



Internal Audit Office

MAYOR
Oscar Leoser

DATE: December 16, 2021

TO: Araceli Guerra, Managing Director of Internal Services

CITY COUNCIL

FROM: Edmundo S. Calderon, CIA, CGAP, CRMA, Chief Internal Auditor

District 1
Peter Svarzbein

SUBJECT: Human Resources Department – Hiring Practices Review

District 2
Alexandra Annetto

The Internal Audit Office has completed its assessment of the City of El Paso’s Human Resources Department – Hiring Practices. This engagement was accepted based on the engagement’s potential to improve management of risks, add value, and/or improve the organization’s operations (IIA 2010.C1). The work performed does not constitute an engagement conducted in accordance with Generally Accepted Government Auditing Standards (GAS 1.16). The observations and conclusions that are reported in this memorandum do not require Management responses.

District 3
Cassandra Hernandez

District 4
Joe Molinar

Background:

District 5
Isabel Salcido

The Human Resources (HR) Department:

- develops, implements and manages the recruitment and selection of permanent and temporary City employees,
- the City's job classification and compensation system,
- promotional and entry examinations,
- training programs for City employees,
- personnel records,
- Civil Service Commission inquiries and appeals,
- and risk management services.

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District 7
Henry Rivera

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Cissy Lizarraga

On average, the Human Resources Department receives over 44,000 applicants per year and schedules over 12,000 individuals to test.

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Tommy Gonzalez

	# of Applications Received in NEOGOV	# of Individuals Scheduled to Test	% of Applicants Scheduled to Test
FY21 (as of 7/19/2021)	41,403	10,101	24.40 %
FY20	41,637	10,586	25.43 %
FY19	50,160	15,888	31.68 %
Average per fiscal year:	44,400	12,192	27.46 %

The average time to recruit for General Service positions at the City of El Paso has varied. In 2016, as part of a Lean Six Sigma (LSS) project, efforts were made to reduce the average time to create an Active Certified Eligible List for Regular General Service positions at the City of El Paso from 69 to a goal of 55 days, a reduction of 14 days (20%). The initial result of the 2016 LSS project was that HR was able to reduce recruitment time to an average of 47 days. As of July 29, 2021, the average time to obtain an Active Certified List increased to 82 days due to staff changes within the HR Department.

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In order to limit inefficiencies and continue the efforts to reduce recruitment time, the following LSS projects are currently in progress or have recently been implemented by the Performance Office in collaboration with the Human Resources Department:

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Performance Office Lean Six Sigma Process Improvements:

- Request to fill (Implemented) – Removed redundancies and redefined the hiring committee’s purpose, giving Departments an efficient process that leverages NEOGOV instead of email.
- Pay above process (Implemented) – Removed paperwork and transformed to a digital process.
- Candidate List Review (Piloting) – A new step is being piloted to include Subject Matter Experts from Departments within our system of record (NEOGOVS) to achieve better quality in our applicants and reduce the overall turnaround time.
- Examinations (Reviewing vendor options) – The review of an Online solution that connects with NEOGOV is being finalized. This will eliminate manual examinations and grading processes currently in place.
- New Accounts (Improving) – Connected PeopleSoft software with IT Directory software for integrated account creation, decreasing HR staff’s manual labor and the chance of errors.
- Ticketing system to track recruitment requests – vendor in the works for the ticketing system already in place at DoITS.

Based on an interview with the Managing Director of Internal Services, the following HR Process Improvements are currently in progress or have been recently been implemented by the Human Resources Department:

HR Process Improvements

- Digitized onboarding processes by creating online exams, using City Department Subject Matter Experts, and sending new employees email notifications once they are onboarded.
- Digitized offboarding process – new online process to notify departments when an employee has separated to collect equipment, documentation and complete exit survey.
- HR Service Request Ticketing System – centralized system to submit requests/information with sensitive information only routed through security controls by assignment.
- Digital Forms – 10 total forms completed to include Above Pay Requests to streamline the request of above entry pay.
- WIC Payroll – 70+ Employees moved from paper timecards to KRONOS System.
- Streamlined Employment Contracts – worked with City Attorney’s Office to pre-approve a digital template for contract requests.
- Certification Waivers (Candidate Referrals) – process step updated to improve wait times.
- Department Restructuring – Added two Employment Relations Officers, Classification & Compensation Manager.

HR Projects in Progress

- Classification & Compensation Review and Plan,
- Volunteer Program – In Pilot process, detailed update forthcoming in Jan. 2022,

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- Civil Service Charter – top priorities for amendment process,
- Employee Recognition Program Revamp – Updated program to express our gratitude for their service to our organization & community.
- Employee Relations Investigations Tracking System – In Procurement. Will streamline ALL investigations into an electronic system for ALL departments. Will provide dashboards and reporting allowing us to work with the Learning Team and train to our weaknesses.
- Wellness Program Revamp – pending review/approval,
- SharePoint Transition – all shared documents now in the cloud with segmented security roles,
- Shared Parental Leave - Project in progress, 84% increase in donations of hours,
- Internal Service Surveys – January 2022 Updated survey collecting information to compare against the January 2021 data. All projects on this list were a result of the top concerns for departments.

Objectives:

The objectives of this review were to:

- Review all aspects of personnel practices related to hiring, promotions, and transfers.
- Evaluate controls in place intended to ensure the fair, uniform, and transparent selection of the best employee for the position.
- Assess the efficiency, effectiveness, and compliance with rules, regulations, and agreements of the solicitation, evaluation and appointment processes.
- Evaluate the overall system providing such services and identify opportunities for business process improvement.

Methodology:

To achieve our audit objectives, we:

- Conducted interviews with HR Management, City Hall HR (Central HR) personnel, Departmental Human Resources Managers (DHRMs) located at randomly selected City Departments, and the Performance Systems Administrator.
- Conducted an assessment of the following:
 - tracking mechanisms in NEOGOV related to hiring,
 - applicable policies, processes, and procedures,
 - Civil Service Commission appeals,
 - City of El Paso website links and forms,
- Created a timeline to reflect how HR processes have been updated over the years,
- Identified inefficiencies within the processes and protocols reviewed.

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Results and Conclusion:

Based on our review, we have identified the following three (3) Observations:

OBSERVATION 1

Civil Service Commission Appeals

City of El Paso Strategic Plan:

- Goal 6.1 *Recruit and retain a skilled and diverse workforce.*

On April 11, 1935, City Council approved for the City Charter to be amended to place all City employees under the Civil Service Commission. Exemption was made for elected officials, uniform personnel, and certain positions. *The Civil Service system exists to ensure a personnel system that is based solely on merit. The Civil Service Commission of El Paso exists for the purpose of overseeing the City's Civil Service system, the purpose of which is to ensure fairness, economy and efficiency in the selection process and personnel system created for the classified employees, and performing the duty of hearing grievances by or against classified employees.* Individuals in classified services positions are covered by Civil Service, which inherently affords them the opportunity to appeal to the Civil Service Commission to be allowed to take an examination:

City of El Paso Civil Service Rules and Regulations:

Section 1. Filing of Applications – *The Human Resources Director, subject to appeal to the Commission, will refuse to examine an applicant, or after examination to certify him as eligible and will remove his name from the eligible list for any of the following reasons, in each case to be fully documented:*

- (a) *He is found to lack any of the minimum requirements established in the classification for the position and grade for which he applies;*

Section 2. Appeals from Disqualification from Examination – *Applicants who are disqualified from taking an examination may appeal to the Civil Service Commission provided they appeal within three (3) working days from the date of the notice.*

The number of Civil Service Commission appeals has decreased over the years, which only account for approximately 0.01% of applications received per year. There are no limits on applicant qualification deficits that can be approved by the Civil Service Commission when an applicant appeals to the Commission.

- Example: In May 2021 an individual appealed to qualify for a Transit Service Planner position that required a Bachelor's degree, the applicant had no college credit. The Commission approved the appeal because the applicant would end up having to train the individual that got hired for the position. By approving this type of appeal, the decision does not "ensure fairness" in the selection process given that other potential applicants with less than a Bachelor's degree were disqualified for not meeting the minimum requirements.

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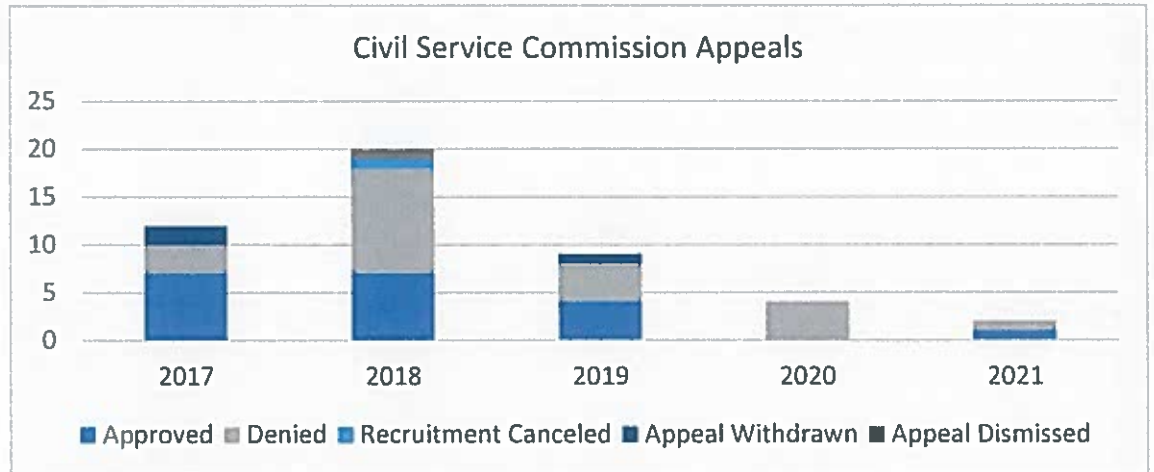
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The following tables recap the Civil Service Rule 5.1. (a) appeals approved by the Civil Service Commission by Fiscal Year:



Applicant Qualification Deficits Approved by Civil Service Commission		
	# Appeals Approved	Applicant Qualification Deficits for Appeals Approved by Civil Service Commission
2021	1	Bachelor's Degree – applicant had zero college credit hours.
2020	0	N/A
2019	4	Lacking 10.5 months construction or engineering related experience.
		Lacking 11 months of construction or engineering experience.
		Associates Degree – applicant had 48 college credit hours.
2018	7	Lacking 2 years & 7 months of supervisor experience as a registered Sanitarian in a Code Enforcement program.
		Lacking 13 months of professional accounting experience.
		Lacking 5 months of professional accounting experience.
		Lacking 3 months of construction or engineering related experience.
		Lacking 16 months of construction or engineering related experience.
		Lacking 11 months of vehicle servicing and lubrication experience.
		Lacking 9 months of experience in the building trades, custodial work, irrigation systems, construction or solid waste operations.
2017	7	Lacking 16 months of professional Sanitarian experience as a Registered Sanitarian.
		Lacking 8.375 of months Recreation Supervision experience.
		Lacking 22 hours of college credits in Engineering, Drafting Technology or a closely related physical science field.
		Lacking 13 months of journey level automotive or diesel mechanic experience.
		Lacking graduation from a Veterinary Medical Technician Program or Associate's degree in animal health, biology, zoology, or related field and 34 months of paraprofessional or technical animal health care experience assisting a veterinarian.
		3 confidential approvals were made in executive session

RECOMMENDATION

None given; data provided for informational purposes only.

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OBSERVATION 2

NEOGOV Software User's Guide

City of El Paso Strategic Plan:

- Goal 6.12 *Maintain systems integrity, compliance and business continuity.*

The Human Resources Department uses NEOGOV's HR Software Suite to document the process of attracting applicants, screening them, and onboarding new hires. The Human Resources Department has established procedures in place related to hiring practices using NEOGOV software. The procedures are documented in a *NEOGOV User's Guide*.

The Human Resources Department (HR) is not maintaining and updating the *NEOGOV User's Guide*. The following deficiencies were noted with the procedures contained in the guide:

- The User Guide does not match NEOGOV Software Updates. The most recent revised section (*Neogov – Insights – Postings Information Sheet*) in the User Guide is dated 1/9/2018 and the majority of the remaining sections in the guide are dated in 2015.
- DHRMs commented that the *NEOGOV User's Guide* will "get them by."
- HR staff resort to creating their own User Guide.
- New HR employees are trained using the outdated User Guide. DHRMs at Departments have encountered situations when they were informed by Central HR management that they did something wrong when they were following an "old" procedure that was no longer in practice.
- DHRMs expressed concerns regarding the inefficiencies of not having the guide in electronic format with updates posted to an electronic file.

RECOMMENDATION

The Human Resources Department should:

- maintain and update *NEOGOV User's Guide* to reflect current processes,
- inform all HR personnel when there is a NEOGOV software update or an update to the recruitment procedures,
- create an electronic version of the *NEOGOV User's Guide*.

OBSERVATION 3

Quality Control and Monitoring Process

City of El Paso Strategic Plan:

- Goal 6.12 *Maintain systems integrity, compliance and business continuity.*

The Human Resources (HR) Department does not have a Quality Control or a Monitoring Process in place for the review of recruitment steps documented in NEOGOV:

- Steps can be skipped in NEOGOV which may lead to discrepancies in the recruitment process.

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- There is no consistent Quality Control Process in place for the review of recruitments. Recruitments are periodically checked, but no formal documented quality control process has been implemented.
- In order to maintain the results achieved from the 2016 LSS Recruiting Process project of reducing recruitment time to an average of 47 days, Central HR was supposed to run monthly/weekly monitoring reports. The monitoring process is no longer in place and there are no consequences for departments that continuously do not meet the City's Recruitment goals.

RECOMMENDATION

The Human Resources Department should establish and document a Quality Control or a Monitoring Process for the review of recruitment steps documented in NEOGOV.

Conclusion:

Based on our review of City of El Paso's Human Resources Department – Hiring Practices, the following inefficiencies were identified in the recruitment process:

- There are no limits on applicant qualification deficits that can be approved by the Civil Service Commission when an applicant appeals to the Commission.
- The Human Resources Department (HR) is not maintaining and updating the *NEOGOV User's Guide*.
- HR Staff are not consistently informed of NEOGOV software updates or revisions to recruiting procedures.
- The Human Resources (HR) Department does not have a Quality Control or a Monitoring Process in place for the review of recruitment steps documented in NEOGOV.

If you have any questions please feel free to contact me at extension 21365.

cc: Financial Oversight and Audit Committee
Tomas Gonzalez, City Manager
Robert Cortinas, Deputy City Manager of Support Services & Chief Financial Officer

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**Human Resources Department – Hiring
Practices Review P2021-05
Management’s Response**



Human Resources

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Date: December 17, 2021

To: Edmundo Calderon, CIA, CGAP, CRMA, Chief Internal Auditor

CITY COUNCIL

From: Araceli Guerra, PMP, Managing Director of Internal Services

District 1
Peter Svarzbein

Subject: Human Resource – Hiring Practices Review Responses

District 2
Alexandra Anello

Observation 1:

Human Resources Department is currently reviewing and recommending amendments to civil service for the upcoming 2022 election. The May 2021 appeal where a Transit Service Planner position outlines the importance of ensuring a fair and balanced selection process for recruitments. An amendment to update the responsibility of the limit of application qualification deficits that can be approved by the CSC when applicants make appeals to the Commission needs to be done.

District 3
Cassandra Hernandez

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Observation 2:

Over the six – nine months the HR department has undergone several process improvements LSS projects through the Performance Office, IT, and HR collaborative efforts. One of the identified items back in February 2021 was the lack of utilization of the NeoGov system. Updated functionality and updates are in progress and near completion for the the onboarding/offboarding digital process (Please see attached HR Process Improvements PowerPoint file).

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In June 2021, two Employee Relations Officers positions were created to centralize departmental responsibilities, an additional upcoming organizational structure update will result in the centralization of two more department human resource managers (DHRMs). The concerns of inefficiencies expressed by the DHRMS in the ongoing audit were being tracked by the Managing Director, the feedback provided to the HR department was documented and implemented as part of the process improvements.

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Learning guides and “how to” videos have been created by the Performance Office learning team in conjunction with HR subject matter experts. They will continue to develop as process improvement projects are initiated and updated as needed. Training opportunities were identified directly through NeoGov and have been shared with HR staff for the various modules in use. The Employee Relations Officers have taken a continuous improvement approach to learning and are directly involved in the development of content with other HR Staff for videos and documentation (i.e., Performance Evaluation Module, Onboarding, Offboarding).





Human Resources

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Observation 3:

Quality controls and monitoring processes/procedures have been updated and continue to evolve as a result of an LSS project for the Onboarding/Offboarding processes that was initiated in March 2021. Updated roles and security features have been turned on for the purpose of quality control and user roles have been reviewed. Accessibility where needed, has been updated, dashboards to review ongoing recruitments and process time has been created. NeoGov delivered dashboards are available and are undergoing data validation to roll out to all departments for transparency in the hiring process.

The entire recruitment process is being re-evaluated for efficiency and to reestablish KPI's that are meaningful for the organization. Collaboration with department subject matter experts has been implemented for difficult recruitments and documentation has been shared with all department human resources managers to carry out these newly established procedures. The 2016 LSS project provided initial baselines and data for recruitment deadlines, all recruitments are now being reviewed and reported through to the Employee Relations Officers. Reports are being redesigned to assess the KPI's, these will be adjusted after the HR department meets in January 2022 for a department strategic planning session.

cc: Tommy Gonzalez, City Manager
Robert Cortinas, Chief Financial Officer

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DELIVERING EXCEPTIONAL SERVICES

HR Process Improvements



Onboarding (Digital Process)

- **Online Exams Module** – 4 Exams in use, no more scantrons (LSS SBR pending)
- **Subject Matter Expert Quick Win** – SME at the department works with HR recruitment to ensure skillsets are clear and candidates are reviewed appropriately for hard to fill positions
- **New Employee Email Notification** - Employees will receive an auto generated email once they are onboarded with relevant information (IT, HR, department information).

Offboarding (Digital Process)

- **New online process to notify departments in workflow** when an employee has separated to collect equipment, documentation and information. Updated exit survey included (dashboard coming soon) with information for departments to use in training to our weaknesses. (Pilot with focus groups in progress)

HR Service Request System (Ticketing system)

- **Employees will have a centralized system to submit requests/information** and not send to the entire department. Sensitive information will be routed through security controls by assignment. Will provide information and baseline on requests HR receives and a dashboard will be populated. (In Progress)



HR Process Improvements



Digital Forms

- **10 total forms** have been completed, saving paper and provide ease of use. Some digital forms include Above Pay Requests to streamline the request of above entry pay in order to reduce recruiting timelines.

WIC Payroll

- **70+ Employees** moved from paper timecards to the Kronos system. Providing a smooth payroll process.

Streamlining of Employment Contracts

- **Worked with City Attorney's Office** to pre-approve a digital template for contract requests minimizing wait times, enabling a quick onboarding for the departments.

Certification Waivers (Candidate Referrals)

- **Revisited language in the Certification & Hiring Policy** to update this process step. Improvement of recruitment wait times.

Department Restructuring

- **Added two Employment Relations Officers, Classification & Compensation Manager** (open recruitment)





HR Projects In Progress

1. **Classification & Compensation Review and Plan**
2. **Volunteer Program – In Pilot process, detailed update forthcoming in Jan. 2022**
3. **Civil Service Charter – top priorities for amendment process**
4. **Employee Recognition Program Revamp – Updated program to express our gratitude for their service to our organization & community.**
5. **Employee Relations Investigations Tracking System – In Procurement. Will streamline ALL investigations into an electronic system for ALL departments. Will provide dashboards and reporting allowing us to work with the Learning Team and train to our weaknesses.**
6. **Wellness Program Revamp – pending review/approval**
7. **SharePoint Transition – all shared documents now in the cloud with segmented security roles**
8. **Shared Parental Leave - Project in progress, 84% increase in donations of hours**
9. **Internal Service Surveys – January 2022 Updated survey collecting information to compare against the January 2021 data. All projects on this list were a result of the top concerns for departments.**

