OCIA Audit Finding & Recommendations for Updated Responses

Human Resources 6/8/2009

Finding:
E1-Finding 1: The department's employees also specialize in a particular function but this limits their potential growth as HR generalists capable of performing all HR core functions. During the audit, we became aware of the dissatisfaction of some HR employees concerning the lack of cohesiveness within the department and favoritism, whether perceived or founded.

Recommendation:
E1-Recommendation 1: Our first and most comprehensive recommendation is to dissolve the specialization of the department's employees. We recommend that all managers currently supervising the core functions of HR be classified as HR Manager II and serve in HR Expert positions. We recommend that nine of the professionals who currently work in these areas as HR Managers retain this classification (the benefits employees should be reclassified in the HR Manager series) but operate in an HR generalist role. Each employee would be placed in a pool, assigned a particular district and perform all of the work related to each functional area for that assigned district.

June 2009 Response:
E1-The Department will consult with the State Office of Human Resources (SOHR) concerning the appropriate job classification of employees in the HR Office. In order to meet the Department's customers' needs, it would be very difficult to cross-train all of the nine employees assigned to specific areas in HR at the same time. We will accomplish this by consulting with the nine employees to determine which employees are interested in cross training. For those employees who wish to pursue this initiative, we will pilot the program and determine the most appropriate district(s) to work with. For those employees who do not wish to become cross trained, we will utilize them in cross training in their specific area of specialty. If one position is to be filled, we would hire a generalist and pursue any cross training as necessary. We believe this will be a more efficient and effective use of our workforce.

April 2015 Updated Response:
We provided cross training opportunities for all employees in HR that were interested in learning other areas. We set up a regularly scheduled time for the employee to work with an employee in their area of interest to expose them to the type of work and learn some of the day to day activities. We did the cross training for approximately one year.

We did not set up the employee pool where an employee was assigned a district and would handle all the human resource functions. We determined that moving to the HR Generalist format was not the best organizational change for our office or the Department.

Finding:
E2- Finding 2: The HR department has no formal or written succession plan, which makes it difficult to adequately prepare the current workforce for future changes.

Recommendation:
E2-Recommendation 2: We recommend that HR's Director take responsibility for the vital duty of succession planning.

June 2009 Response:
E2-Cross Training will be utilized rather than a formal written, structured succession plan as the plan could create the appearance of pre-selection of management positions.

April 2015 Updated Response:
We have identified all of our TERI participants and are providing learning opportunities and exposure for employees currently working in the particular area where we will have needs, and for those who wish to learn another area.

We are working with the Secretary and the Direct Reports to the Secretary on succession planning.

Finding:
E3-Finding 3: The current Human Resource department structure consists of three levels of management.

Recommendation:
E3-Recommendation 3: The HR Director should remove the layer of management that exists between her and the managers that represent each functional area.

June 2009 Response:
E3-Recommendation 3: The HR Director should remove the layer of management that exists between her and the managers that represent each functional area.

April 2015 Updated Response:
We were able to reorganize HR creating two areas: Human Capital and Operations led by Assistant HR Directors. Human Capital oversees the manpower and training components of the Office and Operations handles the day to day human resources functions. Both of the Assistant Directors work closely together and act in the absence of the HR Director. The HR Director is a TERI participant. The new structure is working well.

The Benefits Manager and Assistant Benefits Manager are also TERI participants. We are working with existing employees in the Benefits area to learn the functions of the Assistant Manager and Manager of the area.

The Operations Manager is a TERI participant as well as an employee in the area responsible for entering all HR actions into SCEIS and maintaining employee HR files, terminations and leave. We have hired two new employees in the area who are learning the functions of the area and the Manager's responsibilities.

Finding:
E4-Finding 4: Human Resource Regulations are listed on SCDOT's intranet. However, some of the information included is inaccurate, as the majority of it has not been updated since July 1, 2001.

Recommendation:
E4-Recommendation 4: We recommend that the Human Resource Regulations be reviewed and updated periodically to ensure that only accurate and current information is available to agency employees.

June 2009 Response:
E4-At the time of the audit, HR had started a review of the HR information on the intranet. We will continue this review to ensure only accurate and current information is available to agency employees.

March 2015 Updated Response:
The State Human Resources Regulations reference on SCDOT's intranet is a link to the HR Regulations located on the Human Resources Division's website. We update SCDOT related information on our intranet on a continuous basis.

Finding:
HR1-Finding 1: Our results are inclusive about the consistent nature of quality customer service provided.

Recommendation:
HR1-Recommendation 1: We recommend that each employee in the office recommit themselves to the underlying principle of quality customer service and then utilize it in all areas of their processes and interactions.

June 2009 Response:
HR1- We will continue to strive for excellent customer service throughout HR. We realize the importance of continued customer feedback and will look at options for surveying our customers; possibly developing an on-line survey after any contact with the HR office.

April 2015 Updated Response:
Both of the Assistant Directors have emphasized customer service in their areas. We have hired new employees in Human Capital, Classification/Compensation, Workers Compensation and Employee Relations. Our customer feedback has improved as have our turnaround times.

Finding:
HR2- Finding 2: An oportunity exists within the benefit process for certain employee errors to be characterized as administrative errors in order for the EIP to approve changes or additions to an employee's coverage.

Recommendation:
HR2- Recommendation 2: We recommend that extreme care be taken to ensure that only true administrative errors be characterized as such.

June 2009 Response:
HR2- We will review our procedures concerning administrative errors and make any changes, as appropriate.

April 2015 Updated Response:
All requests for administrative errors must be reviewed by the Assistant HR Director/Operations prior to submission to PEBA.

Finding:
HR3- Finding 3: In an effort to prevent the employee from experiencing any undue economic hardship, Benefits splits insurance premiums over multiple pay periods. However in some of the files tested, documentation was not provided by the employee to authorize such action being taken.

Recommendation:
HR3- Recommendation 3: We recommend that Benefits personnel not initiate any action to divide these payments between pay periods without the expressed documented or written permission of the employee.

June 2009 Response:
HR3- Benefits will review their process for dividing insurance payments over multiple pay periods and develop a mechanism for employee approval and acknowledgement.

April 2015 Updated Response:
The Benefits area submits an email to the SCEIS Help Desk regarding dividing insurance premiums. This request is only submitted if an employee makes the request by email or a written statement. All emails or written requests are included in the employee's insurance file.

Finding:
HR4- Finding 4: During our audit we found that Benefits lacked accountability. The office does not maintain a tracking system of any sort that logs in Notices of Elections or any other benefit related form. We found no system that tracked the date that pertinent information was sent to EIP or any other third party vendor of benefits.

Recommendation:

HR4- Recommendation 4: We recommend that Benefits institute a tracking system that records the date information was received, who it was assigned to, the date it left the office, and to whom the information was forwarded. We also recommend that the office utilize sign-in sheets and call logs to track all of their encounters with SCDOT employees.

June 2009 Response:

HR4- Benefits has access to a tracking system. We will review the current system and make any appropriate additions and/or changes. We agree that call logs would be beneficial.

April 2015 Updated Response:

We maintain a paperwork tracking system for documents that are received. We have implemented an appointment calendar for each Benefits Counselor that is accessible department wide by all employees to make appointments to track meetings/communication with SCDOT employees.

Finding:

HR5- Finding 5: SCDOT's Human Resource system generates a report twice a month that lists all of the deductions and changes made in the system by SCDOT employee, amount, and the counselor who performed the action. While this report can be printed after every payroll period, we found that sometimes this report is not printed and if printed, it is not retained and filed for a reasonable amount of time.

Recommendation:

HR5- Recommendation 5: We recommend that the reports be printed at the end of every payroll, reviewed by the manager, filed, and kept for a period of time consistent with an internal area retention schedule.

June 2009 Response:

HR5- Benefits will print and review the deduction change report at the end of every payroll. We will maintain these reports consistent with the record keeping schedule.

April 2015 Updated Response:

The implementation of SCEIS has changed our processes. We work closely with payroll in reviewing changes to an employee's check each payroll period. All State employees have access to their information through the MySCEmployee, MyBenefits and Wage Works websites.

Finding:

HR6- Finding 6: Currently, counselors address requests based upon an alphabetical allocation. However, when needed, the counselors assist any employee despite his or her name.

Recommendation:
HR6- Recommendation 6: We recommend that instead of counselors assigning responsibility based upon the employee's name, each counselor be assigned to handle all of the paperwork, calls, and disputes associated with a particular district.

June 2009 Response:
HR6- We will reconfigure the distribution of workload and reassign counselors to specific districts.

April 2015 Updated Response:
Benefits Counselors are assigned Districts as recommended.

Finding:
HR7- Finding 7: There is no written manual in place that lists all of the department's responsibilities, processes, controls, and procedures.

Recommendation:
HR7- Recommendation 7: We recommend that the area develop a written policy and procedures manual.

June 2009 Response:
HR7- Benefits will review and update information on hand concerning policies and procedures. This information will be compiled in a written policies and procedures manual to be updated on a regularly scheduled basis.

April 2015 Updated Response:
Each area of Human Resources has a draft Procedures Manual that is updated as necessary.

Finding:
HR8- Finding 8: These files are located in file cabinets, some of which are located in a room by themselves. However, the files are not locked and some of them are not in a separate room that can be locked.

Recommendation:
HR8- Recommendation 8: We recommend that all files containing sensitive information or any other documents that contain such information be safeguarded by being kept in locked file cabinets at all times when not in use.

June 2009 Response:
HR8- Benefits information is currently stored in file cabinets in a separate room in the benefits area. We will have a lock and key placed on the door to the file room for security purposes. We are also pursuing scanning documents and maintaining computer files; possibly with the assistance of the State Employee Insurance program. If we are able to establish and maintain a

scanning system, we will be able to eliminate many of our file cabinets and create more work space.

<u>April 2015 Updated Response:</u>
We are scanning all personnel and benefits' files. The project is near completion.

<u>Finding:</u>
HR9- Finding 9: After a counselor inputs the contents of the Notice of Election Form (NOE) into the Human Resource System, she prints a copy of the deductions, reviews them, sends a copy of the deductions to the employee via inter agency mail, and places a copy in the employees file. Reviewing the list of deductions is the only control mechanism in place to detect misstatements. When testing the process, we found errors that perhaps could have been avoided had another control been in place designed to prevent these misstatements.

<u>Recommendation:</u>
HR9- Recommendation 9: We recommend that a preventative control be instituted that would reduce errors and the need to waste additional time correcting misstatements.

<u>June 2009 Response:</u>
HR9- Benefits will review their process concerning deductions and notice of elections (NOE's). A quality control measure will be put into place to ensure accuracy of information.

<u>April 2015 Updated Response:</u>
The Benefits area submits the NOE to PEBA for updating coverage and SCEIS insurance deduction file. The Benefits Counselors do not file NOEs until coverage is verified by comparing insurance coverage to the PEBA insurance file via the Employee Benefits System. If coverage is correct, the NOE is filed in the employee's insurance file. If the coverage is incorrect, the Benefits Counselor contacts PEBA and/or requests a corrected NOE from the employee, as necessary.

<u>Finding:</u>
HR10- Finding 10:While each of the HR manager's position descriptions has the responsibility of recruiting employees, only one manager participates in the recruitment process.

<u>Recommendation:</u>
HR10- Recommendation 10: We recommend that both employees in the Employment Office be fully utilized to actively engage in recruiting to attract the brightest and best talent possible for SCDOT.

<u>June 2009 Response:</u>
HR10- The HR Director will determine the best utilization of employees in considering any changes to the organizational structure.

April 2015 Updated Response:
We have recently moved the recruiting process to the Human Capital area and hired a new employee in Human Capital that works with the Assistant Director in recruiting activities. We have also expanded our recruiting efforts.

Finding:
HR11- Finding 11: We found that managing the statewide wellness program makes up 10% of one of the HR Manager's position descriptions. The Employment Office emphasis should be on attracting, recruiting, and referring the best potential employees available.

Recommendation:
HR11-Recommendation 11: We recommend that managing the Wellness Program be handled by the agency's Nurse and not by the Employment Office.

June 2009 Response:
HR11- The HR Director will work with the supervisor of the Safety Office to develop a listing of the functions being provided by both areas. A plan will be developed to ensure the most efficient and cost effective means to deliver these services.

April 2015 Updated Response:
The Assistant Director of Human Capital is working with the Nurse/Safety Office on the Wellness Program and to establish a Wellness Committee.

Finding:
HR12- Finding 12: A considerable amount of time is committed to recruiting for positions, especially engineering positions. However, the results of these recruitment efforts do not appear to be recorded by the recruiter. The process lacks an adequate level of accountability

Recommendation:
HR12- Recommendation 12: We recommend that the recruiter(s) create a log that records the names and pertinent information for all potential employees that the recruiter made contact with. It should also record if these potential employees actually applied for a position with SCDOT, were interviewed by a hiring manager, and whether they were hired. This type of tracking allows the recruiter and any member of management to determine the success rate of recruiting efforts.

June 2009 Response:
HR12- A contact log will be developed and utilized to assist in measuring the effectiveness of recruiting mechanisms.

April 2015 Updated Response:
The majority of recruiting is currently handled online and the department does not employ a dedicated recruiters. Employees of the Human Capital section of HR participate in job fairs.

Finding:
HR13- Finding 13: Despite the availability of the NeoGov system, some job seekers send in resumes to HR even when there is no current listing for a potential job on the website. In these cases the employment office files the resumes in the office and then sends an email to the seeker telling him or her that an on-line application needs to be completed to apply for any agency positions.

Recommendation:
HR13- Recommendation 13: We recommend that resumes be destroyed and the email to the jobseeker should indicate that the resume will not be kept because SCDOT wants to refrain from any potential liabilities that could possibly be associated with keeping resumes without the intention of actually hiring or referring anybody. These emails should be retained to prove the contact efforts made.

June 2009 Response:
HR13- Recruiting will develop a means of contact for all employees submitting resumes to the Department to include a tracking mechanism.

April 2015 Updated Response:
The incidence of submissions of resumes by email has dropped to near zero. When do receive a resume, we inform the applicant by a return email that our entire application and selection process is handled through NeoGov and that we will not retain the resume.

Finding:
HR14- Finding 14: The HR Manager then checks the hiring department's utilization of minority groups and notes any underutilization on the HR-19. The referred applications along with a listing of the applicants' gender and race are sent to the hiring authority.

Recommendation:
HR14- Recommendation 14: We recommend that the Employment office revamp the current referral process as it relates to the HR-19. The hiring authority should not have access to applicants' race and gender before determining which employees to interview. The Employment Office should play a stronger role in the underutilization process. When the hiring authority chooses who he or she wants to interview, the HR Manager should review the EEO information to determine if someone potentially qualified in an underutilized group did not get selected for an interview. If at that time someone who was in an underutilized position was interviewed but not hired, a justification letter should then be sent to the ER Manager. The justifications should always be addressed to the ER Manager, and the justifications should contain real merit and be of substance.

June 2009 Response:
HR14- We will review the EEO notification process. We have been in consultation with State OHR and the State Human Affairs Office and will continue to seek their recommendations to develop the most effective process considering all factors.

April 2015 Updated Response:

We do not send the applicants' race or gender with the job applications. Justification to hire is addressed to the Employee Relations Manager.

Finding:

HR15- Finding 15: Currently, if someone calls with a NeoGov question, the HR manager spends a considerable amount of time on the telephone trying to walk the potential applicant through the process. If someone comes into the office and needs help with the system, an HR manager will have to let the potential applicant watch her complete a fictitious application on her computer and then try to remember the steps followed when he or she actually goes online to complete his or her individual application.

Recommendation:

HR15- Recommendation 15: We recommend the installation of a computer kiosk in the Employment office and possibly in each district office to assist those employees who need help completing the online application.

June 2009 Response:

HR15- Recommendation 15: We recommend the installation of a computer kiosk in the Employment office and possibly in each district office to assist those employees who need help completing the online application.

April 2015 Updated Response:

It is very unusual to have applicants come to our office; therefore, we do not need a kiosk for applicants' use.

Finding:

HR16- Finding 16: Vacancy notices are no longer posted on the wall in Headquarters.

Recommendation:

HR16- Recommendation 16: We recommend that all headquarter vacancy notices be posted in a general location at headquarters as well as on Neogov.

June 2009 Response:

HR16- Prior to Neo-Gov, the Department placed job postings on bulletin boards in the building. We have re-implemented this procedure.

April 2015 Updated Response:

We are not posting vacancies in Headquarters. Employees have access to computers and can review postings through NeoGov.

Finding:
HR17- Finding 17: HR managers in the employment office should ensure that the initials of the hiring department's manager are on the HR-19 to authorize posting a vacancy announcement.

Recommendation:
HR17- Recommendation 17:
We recommend that a secondary control be implemented in the process to ensure that no position will be posted without the proper authorization. Additional lines should be added to the form so that the name, title and signature of the approval authority can be clearly seen on the form.

June 2009 Response:
HR17- We will review the HR-19 form and add appropriate signature/approval lines.

April 2015 Updated Response:
Our processes have changed. The forms have changed and all appropriate signatures are obtained prior to posting a position.

Finding:
HR18- Finding 18: We analyzed the entire hiring process for a listing of positions that took longer than seventy (70) days to fill. From the sample, the Employment office referred the applications to the hiring authority in less than one week. However, in all but one of the positions, it took more than one (1) month for the hiring authority to interview, select a potential employee, and refer the appropriate paperwork back to HR. It then takes additional time for Classification and Compensation to process the HR-1 and for the employee to report to work.

Recommendation:
HR18- Recommendation 18: We recommend that the employment office create a timeline and tracking system to monitor the status of all advertised and referred positions.

June 2009 Response:
HR18- We currently utilize a data spreadsheet to track the status of vacant positions. We will update this spreadsheet to capture necessary timelines and tracking, if possible. If the use of this spreadsheet is not feasible, we will develop the necessary tracking mechanism.

April 2015 Updated Response:
We do not have a dedicated Employment Office. Over the past thirteen (13) months, the Agency has had an average of over 110 postings on NeoGov per month. These postings can involve as many as 108 hiring managers around the State. A tracking mechanism at the Agency level would require an employee dedicated to that task alone. Should tracking be required, we recommend it be decentralized and made a supervisory responsibility.

Finding:
HR19- Finding 19: We were informed that some people interviewed but not selected do not get notified of the rejection.

Recommendation:
HR19- Recommendation 19: We recommend that the Employment Office develop and process an acceptance form letter and a rejection form letter to be sent to all applicants. The acceptance letter can then be filed in the employee's official personnel record.

June 2009 Response:
HR19- The Employment Office will utilize the Neo-Gov recruiting system to prepare appropriate acceptance and rejection letters to be sent to all applicants. This will be a more efficient way of preparing necessary correspondence.

April 2015 Updated Response:
All employees interviewed for a position, but not the successful candidate are informed via e-mail through the NeoGov system. If an applicant is hired, that is *prima facie* evidence of his acceptance, alleviating the need for a letter to be filed in his personnel record.

Finding:
HR20- Finding 20: We were informed that the District's Human Resource Coordinator (HRC) was aware of similar allegations, had previously investigated the matters, and concluded that they were false. However, the HR Employee Relations department was unaware of some of the allegations and of the investigations performed.

Recommendation:
HR20- Recommendation 20: We recommend that the Employee Relations department be informed of every investigation that is performed and the actual outcome of each one.

June 2009 Response:
HR20- We agree that we need to be more informed of all HR issues agency-wide. We will further educate HR Coordinators in Headquarters and in the Districts of the importance of this matter. We will also consider any procedure that could be put in place to assist in the notification process. We believe if HR provides consultation on employee relation(s) issues, we may ultimately be able to reduce the number of grievances, resulting in a tremendous time and cost savings.

April 2015 Updated Response:
Most of our investigations come to Human Resources through our Legal Office and/or Customer Call Center. We do not believe investigations are being performed without our knowledge.

Finding:

HR21- Finding 21: We reviewed an instance in our sample where there was a one (1) month delay of time between the time that the District Engineer Administrator (DEA) signed off on a HR-3 to discipline an employee and the time the ER Manager authorized the action. We were also informed of other incidents involving delays in processing information by the ER Manager by both Headquarters and District Personnel.

Recommendation:

HR21- Recommendation 21: We recommend that a tracking system that incorporates some sort of timeline be utilized by the ER department to monitor the date that HR-3s are received, the incident, the action taken, the date the form is sent to a Deputy Secretary or designee, and the date the P-17 was prepared and sent to the appropriate departments.

June 2009 Response:

HR21- We have worked with IT in developing more specific separation codes for employees terminated under extenuating circumstances. The utilization of these codes is imminent. This will assist supervisors in making more appropriate determinations on whether or not an employee should be allowed to return to employment with SCDOT.

April 2015 Updated Response:

The Employee Relations Manager is responsible for reviewing and approving all suspensions and terminations prior to sending these actions forward for final approval. As a part of this review process, the Employee Relations staff may have to request additional information and supporting documentation from the originating unit and District prior to processing the requested action. The Employee Relations area currently maintains a tracking system to monitor this process with requests for additional information noted, as well as, dates for each step of the approval process.

Finding:

HR22- Finding 22: Our overall audit objective included determining the effectiveness and efficiency of the department's operations which would include examining the grievance and complaint processes. After repeated failed attempts to access these files to determine if the processes and procedures performed by the ER office were appropriate and were all done in a timely manner, we were unable to form a conclusion about the processes.

Recommendation:

HR22- Recommendation 22: We are unable to determine the efficiency or effectiveness of the grievance or complaint processes because of the lack of access to vital records.

June 2009 Response:

HR22- We will perform an analysis of our grievance complaint process to include a review of the tracking log. We will make any appropriate changes to ensure effectiveness and efficiency.

April 2015 Updated Response:
The Department's Employee Grievance Procedure is monitored by the Employee Relations Manager. This process was developed in accordance with Section 19-718.05 of the State Human Resources Regulations and carries specific timeframes for the employer's response to appeals within the Agency and those made to the State Human Resources Director. No deficiencies have been noted for response times by the State Human Resources Director. Grievances are cataloged and maintained within the Employee Relations office, by year generated, for a two (2) year period and then sent to the Records Storage Facility for further retention.

Finding:
HR23- Finding 23: During our testing, we found three (3) Bonus Requests that were disapproved by a Deputy Secretary but the actual HR-5 was not placed in the employee's file.

Recommendation:
HR23- Recommendation 23: We recommend that all HR-5s, whether approved or disapproved, be included in the employees official personnel files. We also recommend that Classification and Compensation notate the date that the actual bonus was paid on the HR-5 before it is placed in the employee's file.

June 2009 Response:
HR23- We will review the current bonus procedure and make any appropriate changes.

April 2015 Updated Response:
The bonus approval process has been updated along with the HR-5. We do not believe that a bonus request that was not approved should be put into the employee's personnel file. An employee has the right review their file upon request and would see that a bonus request was denied by a Deputy Secretary, thus potentially creating a morale issue.

Finding:
HR24- Finding 24: The current process of setting up a new hire into the agency's mainframe includes the Records department assigning an employee number and then sending Classification and Compensation the employees' HR-1, original application, and an HR-19. Classification and Compensation enters the employee's social security number, address, birth date, etc. to establish the employee in the system. Classification and Compensation also enters the employee's salary into the system and the employment effective date. Any future corrections to information are made by the Records function.

Recommendation:
HR24- Recommendation 24:
We recommend that further segregation of duties be introduced into the new hire process. We recommend that Records assign the employee number and establish the employee in the agency's mainframe system. Only after the employee has been established should Classification and Compensation be allowed to enter the salary information. We recommend that no single

area be allowed to enter employees in the system and control changing the amount that they are paid. Security rights should be entered into the system to reflect the segregation of these duties.

June 2009 Response:
HR24- We will review our current process and put any mechanisms in place to ensure security control.

April 2015 Updated Response:
We have separated the Classification/Compensation area from Operations. Classification/Compensation is responsible for the salary recommendation and approval function. Operations keys the information into SCEIS. The employee number is now generated by SCEIS.

Finding:
HR25- Finding 25: One HR Manager in Classification and Compensation works closely with the Information Technology Services (ITS) department to develop different screens for the mainframe. She also has the primary authority to grant security access to Entire Connection.

Recommendation:
HR25- Recommendation 25: We recommend that neither employees in Classification and Compensation nor any other function of HR that inputs information and has the ability to make changes should be responsible for setting up or determining the amount of access anyone or any group should have to the system. Due to the IRC's separation from the everyday processing component of the system, this individual should be the one to have security authorization rights.

June 2009 Response:
HR25- The HR IT employee will be responsible for authorization rights with a back-up as needed.

April 2015 Updated Response:
SCEIS has changed this process. Employees in the Operations area of Human Resources set the human resources access in SCEIS for the employee.

Finding:
HR26- Finding 26: There is no written manual in place that lists all of the department's responsibilities, processes and procedures.

Recommendation:
HR26- Recommendation 26: We recommend that the department develop a written Policy and Procedures manual that outline the area processes and the controls in place.

June 2009 Response:
HR26- Classification and Compensation will review their current policies and procedures and document them in a written Policy and Procedures Manual to be updated on a regularly scheduled basis.

April 2015 Updated Response:
The Manpower Report has outlined the areas responsibilities.

Finding:
HR27- Finding 27: We pulled a sample of HR-1s and HR-2s for testing to ensure that the pay equity analysis was performed as needed and to ensure that pay actions were initiated only after the proper authorization had been received. Out of forty-two (42) HR-1s and HR-2s reviewed, we only found one (1) occurrence where it appears that the signature of the approval authority was retained after the effective date of the pay action.

Recommendation:
HR27- Recommendation 27: We recommend that extreme care be exercised to ensure that all pay actions are authorized before they become effective.

June 2009 Response:
HR27- We recommend that extreme care be exercised to ensure that all pay actions are authorized before they became effective.

April 2015 Updated Response:
Operations does not key or make an action effective in SCEIS until the appropriate approvals are obtained.

Finding:
HR28-Finding 28: Classification and Compensation also has the responsibility of monitoring outside employment for the agency. This type of information is generally captured on an HR-6 which must be approved by the employee's immediate supervisor, DEA or Division Director, and by the appropriate Deputy Secretary. Concerns were expressed about the actual percentage of forms submitted versus the employees who actually have outside employment.

Recommendation:
HR28- Recommendation 28: We recommend that the Employment office be assigned the responsibility of monitoring outside employment.

June 2009 Response:
HR28- The Employment Office will be responsible for monitoring Outside Employment.

April 2015 Updated Response:
New hires receive an outside employment form in their new hire packet. The completed forms are routed up to the appropriate Deputy Secretary for approval and are filed in the employee's

personnel file. Existing employees are required to report outside employment to their supervisor by completing the outside employment form.

Finding:

HR29- Findings 29: For EPMS year 2008, we found that EPMS were not properly performed for all HR employees. In many cases where there was no apparent EPMS performed, the employee was given an alternate rating instead of the default rating of "Meets Expectations".

Recommendation:

HR29- Recommendation 29: We recommend that Records ensures that EPMS are performed for all employees including HR personnel.

June 2009 Response:

HR29- The Records Section will document the requests made for EPMS completion. If an EPMS has not been received for an employee within one month of the review date, the Deputy Secretary for the respective area will be notified.

April 2015 Updated Response:

We have worked to ensure that all employees receive an official EPMS. We had an 83% rating this year.

Finding:

HR30- Findings 30: The Records function has the responsibility of assigning a new hire an employee number. If no one from Records is available to assign the number, Classification and Compensation has the secondary authority to assign employee numbers.

Recommendation:

HR30- Recommendation 30: We recommend that in order to ensure adequate separation of duties, the HR Director should be the only one to authorize the issuance of an employee number in the absence of Records personnel.

June 2009 Response:

HR30- In the absence of Records personnel, the HR Director or designee, if the HR Director is unavailable, will authorize the issuance of an employee number. The designee must inform the HR Director of any issuance of an employee number.

April 2015 Updated Response:

The implementation of SCEIS removed the assignment of employee numbers.

Finding:

HR31- Finding 31: The Records office has a system in place that allows authorized employees to sign-out files for review.

Recommendation:

HR31- Recommendation 31: We recommend that Records enhances its custodial function by preventing the removal of any employee file from the Records office. All interested parties should review the file contents in the records office to ensure that no information is inadvertently misplaced.

June 2009 Response:

HR31- Employee files can only be removed from the file cabinets by Record's personnel. In the event that an HR employee must check the file out of the Records Section, the records personnel must make a "check out" card indicating who has the employee's file and the date it was checked out. We are also exploring the possibility of limiting the file room access.

April 2015 Updated Response:

The scanning of personnel files has alleviated this concern.

Finding:

HR32- Finding 32: Records personnel informed us that they are currently working with the agency's IT department to enhance the department's ability to determine if any employee resigned in lieu of being terminated by adding additional characters to the termination code. Currently a hiring manager may or may not review the personnel file of a prospective employee who previously worked for SCDOT; therefore, the manager may be unaware of the work performance of the prior employee or the circumstances surrounding his or her termination.

Recommendation:

HR32- Recommendation 32: We recommend that the official personnel file of a prior SCDOT employee be reviewed, whether it's located at Headquarters or the agency's storage facility, before a new position is extended to that employee in order to gauge the quality of his or her prior work performance.

June 2009 Response:

HR32- Since we are implementing more specific separation codes, we will be reviewing the process for returning SCDOT employees to ensure a hiring supervisor is made aware of the employee's previous employment situation. We will include this in our policy and procedures manual and present at an HR Coordinator's meeting.

April 2015 Updated Response:

The implementation of SCEIS has provided the ability to code the separation of an employee with the appropriate reason code. The assignment of employee numbers by SCEIS ensures that a previous employee must be reissued their prior employee number.

Finding:

HR33- Finding 33: The records function performs an annual inventory of all files to ensure that they exist in the office. Out of all the files we reviewed, we only documented three cases of files containing inappropriate information.

Recommendation:
HR33- Recommendation 33: While the overall quality of the condition of the personnel files is very good, we recommend that the office performs a continuous sampling program to ensure that the inventory of files is complete and free of any information that should not exist in the files.

June 2009 Response:
HR33- Records has already begun a review of all personnel files. They will continue this review and set a regular schedule for file review.

April 2015 Updated Response:
We are reviewing each personnel file prior to scanning to ensure the appropriate information is maintained. We have implemented quality control in the area to include a review of the personnel file in our office prior to accepting the scanned file.

Finding:
HR34- Finding 34: When an employee is out for five days or more due to illness, the HRC sends an HR-1 to Records indicating that an employee is on Leave of Absence. Records reviews the leave code, ensures that the days with and without pay are calculated correctly, ensures that a doctor's certification is attached and corresponds with the leave of absence, and then prepares a P-17 for distribution. All of this information is manually tracked by Records.

Recommendation:
HR34- Recommendation 34: We recommend that the HR-1 indicating a Leave of Absence be logged into the department's current tracking system. An electronic database should be utilized to capture the effective date of leave for the employee, with pay and without pay dates, leave justification, and the employee's expected date of return.

June 2009 Response:
HR34- We are in the process of updating the procedures of leaves of absence in excess of five days. This will include developing a tracking system for follow-up of leaves of absence.

April 2015 Updated Response:
SCEIS maintains this system for the Department. The P-17 is no longer used.

Finding:
HR35- Finding 35: Employees in certain positions have six months from their date of hire to obtain their Commercial Drivers License (CDL) and must certify their willingness to do so in writing. If they fail to obtain this license, Records receives an HR-1 from the HRC indicating that an employee has failed to meet this requirement and will be terminated. Records then prepares a P-17 and disseminates it to the appropriate departments.

Recommendation:
HR35- Recommendation 35: We recommend that Records track the employee's initial acknowledgement of the requirement to obtain the CDL when the employee's new hire information is submitted to Human Resources. This will allow Records to be proactive in determining when an employee's six month period ends to maintain consistency between employees.

June 2009 Response:
HR35- We will review our current process for employees acknowledging the CDL requirement and tracking CDL's. We will put any necessary changes in place.

April 2015 Updated Response:
All new hire packets for positions requiring a CDL contain the CDL Requirement Statement. The employee must review, acknowledge their acceptance and sign and date the form. The P-17 is no longer used.

Finding:
HR36- Finding 36: Once South Carolina Retirement System (SCRS) approves an employee for disability retirement, SCRS notifies Benefits of this action. Benefits sends a copy of the notification to the HRC. After receiving notification, the HRC prepares an HR-1 and sends it to Records. Records prepares a P-17 and distributes the document appropriately.

Recommendation:
HR36- Recommendation 36: We recommend that Records reviews the need for an HR-1 as it relates to disability retirement. SCRS approves disability retirement which removes SCDOT from the decision making process. Therefore it appears that in this case an HR-1 in unnecessary.

June 2009 Response:
HR36- We will review the use of the HR-1 in disability retirement situations.

April 2015 Updated Response:
The HR-1 is necessary to separate the employee from employment. The P-17 is no longer used.

Finding:
HR37- Finding 37: Each district administers its own New Employee Orientation and the frequency and course content by each district may vary.

Recommendation:
HR37- Recommendation 37: We recommend that Employee Development utilize the video conferencing technology currently at SCDOT to ensure that every new employee at SCDOT receives the same important information.

June 2009 Response:
HR37- We are reviewing new employee orientation in Headquarters and the Districts. We will review the possibility of utilizing facilitated e-learning curriculum for new employee orientation and implement any procedures as deemed appropriate.

April 2015 Updated Response:
New Employee Orientation (NEO) is an on-line course housed on our Learning Management System (LMS). All new hires agency-wide are required to take this on-line course. Each district can offer district specific training in addition to having new hires take the on-line course. Employee Development follows-up to make sure all new hires have completed the on-line NEO.

Finding:
HR38- Finding 38: Some of the courses that are offered are required because of policy like sexual harassment and work place violence. These courses are typically two hour courses that are offered by Employee Development. Another course, Agency Operations/Organizational policy, is administered by management outside of HR but is similar in content to New Employee Orientation.

Recommendation:
HR38- Recommendation 38: We recommend that Employee Development review the course content of each of its courses and combine classes that may be similar. Combining courses would decrease the amount of time needed to prepare materials for two courses and the amount of time each employee sits in a training classroom.

June 2009 Response:
HR38- Employee Development is looking at options for delivering training in the most efficient manner. We are developing on-line training modules and will incorporate any changes that would be beneficial.

April 2015 Updated Response:
Sexual Harassment and Workplace Violence have been combined into one course that is 3 hours long. Each District HRC conducts this course in their district to new employees and the Employee Relations office conducts this course for Headquarters new employees. Agency Operations is no longer offered.

Finding:
HR39- Finding 39: Each trainer currently instructs several courses in headquarters and in the districts that are primarily focused on providing managerial soft skills. Aside from the courses that they instruct and the character traits and leadership ability that they provide, the training unit is not fully aware of the training needs of each employee.

Recommendation:
HR39- Recommendation 39: We recommend that each trainer be assigned to a district to coordinate all of the training for that district's employees. That trainer would be responsible

for conducting a training needs assessment of various positions and employees. We further recommend that Employee Development take a serious look at its role in ensuring that all employees get the technical skills that they need to perform their jobs.

June 2009 Response:
HR39- We recognize that HR Development functions primarily as a training arm for Human Resources and soft skills related training and that we are not always aware of trainings being offered throughout the Department. We will assign each District to a trainer for assistance in determining and coordinating training needs.

April 2015 Updated Response:
The Employee Development office has two (2) fulltime classroom trainers, making it impossible to assign districts. An agency technical training has not been assigned to Employee Development to oversee. Employee Development consists of a Director that trains, two (2) full time trainers, two (2) e-learning developers and LMS administrators and 1 training coordinator.

Finding:
HR40- Finding 40: The Administrative Coordinator II currently reports directly to the Director of Human Resources and she supervises the two administrative coordinators. She is assigned to perform special projects and assist in the department's cost saving measures. During this calendar year she assisted with the mandatory ethics training due to her training and education background.

Recommendation:
HR40- Recommendation 40: We recommend that the Administrative Coordinator II be reassigned to the Employee Development area and reclassified as an Instructor. Because of her background and her performance with the Ethics training, we believe that she would really be successful in Employee Development.

June 2009 Response:
HR40- The HR Director will make a determination of the best utilization of this employee in the review of the overall organization and reporting structure.

April 2015 Updated Response:
The Administrative Coordinator II has been assigned to the Employee Development office and reclassified as a trainer and is one of the full time trainers in the Employee Development Office.

Finding:
HR41- Finding 41: The agency's organizational charts upload daily to the agency's mainframe resulting in the organizational charts not being available on the intranet to every agency employee. Instead, each department has to designate someone to download a viewer that will allow them to access their department's organizational chart. The IRC recently obtained a newer version of OrgPlus to assist her in constructing the charts.

Recommendation:

HR41- Recommendation 41: We recommend that the department design a way for all employees to have access to the agency's organizational charts without allowing them to access information prematurely. Organizational charts should be a public document and will aid all SCDOT employees as well as the public to determine the agency's and departments' lines of authority.

June 2009 Response:

HR41- Previously all employees had access to the agency's organizational charts. Due to immediate computer updating capabilities, employees were able to see promotional and hiring information prior to supervisor making formal announcements concerning personnel actions/changes. We will review our capabilities and ensure that employees have the appropriate access, as needed and work with IT on updating capabilities.

April 2015 Updated Response:

The SCDOT's intranet has link to a Department Organizational Chart that is accessible for all SCDOT employees.