

**Post-Audit Review 16-04:
Personnel Background Checks**

November 2017

City Auditor

Stan Sewell, CPA, CGFM, CFE

Internal Auditor

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OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

November 22, 2017

To: Mayor Andy Berke
City Council Members

Subject: Post-Audit Review of Personnel Background Checks Audit (Report #16-04)

Dear Mayor Berke and City Council Members:

Attached is a summary report on the status of audit recommendations in our 2016 Review of Personnel Background Checks report. The purpose of this report is to confirm whether, and to what degree, management has implemented the recommendations made in the original audit.

The original audit concluded:

1. There was a need to establish written personnel background check policies and procedures;
2. There was a need to establish a written list of positions denoting the type of background check required;
3. There was a need to perform a national search for all background checks and supplement it with local and state searches as needed to confirm the information discovered;
4. There was a need to ensure future temporary staffing contracts require a comprehensive nationwide search, and that a copy be provided to the Human Resources Department and the hiring department;
5. There was a need for a more comprehensive follow-up by periodically rechecking the background of employees who are in sensitive positions; and,
6. There was a need to establish procedures to ensure all documentation related to background checks are included in the employee's official personnel file.

The audit had six recommendations to improve efficiency and effectiveness of the personnel background checks as well as issues observed in documentation maintained in the employee's official personnel file. At the time of this Post-Audit Review, all six recommendations were implemented.

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: Audit Committee Members
Stacy Richardson, Chief of Staff
Maura Sullivan, Chief Operating Officer
Tina Camba, Director of Human Resources
Jim Arnette, TN Local Government Audit

RECOMMENDATIONS FULLY IMPLEMENTED (6)

Recommendation	Actions Taken
1 We recommended the Human Resources Department establish written personnel background check policies and procedures. The written policies and procedures should include, but not be limited to: Who will be checked; what information will be collected; how the information will be used; which departments may substantially perform their own background checks; and, how reports of unfavorable incidents will be addressed.	The Human Resources Department established the <i>City of Chattanooga Background Check Policy</i> . Management asserts the policy will be included in the next revision of the <i>Employee Information Guide</i> and will be included in mandatory manager training.
2 We recommended the Human Resources Department establish a written list of positions denoting the type of background check required.	The Human Resources Department established a written list of positions denoting the type of background check required.
3 We recommended the Human Resources Department and the temporary staffing company perform a national search for all background checks, and supplement it with local and state searches as needed to confirm the information discovered.	The Human Resources Department and the temporary staffing company perform a national search for all background checks, and supplement it with local and state searches as needed to confirm the information discovered.
4 We recommended the Human Resources Department ensure future temporary staffing contracts require a comprehensive nationwide search, and that a copy be provided to the Human Resources Department and the hiring department.	The City's temporary staffing contract requires a comprehensive search, and that a copy be provided to the Human Resources Department. Management has directed the temporary staffing company to also provide a copy directly to the hiring department. Management also asserts quarterly meetings will be held with the temporary staffing company to monitor compliance.
5 We recommended the Human Resources Department consider a more comprehensive follow-up by periodically re-checking the background of employees who are in sensitive positions. The follow-up program should be included in the written policies and procedures and include the time frame for a re-check by job classification (e.g. Safety and Child Sensitive).	The Human Resources Department established a schedule to re-check the background of employees who are in sensitive positions.
6 We recommended the Human Resources Department establish procedures to ensure all documentation related to background checks are included in the employee's official personnel file.	The Human Resources Department established procedures to ensure all documentation related to background checks are included in the employee's official personnel file. Management asserts the files will be reviewed periodically to monitor for compliance.

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