



CALIFORNIA

High-Speed Rail Authority

Hiring Process

March 2018

EXECUTIVE SUMMARY

The Audit Office of the California High-Speed Rail Authority (Authority) completed its audit of the Authority's hiring process. The Authority's Administration Office, Human Resources (HR) Branch, sets hiring practices designed to ensure the Authority selects the most qualified candidates following a fair and rigorous hiring process.

The purpose of our audit was to evaluate the economy and efficiency of the Authority's hiring process. The objectives were to:

- Identify the roles and responsibilities of those involved in the hiring process.
- Assess the economy and efficiency of the hiring process.

For the purpose of our audit, we determined "economy" to be the least number of steps practical for a process and "efficient" to be the shortest duration practical for a process. The audit period covered completed hires from July 1, 2016, through June 30, 2017. To accomplish our objectives, we interviewed staff involved in the hiring process and reviewed applicable criteria and documents related to the hiring process. The scope of the audit intended to encompass the point the Authority's hiring managers notify the HR Branch requesting to fill positions through the point the HR Branch notifies the hiring managers to make a final offer to the candidates. However, based on available documentation, our scope was revised to begin when the HR Branch approved the request to fill a vacancy.

The Authority's *Employee Hiring Manual: A Manual for Supervisors and Manager* provides a step-by-step, merit-based process to hire the most qualified candidates. Based on our audit, we identified that, from the point the HR Branch approves the Position Action Request Form (PARF) to the point the HR Branch notifies the hiring manager to make a firm offer; the average duration is 77 working days. Overall, the hiring process is efficient compared to the California Department of Human Resources' (CalHR) guidelines wherein the duration is up to 85 working days. Furthermore, the hiring process is generally economical, except as noted below.

We found that the California Department of Transportation (Caltrans), as the contracted human resources service provider, has imposed its medical clearance requirement for Authority hires. We found no prerequisite in the bargaining unit agreements or the CalHR classification descriptions (specifications) for medical clearances. From the sample of hires we reviewed, three of sixteen needed medical clearances, per Caltrans guidelines. For all three hires, the average number of days it took to confirm final eligibility, including medical clearances was 23 working days. In contrast, the same process averaged 6.5 working days for hires that were not subjected to the medical clearance requirements.

The Authority's HR Branch should notify Caltrans Office of Human Resources (OHR) to discontinue medical clearances unless a requirement is demonstrated.

AUDIT REPORT

BACKGROUND

The Authority's HR Branch sets hiring practices designed to ensure the Authority selects the most qualified candidates following a fair and rigorous hiring process. The HR Branch created the *Employee Hiring Manual: A Manual for Supervisors and Managers* to provide a step-by-step, merit-based process to fill vacant/new positions. The Authority contracts with Caltrans to perform human resources and labor relations services for the Authority. In addition, the Authority employs a full-time Associate Personnel Analyst who works in the Caltrans OHR to assist in performing these services.

The hiring process starts when the manager submits the necessary information to request to fill a vacancy. Once the HR Branch approves the hiring package and signs the PARF, the Authority's recruitment analyst posts the vacancy on the statewide vacancy system. After the vacancy is posted, the recruitment analyst submits the PARF package to the Associate Personnel Analyst at Caltrans OHR.

After the final filing date or a minimum of ten working days, the recruitment analyst provides applications to the hiring manager. The hiring manager screens the applications and selects candidates to interview. The hiring manager may request preliminary eligibility verification for interview candidates. Once the hiring manager completes interviews and selects the top candidate(s), the Associate Personnel Analyst verifies the final eligibility. However, several classifications (e.g., Environmental Planner, Right-of-Way Agent, and Transportation Engineer) require medical clearances, per Caltrans requirements, as part of the final eligibility verification. Once final eligibility is verified, the Associate Personnel Analyst notifies the recruitment analyst that a final offer can be made to the candidate.

Prior to September 2017, Caltrans OHR and the Associate Personnel Analyst understood that pre-eligibility verification with the employee's current department of all selected interview candidates was required. However, during the course of our audit, the HR Branch clarified with Caltrans OHR and the Associate Personnel Analyst that pre-eligibility verifications are for transfer candidates only, possibly improving the economy and efficiency of the process.

OBJECTIVES, SCOPE AND METHODOLOGY

The purpose of the audit was to evaluate the economy and efficiency of the Authority's hiring process. The audit objectives were to:

- Identify the roles and responsibilities of those involved in the hiring process.
- Assess the economy and efficiency of the hiring process.

For the purpose of our audit, we determined "economy" to be the least number of steps practical for a process and "efficient" to be the shortest duration practical for a process.

To accomplish our objectives, we interviewed staff involved in the hiring process and reviewed applicable criteria and documents. The scope of the audit intended to encompass the point the Authority's hiring

managers notify the HR Branch regarding their request to fill vacant positions through the point the HR Branch notifies the hiring managers to make a firm offer to the candidates. However, we were not able to evaluate the hiring process timeframe as intended, because the HR Branch did not maintain documents showing when hiring managers informed the HR Branch vacancies needed to be filled. Therefore, we used the date the HR Branch signed the PARF as the starting point. At each point a transfer of responsibility occurred, we reviewed applicable documentation to determine the duration of each process. The audit period covered completed hires from July 1, 2016, through June 30, 2017. We used the CalHR Hiring Process Timelines as the guide for determining if the hiring process was efficient.

The audit took place at the Sacramento office of the Authority and the Caltrans OHR. The results of the audit were discussed with management on November 2, 2017. A response from the Administration Office was requested and received. We found their response sufficiently addresses the audit finding. The response is attached.

FINDING, RECOMMENDATION & OBSERVATION

We identified that, from the point the HR Branch approves the PARF to the point the HR Branch notifies the hiring manager to make a firm offer, the average duration is 77 working days. Overall, we determined that the hiring process is efficient compared to the CalHR guidelines wherein the duration is up to 85 working days. Furthermore, the hiring process is generally economical except as noted in the finding below.

Finding:

Caltrans, as the contracted human resources service provider, has imposed its medical clearance requirement for Authority hires. The *Caltrans Hiring Guide* requires medical clearances for certain classifications. We found no prerequisite for medical clearances in the bargaining unit agreements or the CalHR classification descriptions (specifications). From the sample of hires we reviewed, three of sixteen needed medical clearances, per Caltrans guidelines. For all three hires, the average number of days it took to confirm final eligibility, including medical clearances, was 23 working days. In contrast, for hires that were not subjected to the medical clearance requirements, the process averaged 6.5 working days.

Recommendation:

The Authority's HR Branch should notify Caltrans OHR to discontinue medical clearances unless a requirement is demonstrated.

Observation:

Although we did not evaluate compliance, we observed the Authority's HR Branch is not requiring hiring managers to submit Form 110 when requesting to fill a vacancy. The Authority's *Employee Hiring Manual: A Manual for Supervisors and Managers (HR-02, May 2017)* requires that Form 110 must be submitted by the hiring supervisor/manager to initiate the hiring process. We found all sixteen (16) hires sampled did not have Form 110 submitted or documented in the hiring files.

During the course of the audit, the HR Branch revised the *Employee Hiring Manual: A Manual for Supervisors and Managers* in September 2017. The language was changed to, “It is suggested that the supervisor/manger complete Recruitment Request Form (HSRA-110) and submit it to the HR analyst”.

We recommend the Authority’s HR Branch document the date hiring managers inform the HR Branch that vacancies need to be filled.



Memorandum

DATE: February 26, 2018
TO: Paula Rivera, Chief Auditor
FROM: Mahsa McManus, Acting Chief Administrative Officer
SUBJECT: Human Resources Response to Draft Audit Report 16-05, Hiring Process

The Authority's Human Resources Branch is in receipt of the draft report of the Authority's hiring process. In the draft report, the Authority's Audit Office found that the Authority's hiring process is efficient compared to the California Department of Human Resources (CalHR)'s guidelines. There was however one finding that states the California Department of Transportation (Caltrans) has imposed their medical clearance requirement for Authority hires although no prerequisite in the bargaining unit agreements, or CalHR classification descriptions requiring medical clearances, were found.

Recommendation: *The Authority's Human Resources Branch should notify Caltrans Office of Human Resources to discontinue medical clearances unless a requirement is demonstrated.*

Response to Recommendation:

The Human Resources Branch concurs with the recommendation and provides the following response:

The Authority's Human Resources Branch acknowledges that Caltrans has not provided a medical clearance requirement other than stating that it is a necessary step in the hiring process. Kim Mattila of the Authority's Human Resources Branch will notify the Caltrans Office of Human Resources that medical clearances for Authority employees will be discontinued, unless a requirement is demonstrated, by May 1, 2018.

If you have any further questions, please contact Kim Mattila, Human Resources Manager, at (916) 330-5635 or Kim.Mattila@hsr.ca.gov or Mahsa McManus, Assistant Chief Administrative Officer at (916) 431-2932 or Mahsa.McManus@hsr.ca.gov.