



City of Albuquerque

Office of Internal Audit

FOLLOW-UP OF THE

Personnel Services – Human Resources Department

Report #23-13-103F

February 23, 2023

INTRODUCTION

On May 1, 2013, the Office of Internal Audit (OIA) issued Audit No. 13-103, Personnel Services – Human Resources Department, which included six recommendations directed at the Human Resources Department (HRD). OIA conducted a follow-up to determine the corrective actions HRD has taken in response to the recommendation made. The follow-up found that four recommendations have been implemented and are now considered closed and two remain open. OIA will continue to follow up on the corrective action taken by HRD regarding the two open recommendations.

BACKGROUND

The original audit evaluated the activities related to HRD's Employment Division and Classification and Compensation Division as of fiscal year 2012. At the time of audit, the Employment Division was responsible for recruiting, selecting, and retaining a qualified and diverse workforce to meet the varied needs of the organization. The Classification and Compensation Division was responsible for the overall management and maintenance of the City's classification and compensation system. The audit objectives were to determine if:

- The services provided by the Employment and Classification and Compensation Divisions aligned with the goals and objectives of City Departments;
- The services provided by the Employment and Classification and Compensation Divisions are monitored internally;
- The Employment Division is administering the overall employment function in accordance with HRD policies and procedures; and
- The Classification and Compensation Division is maintaining the position classification system and all reclassification requests in accordance with HRD policies and procedures.

Further information pertaining to the audit scope, limitations, and methodology can be found in the body of the original audit report.

The following issues were identified as part of the original audit:

- HRD does not review and process temporary payroll upgrades properly.
- HRD does not enforce the requirement for annual employee performance evaluations.
- HRD does not measure the hiring process to identify ways to minimize the length of time.
- HRD does not perform position reclassification reviews in a timely manner.

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The audit also found that the current established performance measure requiring employment actions to be processed within 72 hours from receipt, is frequently exceeded. Lastly, the audit found that HRD does not have the Human Resources Information System (HRIS) general control policies and procedures documented, including written processes to grant and terminate database access, define user roles, or identify access needed to perform the required functions of those roles.

FOLLOW-UP OBJECTIVE

The objective of this follow-up was to determine whether the Chief Administrative Officer (CAO) and HRD have taken the corrective actions recommended in OIA's May 1, 2013 audit. The CAO is responsible for the administration of the merit system, and is authorized to establish Rules and Regulations to implement the system. Consistent with Government Auditing Standards, Section 9.08, promulgated by the U.S. Government Accountability Office, the purpose of audit reports includes facilitating a follow-up to determine whether appropriate corrective actions have been taken. This field follow-up is a non-audit service. Government Auditing Standards do not cover non-audit services, which are defined as professional services other than audits or attestation engagements. Therefore, the CAO and HRD are responsible for the substantive outcomes of the work performed during this follow-up and is responsible to be in a position, in fact and appearance, to make an informed judgment on the results of the non-audit service. OIA limited our scope to actions taken to address our audit recommendation from the audit report dated May 1, 2013 through the submission of actions on February 8, 2023.

METHODOLOGY

To achieve the objective, OIA:

- Obtained documentary evidence from HRD.
- Interviewed HRD to understand and verify the status and nature of the corrective actions taken.
- Verified the status of the recommendation reported as implemented.

RESULTS

Of the six recommendations made in the original audit report, four have now been implemented and two remain open. OIA will continue to follow up on the corrective action taken by HRD regarding the two open recommendations. See ATTACHMENT 1.

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ATTACHMENT - 1

Recommendations	Responsible Department	Department Response	OIA Conclusion	OIA Use Only Status Determination
<p>Recommendation #1 The CAO should:</p> <ul style="list-style-type: none"> • Require all departments to follow HRD’s temporary payroll upgrade policies and procedures, especially when the collective bargaining agreement is silent about the maximum length of time an upgrade can be received; • Require all departments to submit requests for temporary payroll upgrades to HRD for their approval for all employees, except sworn police and fire, as required by HRD policies and procedures; • Consider rescinding or revising Administrative Instruction 7-45 which allows departments to approve and enter upgrades of ten days or less without notifying HRD. 	<p>Chief Administrative Officer (CAO) and the Human Resources Department (HRD)</p>	<p>As of August 2017, HRD has reviewed Administrative Instruction (AI) 7-45 Temporary Upgrades for Employees other than Sworn Police and Fire and determined its current policies and procedures of governing temporary payroll upgrades to be effective. The AI is designed to allow individual departments to review and approve upgrades of 10 working days or less strictly based on short-term critical business needs. However, if an employee is required to serve in an upgraded position for more than 10 working days, the department will then be required to receive HRD’s approval.</p> <p>In the coming year, HRD will review the AI to ensure it is reflective of current practices and update accordingly.</p> <p>The responsibility of monitoring compliance is split between two departments: HRD monitors approval and verification while the Department Finance & Administrative Services’ (DFAS) Payroll monitors the payout compliance with temporary payroll upgrades. The department completes a Temporary Upgrade form to include applicable attachments to HRD. HRD then reviews the packet for qualifications and verifies the request complies to Collective Bargaining Agreements and Rules & Regulations. HRD then routes for HR Director, Employee Relations manager (if applicable) and CAO approval (for</p>	<p>OIA examined <i>Administrative Instruction (AI) 7-45 Temporary Upgrades for Employees Other Than Sworn Police and Fire</i>, and confirmed that it clearly defines the appropriate process for temporary payroll upgrades. Per policy, individual departments are responsible for managing temporary upgrades for 10 working days or less, and for those greater than 10 working days would require HRD’s approval. Further, it states that employees working more than 10 days must possess the minimum qualifications for the upgraded position as specified in the job description of the upgraded position.</p> <p>OIA examined a recent <i>Temporary Upgrade Request Form</i> and applicable attachments (packet) for a Fire Rescue employee, dated December 2022, and confirmed</p>	<p><input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Contested</p>

Recommendations	Responsible Department	Department Response	OIA Conclusion	OIA Use Only Status Determination
<p>HRD should:</p> <ul style="list-style-type: none"> • Monitor compliance with policies for temporary upgrades in coordination with Central Payroll personnel; and • Identify and document a way to track the frequency and cost of all temporary upgrades granted and denied, including those provided to sworn police and fire, and those provided for less than ten working days. 		<p>exceptions requests). HRD will then notify the Department of the approval. The Department's timekeeper will enter and maintain the pay in accordance to the CBA or policy. The Department will notify Payroll on the duration of the upgraded employee's salary. Two weeks prior to the duration's completion, the employee's department-designated timekeeper will notify Payroll to cease the upgraded salary and revert back to the employee's original salary.</p> <p>As needed, HRD is able to track the frequency and identify costs of all temporary upgrades that are granted for more than ten working days. However, HRD does not track the frequency and cost of those upgrades less than ten working days nor those denied.</p> <p>Estimated Completion Date: August 2017</p>	<p>that HRD does monitor and verify temporary upgrades. The packet contained: <i>Temporary Upgraded Request Form</i>, which spoke to the employee's current position (i.e. Position Title and Hourly Rate) and temporary upgrade information (i.e. Dates of Temporary Upgrade, Position Title, Temporary Upgrade Hourly Rate, and Reason for Upgrade). Additionally, it contained a copy of the job description for the upgraded position along with documentation of the employee's qualifications. All required signatures (i.e. Supervisor/Manager Requesting Upgrade, Department Director, and Human Resources Director) were captured as well.</p> <p>OIA obtained and reviewed HRD's <i>Temporary Upgrade Tracking Log</i>, which contains the employee's name, upgraded position, hourly rate, length of the temporary upgrade, and another pertinent information.</p>	

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<p><u>Recommendation #2</u> HRD should track and monitor the hiring process to identify ways to improve efficiency and help determine the benefits of implementing the NEOGOV system.</p>	<p>HRD</p>	<p>The hiring process recently went through a process improvement initiative titled “Hiring Reform 2021”. The process started in April 2021 and was recently completed at the beginning of September of the same year and was a phased rollout to the various City departments. The goals were to remove many of the hiring process steps from HRD and place them with the individual City departments through assigning more responsibilities to the Human Resource Coordinators (HRCs) so the departments could own and drive more of their hiring timelines. HRD would then provide oversight by acting as consultants, providing training, and developing overarching HRD policies and guidance documents. To this point, as of October 2022, HRD has issued <i>Administrative Instruction (A/I) 7-68 – City of Albuquerque – Hiring Process</i>. The AI defines the hiring process responsibilities for both HRD and the HRCs. Specifically, it provides instructions on: Job Description Validation; Posting Timeframe; Applicant Review; Selection for Interview; Interview Process; Selection for Hire; and Job Offer activities. Additionally, it includes instructions on what documentation to maintain throughout the various stages of hiring.</p> <p>Estimated Completion Date: October 2022</p>	<p>Since the original audit report was issued, the NeoGov system has been implemented by HRD. As part of the Hiring Reform process, the functionality of NeoGov was assessed and suggested improvements identified. OIA reviewed the Hiring Reform documentation and noted that HRD did change their hiring practices and codified them in <i>Administrative Instruction (AI) 7-68 City of Albuquerque – Hiring Process</i> to improve efficiencies. Included, were instructions on the hiring process from beginning to completion along with what required documents to maintain. Additionally, OIA obtained access to NeoGov and confirmed time to hire metrics were being utilized, such as Average Time to Hire, which can be manipulated by month, quarter, and year.</p>	<p><input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Contested</p>

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<p><u>Recommendation #3</u> HRD should:</p> <ul style="list-style-type: none"> • Measure the time period for completion for all position reviews that are submitted to the division in an effort to reduce the amount of time it takes to perform a review; and • Perform position reviews within the expected time frame, or provide the requesting department an explanation when the expected time frame will be exceeded. 	HRD	<p>HRD's Class and Comp has developed and is using a Compensation Tracker in the SharePoint repository to monitor position reviews and reclassifications. Position reviews are logged as they are received and once again as they are completed. The time it takes to complete the reviews are then reported on a quarterly basis as part of HRD's metrics.</p> <p>In FY21, HRD's Class & Comp team met the goal of 13 days for the average time to create a position from the time it was requested. The goal to reclassify a position from the request date was 13 days. In FY22, the time it took to create a position and reclassify positions increased.</p> <ul style="list-style-type: none"> • Create Position-34 days • Reclassify Position-19 days <p>This was due to turnover and also with the division changes that occurred during hiring reform, HR Analysts within the HRD's Class & Comp/Employment division required training in Class & Comp areas, which included position reviews.</p> <p>Estimated Completion Date: December 2023</p>	<p>OIA obtained HRD's <i>Compensation Tracker</i>, which contains the date received, current title, new title, first approved date, final approved date, and other pertinent information.</p> <p>OIA also reviewed the provided Performance Measures and noted that while HRD is monitoring and capturing the average time to create a position and the average time to reclassify a position, HRD is not performing position reviews within the expected time frame. OIA will perform subsequent monitoring of this recommendation.</p>	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Closed <input type="checkbox"/> Contested

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<p><u>Recommendation #4</u> HRD should use the following HR resource and activity measures, staffing ratios, and workforce demographics for the Employment and Classification and Compensation Divisions, and monitor those measures:</p> <ul style="list-style-type: none"> • Time to hire/fill a position; • Cost per hire; • Frequency and cost of salary increases (management/non-management); • Number of management and non-management positions; • Demographics (ages of employees used for succession planning and recruiting); • Turnover rates (voluntary/involuntary) of major classes of employees; and • HR staff and expense to FTE ratio. 	HRD	<p>HRD’s Human Resource Information System (HRIS) analysts monitors this key data. Many of these measures are standardized reports that can be generated in the NEOGOV system. As needed, the HRIS Coordinator can also create reports with Cognos BI that assist HRD in analyzing data and reporting on additional metrics.</p> <p>Currently, HRD’s Employment Learning Center (ELC) issues surveys to new employees after they have completed the New-Employee Orientation. The survey is designed to monitor measures such as the quality of the information and resources being provided along with the duration of the overall process. In addition to this, HRD has revamped its existing Employee Exit Survey in effort to capture employee satisfaction and work environment when an employee separates from the City.</p> <p>Lastly, HRIS conducts daily audits of new hires between the NEOGOV and PeopleSoft system to ensure information is transferring over accurately and completely. Additionally, HRIS generates standardized reports in NEOGOV to monitor the key ratios mentioned; they are provided to HRD management as requested.</p> <p>Estimated Completion Date: February 2023</p>	<p>OIA obtained access to NeoGov and confirmed standardized reports do exist and have the functionality to capture: Time to Hire Metrics by Time, Department, Division, and Job Description; Candidates by Veteran status and Gender. Additionally, NeoGov has an analytical report builder that can generate reports including, but not limited to: Applications, Requisitions, Referred Candidates, Weekly Job Postings, Total Applications, New Hires, Turnover rates, also Candidates Barred from Applying, and other ad-hoc reports as requested by HRD.</p> <p>OIA examined a copy of the Employment Learning Center’s (ELC) <i>New-Employee Orientation Exit Survey</i>, and confirmed the 21 questions are designed for new employees to rate their on-onboarding experience, including the information provided and the facilitators.</p>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Contested

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<p>Monitor employee satisfaction, work environment, and quality of supervision through performance surveys and exit interviews, in order to consider HR outcome measures such as:</p> <ul style="list-style-type: none"> • Quality of hire (employees who made it past probation to employees terminated during probation); • Manager satisfaction; and • Candidate satisfaction. <p>Run and review reports in the NEOGOV and PeopleSoft systems regularly to determine whether departments are entering information accurately and completely, to minimize inconsistencies between systems.</p> <p>Collect data and monitor key ratios that will help develop measures, such as:</p> <ul style="list-style-type: none"> • Applicants interviewed to total applicants ratio; 			<p>OIA also confirmed that HRD revised their existing Employee Exit Survey as of February 2023. This survey is designed to identify areas of concern and areas where the City is most successful and to better understanding why the employee-employer relationship was terminated.</p> <p>OIA observed HRD’s Program Data Analyst (PDA) conduct a daily audit of new hires. The PDA runs a report of new hires in PeopleSoft and reconciles their Personable Identifiable Information (PII) and standardized department information back to NeoGov, and ensures all information is accurate and complete.</p>	

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<ul style="list-style-type: none"> • Qualified to non-qualified applicants ratio; and • External to internal applicant ratio. 				
<p><u>Recommendation #5</u> HRD should develop and take lead responsibility for an employee evaluation system that provides for annual evaluation, development of goals and objectives, and training plans for all employees within the organization, and maintain a formal accountability structure for completing evaluations.</p>	HRD	<p>As of fiscal year 2022, the ELC has taken the lead and responsibility of managing employee performance evaluations. They provide training and documentation support on how they should be conducted. ELC works with each City leadership through the Supervisory Development Program and as requested to ensure management meets with employees on a quarterly and annual basis to discuss performance goals and overall evaluations.</p> <p>In effort to ensure all City departments are held accountable, HRIS generates reports and sends them to City leadership via e-mail to remind management providing insight to the accountability of completion. As this is a fairly new process, opportunities for improvement exist.</p> <p>Estimated Completion Date: Fiscal Year 2022</p>	<p>OIA confirmed that the Employment Learning Center (ELC) does provide training resources to City departments on how to conduct employee performance evaluations by examining the <i>Creating Your Person Profile & Performance Documents</i> located here: https://www.cabq.gov/human-resources/employee-learning-center/talent-management-training. This website includes job aids such as, How to create a Performance Document, How to create Performance Goals, How to add Manager Comments, How to Complete Review and Share with Employee, and other pertinent tools and information.</p> <p>OIA verified that HRD does hold City departments</p>	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Contested

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			accountable for employee performance evaluations by examining the automated <i>Performance Evaluation Status</i> e-mails, dated December 2022 and February 2023. The automatic emails are sent once a month and contain reports that list the employees under evaluation, the responsible manager to perform the evaluation, and the evaluation review period. HRD also includes a status summary that lists every City departments progress; i.e. which departments are on-time and which ones are not.	
<p><u>Recommendation #6</u> HRD should:</p> <ul style="list-style-type: none"> • Document the general control policies and procedures for the Human Resources Information System (HRIS), including written processes to grant and terminate database access, define user roles, and identify access needed to perform the 	HRD	<ul style="list-style-type: none"> • HRD is currently auditing NEOGOV access monthly and requires email requests for new users if those users are not in previously approved identified positions (i.e. HR Analyst, Director) • HRD is currently in the process of creating a procedure document for the access to the different modules in PeopleSoft and NEOGOV, etc. • Additionally, ERP made a change so that any job changes that impact the high-level department (i.e. Fire to HR) automatically 	HRD is currently in the process of documenting general control policies and procedures by fiscal year 2024 for the Human Resources Information System (HRIS) and OIA will perform subsequent monitoring activities on the status of this recommendation going forward.	<input checked="" type="checkbox"/> Open <input type="checkbox"/> Closed <input type="checkbox"/> Contested

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<p>required functions of those roles;</p> <ul style="list-style-type: none"> • Transfer the system administrator duties to the Technology & Innovation Department (Technology & Innovation), including the responsibility for terminating user access to the HRIS when employees transfer and/or terminate their employment. 		<p>remove all PeopleSoft roles beyond Self Service.</p> <ul style="list-style-type: none"> • DTI has implemented controls for terminations within PeopleSoft; however, the responsibility of terminating HRIS access in non-DTI applications has been assigned to HRD. • HRIS has been added to the helpdesk request and a category created within the DTI for NEOGOV requests. <p>Estimated Completion Date: December 2023</p>		