August 26, 2021

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         Executive Director, Department of Human Resource Management

         William Spencer
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From: Renee Kenney, CPA, CISA, CIA, CIG
         Inspector General

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Subject: Follow-up Review for the DHRM Recruitment and Selection
          Audit Report, CW-001-2020

We have completed the follow–up review for the DHRM Recruitment and Selection Audit Report, No. CW-001-2020, dated December 23, 2019. The following is the result of the review:

Rec. #	Issue/ Recommendation	Issue/Risk	Revised Expected Completion Date	Status
1	Strengthen the Review and Selection Process	High	N/A	Resolved
2	Define Benchmarks to Expedite Recruitment Cycle	High	N/A	Resolved
3	Notify Applicants of Final Hiring Decisions	Medium	N/A	Resolved
4	Document Criteria Used for Interview Selections	Medium	September 2021	Partially Resolved

DHRM Recruitment and Selection (RSS) management provided sufficient information and clarification for us to conclude three of the four audit recommendations have been satisfactorily addressed and implemented. One audit recommendation is partially resolved.

The partially resolved audit recommendation includes updated management responses and expected completion dates.

Recommendation #1: Strengthen the Review and Selection Process

Status: Resolved

Original Audit Finding, Recommendation, and Management Response: During our review of recruitment and selection documentation, we identified the following deficiencies:

- Documentation supporting referrals to the hiring manager was not adequate. Not all applicants that met minimum qualifications (MQ) were referred to the hiring manager for subsequent review. The recruiter may use professional judgement to determine who will be referred. However, there was not consistent documentation that evidenced why an applicant, that met MQ, wasn't referred.
- Recruiters did not always assign a final disposition status in NEOGOV to applicants who did not meet the required MQs. The applicants remained erroneously classified as "Reviewing for MQs."
- RSS had no standard operating procedures (SOP's) for processing applications in NEOGOV.
- There was insufficient managerial oversight of the selection process within RSS.

OIG recommended that RSS personnel review and assess all timely applications to determine if the candidate meets the documented minimum qualifications. If the hiring manager only wishes to see x number of candidates, the recruiters should utilize a pre-defined selection process. Examples of a predefined selection process may include a graded screening questionnaire, assignment of points for preferred qualifications, etc. The selection criteria for review cannot be applications received before a specific date. The selection for referral cannot be arbitrary. The selection criteria should be documented.

RSS should document their internal procedures for the selection and review of candidates. Although the use of professional judgement is required and expected of the recruiters, guidelines should be available to mitigate the risk of arbitrary selections.

RSS management should ensure that all recruiters assign a final disposition status in NEOGOV to the applicants who did not meet the required MQs for referral to hiring managers. The final disposition status for all applicants should be one of the following:

- Referred to hiring manager;
- Did not meet minimum qualifications; or

- Met minimum qualifications, but not the most qualified.

The RSS Division Manager should take a more active role in recruitment activities. Examples include obtaining periodic reports for closed job positions that identify any applications with **"**Application Received" or "Reviewing for Minimum Qualification" status within NEOGOV.

Management concurred with the recommendation, stating that "The RSS Office will ensure that all candidates for Commission Merit vacancies are appropriately reviewed by Recruitment staff. All candidates meeting the stated Minimum Qualifications will be forwarded to the Hiring Organizations for further consideration. Candidates applying for Commission Merit vacancies who do not meet the stated Minimum Qualifications and are not forwarded to Hiring Organizations for further consideration will be documented as "not qualified" using existing NEOGOV functionality and the final disposition noted."

Management also stated, "Any NEOGOV features which might permit a Recruiter to not review candidates applying in a timely fashion to Commission Merit vacancies is immediately prohibited from use by RSS Office staff. RSS will document their internal procedures for the selection and review of candidates and develop guidelines to mitigate the risk of arbitrary selections."

Follow-Up Testing: The OIG tested six (6) closed job recruitments, which included at least one job processed by each Recruiter. The audit test objective was to verify Recruiters followed the appropriate procedures when reviewing job applicants, to ultimately determine which applicants should be referred to hiring managers. The RSS Manager and staff explained to OIG that the NEOGOV application provides only three default outcome categories for disposition status: **Pass, Fail or Other.** We did not identify any irregularities:

- During interviews, the RSS Manager and staff explained that applicants designated in NEOGOV as "Reviewing Minimum Qualifications" and also show the disposition as "Other" is how Recruiters categorize applicants who met minimum qualifications, but they were not the best qualified.
- Recruiters documented which candidates met minimum qualifications and were referred to management for interviews.
- OIG inquired about one job sample where 15 candidates were designated as "Applicants Received" and showed the disposition as "N/A" for each. The Recruiter explained that all applicants in this recruitment was reviewed for minimum qualifications. The Recruiter was confident because he/she added applicants who met minimum qualifications to the referral list after reviewing each one. The Recruiter stated it is possible the remaining 15 candidates met minimum qualifications but were not among the most qualified, and he/she did not move them out of "Applicants Received" status. The RSS Manager further stated that RSS has a transparent process. Hiring managers can always ask any questions they may have about any recruitment and get clarification.

OIG inquired if the RSS Manager documented the internal procedures used for the review and selection process and developed guidelines to mitigate the risk of arbitrary selections. The RSS Manager responded that all Recruiters have attended in service trainings to ensure they all know how to review minimum qualifications, make referrals and document the results. The Recruiters and the RSS Manager agree on how to show the disposition status in NEOGOV for each candidate. Consequently, the RSS Manager has not seen the need to document internal procedures. The Manager has increased oversight of recruitment and selection activities. Staff meets bi-weekly to review processing and make corrections if needed.

Recommendation # 2: Define Benchmarks to Expedite the Recruitment Cycle

Status: Resolved

Original Audit Finding, Recommendation, and Management Response: The general consensus among department management and Recruitment and Selection Services (RSS) is the dissatisfaction with the number of days it takes to fill a position within the Commission. However, not all managers appear to have a clear understanding of where the process stalled for each recruitment. Although RSS tracks and reports on internal hiring statistics, there are no defined benchmarks or performance indicators to assist management in identifying bottlenecks and providing solutions to expedite the recruitment cycle.

OIG recommend RSS and Department Human Resource personnel responsible for recruitment and selection perform the following:

- Actively collaborate to identify and document key performance indicators (KPI's) or benchmarks for each major step in the recruitment and selection cycle.

- Periodically review and analyze recruitment data, comparing results against defined KPI's to measure progress made toward reducing the number of days to fill job positions, while maintaining the quality of recruitment and selection.

- Develop escalation procedures and periodically communicate progress made toward achieving goals, or any significant challenges, to Commission senior management.

RSS management concurred with the recommendation, stating "Under the direction of the Executive Director, the HR Director and Recruitment staff will implement a pilot program within Central Administrative Services (CAS) to identify and address obstacles which prolong time to fill rates."

RSS managed also stated, "Based on the success of the pilot, the model will subsequently be implemented one department at a time across the Commission to ensure each department's uniqueness and needs are addressed."

Follow-Up Testing: OIG interviewed management and assessed available documentation illustrating the structure and current progress of the pilot, which is officially named Central Administrative Services (CAS) Recruitment Process Improvement Pilot Project. The primary goal is the significant reduction in time-to-fill metrics for Merit (Career) position vacancies. For the time being, the pilot's scope only encompasses the recruitment and selection process for Merit hires in the CAS departments: DHRM Human Resources; Office of the Chief Information Officer; Office of the General Counsel; and the Department of Finance.

The first phase in the project involves the continuous assessment of process flows, identifying bottlenecks, making essential adjustments and implementing corrective action. The RSS Manager and staff meet bi-weekly to discuss ideas for strengthening the pilot. DHRM senior management also attends the meetings to assist and monitor progress.

In the second phase, DHRM will roll out the pilot to Montgomery County Department of Parks and Montgomery County Planning Department. The RSS Manager will continue to be engaged by assisting as needed, assessing and monitoring progress. The goal is to continue strengthening the pilot through collaboration with the departments.

In the third phase, DHRM will roll out the pilot to Prince George's County Parks and Recreation and Prince George's County Planning Department. This phase will also include the cycle of process assessment and improvement, with continuous involvement from the RSS Manager.

Management provided the following documentation to illustrate the pilot's structure:

- Administrative Procedure 03-03 – *Recruitment & Selection* (as amended 11/20/2019), the basis for the recruitment and selection process;
- Project Charter – CAS Recruitment Process Improvement Pilot Program, which includes the original scope, objectives stakeholders, and milestones for the Program;
- Recruitment & Selection Process Flowchart – Future State, which illustrates major steps in the recruitment process and desired time-to-fill benchmarks; and
- CAS Hiring Pilot Project Requisition Master Report – July 13, 2021, the most current spreadsheet:
  - Tab 1 – Current open CAS requisitions
  - Tab 2 – Filled CAS requisitions to date with time-to-fill metrics by major step and summary pie chart
  - Tab 3 – On-hold CAS requisitions (positions on hold for budgetary or organizational reasons, no active recruitment activity)
  - Tab 4 – Current Prince George's Planning Department requisition activity, latest report

OIG's review concluded that the pilot's structure and preliminary progress appear to support the primary goal of reducing time-to-fill metrics for Merit hires. DHRM management has mapped out the major phases of its recruitment process in a flow chart. The RSS Manager and staff convene for status meetings to continuously assess, monitor and enhance the pilot, and to develop solutions.

Although the pilot program is not complete, due to the success of phase 1, the OIG has resolved the audit recommendation.

Recommendation #3: Notify Applicants of Final Hiring Decision

Status: Resolved

Original Audit Finding, Recommendation, and Management Response: Applicants selected for interviews were not always notified of final hiring decisions. According to RSS personnel, once the position has been filled (i.e., the new hire has officially started employment), email notifications are sent to all interviewees who were not selected for the position, updating them on their application status. Applicants receive a standardized email message that RSS manually generates in NEOGOV.

OIG recommended that RSS management ensure, at minimum, that notification emails are sent to all interviewees. Although the current practice of waiting until the new hire starts employment reduces the risk of "false" notification, an expedited notification would enhance a job seeker's experience with the Commission. Management may want to consider generating the communications, once a signed offer letter is received from the offeree, rather than waiting for the new hire's start date. Management should also research the feasibility of automating NEOGOV to notify all applicants of their status.

Management responded, "Interviewed applicants receive a standardized email message that RSS manually generates in NEOGOV; the OIG's sample indicated 83.7% of the interviewed applicants received a response. Human error resulted in a packet being overlooked accounting for the remaining 16.3%."

 Management also responded, "The RSS Office is currently soliciting input from the stakeholders to ascertain whether the timing of notifications of final hiring decisions sent to interviewees should be changed from the current practice, which is at the time of New Hire Orientation (start date). Management will concurrently explore the feasibility of automating notifications for those who were interviewed and those not interviewed (and associated funding); and "During the pilot program, we will analyze whether the current functionality within NEOGOV is sufficient to meet the need before exploring system customization for applicant notification."

Follow-Up Testing: The OIG tested four (4) recruitments for NEOGOV email notifications. For these recruitments, the hiring departments interviewed a total of 30 applicants, including the successful interviewees, who received official offer letters; therefore, 26 interviewees (30 minus 4), should have received notification that they were not selected. Testing disclosed that RSS sent notifications to all 26 interviewees. We did not identify any exceptions.

RSS management solicited input from some stakeholders (department hiring managers) to determine whether to change the current timing of sending final hiring decisions to unsuccessful interviewees, which is after the new hire attends orientation. The stakeholders did not render a consensus to change the practice, because some have experienced new hires failing to show up on orientation day to complete onboarding. There are concerns that sending hiring notifications before the new hires' orientation may result in having to restart the entire recruiting process. OIG concurs that hiring managers' concerns are reasonable, and the current procedure

may be the most practical one for the time being, until a more suitable solution becomes available.

RSS management also consulted with NEOGOV representatives about the feasibility of automating notifications for applicants who were interviewed, as well as for those who were not interviewed. NEOGOV representatives, who appreciated the suggestion from RSS, responded that the system application does not currently have this functionality; however, they will explore the feasibility of adding it to the next release of NEOGOV.

In the meantime, applicants can review their status throughout the hiring process in NEOGOV. Candidates who were selected for interviews can view the outcome in NEOGOV after the selected hire attends orientation. The Recruiters will then update NEOGOV and notifications are sent to the unsuccessful interviewees. The RSS Manager emphasized to OIG that RSS provides customer services to job applicants, some of whom do call the office to discuss their applications and to ask questions about their hire status.

Recommendation #4: Document Criteria Used for Interview Selections

Status: Partially Resolved

Original Audit Finding, Recommendation, and Management Response: Department hiring managers may use their professional judgment in selecting applicants who they deem most qualified to invite for interviews. However, hiring managers are not required to formally document the criteria used to select applicants for interviews referred to them by RSS.

OIG recommended that for each recruitment, roles and responsibilities for identifying interviewees that have met the established MQ should be clarified. Given the current decentralized structure within the Commission, these activities can be successfully completed by RSS and/or Department HR personnel.

- As stated in recommendation #1, RSS personnel should document why candidates, that met MQ's, were not referred to management for possible interviews.

- Department hiring managers should document the criteria used for selecting interviewees from candidate referrals forwarded by RSS. This may include criteria such as assigning points for preferred qualifications, the completion of telephone screenings, the assessment of supplemental questionnaires and/or, the significance of submitted cover letters.

- Department hiring managers should document selection criteria in NEOGOV, if feasible. However, if there is no available space to document the criteria in NEOGOV, hiring managers should include the documentation in the hiring packages sent to RSS.

DHRM management responded, "The RSS Office will ensure that all candidates for Commission Merit vacancies are appropriately reviewed by Recruitment staff. All candidates applying for Commission Merit vacancies who do not meet the stated Minimum Qualifications and are not forwarded to Hiring Organizations for further consideration will be classified as "not qualified" using existing NEOGOV functionality.

DHRM management also responded, "Whether or not there is sufficient functionality for use by other Commission departments will be explored during the pilot program." OIG responded with an **Additional Auditor Comment:** If NEOGOV cannot be used to document interview selection criteria, other mitigating controls should be implemented to reduce the identified risk.

Follow-Up Testing: OIG asked Human Resources (HR) department[1] personnel to explain how hiring managers document criteria used for selecting interviewees from candidate referrals forwarded by RSS. OIG's question applies only to those situations when hiring managers do not interview all candidate referrals. It is appropriate for managers to use their professional judgment

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[1] Prince George's County Department of Parks and Recreation, Prince George's County Planning Department, Montgomery County Department of Parks, and Montgomery County Planning Department

in selecting applicants who they deem most qualified to invite for interviews. However, the interview selections should be based on credible professional criteria and should be documented to support that selections were not arbitrary. HR department staff provided the following information:

- Prince George's County Department of Parks and Recreation and Montgomery County Department of Parks provided examples of documentary methods such as Interview Pre-Screening Tools and Selection Criteria Charts, which illustrate preferred skills.

  Montgomery County Department of Parks staff provided additional documentation featuring training tools, which includes presentation slides, a Skills Grid Guide and training links.

- Montgomery County Planning Department staff stated that hiring managers decide who to interview based on preferred skills, which is an appropriate method. Staff further explained that hiring managers do not have a standardized or consistent method for selecting these interviewees. However, they are currently developing a methodology and documentation, scheduled for roll-out during fall 2021.

- Prince George's County Planning Department staff stated that hiring managers decide who to interview based on preferred skills, which is an appropriate method. However, the department has not implemented a required documentation policy to support interviewee selections. The department is currently reviewing the matter.

Prince George's County Department of Parks and Recreation and Montgomery County Department of Parks have provided sufficient evidence to the OIG to resolve their portion of the audit recommendation.

While OIG concurs with and supports both Planning departments' methodology of selecting interviewees based on preferred skills as an appropriate tool, OIG opines that the decisions should be supported by documentation to illustrate selections are not arbitrary. Therefore, OIG considers the audit issue to be partially resolved.

Management Response: The Montgomery County Planning Department's hiring managers use the advertised preferred skills to select applicants for interviewing. The Department does not have a consistent process. The Department's Recruiter has created a selection criteria form for documenting the applicant selection process. She will be testing the form in August. The official roll-out of the Department's Selection Criteria Form will occur in September 2021.

Prince George's County Planning Department is still assessing the requirements of OIG's recommendation.

Revised Expected Completion Date: September 2021

Follow Up Date: January 2022

For your convenience, we have included a copy of the original audit report dated December 23, 2019. If we can be of assistance in the future, please do not hesitate to contact our office. Thank you for your assistance in this review.

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