforce to provide high quality services to the citizens of San Antonio.

COSA uses NeoGov, a web-based application, to create and track job postings. Applicants apply via the NeoGov website. A Recruitment Analyst provides guidance to the hiring departments throughout this process. Specifically, upon receiving a requisition or request to post the position from the department, the Recruitment Analyst prepares the job posting based on the associated job description, with input from the hiring department in the development of supplemental questions and preferred qualifications. The Recruitment Analyst ensures that NeoGov is appropriately filtering applications based on the minimum and preferred qualifications that the candidate has indicated they possess.

After receiving the list of eligible candidates from the Recruitment Analyst, the hiring department reviews the applications, performs interviews, conducts reference checks, and submits the candidate selection. Once a candidate is selected by the department, the HR processing team coordinates the required pre-employment processing activities, ensuring that all necessary forms are obtained from the selected candidate and requirements for employment with COSA are met. This may include background checks, drug screening, employment authorization, education, and driver's license verification, as applicable. HR utilizes third-party software to verify I-9 employment eligibility and monitor upcoming re-verifications.

Additionally, HR implemented the Consolidated Hiring Process (CHP) whose goal is to streamline hiring for common positions across COSA, such as maintenance workers and administrative professionals. HR identifies positions that would be appropriate for consolidated hiring, develops a media kit for advertising, coordinates outreach, screens applicants, and manages hiring logistics, such as interviews, for bulk applicants. This simplifies the application and hiring process for both applicants and COSA departments. The consolidated hiring process is intended to take approximately 7 weeks.

A key hiring metric measured by HR is time to hire candidates through standard recruitments. The time to hire goal applies to standard recruitments, which includes positions in which sufficient applicants are generally received within 14 days of posting and don't require specialized skills (i.e., veterinarian, executive positions). Special and Special Extended (non-standard) positions fall outside of the standard criteria and generally extend to positions that take longer than 14 days to obtain sufficient candidates and/or require specialized experience. HR measures time to hire from when the department initiates the requisition until the new employee

has begun work. The time to hire goal for standard recruitments for fiscal year 2022 and 2023 was 48 business days, while actual performance was 57 and 53 business days respectively.

Between October 1, 2021 – March 31, 2023, HR processed 2,053 requisitions, the request by the department to fill vacancies, of which 958 were for standard recruitments and 1,095 were non-standard recruitments. While NeoGov requisitions track the first candidate hired (multiple vacancies can be filled with the same requisition), HR processed approximately 7,153 total candidates, of which 5,299 were hired. Candidates who were processed but not hired include those who failed processing or withdrew.

Audit Scope and Methodology

The audit scope was Human Resources (HR) recruiting and hiring operations from October 1, 2021, through March 31, 2023, and included recruitment efforts, pre-employment hiring processes, compliance with laws and regulations, and data protection.

To gain an understanding of department operations, we interviewed HR personnel and conducted walkthroughs of the recruitment and screening process. The primary criteria for this audit included state and federal regulations, HR policies and procedures, COSA administrative directives, and relevant vendor contracts.

We assessed internal controls relevant to the audit objective. This included a review of written policies and procedures; NeoGov forms and reports; training documentation; and HR generated tracking sheets. In addition, as part of our testing procedures we examined:

- the effectiveness of recruitment efforts,
- accuracy of the screening process,
- adequacy of the pre-employment hiring process controls,
- efficiency of the hiring process,
- compliance with relevant laws and regulations,
- user access controls, and
- accuracy and support for recruitment related expenses.

We relied on computer-processed data in NeoGov to validate the efficiency of the hiring process. Additionally, we utilized computer-processed data in employee processing systems, specifically Guardian I9 verification; SecureCheck360 for background checks; and Concentra's third-party system for drug and physical screening to validate the accuracy of the hiring process. Further, we utilized SAP to validate the accuracy and support for expenses. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

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.

Audit Results and Recommendations

Overall, HR recruiting and hiring processes comply with relevant HR regulations and policies. HR is performing basic analysis of their recruiting events including tracking the type of event, target audience, number of participants reached and cost. Additionally, job advertisements match approved job descriptions and new job classes are appropriately approved by Class & Compensation. Further, screening criteria for applicant selection is consistent, complete, and in compliance with HR policies. We obtained a sample of 25 requisitions and determined that the screening criteria matched the job requirements.

We also determined that pre-employment controls were effective. We reviewed all background check requirements for a sample of 25 candidates and determined that all candidates had appropriate background checks completed, required forms were completed and reviewed, and drug tests were completed, as applicable. Further, we recalculated HR's time to hire metric for FY 2022 and determined that it was accurately calculated.

Additionally, we determined that contracted costs for HR processing systems are approved and supported. We reviewed a sample of 11 payments for 4 processing systems and determined they had adequate support and documentation of approval. Finally, we verified that a sample of 25 payments for recruiting activities, including advertising and marketing fees, were supported, and approved.

However, the audit team identified areas in which controls could be improved as noted below.

A. Document Retention

A.1 Recruitment Efforts for Special Extended Positions

Documentation of recruitment efforts for special extended positions (positions posted on COSA's website for more than 30 days) is inadequate. For 20 of the 25 special extended positions sampled, no evidence of additional recruitment efforts was documented and maintained. HR has not established a procedure for the comprehensive documentation of recruitment efforts and, consequently, their effectiveness.

Without documentation and analysis of recruitment efforts, HR cannot adequately determine the most effective methods for obtaining qualified candidates for difficult to fill positions, which may result in ineffective efforts when filling similar vacant positions.

A.2 Document Retention

While HR is in compliance with document retention laws, HR is maintaining applicant information for longer than necessary. Applicant submitted documents, such as resumes, cover letters, etc. are maintained in NeoGov for 10 years. Per the Texas State Library and Archive Commissions' (TSLAC) record retention requirements, applicant submitted documents should be maintained for 2 years from the receipt of the record.

A record retention period of 10 years was established in NeoGov and no evidence of review for a reduced retention period could be provided. Maintaining applicant documentation for excess time increases the risk of exposure of personally identifiable information.

Recommendations

The Director of HR:

A.1 Implement a procedure for ensuring all efforts to obtain qualified candidates is documented and effective and ineffective methods are noted for continual improvement of recruitment methodologies.

A.2 Consult with COSA Records Managers and/or COSA City Attorney's to determine the appropriate amount of time to maintain documentation in NeoGov in accordance with TSLAC requirements and as long as is administratively valuable.

B. Candidate Processing Systems

B.1 User Access

User access controls over processing systems are inadequate. We obtained the quarterly access reviews for 3 HR processing systems from April 2022 – March 2023 and determined that for one system, inadequate follow-up had been conducted to ensure unauthorized users were removed. Additionally, the form of review for another system was inadequate to determine if, when, and how the user access review was conducted.

Per COSA AD 7-8a Access Control, COSA is required to implement adequate controls to protect sensitive data and access authorization should be formal, well-defined, documented, and an auditable process. However, procedures for documentation and follow-up of user access reviews were not followed.

Without adequate documentation and follow-up, unauthorized users may have access to sensitive information.

B.2 NeoGov Training

HR does not have adequate practices for documenting training conducted for NeoGov's Online Hiring Center (OHC). We reviewed all 1,109 COSA staff with OHC access to determine if training had been attended. Of the 1,109 staff with access, 74 employees were said to have attended training outside of traditional training methods, but no documentation of their training had been maintained. Additionally, 6 staff members had no record of training at all. Improvements should be made to NeoGov training documentation.

Per current HR policy, hiring managers are required to receive 2 hours of training prior to receiving access to the OHC. Without adequate training records, HR cannot confirm that all users, with access to sensitive information, have the proper training to utilize the system appropriately.

Recommendations

The Director of HR:

B.1 Refine user access review procedures to fully document access reviews and follow-up to ensure users identified for removal are removed timely.

B.2 Improve documentation practices for training on the online hiring center for all new users.

Appendix A – Staff Acknowledgement

Abigail Estevez, CPA, CIA, CISA, Audit Manager

Nastasha Leach, CIA, CISA, CGAP, CRMA, Auditor in Charge

Sophia Konstantinidis, Auditor

Michelle Lopez, CPA, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

May 8, 2024

Kevin W. Barthold, CPA, CIA, CISA
 City Auditor
 San Antonio, Texas

RE: Management's Corrective Action Plan for Audit of Human Resources Recruiting and Hiring

The Human Resources Department has reviewed the audit report and has developed the Corrective Action Plan below corresponding to the report recommendation.

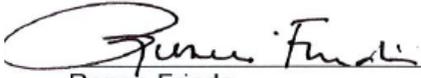
Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	<p>A.1 Special Extended Positions</p> <p>Implement a procedure for ensuring all efforts to obtain qualified candidates is documented and effective and ineffective methods are noted for continual improvement of recruitment methodologies.</p>	6	Accept	Sharon Frey, Human Resources Administrator	October 2023
<p>Action Plan:</p> <p>A tracking system was put in place at the beginning of FY24 to document external outreach efforts. The information will be used to evaluate the effectiveness of efforts and inform future recruitment methodologies.</p>					
2	<p>A.2 Document Retention</p> <p>Consult with COSA Records Managers and/or COSA City Attorney's to determine the appropriate amount of time to maintain documentation in NeoGov in accordance with TSLAC requirements and as long as administratively valuable.</p>	7	Accept	Sharon Frey, Human Resources Administrator Krystal Strong, Deputy Director	July 2024

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
<p><u>Action plan:</u></p> <p>NEOGOV implemented an application purge feature in 2019 that allows Human Resources to remove applications at scheduled intervals, currently 10 years. At that time and periodically since, Human Resources reviewed the retention period with the City Attorney's Office and agreed that the information was still administratively valuable for the 10-year period. Human Resources will review how the information is used and requests for information that are received and reconvene with the City Attorney's Office to determine if a shorter retention period is administratively valuable.</p>					
3	<p>B.1 User Access</p> <p>Refine user access procedures to fully document access reviews and follow-up to ensure users identified for removal are removed timely.</p>	7	Accept	Sharon Frey, Human Resources Administrator	July 2024
<p><u>Action Plan:</u></p> <p>The Recruitment Division of HR oversees Citywide access to the software system utilized for applicant tracking and hiring and the HR specific systems used for work authorization, criminal background checks, driver's license verification and drug test/physical results. User access for recruitment software systems is reviewed on a quarterly basis. Staff is being retrained on the process and documentation required for these quarterly reviews. While staff can cut off access for certain systems, others require notification to the vendor. The existing procedures will be updated to reflect timelines and processes for ensuring the vendor has acted on the notifications received.</p>					
4	<p>B.2 NeoGov Training</p> <p>Improve documentation practices for training on the online hiring center for all new users.</p>	8	Accept	Sharon Frey, Human Resources Administrator	July 2024
<p><u>Action plan:</u></p> <p>NeoGov is the software system utilized by supervisors citywide for applicant tracking and hiring. New supervisors must attend NeoGov training prior to being granted system access. NeoGov classes are held on a regular basis and attendance is tracked appropriately. In some cases, it is determined that a supervisor needs access prior to the next regularly scheduled NeoGov class. In those instances, training is provided on an ad hoc basis. The audit revealed that ad hoc training was not always appropriately tracked. Staff will be retrained to ensure all training is logged on the tracking spreadsheet.</p>					

Audit of Human Resources Department
Recruiting & Hiring

We are committed to addressing the recommendation in the audit report and the plan of action presented above.

Sincerely,



Renee Frieda
Director
Human Resources Department

5/8/24
Date



Ben Gorzell
Chief Financial Officer
City Manager's Office

5/10/2024
Date