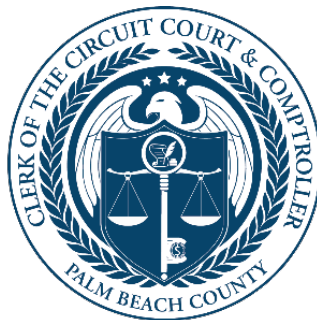


# **CLERK OF THE CIRCUIT COURT & COMPTROLLER**

**PALM BEACH COUNTY, FLORIDA**

## **Human Resources Recruiting & Hiring Audit**



**JOSEPH ABRUZZO**  
CLERK OF THE CIRCUIT COURT & COMPTROLLER  
PALM BEACH COUNTY

**Division of Inspector General**

**Audit Services Unit**

**January 10, 2023**



**JOSEPH ABRUZZO**  
CLERK OF THE CIRCUIT COURT & COMPTROLLER  
PALM BEACH COUNTY



An Accredited Office of  
Inspectors General

**Division of  
Inspector General  
Audit Services Unit**  
205 North Dixie Highway  
West Palm Beach, FL 33401

Phone: 561-355-2722

**Guardianship Integrity  
Assurance Hotline**  
561-355-FRAUD  
[fraud@mypalmbeachclerk.com](mailto:fraud@mypalmbeachclerk.com)

**Ethics Hotline**  
888-WARN-PBC

[www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com)

January 10, 2023

The Honorable Joseph Abruzzo  
Clerk of the Circuit Court & Comptroller – Palm Beach County, Florida

We performed an audit of the Human Resources Recruiting and Hiring function, which was requested and included in the annual audit plan.

The objectives of this audit were to: perform a risk assessment to identify risks and vulnerabilities; evaluate the overall effectiveness and efficiency of processes and related internal controls to mitigate the risks; assess whether controls are in place to facilitate compliance with pertinent laws, regulations and policies; and, compare processes with accepted standards and best practices.

The audit scope included transactions from July 1, 2021 through June 30, 2022.

The audit determined that recruiting and hiring processes within the Clerk's office were functioning in a generally satisfactory manner, with opportunities for improvement noted.

We appreciated the cooperation of management and staff during the audit process.

Respectfully submitted,

Roger Trca, CIG, CPA, CIA  
Inspector General  
Clerk of the Circuit Court & Comptroller Office  
Palm Beach County, Florida

cc: Shannon R Chessman, Chief of Staff & Chief Deputy Clerk  
Lisa Turner, Chief Human Resources Officer  
Tracy Ellison, Director – Human Resources  
Amy Crickley, Assistant Manager – Human Resources

# Executive Summary

---

The Clerk of the Circuit Court & Comptroller (“Clerk’s office”) Division of Inspector General (“Clerk’s IG”) performed a risk-assessed audit of Clerk’s office Human Resources (“Clerk’s HR”) Recruiting and Hiring processes.

The objectives of this audit were to:

- Perform a risk assessment to identify risks and vulnerabilities impacting Clerk’s HR recruiting and hiring processes.
- Evaluate the overall effectiveness and efficiency of processes and related internal controls to mitigate the risks.
- Assess whether controls are in place to facilitate compliance with pertinent laws and regulations as well as established Clerk policies.
- Compare processes with accepted standards and best practices.

The audit scope included the review of the Clerk’s HR recruiting and hiring processes, with testing performed for the period from July 1, 2021 through June 30, 2022.

Our audit of the Clerk’s office Human Resources (“Clerk’s HR”) recruiting and hiring processes determined opportunities exist to improve internal controls and related processes. Our audit disclosed the practice to rescind contingent offers was not processed in accordance with the Fair Credit Reporting Act (“FCRA”), ClearStar regulations (Clerk’s office contracted consumer reporting agency) as well as Clerk’s HR policies and procedures. Our selection of 15 rescinded offers disclosed 10 offers were based, in whole or in part, on the results obtained from ClearStar; however, the candidates were not provided actions, forms, and reports (e.g., pre-adverse action notice) as required. Our review also disclosed that the dates of the final review of professional background screening (e.g., education, employment, and professional reference checks) were not documented; as such, we were unable to determine whether background screening checks were completed prior to the sign-off of formal offer letters. We noted two (2) of six (6) condition of employment letters were signed after formal offers of employment had been signed by new hires. We also noted opportunities to improve Clerk’s HR policies and procedures.

The report contains four (4) observations and eight (8) recommendations.

# Table of Contents

---

- Introduction..... 4**
- Overall Conclusion ..... 4**
- Objectives, Scope and Methodology ..... 4**
- Background..... 6**
- Observations & Recommendations ..... 8**
  - 1. Rescinded offers were not processed according to the Fair Credit Reporting Act (“FCRA”), ClearStar regulations, and Clerk’s HR policies and procedures..... 8**
  - 2. New hires’ professional background checks completion dates were not documented prior to formal offer letter signing. .... 13**
  - 3. Condition of employment letters were not consistently issued prior to candidates signing formal offer letters. .... 17**
  - 4. Clerk’s HR policies and procedures require improvement..... 18**

# Introduction

---

## Overall Conclusion

The audit determined the Clerk's office Human Resources ("Clerk's HR") recruiting and hiring processes were functioning in a generally satisfactory manner though opportunities for improvement were noted. We noted Clerk's HR utilizes a variety of processes to ensure the Clerk's office recruitment and selection practices comply with federal and state laws, and that candidates are aligned with Clerk's office guiding principles. For example, Clerk's HR may consider candidates' behavioral needs through a predictive index survey and performance levels via standardized testing to assist with aligning the right candidate for certain positions. Clerk's HR performs comprehensive background screenings of candidate's criminal records, education, employment history, reference checks, as well as public records (when available). Our testing disclosed the practice to rescind offers was not in accordance with the Fair Credit Reporting Act ("FCRA"), ClearStar requirements and Clerk's HR policies and procedures. We noted the date of final review of professional background screening was not documented; as such, we were unable to determine if the background check was completed prior to candidates signing the formal offer letters. We noted an opportunity to improve the timely sign-off of condition of employment letters as well as opportunities to enhance processes and procedures.

## Objectives, Scope and Methodology

The Clerk of the Circuit Court & Comptroller ("Clerk's office") Division of Inspector General ("Clerk's IG") performed a risk-assessed audit of Clerk's office HR recruiting and hiring processes that was included on the Clerk's IG Audit Services Unit 2021-2022 Annual Audit Plan.

The objectives of this audit were to:

- Perform a risk assessment to identify risks and vulnerabilities impacting Clerk's HR recruiting and hiring processes.
- Evaluate the overall effectiveness and efficiency of processes and related internal controls to mitigate the risks.
- Assess whether controls are in place to facilitate compliance with pertinent laws and regulations as well as established Clerk policies.
- Compare processes with accepted standards and best practices.

Our scope included the review of the Clerk's HR recruiting and hiring processes. These activities are centralized within the Clerk's HR Department.

Testing performed included the period from July 1, 2021 through June 30, 2022. Testing and analytical review was considered and performed outside of this range as deemed appropriate.

To meet the objectives, we conducted interviews, reviewed departmental policies and procedures, and identified the pertinent Florida Statutes and other laws and regulations. We reviewed key performance metrics and relevant statistics. We performed risk assessments by documenting workflows and activities, identified key risks and vulnerabilities, and evaluated the adequacy of the internal control environment to mitigate the risks identified. Professional standards require audits to consider risks due to potential fraud.

A Risk & Control Matrix was prepared that summarized the relevant inherent risks, existing controls identified to mitigate the inherent risks, and vulnerabilities of any residual risk not addressed by the existing controls. Testing of controls and/or transactions was designed for those areas identified with the highest residual risk and vulnerabilities. Controls were tested and evaluated for two primary purposes: ensure their design was effective and to confirm the controls were operating as intended.

This audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors.

# Background

This was a risk-assessed audit requested by management and included on the Clerk’s Division of Inspector General (“Clerk’s IG”) Audit Services Unit 2021-2022 Annual Audit Plan.

The Clerk of the Circuit Court & Comptroller (“Clerk’s office”), established by the Florida Constitution, serves as an independent public trustee by performing more than 1,000 different functions for the citizens of Palm Beach County. The office serves four major constitutional and statutory roles:

- Chief Financial Officer, Treasurer & Auditor by monitoring the County budget, revenue, debt and spending;
- Clerk of the Board for the Palm Beach County Board of County Commissioners;
- Clerk of the Circuit Court; and,
- County Recorder for the Official Records of the County.

The Clerk’s Human Resources Department (“Clerk’s HR”) is responsible for several critical functions, including but not limited to, employees’ classification and compensation, recruitment, benefits, wellness initiatives, training and development, compliance, employee relations, performance management, Clerk’s HR information systems management, records management and charitable giving.

Clerk’s HR’s goal is to provide learning and development opportunities to employees of all levels to enhance job performance, develop skills, and contribute to the overall effectiveness and efficiency of the Clerk’s office to meet the needs of Palm Beach County residents. Clerk’s HR uses and interfaces with the PeopleSoft system and various other automated applications, in addition to standard office applications, to assist in its work.

Table 1 below provides Clerk’s HR key performance metrics in recent fiscal years. In FY2022, there were higher numbers of new hired employees, applications received, and percentage of male employees. There was a slightly lower turnover rate in FY2022 as compared to FY2021. The metrics may have been impacted by the COVID-19 Global Pandemic, which caused a temporary hiring freeze in FY2020.

Human Resources Performance Measures	FY2020	FY2021	FY2022	FY2022 Goal
<b>Annual Turnover Statistics</b>				
Total Budgeted Full-Time Equivalent (Note 1)	700	699	699	696
Total New Hire	66	98	123	90
Total Terminated Employees	83	115	115	75
Turnover Rate	12.90%	18.93%	18.70%	12.00%
Total Applications Received	5,362	8,987	11,014	8,750
<b>Employee Demographics</b>				
Total Employees	644	608	616	610
Full-Time Employees	638	603	611	603
Part-Time Employees	4	5	5	8
Temporary Employees	2	2	3	2
% Males	16.20%	16.58%	16.73%	18.00%
% Female	83.80%	83.42%	83.27%	82.00%
Average Years of Service	10	10	10	10

*Table 1: Source: Annual Budget for Fiscal Year 2021-2022 [Clerk's office] (page 171, table 45), for data for FY2020, FY2021 and FY2022 – Goal. Clerk's HR provided the additional performance measures for FY2022 in a separate report. The tables were not audited by Clerk's IG.*

*Note 1: Total Budgeted Full-Time Equivalent ("FTE") is a unit that measures the workload of one employee for comparison purposes.*

Clerk's HR performs a key role to ensure the Clerk's office complies with federal and state laws related to the hiring and recruiting practices, including but not limited to: Fair Labor Standards Act ("FLSA"); Equal Employment Opportunity ("EEO") laws; Americans with Disabilities Act ("ADA"); Americans with Disabilities Act Amendment Act ("ADAAA"); Age Discrimination in Employment Act ("ADEA"); Federal and State Veterans Preference Laws; Civil Rights Act; and Immigration Reform and Control Act. Clerk's HR maintains detailed personnel records of each employee's file including information gathered during the hiring and recruiting process (e.g., interview questions, interview panel participants). Clerk's HR evaluates selected candidates based on clear metrics (e.g., skill evaluation) and ensures only qualified candidates are selected for hire.

Clerk's HR performs a comprehensive background screening, which includes the usage of an external vendor, ClearStar, to perform education, employment, and reference checks. The completed reports may include flags noting discrepancies between the candidate's information in the application and the results of the screening. Clerk's HR follows up on noted discrepancies and makes a final determination on each candidate's background. Clerk's HR works proactively with candidates who may have pending items that hinder their ability to start working for the Clerk's office (e.g., pending personnel file from a public entity, outstanding traffic tickets, school verification). When needed in certain situations, Clerk's HR issues a condition of employment ("COE") letter, which must be signed by the candidate, and the pertinent conditions satisfied within the allotted timeframe.

Clerk's HR is led by Lisa Turner, Chief Human Resources Officer, supported by three direct reports and nine additional employees. The recruiting and hiring related responsibilities are under the direction of Tracy Ellison (Director – Human Resources), supported by Amy Crickley (Assistant Manager – Human Resources), with two (2) support staff. Ms. Turner reports to Shannon Chessman, Chief of Staff & Chief Deputy Clerk.

**Audit performed by:** Monica Alvarenga, Inspector General, Senior



# Observations & Recommendations

---

The audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the observations and recommendations presented in this report may not be all-inclusive of areas where improvements may be needed.

## 1. Rescinded offers were not processed according to the Fair Credit Reporting Act (“FCRA”), ClearStar regulations, and Clerk’s HR policies and procedures.

Our review disclosed 10 of 15 sampled rescinded offers were based, in whole or in part, on the results from ClearStar (consumer reporting agency) and were not processed in accordance with the Fair Credit Reporting Act (“FCRA”), ClearStar regulations as well as the Clerk’s office procedures. We also noted Clerk’s HR leadership approval was not recorded as required and documentation to rescind the offers did not include required information (e.g., name/title of Clerk’s recruiter who rescinded the offer and respective witness).

**Objective of Testing:** The objective was to determine whether adverse actions resulting in rescinded offers complied with FCRA, ClearStar terms and conditions (consumer reporting agency), and Clerk’s office policies and procedures.

**Sample Selection:** We judgmentally selected 15 rescinded offers from the total 58 contingent offers rescinded from July 1, 2021 to June 30, 2022 as manually compiled by Clerk’s HR. Management stated that none of the 58 rescinded offers were processed via ClearStar.

Reason for Rescinded Offer	Total	%
Employment history discrepancies	16	28%
Public records discrepancies	11	19%
Background screening	9	16%
Education	9	16%
Results from ClearStar	8	14%
Unresponsive searches	3	5%
Criminal history	1	2%
Other	1	2%
<b>Total</b>	<b>58</b>	<b>100%</b>

Table 2

**Criteria of Testing:** The scope included verification of offers rescinded based, in whole or in part, on the results of ClearStar background check and whether proper actions were

taken to satisfy FCRA requirements, ClearStar terms and conditions, and Clerk's HR Rescinding Procedures. We also reviewed approvals by Clerk's HR leadership and documentation of name/title of individual/witness who rescinded the offers as required by the Clerk's HR Rescinding Procedures.

**Rescinding Contingent Offers:** Clerk's HR issues verbal contingent offers to candidates pending successful completion of a comprehensive background check (e.g., criminal, employment, professional references, and education) and (if applicable) a drug screen. When a discrepancy or inconsistency is identified during the background investigation, it may be necessary to rescind the contingent offer made to the candidate. Contingent offers may be rescinded due to, but not limited to: unsatisfactory public records returned by a previous employer, education or employment that cannot be verified or verification differs from initial information provided by the candidate on their application, and unsuccessful drug screen.

### **Relevant Regulations**

**Fair Credit Reporting Act ("FCRA")** states:

*"...Title VI of the Consumer Credit Protection Act...protects **information collected by consumer reporting agencies** such as credit bureaus, medical information companies and tenant screening services. Information in a **consumer report cannot be provided to anyone who does not have a purpose specified in the Act...** In addition, **users of the information for ... employment purposes must notify the consumer when an adverse action is taken on the basis of such reports.** The Fair and Accurate Credit Transactions Act ("FACTS") added many provisions to this Act primarily relating to record accuracy and identity theft..."*

**ClearStar United States Background Screening Compliance Information Packet** (dated January 2021, page 5) ("ClearStar Information Packet") states:

*"...In order to help you maintain compliance with the Fair Credit Reporting Act (FCRA), please note the following:*

*1. Prior to ordering a background report, you must (i) provide a disclosure in a separate document from the employment application to the applicant/employee that a consumer report is being ordered, and (ii) obtain a written authorization from the applicant/employee. State law may also impose additional requirements.*

*2. **When considering taking adverse employment action** (including, but not limited to, terminating employment, or **denying employment or promotion**, etc.) The FCRA has specific requirements you must follow, including:*

*1. If you intend to take or are considering taking adverse action based on consumer report information (such as criminal records checks, credit checks, employment verifications, etc.) provided by ClearStar, **you must first notify the individual before taking such action.** A sample pre-adverse action letter is enclosed for your convenience. **With the pre-adverse action letter, the employer must provide the individual with a copy of the Summary of Your Rights document(s)** (federal in all cases and state specific as applicable)<sup>1</sup> and a copy of the consumer report provided by ClearStar. The letter must include **ClearStar's contact information and a notice that the applicant/employee***

***may dispute the accuracy or completeness of information in his/her report.***

***2. The employer must then wait a “reasonable period” of time to allow the applicant/employee to dispute any information in the report. The Federal Trade Commission has opined that 5 business days is generally reasonable.***

*After the waiting period expires and if there is no dispute, you can take adverse action... To be in compliance with FCRA guidelines, it is imperative that your communication includes ClearStar’s name, toll-free phone number, and address, as well as a statement that ClearStar did not participate in the adverse decision and cannot provide specific reasons as to why the decision was made...”*

**Human Resources Internal Process & Procedure Rescinding Contingent Offers** (dated September 2021, pages 1-2) (“Clerk’s HR Rescinding Procedure”) states:

*“...If the decision to rescind a contingent offer was made based in part by the results received from ClearStar, it is necessary to schedule an adverse action notification via ClearStar, this allows the candidate to provide information to ClearStar pertaining to their verifications...”*

*ClearStar will provide the candidate with a copy of the report, a Pre-Adverse Action Notice, and a document summarizing his or her rights under the Fair Credit Reporting Act (FCRA). Candidates will be permitted to provide responsive information to ClearStar regarding their criminal history, including evidence showing they did not commit the offense, in the case of misidentification, evidence of rehabilitation of character, the length of time since the last criminal conviction, and other extenuating circumstances. The candidate will be given five (5) business days to provide this information so as not to halt the recruitment process for the position. If the candidate does not respond to the above notification from ClearStar within five (5) business days following the date of the notice sent, ClearStar will then issue an adverse action letter on the sixth (6th) day in addition to another copy of the applicant's report, as well as the summary of his/her rights under the Fair Credit Reporting Act (FCRA). In the event the candidate has requested reinvestigation, ClearStar will examine the reinvestigation report. If the background investigation has led to a disqualified decision, ClearStar will notify the candidate with a final Adverse Action Letter...”*

**Human Resources Comprehensive Background Investigation Procedures** (undated, pages 1-2) (“Clerk’s HR Background Procedure”) states:

*“...Background Check Elements:*

- Reviewing public records from: Showcase (Clerk’s internal Court Case Management System - Criminal, Non-Criminal and Traffic Court Records), Florida Association of Court Clerks Comprehensive Case Information System (CCIS) ...*
- Background check vendor, currently ClearStar...*

- *Criminal History Check - ... Level 2: a state and national fingerprint-based check and consideration of disqualifying offenses and applies to those employees designated by law as holding positions of responsibility or trust. Section 435.04, F.S., mandates that Level 2 background security investigations be conducted on employees, defined as individuals required by law to be fingerprinted pursuant to Chapter 435.*
- *Florida Department of Law Enforcement (FDLE), which entails searching: o Criminal Justice Information Systems (CJIS) and o National Crime Info Center (NCIC) and o Florida Crime Info Center (FCIC)...*

**Results of Testing:** The following exceptions were noted related to Clerk’s HR processing the sample of 15 rescinded contingent offers.

1. Ten (10) of fifteen (15) offers were rescinded based, in whole or in part, on the results from ClearStar; however, the candidates were not provided actions, forms and reports as required by FCRA, ClearStar as well as the Clerk’s HR Rescinding Procedure as noted below:
  - Adverse action notifications via ClearStar.
  - Pre-adverse action letter.
  - Copy of the ClearStar report.
  - Copy of Summary of Your Rights.
  - The letter stating ClearStar's contact information and a notice that the applicant/employee may dispute the accuracy or completeness of information in his/her report.
  - The letter stating ClearStar did not participate in the adverse decision and cannot provide specific reasons as to why the decision was made.
  - Opportunity to dispute the information on the ClearStar within five (5) business days of notification.

Management confirmed the adverse actions were not processed via ClearStar; however, Clerk’s HR Recruiters provided verbal notices to the candidates to allow them the opportunity to discuss the information included in the ClearStar report. Management stated they consider any additional information provided by candidates for further analysis. We noted there were no documented disputes or inquiries from candidates for the samples reviewed.

2. Fifteen (15) of fifteen (15) rescinded offers did not include Clerk’s HR leadership documented approval. Clerk’s HR Rescinding Procedure requires “...**leadership approval (Manager or above) ... prior to rescinding an offer... HR Leadership along with the appropriate Chief Officer and/or Legal Counsel will make the final determination...**” Management stated Clerk’s HR Recruiters are responsible for obtaining approval, but this is done verbally.
3. Fifteen (15) of fifteen (15) rescinded offer memorandums (“memos”) did not include the documented name and title of the individual who rescinded the offer as well as the name and title of the required witness. Each sample included dated memos with a brief description of the reason for the rescinded offers.

- The Clerk's HR Rescinding Procedure states "*...during the process of rescinding an offer two HR parties must be present...ensure a witness is present or conferenced into the call and make the candidate aware of the name and title of the witness...*"
  - Management confirmed Clerk's HR does not document the name and titles of the individuals and witnessed present when rescinding the offer. However, management stated the assigned Clerk's HR Recruiter is the individual responsible for contacting the candidate and another member of the Clerk's Recruiting team acts as the witness responsible.
  - We also noted some memos lacked specific information used to determine the adverse action. For example, one memo noted the candidate's employment omission was the reason for the rescinded offer. However, the memo did not further specify which employment was omitted on the candidate's application as compared to the ClearStar report or other Clerk's HR review. As such, it was unclear what specific information was used for the adverse action. Upon further inquiry and review, we confirmed that ClearStar displayed the names of several employers that were not disclosed in the candidate's application.
4. The Clerk's HR implemented the documentation of rescinded offers and related reasons in a manual listing for record keeping. However, this updated process was not documented in the Clerk's HR Rescinding Procedure.

#### **Recommendations:**

- A. Clerk's HR should comply with FCRA and ClearStar requirements as well as the Clerk's office Rescinding Procedure when offers are rescinded based on ClearStar's partial or whole results. Clerk's HR should provide the candidate with:
- Adverse action notifications via ClearStar.
  - Pre-adverse action letter.
  - Copy of the ClearStar report.
  - Copy of Summary of Your Rights.
  - The letter stating ClearStar's contact information and a notice that the applicant/employee may dispute the accuracy or completeness of information in his/her report.
  - The letter stating ClearStar did not participate in the adverse decision and cannot provide specific reasons as to why the decision was made.
  - Opportunity to dispute the information on the ClearStar within five (5) business days of notification.
- B. Clerk's HR should obtain written Clerk's HR leadership approval of rescinded offers.
- C. Clerk's HR documentation on rescinded offers should contain the name and title of individual(s) who rescinded the offer as well the name and title of the required witness(es). The memo should contain the specific reason for the rescinded offer including the source data for the discrepancy. For example, if employment omission is noted, Clerk's HR should document which employment was omitted in the application based on the ClearStar report or Clerk's HR additional reviews.

- D. Clerk's HR should update the Clerk's HR Rescinding Procedure to include the requirement to list all rescinded offers with the related reason.

**Management Responses:**

- A. Effective December 1, 2022, Clerk's HR initiates the Adverse Action process when offers are rescinded based on ClearStar's partial or whole results.  
Target Completion Date: Completed
- B. Effective December 1, 2022, Clerk's HR Recruiters obtain written HR Director approval to rescind an offer.  
Target Completion Date: Completed
- C. Effective December 1, 2022, Clerk's HR have created and implemented a standardized memo template that is completed and maintained by the HR Recruiter who is responsible for rescinding the offer. The memo template incorporates all of items mentioned above.  
Target Completion Date: Completed
- D. Effective December 2022, the Clerk's HR Rescinding Offers Procedure has been updated to reflect the changes mentioned above.  
Target Completion Date: Completed

## 2. New hires' professional background checks completion dates were not documented prior to formal offer letter signing.

Our review disclosed there was no documentation to support 20 of 25 new hires' background checks were completed prior to the candidate's signed formal offer letter. We also noted the final review of the public record for one (1) new hire was after the formal offer letter of employment. We noted Clerk's HR audited all 20 samples, which indicated the background checks were completed prior to the first day of employment.

**Objective of Testing:** The objective was to determine whether the Clerk's office new hire onboarding forms and processes complied with regulations, statutes and Clerk's office policies and procedures.

**Sample Selection:** We judgmentally selected 25 of the 120 (21%) new hire employees from July 1, 2021 to June 30, 2022. Each sample was selected based on a variety of criteria, including but not limited to: incomplete background checks, condition of employment, mandatory drug testing, application not included in NeoGov, and Veteran's Preference.

**Criteria of Testing:** The scope included the review of various criteria to determine timeliness and accuracy of forms and processes related to the 25 new hires sampled (e.g., salary amount and pay grade approved by management matched formal offer letters,

employment eligibility verification performed timely, and criminal and professional background screening timely conducted).

**Key data of samples selected:** The summary below (Table 3) displays key data related to the 25 new hires selected for testing. These 25 new hires were judgmentally selected based on the criteria above; as such, the data may not be representative of the population.

Performance Indicators	Calendar Days (Average)
Salary approval prior to official offer letter	17
Formal offer letter signed prior to first day of employment	21
Criminal security clearance prior to offer letter	9
Completed ClearStar report (flagged and unflagged items) prior to formal offer letters	7
New Hire Checklist audited prior to first day of employment	8

Table 3

**Results of Testing:** The following exceptions were noted related to professional background screening.

**1. ClearStar professional background screening review:**

Clerk’s HR performs a comprehensive background screening, which includes use of an external vendor, ClearStar, to perform education, employment, and professional reference checks. ClearStar reports may be submitted to Clerk’s HR with a completed or an incomplete status as well as with or without discrepancies or flags noted. ClearStar flags reports if there are discrepancies between the information provided on the employment application and the information ClearStar discovered during verification (e.g., length in employment in the application differs from the previous employer’s verified information). Clerk’s HR performs further review of the discrepancies flagged by ClearStar to ensure all items are addressed.

Table 4 below displays all 25 new hires were processed via ClearStar and reports submitted with a completed or an incomplete status as well as with or without discrepancies or flags noted prior to / after the offer letter. For example, there were 16 reports completed by ClearStar prior to the formal offer letters, but with discrepancies (flags) noted. Further explanations of the 25 new hires tested are provided below the Table 4.

Summary of ClearStar Reports	Report	Prior to offer letter	After offer letter	Total
Discrepancies noted	Complete	16	1	17
	Incomplete	No date available	No date available	3
Completed without discrepancies noted		2	0	2
Appointed positions processed by ClearStar, but excluded from exception noted				3
<b>Total</b>				<b>25</b>

Table 4

We noted the following results of the 25 new hires sampled:

- Three (3) of 25 new hires were related to appointed positions and were excluded from testing.

- Two (2) of 25 were processed by ClearStar without discrepancies and properly completed prior to the formal offer letter as well as their first day of employment.
- Of the remaining, 20 of 25 new hires were flagged with discrepancies: 17 had completed ClearStar reports and three (3) had incomplete ClearStar reports.
  - Of these 20 new hires with discrepancies, we selected five (5) for further assessment to determine whether the flagged items were reviewed by Clerk's HR.
  - We noted there was no documented date of final review of the background screening prior to the candidates signing of the formal offer letters, though Clerk's HR documented their review of the flagged items on the ClearStar report. As such, we were unable to determine whether the background screening was completed prior to the candidate signing the formal offer letter.
  - The Clerk's HR Recruiting Processes Guidelines Applicant Procedures (dated July 2022, page 4) requires "*...all external candidates selected to fill a ... position will receive a verbal contingent offer. If accepted, the recruiter will send the external candidate an email to start the background check ... The recruiter will also start the comprehensive background screening. As soon as the candidate has been cleared for hire...the recruiter will contact the candidate to make the official offer of employment and discuss the effective date... an offer letter is then created and sent electronically to the candidate for signature along with the job description...*" Note: For our testing, we used the date the candidate signed the official offer letter and not the date Clerk's HR contacted the candidate after the background check cleared.
  - Management confirmed they do not document the final completion of items reviewed by Clerk's HR that had been previously flagged by ClearStar. However, Clerk's HR Recruiters audit items related to the onboarding process (e.g., Jury Waiver Form, Non-Compete Acknowledgement Form) prior to the first day of employment, but not typically prior to the issuance of the formal offer letter. This is documented in the New Hire Paperwork Checklist ("New Hire Checklist").
  - To confirm the 20 new hires' background checks had been audited on or prior to the first day of employment, we obtained the New Hire Checklists and noted all 20 were appropriately audited prior to the first day of employment.

## **2. Public records background screening:**

Candidates under consideration for employment, who have completed the ClearStar Authorization and Disclosure Form, are subject to a public records review of their personnel file should he/she have past employment with a public entity in the State of Florida. Clerk's HR Recruiter reviews public records that are generally not included in the ClearStar report. For instance, Clerk's HR determines if the candidate properly disclosed existing disciplinary actions in the employment application and depending on the severity of the disciplinary action(s), Clerk's HR would consider whether to rescind the contingent offer of employment or to move forward with the hiring process of the candidate



Per Clerk's HR Internal Process & Procedure Public Records Request ("Clerk's HR Public Records Procedure") (dated March 4, 2022, page 1), "...it is **preferable to have the public records request completed and reviewed before moving forward with a formal offer of employment**. However, should the Public Records Request delay the hiring process, a Condition of Employment (COE) can be issued with HR leadership approval..."

Of the 25 new hires sampled, there were five (5) new hires with public sector references that needed to be reviewed prior to the formal offer letter signing by the new hire. We noted the following:

- One (1) of (5) new hires' final review of the public records was completed after the offer letter of employment was signed, but prior to the first date of employment. A Condition of Employment ("COE") was not issued as required by the Clerk's HR Public Records Procedure when the review of public records is delayed.
- We also noted two (2) of five (5) new hires' final review of public records date was incorrectly documented in the New Hire Checklist. Management stated the final review date of public records is the date the public records was received. This is documented in the New Hire Checklist, which is audited prior to first day of employment. We noted the public records receipt date recorded in the New Hire Checklist did not represent the documentation receipt date (e.g., email from the public entity). We noted that in both instances the final review of the public records was performed prior to first date of employment. COE letters were not required or issued in the two (2) instances.

#### **Recommendations:**

- A. Clerk's HR should maintain the date of final review of each professional background screening review to ensure completion prior to issuance of the formal offer letter to the candidate. This should be documented in the procedure.
- B. Clerk's HR should continue to document the date of receipt of public records on the New Hire Checklist to indicate the final review date and to ensure review is completed prior to issuance of the formal offer letter to the candidate. If the receipt date of the public records differs from the date of final review, Clerk's HR should document the date of final review on the New Hire Checklist. This should be documented in the procedure.

#### **Management Responses:**

- A. Effective December 1, 2022, Clerk's HR Leadership reviews the results of each candidate's comprehensive background screening and documents the date of final review and approval. The HR Leader also applies their signature to the first page of the candidates ClearStar report. The signed report is then emailed back to the Clerk's HR Recruiter with the approval to launch the Offer Letter to the candidate. The comprehensive background check process has been updated to reflect this change.  
Target Completed Date: Completed
- B. Effective December 1, 2022, Clerk's HR Leadership ensures the documented date of receipt of public records is correct on the New Hire Checklist prior to applying their

signature approval. HR Leadership now reviews the results of the comprehensive background check which includes reviewing public records prior to approving the HR Recruiter to launch an offer letter. The comprehensive background check process has been updated to reflect this change.

Target Completion Date: Completed

### 3. Condition of employment letters were not consistently issued prior to candidates signing formal offer letters.

Our review disclosed two (2) Condition of Employment (“COE”) letters were signed by the new hires after the signing of the formal offer of employment, but prior to the first day of employment.

**Objective of Testing:** The objective was to determine whether Condition of Employment (“COE”) letters issued during the audited period complied with Clerk’s office procedures.

**Sample Selection:** We judgmentally selected six (6) COEs for review based on a list of 11 COEs issued from July 1, 2021 to June 30, 2022. Clerk’s HR provided a list of COEs compiled manually as the Clerk’s HR management systems (PeopleSoft) does not track COEs that have been completed.

Reason for Condition of Employment	Total
Pending public record request	5
Education	4
Fingerprints	1
Real estate license	1
<b>Total</b>	<b>11</b>

Table 5

Note: During testing in Observation #2, we noted one (1) COE was not previously included in the manual list of COEs provided by Clerk’s HR. We added the sample item as part of this Observation #3.

**Criteria of Testing:** The scope was to determine whether the selected COEs were timely signed by Clerk’s HR and the candidate, and the COE terms were properly satisfied.

**Clerk’s HR Process:** Clerk’s HR issues COE letters during the onboarding stage of a new hire when he/she has any pending items that hinder their ability to start working for the Clerk’s office (e.g., pending personnel file from a public entity, outstanding traffic tickets, school verification).

**Results of Testing:** Our review disclosed the following:

- Two (2) of six (6) COE letters were signed by the new hires after signing the formal offer of employment, but prior to the first day of employment.

- Management stated candidates are verbally informed of pending background checks (e.g., education has not been verified) prior to the finalization of COEs, and COEs should be signed prior to candidates signing the formal offer letter of employment.
- As noted in Observation #2, the Clerk's HR Recruiting Processes Guidelines Applicant Procedures requires the formal offer letter of employment to be issued after background checks have cleared. As such, if formal offer letters are signed prior to the issuance of COEs, it may indicate to the candidate that the background checks had been completed. This could result in potential impact to candidate (e.g., unemployment) if the background check items are not or cannot be cleared, and the Clerk's office may face further impacts (e.g., litigation, inefficient operations).
- We noted the Clerk's office formal offer letter includes a contingency clause stating "...the offer is further contingent upon completion of a satisfactory background check and passing a drug test...", which may diminish the risk of lawsuit to the Clerk's office. We noted the COEs were properly satisfied for the two (2) instances noted above.

**Recommendation:**

- A. Clerk's HR should ensure COE letters are signed by the candidates prior to their signing the formal offer letters of employment to prevent potential impact to the candidate (e.g., unemployment) if the background check items are not or cannot be cleared, and to minimize potential impact to the Clerk's office (e.g., litigation, inefficient operations). In addition, Clerk's HR should document in procedures that COEs must be completed prior to candidates signing the formal offer letter of employment.

**Management Response:**

- A. Effective December 1, 2022, Clerk's HR Recruiters must obtain written HR Leadership approval prior to issuing a Condition of Employment. The condition of employment must be signed prior to the candidate signing the offer letter. HR Leadership reviewing the results of the comprehensive background check serves as a check and balance in ensuring that a COE has been signed prior to granting the HR Recruiter approval to launch the offer letter. The Condition of Employment process has been updated to reflect this change.  
Target Completion Date: Completed

## 4. Clerk's HR policies and procedures require improvement.

Our review identified opportunities to improve procedures involving recruiting and hiring processes.

Best practices indicate written procedures provide guidance to employees, help ensure processes are performed accurately and consistently in accordance with management's directives and help achieve departmental goals.

## **1. Policies and procedures lacked some identifying references.**

We reviewed select Clerk's HR policies and procedures related to hiring and recruiting processes and noted Clerk's HR's processes are generally documented in comprehensive procedures and job aids (e.g., flowchart). We noted some documents and procedures did not include identifying references. For example, the Comprehensive Background Investigation Procedure lacked date of first issuance and subsequent revision dates. We noted various other procedures selected for review lacked some or all items listed below:

- Name of the person who was responsible for creation or update,
- Date of first issuance and subsequent revision dates,
- References to laws, regulations, and Clerk's policies,
- Purpose of the procedure,
- Consistency of document description (e.g., some described as processes, procedures, guidelines), and
- Clerk's office updated logo and format.

## **2. Hiring and recruiting practices related to appointed positions were not documented.**

Clerk's HR procedures did not include documented processes related to appointed positions.

- Management stated the Chief Human Resources Officer ("CHRO") reserves the right to waive and/or approve changes to the guidelines at any time based on business needs. We confirmed this is noted on the Recruiting Processes Guidelines - Applicant Procedures (dated July 2022, page 8); however, there was no further guidance on processes required for appointed positions.
- It should be noted that during the audit, Clerk's HR implemented the HR Internal Process & Procedure Appointed Rehires, Appointed New Hires & Regular Rehires (dated September 2022).

### **Recommendation:**

- A. Update the policies and procedures by incorporating the observations noted above.

### **Management Response:**

- A. As of December 2022, the Clerk's HR Recruiting Team have created and implemented a standardized process template which incorporates the observations noted above.  
Target Completion Date: Completed