

PERFORMANCE AUDIT REPORT

DEPARTMENT OF HUMAN RESOURCES

**FOR THE PERIOD FROM
JULY 1, 2013 THROUGH JUNE 30, 2015**

March 8, 2017



City of Baltimore
Department of Audits



March 8, 2017

Honorable Joan M. Pratt, Comptroller
And Other Members of the Board of Estimates
City of Baltimore

We conducted a performance audit of the internal controls and related policies, processes, and procedures for selected performance measures within the Service Areas of the Department of Human Resources. The purpose of our audit was to determine whether the Department of Human Resources (DHR) met its targets for selected performance measures and to assess whether the internal controls and the related policies and procedures to monitor, control, and report activities related to those performance measures produced valid and reliable information for fiscal years 2014 and 2015, except for the Benefits Administration percent of Employee Assistance Program (EAP) cases successfully resolved, which measured and reported the 2014 and 2015 results on a calendar year basis.

A summary of our audit results, and where applicable, recommendations to improve the effectiveness of control procedures, follows:

Audit Results

- According to DHR Reports, DHR met its target for 2015 (measured and reported on a calendar year basis) for the percent of EAP cases successfully resolved. DHR also reported that it did not meet its target for 2014 (measured and reported on a calendar year basis) for the percent of EAP cases successfully resolved. Because of employee confidentiality and the Health Insurance Portability and Accountability Act (HIPAA), however, we could not test the underlying documentation supporting the reported amounts.
- For 2014 and 2015, the percent of EAP cases successfully resolved was defined by DHR as the percent of employees cleared to return to work after one drug test. However, even if we could test the supporting documentation, DHR subsequently determined that the metric measured and reported for calendar years 2014 and 2015 was an ineffective measure of EAP's performance because employees are sent to, or voluntarily enter, the EAP for various reasons besides substance abuse, such as, workplace violence, stress, attendance, mental health, grief/loss,

marital/family issues, work performance, or conduct/conflict. As a result, in the *Fiscal Year 2016 Agency Detail Board of Estimates Recommendations* (Budget Book), the metric was changed to the percent of EAP cases successfully resolved, based on returns for the same reason, i.e., a case is now considered successfully resolved if the employee does not return to EAP for the same reason.

- DHR reported that it did not meet its targets included in the fiscal years 2014 and 2015 Budget Books for the average number of working days to fill Civil Service vacancies. Also, we could not determine whether DHR's calculation for reporting the average number of working days to fill Civil Service vacancies resulted in accurate and reliable results because of several factors outlined on pages 8 to 10 of this report.
- DHR reported that it did not meet its targets included in the fiscal years 2014 and 2015 Budget Books for the percent of Classification and Compensation Projects meeting the Service Level Agreement deadlines. Also, we could not determine whether DHR's calculation for reporting the percent of Classification and Compensation Projects completed within the Service Level Agreement deadlines resulted in accurate and reliable results because of the factors outlined on pages 13 to 14 of this report.

Based on discussions with DHR officials, they informed us of the following impediments and high priority initiatives that occurred during fiscal years 2014 and 2015 in the Recruitment and Talent Acquisition Division and the Classification and Compensation Division that contributed to its inability to meet the performance measure targets.

- There was significant turnover and several key vacancies within DHR.
- Remaining Recruitment and Talent Acquisition Division staff assumed primary responsibility for administering the Baltimore City Police Department's (BCPD) promotional assessments for more than 600 participants. Also, it administered several Baltimore City Fire Department (BCFD) promotional assessments and began planning for the BCFD entry level assessment, which generated more than 6,000 applications.
- There was a moratorium in the Classification and Compensation Division on Managerial and Professional Society (MAPS) transactions, including appointments, transfers, salary adjustments, and reclassifications, while DHR worked to implement the MAPS Salary Study, which sought to address long standing pay compression and pay equality issues. The MAPS Salary Study addressed new or revised classifications, job codes, pay ranges, and salaries for more than 2,000 positions.
- Limited automation and systems integration also impeded the efficiency and effectiveness of its operations.

Recommendations

We recommend that:

- In accordance with Baltimore City's Administrative Manual (Section AM-502-1), DHR continue to establish and improve its policies and procedures to adequately maintain records.
- DHR continue to establish written policies and procedures to document the methodology for developing the performance measure targets and reporting actual results for the average number of working days to fill Civil Service vacancies. Additionally, we recommend that the revised policies and procedures include definitions of the key terms used in the Life Cycle Report, generated by DHR to compile the results for the average number of working days to fill Civil Service vacancies.
- DHR periodically review the Life Cycle Report for completeness and accuracy; for example, in situations where the Life Cycle Report indicates that the position was filled, but an employee's start date was not entered by the agency requesting to fill the position.
- DHR meet with the Department of Finance, Bureau of Budget and Management Research, to discuss possibly modifying the performance measure to address only the DHR's responsibilities, rather than incorporating requisitioning agencies' responsibilities over which DHR has no control.
- If performance measure targets are revised by DHR and approved by the Department of Finance, the targets for prior years (in this case fiscal years 2014 and 2015) should not be changed in subsequent year Budget Books without adequate disclosure in order to avoid performance results that would be misleading.
- DHR establish written policies and procedures to document the methodology for developing the Classification and Compensation Projects performance measure targets and reporting actual results. Additionally, we recommend that DHR review the reports generated to show actual performance measure results, especially the Classification and Compensation Projects that were reportedly completed in a negative amount of days to determine whether the information for those Projects requires corrections and whether those Projects should be included in the calculation of the performance measure results.
- DHR develop more precise criteria for determining whether the Classification and Compensation Projects targets were met for small, medium, and large Projects. Before changing any future performance measures, however, DHR should follow the procedures established by the Department of Finance, Bureau of Budget and

Management Research, for the review and approval of any suggested changes to performance measures.

- DHR pursue the possibility of enhancing its systems and automation capabilities by assessing its needs and determining potential software solutions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert L. McCarty, Jr.", written in a cursive style.

Robert L. McCarty, Jr., CPA
City Auditor

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Background Information

The City Charter established the Civil Service Commission to advise the Mayor on personnel matters and provide oversight to the Department of Human Resources (DHR) that is also established by the City Charter. The Department of Human Resources makes recommendations to the Civil Service Commission and administers the rules and regulations governing the selection, appointment, promotion, demotion and discipline of City employees. It also provides comprehensive human resources programs and services including training to attract, develop, and retain an organizationally effective workforce.

While the Civil Service Commission is responsible for the final determination of personnel rules and regulations, rules on appeals of terminations, suspensions over 30 days, and demotions of Civil Service employees, most of the daily work is performed by the DHR. Its various functions are performed by individual Divisions under the direction of the Director of Human Resources.

The Benefits Administration (Service 771) is responsible for administering the City's health and welfare plans. The Division provides centralized administration for the self-insured medical plans; the prescription drug and Medicare Part D benefits; a dental Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO); a vision plan; basic and optional life insurance programs; two flexible spending accounts; the unemployment insurance program; and the Employee Assistance Program (EAP).

Civil Service Management (Service 772) is responsible for identifying, classifying into work groups, and establishing compensation levels for the positions that comprise Baltimore City's workforce. It is also responsible for salary administration, overseeing salary policy issues, and developing and maintaining specifications for job classifications.

Audit Scope, Objectives and Methodology

We conducted a performance audit of the internal controls and related policies, processes, and procedures for selected performance measures within the Service Areas of the Department of Human Resources. The purpose of our audit was to determine whether the Department of Human Resources (DHR) met its targets for selected performance measures and to assess whether the internal controls and the related policies and procedures to monitor, control, and report activities related to those performance measures produced valid and reliable information. We conducted our audit in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of our audit were to determine whether DHR met its targets for selected performance measures and to assess whether DHR's internal controls and related policies, processes, and procedures were effectively designed and placed in operation to monitor, control,

and report valid and reliable information related to those performance measures for fiscal years 2014 and 2015, except for the Benefits Administration percent of Employee Assistance Program (EAP) cases successfully resolved, which measured and reported the 2014 and 2015 results on a calendar year basis. As part of our audit, we addressed selected performance measures within the following Department of Human Resources' Service Areas:

1. Benefits Administration – Service 771. We conducted our audit of the DHR's efforts to meet its targets for the percent of EAP cases successfully resolved. The targets included in the fiscal year 2014 and fiscal year 2015 Budget Books were 100% and 96%, respectively. However, the actual performance metrics were measured and reported on the calendar year basis. (Priority Outcome: Innovative Government; Performance Measure Type: Effectiveness)
2. Civil Service Management – Service 772. We conducted our audit of DHR's efforts to meet its targets for the average working days to fill a vacancy. The targets were 60 days for both fiscal years 2014 and 2015. (Priority Outcome: Innovative Government; Performance Measure Type: Effectiveness)
3. Civil Service Management – Service 772. We conducted our audit of DHR's efforts to meet its targets for the percent of classification projects meeting service level agreements. The targets were 95% for both fiscal years 2014 and 2015. (Priority Outcome: Innovative Government; Performance Measure Type: Output)

To accomplish our objectives, we conducted inquiries of key individuals in order to obtain an understanding of the internal controls and related policies, processes and procedures, and systems, established by DHR for the selected performance measures. Where possible, we also utilized the systems' documentation obtained as part of our audit of the City's Comprehensive Annual Financial Report (CAFR). We also performed tests, as necessary, to verify our understanding of the applicable policies and procedures; reviewed applicable records and reports utilized to process, record, monitor, and control DHR's functions pertaining to the selected performance measures; assessed the efficiency and effectiveness of those policies and procedures; and determined whether DHR met its performance measure targets. We performed tests of various records and reports for the period from July 1, 2013 through June 30, 2015.

We could not test the underlying documentation supporting the reported amounts for the percent of EAP cases successfully resolved because of employee confidentiality.

Our audit results, and where applicable, our findings and recommendations are detailed in the Audit Results/Findings and Recommendations section of this report. The responses of the Department of Human Resources are included as part of each finding.

Audit Results/Findings and Recommendations

Benefits Administration – Percent of Employee Assistance Program Cases Successfully Resolved

Background

The Employee Assistance Program (EAP) is a counselling service for all permanent employees within the City, except the Fire Department and uniformed members of the Police Department, who are experiencing problems that may interfere with job performance. An EAP case may either be a Supervisory Referral or a Self-Referral. The EAP's Confidentiality Rights and Privileges, and Federal and State laws and regulations (Health Insurance Portability and Accountability Act – HIPAA and Maryland's Confidentiality of Medical Records Act) protect the confidentiality of Baltimore City EAP clients' records. Generally, EAP may not reveal to any person outside the Program that a client attends the Program or any other information about the client's case, except under certain circumstances; for example, the client gives written permission to release such information.

Analysis – Audit Results

According to DHR Reports, DHR met its target for 2015 (measured and reported on a calendar year basis) for the percent of EAP cases successfully resolved. The 2015 target was 96% and the reported actual was 97%. However, DHR did not meet its target for 2014 (measured and reported on a calendar year basis) for the percent of EAP cases successfully resolved. The 2014 target was 100% and the reported actual was 88%. Because of employee confidentiality, however, we could not test the underlying documentation supporting the reported amounts. Also, for 2014 and 2015, the percent of cases successfully resolved was defined by DHR as the percent of employees cleared to return to work after one drug test. However, even if we could test the supporting documentation, the metric measured and reported was not an accurate measure of performance because employees are sent to, or voluntarily enter, the EAP for various reasons besides substance abuse; such as, workplace violence, stress, attendance, mental health, grief/loss, marital/family issues, work performance, or conduct/conflict. In the Fiscal Year 2016 Budget Book, the metric was changed to the percent of EAP cases successfully resolved, based on returns to the EAP for the same reason; i.e., a case is now considered successfully resolved if the employee does not return to EAP for the same reason.

Civil Service Management – Average Number of Working Days to Fill Civil Service Vacancies

Background

One of the responsibilities of the Department of Human Resources (DHR) is the recruitment of prospective employees to fill Civil Service vacancies. The recruitment process begins when an agency sends a request to DHR to fill a Civil Service vacancy and ends when the agency hires

someone to fill the position. The agency initiates its request through NEOGOV (the City's online Applicant Tracking System - also known as eRecruit System) to fill a Civil Service vacancy. DHR receives the request, reviews it, and approves it to be posted on NEOGOV for a minimum of two weeks. DHR may post those positions for up to 90 days, depending on the needs of the requesting agency. DHR reviews and evaluates the applications received to determine whether the applicants meet the minimum qualifications for the jobs. If so, DHR creates a Referred/Certification List of Eligible Candidates (Referred List) to be considered by the hiring agency to fill the jobs. Currently, there is a 60-day window for agencies to select and hire from the Referred List. After 60 days, however, the applicable requisition for that Referred List can be replaced with a new requisition if the agency still wants to fill the position.

DHR generates Life Cycle Reports, based on information contained in the NEOGOV (eRecruit) system, to compile the results for the average number of working days to fill Civil Service vacancies.

Finding #1

DHR reported that it did not meet its targets included in the fiscal years 2014 and 2015 Budget Books for the average number of working days to fill Civil Service vacancies. Also, we could not determine whether DHR's calculation for reporting the average number of working days to fill Civil Service vacancies resulted in accurate and reliable results.

Analysis

DHR reported that it did not meet its targets included in the fiscal years 2014 and 2015 Budget Books for the average number of working days to fill Civil Service vacancies. According to the Budget Books, the target for each of those fiscal years was 60 working days, but the reported average number of working days to fill Civil Service vacancies was 87 for fiscal year 2014 and 81 for fiscal year 2015. Because of personnel changes, DHR was not sure how the actual amounts were previously calculated for fiscal years 2014 and 2015; and therefore, it recalculated the actual amounts as 74 working days for fiscal year 2014 and 79 working days for fiscal year 2015. In either case, however, the actual amounts exceeded the performance measure targets. The target amount for fiscal year 2014 was changed in the fiscal year 2016 Budget Book from 60 working days to 105 working days, and the target amount for fiscal year 2015 was changed in the fiscal year 2016 Budget Book from 60 working days to 70 working days.

Although DHR did not meet its targets for fiscal years 2014 and 2015, we could not determine whether DHR's calculation for reporting the average number of working days to fill Civil Service vacancies resulted in accurate and reliable results because of several factors:

- For fiscal year 2014, the Life Cycle Report that we received from DHR included 942 requisitions, but only 410 of those requisitions included start dates for the particular job positions, and therefore, were used in DHR's calculation. Two hundred and seventy three (273) of those 410 requisitions were classified as filled. Also, 137 of those 410 requisitions were classified as canceled, even though those 137 requisitions included start dates.

- For fiscal year 2015, the Life Cycle Report that we received from DHR included 809 requisitions, but only 361 of those requisitions included start dates for the particular job positions, and therefore, were used in DHR's calculation. One hundred and thirty one (131) of those 361 requisitions were classified as filled. Another 224 of those 361 requisitions were classified as canceled and 6 of those 361 requisitions were classified as open, even though those 230 requisitions included start dates.
- There were 520 requisitions in the fiscal year 2014 Life Cycle Report that did not have start dates and, therefore, were not included in DHR's calculation for fiscal year 2014. However, 377 of those 520 requisitions included dates that the listings of eligible candidates were referred to the agencies requesting the positions to be filled, but those requisitions were not included in DHR's calculation for fiscal year 2014.
- Similarly, there were 435 requisitions in the fiscal year 2015 Life Cycle Report that did not have start dates and, therefore, were not included in DHR's calculation for fiscal year 2015. However, 302 of those requisitions included dates that the listings of eligible candidates were referred to the agencies requesting the positions to be filled, but those requisitions were not included in DHR's calculation for fiscal year 2015. We were told that it is the hiring agencies' responsibility to enter the employee's start date, and sometimes, the hiring agencies failed to do so.
- Twelve (12) requisitions on the fiscal year 2014 Life Cycle Report and 13 requisitions on the fiscal year 2015 Life Cycle Report showed employees' start dates, but were not included in DHR's calculation because the number of working days to fill those positions resulted in negative amounts; i.e., the requisition dates were after the employees' reported start dates.
- DHR's calculations in the Life Cycle Reports for the number of working days to fill a Civil Service vacancy were based on the creation date of the agencies' requisitions and the employees' start dates. However, for both fiscal years 2014 and 2015, sometimes one requisition included several employees hired with various starting dates. Based on our review of the Life Cycle Reports, only one of those starting dates was used in DHR's calculation.
- A Referred List of prospective candidates is created for the hiring agency. After 60 days, however, the applicable requisition for that Referred List normally expires but can be replaced with a new requisition if the hiring agency still wants to fill the position. However, the number of days the original requisition was open and not filled is not included as part of the calculation to determine the number of working days to fill Civil Service vacancies for both fiscal year 2014 and fiscal 2015.
- The requisition listings used by DHR are based on information from NEOGOV to calculate the number of working days to fill a Civil Service vacancy. However, we tested 80 requisitions (40 from fiscal year 2014 and 40 from fiscal year 2015) and found that for 26 of those requisitions, the employees' start dates included on the listing differed from

the employees' start dates reported in the City's Human Resources Information Systems (HRIS).

DHR personnel also informed us that a lack of automation and systems integration hindered the efficiency and effectiveness of its operations.

Recommendation #1

We recommend that, in accordance with Baltimore City's Administrative Manual (Section AM-502-1), DHR continue to establish and improve its policies and procedures to adequately maintain records. We also recommend that DHR continue to establish written policies and procedures to document the methodology for developing the performance measure targets and reporting actual results. Additionally, we recommend that the revised written policies and procedures include definitions of the key terms used in the Life Cycle Report. We also recommend that DHR periodically review the Life Cycle Report for completeness and accuracy; for example, in situations where the Life Cycle Report indicates that the position was filled, but an employee's start date was not entered by the agency requesting to fill the position. In this regard, we further recommend that DHR meet with the Department of Finance, Bureau of Budget and Management Research, to discuss possibly modifying the performance measure to address only the DHR's responsibilities, rather than incorporating requesting agencies' responsibilities over which DHR has no control. It is our understanding that DHR has developed its own internal performance measure targets that are not dependent upon other agencies completing their tasks, but those internal performance targets are not included in the City's Budget Books. If performance measure targets are revised by DHR and approved by the Department of Finance, the targets for prior years (in this case fiscal years 2014 and 2015) should not be changed in subsequent year Budget Books without adequate disclosure in order to avoid performance results that would be misleading. We also recommend that DHR pursue the possibility of enhancing its systems and automation capabilities by assessing its needs and determining potential software solutions.

Agency's Response

The Recruitment and Talent Acquisition Division, the Classification and Compensation Division, and all Divisions within the Department of Human Resources perform enterprise wide functions that impacted the entire workforce of more than twelve thousand (12,000) employees during that time. DHR fiscal year 2014, key leadership vacancies included Deputy Director Human Resources Operations and the Chief, Recruitment, and Talent Acquisition Division positions. Additionally, during this time period, the Recruitment and Talent Acquisition Division was budgeted for seven full-time positions, however due to separations, only three of the seven positions were filled.

In the Recruitment and Talent Acquisition Division, the sole Test Administrator who had significant institutional knowledge separated from service leaving the remaining three members of the Recruitment and Talent Acquisition Team to manage the full scope of test administration responsibilities; which included 24 tests being administered to 2,298 applicants during the referenced period.

Due to the significant staff shortages and the loss of institutional knowledge, the targets for FY2014 and FY2015 as outlined in the Budget book could not be replicated or authenticated for the average working days to fill Civil Service vacancies. To report performance actuals in FY2016, a new algorithm was developed. It is important to note however that in the full 45 to 60 working day life cycle of a recruitment, there are three separate processes. The initial phase of which is owned by the Requisitioning Agency and requires the submission of a complete and accurate requisition which includes the review of the classification specification; providing a position title, the type of the recruitment (open, promotional etc.) identification of an SME; and supplemental questions. The DHR action date signifies the transfer of responsibility from the Requisitioning Agency to DHR and includes 20-25 working days for processing before the responsibility transitions back to the Agency.

The actual working days to fill Civil Service positions begins when an Agency created and approved requisition is initiated. This date is referred to as the DHR Action Date. The full life cycle for a Civil Service recruitment is 45 to 60 working days and includes DHR and Requisitioning Agency responsibilities. When you isolate DHR's responsibility, it equates to 20-25 working days.

DHR agrees with the [Auditor's analysis presented on page 8] however, we refute the reported 105 working days that was changed in the fiscal year 2016 Budget Book. DHR has no record or information regarding the change.

Both the Recruitment and Talent Acquisition Division and the Classification and Compensation Division are developing policies and procedures that more adequately address record maintenance.

DHR is in the process of developing key performance indicators and metrics to identify, track, and monitor its established outcomes, outline standard protocols, and provide definitions for key terms used in reporting

Presently, the Life Cycle Report is reviewed for completeness and accuracy on a monthly basis by the DHR Recruitment & Talent Acquisition Division. When it has been determined that an Agency has not entered data into an essential field, Agencies will be encouraged to update the eRecruit system.

DHR consistently practices transparency and is forthcoming with information regarding progress in meeting performance measure targets, however, DHR is not consulted about the information that is included in the Budget Books: the Department of Finance makes those decisions in isolation

DHR submitted amended performance measures as a part of the FY 2015 budget process. Several of the DHR submitted and preferred performance measures, which more accurately depicted its performance, were not approved for use by the Department of Finance.

The current eRecruit NeoGov system is limited. Critical information necessary to capture key data points such as the approval date for example are not fields that NeoGov pulls for performance measurement. DHR is pursuing the possibility of enhancing its systems and automation capabilities and has begun assessing Enterprise eRecruit wide system needs that will accommodate the entire City.

DHR is in full agreement with the recommendation to pursue the possibility of enhancing its systems and automation capabilities by assessing its needs and determining potential software solutions.

Civil Service Management – Percent of Classification and Compensation Projects Meeting the Service Level Agreement

Background

The Classification and Compensation Division is responsible for consulting and advising on the design, development, and review of the organizational structure of the City's agencies. It was established to provide consistency related to the job requirements across all City agencies and to ensure that similar job classifications and functions are compensated equivalently within the same salary range. Classification refers to placing the positions into the agencies' organizational structure, and compensation refers to the applicable salaries and wages for those positions.

The process begins when an agency submits a classification and compensation packet to the Department of Finance, Bureau of Budget and Management Research (BBMR) for approval of whether funds are available. Once BBMR approves the requisition, it is sent to DHR's Classification and Compensation Division for approval and determination of the job classification and compensation (pay grade level) of the position. The requisition is sent back to BBMR and then it is forwarded to the Expenditure Control Committee (ECC) for approval, and then to the City's Board of Estimates (BOE) for its approval. After BOE's approval, the agency enters the necessary information concerning the position into the HRIS, where it remains in a pending status until it is approved by DHR. Once the position is approved, DHR's Recruitment Division takes over the recruitment process to fill the vacancy.

A Project Log is maintained by the Classification and Compensation Division to track the number of classification and compensation requests and the status of those requests. We were told that the Division Chief conducts daily update meetings with each analyst to monitor the actions taken for each requisition.

Based on our interview with the Division Chief, the performance measure's actual results were calculated from the time when the request was received from the agency to the time it was completed (date approved by the Classification and Compensation Division Chief).

Finding #2

DHR reported that it did not meet its targets included in the fiscal years 2014 and 2015 Budget Books for the percent of Classification and Compensation Projects meeting the Service Level Agreement deadlines. Also, we could not determine whether DHR's calculation for reporting the percent of Classification and Compensation Projects completed within the Service Level Agreement deadlines resulted in accurate and reliable results because of various factors.

Analysis

DHR reported that it did not meet its targets included in the fiscal years 2014 and 2015 Budget Books for the percent of Classification and Compensation Projects (Projects) meeting the Service Level Agreement deadlines. Service Level Agreement deadlines refer to the measuring criteria for the types of Classification and Compensation project requests. For example, the deadline for small project requests is three to four days; while the deadline for medium project requests is one to four weeks; and the deadline for large project requests is two to four months. Project requests are categorized by DHR as small, medium, and large, depending upon various criteria. For fiscal year 2014, the target was 95%, but the actual amount for fiscal year 2014, as reported in the fiscal year 2016 Budget Book, was 88%. According to the fiscal year 2016 Budget Book, however, the target for fiscal year 2014 was reduced to 85%; and therefore, the actual amount reported in the fiscal year 2016 Budget Book (88%) exceeded the revised fiscal year 2014 target. For fiscal year 2015, the target was 95%, but the actual amount for fiscal year 2015 reported in the fiscal year 2017 Budget Book was 86%.

Although DHR did not meet its targets for fiscal year 2014 and 2015, we could not determine whether DHR's calculation for reporting the percent of Classification and Compensation Projects completed within the deadlines resulted in accurate and reliable results because of the following factors:

- The actual percent of Classification and Compensation Projects completed within the deadlines that was reported in the City's Budget Books differed from the percent of those projects completed within the deadlines on DHR's reports that it furnished us for testing. For example, according to the fiscal year 2017 Budget Book, the percent of projects completed within the deadlines for fiscal year 2015 was 86%; however, according to the report that DHR furnished us for testing, the percent of projects completed within the deadlines was 75%. According to DHR, there was significant staff turnover during fiscal years 2014 and 2015, and not all of the data requested, including the comprehensive project log and the methodology used to determine the actual percentages, was located. Therefore, DHR recreated the reports for our testing.
- According to the report that DHR furnished us for fiscal year 2015, 895 of the 1,188 Projects were completed within the deadlines; however, this included 162 Projects that were completed in a negative amount of days (136 of those Projects did not include any determination dates and 26 of those Projects included determination dates but those dates occurred before the date of the agency's requests for the Classification and Compensation Project). Similarly, for fiscal year 2014, 1,138 of the 1,347 projects were completed

within the deadlines; however, this included 20 Projects that were completed within a negative number of days.

- The determinations of whether the Classification and Compensation Projects were completed within the established deadlines were based on the type of the Projects (small, medium, or large). The fiscal year 2015 report that DHR furnished us for audit testing, however, included 69 Classification and Compensation Projects that were counted as meeting the deadlines and 14 Projects that were counted as not meeting the deadlines, but the types for those 83 Projects were left blank on the report.

DHR personnel also informed us that limited automation and systems integration impeded the efficiency and effectiveness of its operations.

Recommendation #2

We recommend that, in accordance with Baltimore City's Administrative Manual (Section AM-502-1), DHR continue to establish and improve its policies and procedures to adequately maintain records. We also recommend that DHR continue to establish written policies and procedures to document the methodology for developing the performance measure targets and reporting actual results. Additionally, we recommend that DHR review the reports generated to show actual performance measure results, especially the Classification and Compensation Projects that were reportedly completed in a negative amount of days to determine whether the information for those Projects requires corrections and whether those Projects should be included in the calculation of the performance measure results. We also recommend that DHR pursue the possibility of enhancing its systems and automation capabilities by assessing its needs and determining potential software solutions. We further recommend that DHR develop more precise criteria for determining whether the Classification and Compensation Projects targets were met for small, medium, and large Projects. Before changing any future performance measures, however, DHR should follow the procedures established by the Department of Finance, Bureau of Budget and Management Research, for the review and approval of any suggested changes to performance measures.

Agency's Response

The Department of Human Resources acknowledges that it did not meet its 2014 and 2015 targets. The master log used to track project status and completion times could not be accessed via the server and, therefore, had to be recreated for audit purposes. The methodology used to determine reported actuals for this period also had to be recreated..

The Classification and Compensation project log is recorded and maintained manually. The log which tracks project phases, descriptions, completion time, exceptions, and ongoing project disposition is a laborious process. During the period in question, maintaining the integrity of the log became especially challenging with staff turnover and the MAPS Study Implementation and Appeal processes which greatly monopolized staff time.

The Recruitment and Talent Acquisition Division and the Classification and Compensation Division are developing policies and procedures that more adequately address record maintenance.

DHR is in the process of developing key performance indicators and metrics to identify, track, and monitor its established outcomes.

The reporting of negative values is, in fact, an error which is best presumed to have been brought about by the consolidation/recreation of the Master report used in the audit.

Additionally, the Classification and Compensation Division is updating policies and procedures and has plans to pilot an electronic Classification and Compensation request submission and reporting system. This initiative will include a review of older policies which will be revised to determine the necessity for additional or reformed procedures.

DHR is in full agreement with the recommendation to pursue the possibility of enhancing its systems and automation capabilities by assessing its needs and determining potential software solutions.

DHR consistently practices transparency and is forthcoming with information regarding progress in meeting performance measure targets. DHR is not routinely consulted regarding what information should or should not be included in the Budget Books, the Department of Finance makes those decisions in isolation.

DHR submitted amended performance measures as a part of the FY 2015 budget process. Several of the DHR submitted and preferred performance measures, which more accurately depicted its performance, were not approved for use by the Department of Finance.