



Internal Audit Report
Pinal County
Human Resources Review
February 2019

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Executive Summary

Background

Pinal County Internal Audit performed an internal audit of its Human Resources Department to evaluate the current state of the respective policies, procedures, and controls, and to identify Opportunities for Improvement (“OFI”).

The Human Resources Department is designed to manage the interaction between County management, departmental leadership and its employees. Centralized coordination of personnel (employee) matters allows County personnel to focus on managing County resources in an efficient and responsible manner. Accordingly, the role of the human resources function has evolved from that of an administrative function to a key strategic function that manages the County’s human capital. Individuals are an essential component of an organization’s performance, and the human resources function must enhance the value of this resource.

The responsibilities of a human resource department are varied and may involve several of the following functional areas:

1. Health, Safety and Security
2. Compensation and Benefits
3. Employee and Labor/Management Relations
4. Employee Recruitment and Retention
5. Leadership Development and
6. Internal Investigations

As of January 2019, the County has 1,920 active employees across forty distinct departments that were in scope for Internal Audit’s review of the County’s Human Resources department. Per discussion with Management, all Human Resource’s processes have remained relatively consistent over the previous three years, except that of the employee evaluation’s process. Specifically, in 2018, Pinal County implemented a new semi-annual employee performance evaluation process. As a result of the change, the initial round of employee evaluations for the new process occurred in June 2018.

Scope, Objective and Approach

Scope:

The scope of this review included:

- Understanding and evaluating adherence to current policies and procedures in place governing the Human Resources Department;
- Reviewing key processes within the Human Resources Department for adherence to compliance objectives and evaluating operational efficiencies for select sub-processes, including:
 - New Hire Recruitment and Onboarding
 - Employee Health and Benefits
 - Compensation and Classification
 - Employee Retention
 - Internal Investigations
 - Employee Performance Evaluation
 - Employee Training
- Verifying that employee information contained in key Human Resources Department databases is complete and accurate; and
- Validating employee benefits eligibility and calculations.

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Objectives:

The objectives of the review of Pinal County's Human Resources department were to:

- Understand and review Pinal County's policies and procedures around the Human Resources Department processes;
- Ascertain compliance with Federal and State regulations;
- Verify processes related to the Human Resource Department, including:
 - New Hire Recruitment and Onboarding
 - Employee Health and Benefits
 - Compensation and Classification
 - Employee Retention
 - Internal Investigations
 - Employee Performance Evaluation
- Employee Training
- Substantiate system access, authority levels and segregation of duties within the human resource processes;
- Evaluate the design and effectiveness of the newly implemented employee evaluation process;
- Ascertain the accuracy and completeness of benefits information maintained in the system of records;
- Identify improvement opportunities related to the efficiency and effectiveness of the human resources procedures and monitoring controls.

Procedures Performed:

Our review of the Pinal County Human Resources Department followed the Pinal County Internal Audit Methodology. Accordingly, detailed procedures performed entailed the following:

Phase 1

- Interview Human Resources personnel to gain an understanding of the current policies and procedures in place;
- Review select County policies and procedures to ascertain compliance with Federal and State regulations including, but not limited to: Occupational Safety and Health Administration (OSHA), Family and Medical Leave Act (FMLA), National Labor Relations Act (NLRA), etc.;
- Obtain a listing of current users with access to key Human Resources department databases and verify appropriateness of access permissions for a sample of selected employees;
- Select a sample of internal investigations performed by the Human Resources Department and verify that investigations and resulting actions were performed in accordance with established policies and procedures; and
- Interview Human Resources personnel to gain an understanding of the current training requirements and protocols in place

Phase 2

- Select a sample of employee performance evaluations and determine if evaluations were performed in alignment with new County guidelines;
- Select a sample of new hires and verify that all Federal and State requirements were appropriately reviewed, documented and retained by the county;
- Select a sample of new hires and verify that information entered into the Human Resources system of record agrees to onboarding documentation; and
- Select a sample of employee health and benefits transactions and determine if billing was appropriate, timely and was supported by retained documentation

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Summary of Results – Areas of Strength

As part of the above procedures documented, Internal Audit noted there were numerous strengths present in the Human Resources Department. The areas of strength documented by Internal Audit include, but are not limited, to the following:

- Leadership over Human Resources is experienced and knowledgeable of the subject matter related to the Internal Audit.
- Current Human Resources personnel are experienced and tenured in their respective positions, resulting in increased efficient in completing required tasks, implementing cross-training opportunities, and knowledge sharing across the County.
- Human Resources personnel have identified potential risk points and have attempted to implement steps to reduce exposure through technological innovation including automating employee benefits through E1, implementing an electronic evaluation system, and developing online training options.
- The Department has implemented a robust three-way review system for employee information entered into County information systems to ensure completeness and accuracy of data captured.
- Human Resources management was forthright and honest with the internal audit staff, resulting in consistent communication and sharing of information, which was helpful in identifying potential risks, documenting process gaps and developing operational recommendations to address process deficiencies.

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Summary of Results – Opportunities for Improvement

The following **opportunities for improvement** were observed during the review. Control and process improvement opportunities identified by Internal Audit are discussed more thoroughly in the Detailed Improvement Opportunities and Action Plans section that follows.

No.	Opportunities for Improvement	Risk Ranking
1.	The County does not have comprehensive policies and procedures in place to provide guidelines for key HR processes.	High
2.	The County does not perform periodic reviews of user access for its Human Resource IT systems, resulting in two terminated employees not having their access removed within both systems.	High
3.	There is an inconsistent application of onboarding procedures performed on newly hired County employees.	High
4.	A significant number of employees have not completed sexual harassment training within the required four-year window and completion of required sexual harassment trainings is not consistently tracked and monitored by the Human Resource department.	Medium
5.	Policies are reviewed and updated on an ad hoc rotational basis by section or upon change of organization policies by the Human Resources department, however, there is no defined review schedule or formalized timeline requirements to govern the timely review and approval of organizational policies and procedures.	Medium
6.	The Administrative Investigations policy requires enhancement to provide a sustainable framework for formalizing the investigations process.	Medium
7.	The County utilizes a fragmented approach to review compliance with select federal and state regulations. Accordingly, a formalized policy and framework are required to effectively ascertain organizational compliance with federal and state regulations is not in place.	Medium
8.	The County does not require employees that receive an evaluation score of 1 or lower to complete a performance improvement plan (PIP), resulting in an inability to formally document a strategy to improve performance and retention.	Medium
9.	Evidence of a formal review or reconciliation of monthly health and retirement benefits billing activity is not maintained by the Director of Human Resources. As a result, the County is unable to evidence its oversight of the completeness and accuracy of benefits billings.	Medium
10.	The County does not require Human Resources to be part of the new hire interview process. As a result, there may be inexperienced personnel conducting prospective employee interviews.	Low

*Risk Ranking: Includes High, Medium, and Low. See Risk Ranking Definitions in Appendix A for further detail.

In addition to the observations noted above, Internal Audit identified several process enhancements for management’s consideration. However, due to their low risk nature, Management responses for identified process enhancements are not required. Please review Appendix D for additional information on process enhancements identified during the engagement.

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Detailed Improvement Opportunities and Action Plans

No.	Improvement Opportunities	Risk Ranking*	Recommendations	Management Action Plan
1.	<p>The County does not have comprehensive policies and procedures in place to provide guidelines for key HR processes.</p> <p>As part of the HR Policies & Procedures Review, Internal Audit walked through an overview of the policy environment, the review and approval process for policy development, and the tracking and monitoring of state and federal regulations to ensure policies are kept within compliance.</p> <p>Per review of the County's existing policies and through discussion with the Director of Human Resources, Internal Audit noted the following general HR policies are in place:</p> <ul style="list-style-type: none"> • General Provision and Purpose (1.10) • New Hire Recruitment (3.00) • Compensation and Classification (4.20) • Policy Development and Review Process (1.70) • Federal and State Compliance Policies (FMLA, OSHA, ADA) • Administration of the Merit System (Rule 2) • Internal Investigations (3.65) • Unlawful Discrimination and/or Harassment (3.15) • Termination (Rule 10) • Disciplinary Actions (Rule 12) and • Evaluation and Compensation Plan (4.25). <p>However, Internal Audit noted the County does not have some policies in place to provide guidelines for universal HR processes. Key areas include:</p> <ul style="list-style-type: none"> • New Hire Orientation and Onboarding • Benefits Administration • 401K Administration • Compliance Monitoring and Tracking and • Training <p>As a result, the County does not official documentation in place to help ensure HR employee personnel, and other County employees, are provided with the information and process steps necessary to perform business activities in a manner</p>	High	<ol style="list-style-type: none"> 1. Develop policies around the following content areas: <ol style="list-style-type: none"> a. New Hire Orientation and Onboarding b. Benefits Administration c. 401K Administration d. Compliance Monitoring and Tracking and e. Training 2. Periodically evaluate the current suite of policies and procedures to identify policies requiring updates to reflect the current environment. 	<p>Responsible Party: Human Resource Director</p> <p>Expected Completion Date(s): #1 - December 31, 2020 #2 - July 1, 2021</p> <p>Management Action Plan #1: HR will identify existing policies and operational processes which support the key areas identified by the audit. All existing policies and procedures in the key areas will be reviewed and updated consistent with HR industry best practice (SHRM, ICMA, IMPA-HR, etc.) Gaps in documented information will be identified and new/revised policies and procedures will be developed as needed.</p> <p>Management Action Plan #2: Strategies for promoting compliance across County departments to be developed and implemented.</p>

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No.	Improvement Opportunities	Risk Ranking*	Recommendations	Management Action Plan
	consistent with County direction and in alignment with various legal regulations.			
2.	<p>The County does not perform periodic reviews of user access for its Human Resource IT systems, resulting in two terminated employees not having their access removed within both systems.</p> <p>Per inquiry with key personnel, Internal Audit determined that there is no annual/semi-annual review of user access for the following information systems by Human Resources personnel:</p> <ul style="list-style-type: none"> • Enterprise One (E1) • OnBase • SharePoint • Human Resources Shared Drive <p>As a result, due to the lack of periodic user access reviews, there is a risk that employees may have inappropriate access to key informational systems.</p> <p>Through additional procedures performed, Internal Audit noted that users of the HR Shared Drive generally appear appropriate, as all users are either a HR employee or on the Help Desk Team, however, IA found that two employees that did not exist on the Active Employees Listing had access to the HR Shared Drive. Per inquiry with Alexa Heimann, Internal Audit noted these employees were terminated previously, and their access was not appropriately removed from the system.</p>	High	<ol style="list-style-type: none"> 1. Perform periodic user access and permissions review for E1, OnBase, SharePoint and HR Shared Drive in alignment with County IT policies. 2. Immediately terminate access for the two identified individuals with inappropriate access to the HR Shared Drive. 	<p>Responsible Party: Human Resource Director</p> <p>Expected Completion Date(s): #1 - Complete #2 - December 31, 2019</p> <p>Management Action Plan #1: HR has implemented a procedure in order to provide IT with a list of terminated employees. Departments complete Status Change Forms which are processed through the OnBase system. HR must approve each Form to initiate the off-boarding process. When this task is accomplished, a list of terminated employees is created manually. This list is sent to IT on a weekly basis. IT uses this list to terminate network access for these employees.</p> <p>Management Action Plan #2: HR will work with IT to evaluate options to automate this process as well as to complete routine (minimum monthly) audits of the Human Resources IT system to ensure all termed employees have been removed and access to HR IT systems for existing employees are consistent with</p>

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No.	Improvement Opportunities	Risk Ranking*	Recommendations	Management Action Plan
				their current roles and responsibilities.
3.	<p>There is an inconsistent application of onboarding procedures performed on newly hired County employees.</p> <p>To effectively onboard new employees, Pinal County runs new employees through its new hire and onboarding process. During the onboarding process, employees are subject to:</p> <ol style="list-style-type: none"> 1. A Background Check 2. Employment Verification 3. Complete New Hire Orientation and 4. Complete New Hire Paperwork <p>During testing, Internal Audit noted that 2 of 8 employee new hires selected for testing did not have a consistent application of new hire procedures performed. Key item noted include:</p> <ul style="list-style-type: none"> • 1 of 8 employees selected for testing did not have a background check initiated or performed in a timely manner • 1 of 8 employees selected for testing did not have evidence of employee acceptance of formal terms for employment retained by the Human Resources department and • 1 of 8 employees selected for testing did not complete new hire orientation in a timely manner <p>Due to the inconsistent nature of procedures performed, there is a risk that employees may be hired and begin employment without completion of significant procedures (e.g. employment verification, formal acceptance of benefits, acknowledgment of the employee code of conduct).</p>	High	<ol style="list-style-type: none"> 1. Develop policies around the following content area (New Hire Orientation and Onboarding) 2. Develop a formal onboarding checklist that details the following: <ol style="list-style-type: none"> a. Required Tasks b. Task Deadlines/ Completion Dates c. Human Resources Task Ownership d. Formal Completion Sign-Off 	<p>Responsible Party: Human Resource Director</p> <p>Expected Completion Date: July 1, 2020</p> <p>Management Action Plan: HR will document existing practices/procedures; review and update onboarding procedures consistent with best practice; and identify any gaps in services in order to develop, as needed, an updated/revised onboarding process for all new hires and internal promotions and demotions.</p> <p>Standard operating procedures will be developed to ensure consistent application for all new hired County employees.</p>
4.	<p>A significant number of employees have not completed sexual harassment training within the required four-year window and completion of required sexual harassment trainings is not consistently tracked and monitored by the Human Resource department.</p>	Medium	<ol style="list-style-type: none"> 1. Develop a formal monitoring process to ensure that County Employees are completing required trainings within designated timeframes. 2. Establish a contact strategy to formalize training 	<p>Responsible Party: Human Resource Director and Employee Relations Training Team</p> <p>Expected Completion Date: Complete</p>

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No.	Improvement Opportunities	Risk Ranking*	Recommendations	Management Action Plan
	<p>The Pinal County Board of Supervisors has established a minimum four-year mandate for County employees to renew their completion of the County's Sexual Harassment training.</p> <p>Through detailed testing performed, Internal Audit noted that 11 of 25 employees selected for testing had not completed their sexual harassment training within the established four-year window.</p> <p>Accordingly, Internal audit noted that participation and completion of required sexual harassment trainings is not consistently tracked and monitored by the Human Resource department.</p>		<p>communications and sessions with County departments.</p>	<p>Management Action Plan: HR has implemented a procedure for tracking employee attendance at harassment/sexual harassment prevention trainings through its learning management system, Safe Personnel, and has created a training log.</p> <p>Attendance at classes is confirmed through physical sign-in rosters for each training class. A formal monthly review of the training logs has been implemented and employees who have not completed required training are identified by HR and the respective Department Directors are notified.</p>
5.	<p>Policies are reviewed and updated on an ad hoc rotational basis by section or upon change of organization policies by the Human Resources department, however, there is no defined review schedule or formalized timeline requirements to govern the timely review and approval of organizational policies and procedures.</p> <p>Through inquiry with Management, Internal Audit noted that policies are only updated if changes occur, or in anticipation of future organizational changes. Generally, it is the responsibility of the respective department to inform the Human Resources department of potential changes.</p> <p>However, the organization does not have a timeliness requirement for reviewing and updating its policies (Policy 1.70 - Policy Development and Review Process). As a result, there is a risk that County policies may not reflect the current environment and provide inaccurate information or direction to County personnel.</p>	Medium	<p>Update Policy #1.70 - Policy Development and Review Process to include the following:</p> <ol style="list-style-type: none"> a. Minimum review period of three years b. Defined Rotational Review Schedule 	<p>Responsible Party: Human Resource Director</p> <p>Expected Completion Date: July 1, 2020</p> <p>Management Action Plan: HR will work in partnership with County Management and Counsel to evaluate and determine which Pinal County policies should be considered critical and non-critical.</p> <p>A review procedure and schedule will be developed, for both critical and non-critical policies, and documented</p>

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No.	Improvement Opportunities	Risk Ranking*	Recommendations	Management Action Plan
				through a proposed revision to Pinal County Policy 1.70.
6.	<p>The Administrative Investigations policy requires enhancement to provide a sustainable framework for formalizing the investigations process.</p> <p>Through inquiry with Management, Internal Audit noted that the Investigations process is subjective in nature and is handled on a case by case basis by Human Resources personnel. Investigations are initiated by the Director of Human Resources and culminated in a formal investigation report.</p> <p>For the one investigation selected for testing, Internal Audit was unable to obtain supporting documentation of procedures performed during the course of the investigation as the evidence was not retained by the Human Resources department.</p> <p>Currently, the Human Resources team utilizes the process outlined in Policy #3.65 – Administrative Investigations to conduct investigations. Per review of the policy, Internal Audit noted that the policy requires enhancement to more effectively standardize the investigations process. As it currently is constructed, the policy does not define required investigative timelines or documentation retention standards.</p>	Medium	<p>Update Investigations Policy to include the following:</p> <ol style="list-style-type: none"> a. Establish appropriate tracking and documentation procedures for internal complaints and internal investigations b. Establish criteria for delineating complaints versus internal investigations c. Creating defined review timelines to ensure all submissions are appropriately investigated and d. Formalize escalation or resolution parameters. 	<p>Responsible Party: Human Resource Director</p> <p>Expected Completion Date: #1 - Completed #2 - December 31, 2019 #3 - December 31, 2020</p> <p>Management Action Plan #1: HR has implemented a formalized process to log, track, and document complaints and investigations received by the HR Department.</p> <p>Management Action Plan #2: HR will evaluate current decision-making processes and operational procedures to establish definitions that delineate between the many activities and roles that HR completes relative to:</p> <ul style="list-style-type: none"> • Employee Concerns • Complaints and • Alleged Policy Violations <p>Management Action Plan #3: HR will develop, as necessary, and document operational procedures consistent with each category, to include, the processes used to investigate and/or resolve complaints, timelines for response, escalation and resolution parameters.</p>

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No.	Improvement Opportunities	Risk Ranking*	Recommendations	Management Action Plan
7.	<p>The County utilizes a fragmented approach to review compliance with select federal and state regulations. Accordingly, a formalized policy and framework are required to effectively ascertain organizational compliance with federal and state regulations is not in place.</p> <p>Per inquiry with Management, Pinal County does not have a formalized framework in place to identify federal and state regulations that require additional monitoring procedures to ensure continued compliance. As a result, the County has a limited number of procedures in place to monitor compliance through its Occupational Nurse position (e.g. ADA, FMLA).</p> <p>Additionally, the County relies on individual departments to identify relevant regulations that apply to their respective department. As a result, any tracking or monitoring that may be occurring is done in a fragmented decentralized manner.</p>	Medium	<p>Develop a formalized risk assessment for State and Federal Regulations that addresses the following:</p> <ul style="list-style-type: none"> a. Identifies Applicable Regulations b. Assign Priority Rankings for Identified Regulations c. Identifies Monitoring Criteria d. Develops a Periodic Reporting Requirement 	<p>Responsible Party: Human Resources Director</p> <p>Expected Completion Date: July 1, 2021</p> <p>Management Action Plan: HR will identify key HR related federal and state regulations and a self-audit procedure, tool, schedule, and training will be developed, so that individual departments may self-audit their files and practices consistent with federal and state regulations.</p> <p>The Human Resources Department will develop and implement a review procedure and schedule where a Human Resources representative will audit select self-audit files to ensure compliance with federal and state regulations.</p>
8.	<p>The County does not require employees that receive an evaluation score of 1 or lower to complete a performance improvement plan (PIP), resulting in an inability to formally document a strategy to improve performance and retention.</p> <p>Currently, the County requires a performance evaluation to be performed on all County employees every fiscal year. Through the formalized evaluation process, employees are rated on a three-point scale with the following definitions:</p> <ul style="list-style-type: none"> 3 – Employee is Exceeding Expectations 2 – Employee is Meeting Expectations 1 – Employee is Not Meeting Expectations 	Medium	<p>Enhance the Evaluations Policy to incorporate the development of a personalized Employee Performance Improvement Plan (PIP) for employees that receive a “1” on the annual performance evaluation.</p>	<p>Responsible Party: Human Resources Director</p> <p>Expected Completion Date: July 1, 2020</p> <p>Management Action Plan: HR will work in partnership with County Management and Counsel to evaluate current policies and procedures concerning employees who receive an overall rating of “1-</p>

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No.	Improvement Opportunities	Risk Ranking*	Recommendations	Management Action Plan
	<p>Employees receiving a score of “3” or “2” are eligible for a compensation adjustment, while employees who are assigned a “1” are not eligible for a compensation adjustment.</p> <p>However, in the current environment, there is not an opportunity for the County to develop a formal plan (e.g. Employee Performance Improvement Plan) to address performance issues that substantiated the low performance score. Accordingly, there is a risk that employees without a formalized plan of action will not improve performance, decrease workplace efficiency, and increase employee turnover.</p>			<p>Needs Improvement” on an annual performance appraisal. HR will develop a recommendation for policy amendment/creation that promotes the use of consistent and formal strategies to address performance deficiencies through performance improvement plans or other means such that employees who receive an evaluation rating of “Needs Improvement” have ideally had or are provided with clear performance expectations.</p>
9.	<p>Evidence of a formal review or reconciliation of monthly health and retirement benefits billing activity is not maintained by the Director of Human Resources. As a result, the County is unable to evidence its oversight of the completeness and accuracy of benefits billings.</p> <p>Per discussion with Human Resources Management, retention of evidence of monthly reviews or reconciliations of health or retirement benefits invoices is not performed by the Director of Human Resources.</p> <p>As a result, Internal Audit was unable to validate that monthly invoices were accurate or substantiate that an on-going process existed to validate the completeness and accuracy of monthly billings. Per review of the invoices obtained from July-December 2018, Internal Audit noted that the average monthly Ameriben invoice totalled \$1,412,805.88 for Health Benefit charges. Accordingly, it is critical that the County have assurance that bills submitted for the material amount noted above are accurate and complete.</p>	Medium	<p>Develop a monthly reconciliation process to ascertain the accuracy and completeness of the monthly Health and Retirement invoices. The reconciliation should include the following:</p> <ol style="list-style-type: none"> a. Sampling approach that incorporates all deduction types b. Reconciliation between employee selection and deduction recorded c. Agreement of deduction price to plan pricing d. Agreement of total number of employees on invoice to total number of employees with benefit elections 	<p>Responsible Party: Human Resources Director</p> <p>Expected Completion Date: July 1, 2019</p> <p>Management Action Plan: HR has implemented a procedure for review and reconciliation of monthly health benefits billing.</p> <p>A procedure will be developed and implemented by July 1, 2019 where the deferred compensation billing will be audited against information obtained from Nationwide on a monthly basis.</p> <p>HR will develop and implement a tracking tool to document reviews completed, along with any discrepancies and resolution.</p>

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No.	Improvement Opportunities	Risk Ranking*	Recommendations	Management Action Plan
10.	<p>The County does not require Human Resources to be part of the new hire interview process. As a result, there may be inexperienced personnel conducting prospective employee interviews.</p> <p>Per discussion with Management, there is no mandate for a member of the Human Resources team to be part of the formal candidate interviewing process. While the Human Resources team does provide an opportunity for interviewers to submit questions for consultation, it is not a formal requirement.</p> <p>Accordingly, there is a risk that potential interviewers may not identify the best candidates due to:</p> <ul style="list-style-type: none"> • Lack of knowledge of interviewing best practices • Misunderstanding of desired candidate behaviors or • Lack of knowledge on key positional details (e.g. Salary, Paid Time Off, Retirement Benefits, etc.) <p>In addition to the items noted above, there are legal ramifications that can originate from the interview process if the interviewer is unaware of “illegal” questioning patterns that may have adverse litigious results for the County.</p>	Low	Develop a formalized interviewing job aid or policy document for interviewers to utilize during the hiring process.	<p>Responsible Party: Human Resource Director</p> <p>Expected Completion Date: July 1, 2021</p> <p>Management Action Plan: HR will develop a hiring and interview guide to serve as a training tool and resource for all interview panel members to review prior to conducting interviews.</p> <p>The Human Resources Department will develop audit procedures and implement an audit schedule to ensure compliance by July 1, 2021.</p>

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Appendix A: Pinal County Risk Ranking Definitions

High	Medium	Low
Material impact on financial statements of the organization	Less than a material impact on financial statements	No impact on financial statements
Significant impact on the operating effectiveness	Moderate impact on operating effectiveness	Minor impact on operating effectiveness
Significant impact on the safeguarding of critical assets throughout the organization	Moderate impact on the safeguarding of critical assets	No significant risk to the organization
Significant impact on the accomplishment of the operational objectives for the organization	Moderate impact on the accomplishment of the operational objectives	Management relied upon for minor modifications to manage the issue
Significant impact on management's decision making for the organization	Moderate impact on management's decision making	Materiality is low
Significant risk for non-compliance with regulations, laws and policies	Potential for non-compliance with regulations, laws and policies	Minimal risk for non-compliance with regulations, laws and policies
Significant risk for litigation for the organization	Potential risk for litigation	Low risk for litigation
Numerous occurrences of the noted issue	Random occurrences of the noted issue	Minimal occurrences of the noted issue
No controls or mitigation plans exist	Controls/ mitigation plans need to be updated and improved	Controls/ mitigation plans are in place and consistently applied
Significant impact/loss of staff, critical widespread impact on morale	Some impact on a few staff or negative impact on morale	Minimal impact on staff

Appendix B: Statement of Limitations

This report (e.g. report of findings/recommendations, table, chart, summary) provides Pinal County management with information about the condition of risks and internal controls at one point in time. Future changes in environmental factors and actions by personnel will significantly and adversely impact these risks and controls in ways that this report did not and cannot anticipate.