



A Report Issued by the
Office of the City Auditor
City of Corpus Christi
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Interim City Auditor

A24 – SP2

Human Resources

Recruiting & Pre-Boarding

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City Council Audit Committee
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Executive Summary

Audit Objective

The objective was to evaluate the timeliness and efficiency of the hiring and pre-boarding process within the Human Resources (HR) Department, specifically the Talent Acquisition (TA) Division.

Conclusion

The audit identified opportunities to improve controls, documentation, performance monitoring, and oversight in the recruiting and pre-boarding process. However, the Office of the City Auditor (OCA) was unable to assess timeliness and other internal control aspects of the hiring and pre-boarding process due to limitations encountered during the audit. Specifically, HR declined to provide view-only access to certain systems and records, withheld documentation requested in support of candidate screening and selection, and evaluated the timeliness of the recruitment and pre-boarding processes. HR later attempted to revise the previously communicated audit scope period after substantial progress in fieldwork had already been made. As a result, the OCA was unable to perform all planned testing procedures and cannot provide reasonable assurance on the timeliness and other areas identified in the OCA's comprehensive risk assessment and audit program due to the lack of sufficient and appropriate audit evidence.

Recommendations

To improve the efficiency, consistency, and accountability of the hiring and pre-boarding process, HR should enhance documentation and record retention by centralizing recruitment records, implementing standardized candidate evaluation tools, and establishing formal procedures for executive hiring and relocation benefits. Management should develop and monitor Key Performance Indicators (KPIs) to measure recruiting effectiveness, improve system functionality to track critical hiring milestones, and automate controls that support compensation reviews and hiring authorizations. Additionally, HR should strengthen pre-employment verification processes, including education, employment, reference, and background checks, while ensuring that hiring decisions are properly documented and supported. Finally, HR should update and regularly review TA policies, procedures, classification plans, and compensation practices to ensure alignment with current operational needs, regulatory requirements, and industry best practices.

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The Office of the City Auditor was created in response to the public's affirmative vote in November 2010 to establish a new City Department independent of the City Manager, designed to enhance accountability and oversight. By ordinance, the City Auditor reports to the City Council, with guidance and oversight provided by the City Council's Audit Committee consisting of four Council Members.

"The City Auditor shall systematically and continuously examine the works of all city operations to identify opportunities to reduce costs, increase efficiency, quality, and effectiveness, or otherwise improve management of city programs and services."

– Section 12 ½ - 6 of the City Code

Audit Objective, Scope & Methodology Statement

Objective

The objective of this audit was to evaluate the timeliness and efficiency of the hiring and pre-boarding process within the HR Department's TA Division.

Scope & Methodology Statement

Our audit scope covered new hires and rehires from January 1, 2023, through December 31, 2025. Specialized hiring processes such as the Fire Department, Police Department, and Information Technology (IT) Department were excluded.

The audit was conducted in accordance with the audit responsibilities of the City Auditor as set forth in Chapter 12 ½ of the Code of Ordinances of the City of Corpus Christi (City). Management restricted direct access to certain requested systems and information, resulting in departures from applicable requirements of independence. Due to the significance of these departures, the OCA was unable to and did not conduct the engagement in accordance with Generally Accepted Government Auditing Standards (GAGAS) or the Global Internal Audit Standards. The nature and impact of these departures are described in detail throughout this report and in the Scope Limitation section which represents a severe interference with our independence and our ability to obtain reliable and appropriate audit evidence.

To achieve the audit objective, we used a multifaceted approach, including:

- Interviewed staff members in the City's HR Department, specifically TA, to understand the City's employee recruiting and pre-boarding process
- Identified new hires and rehires within Infor from January 1, 2023, to December 31, 2025
- Reviewed internal controls for the recruiting and pre-boarding processes
- Reviewed and discussed best practices with other Texas cities

A 100% testing approach was originally planned for feasible procedures. However, read-only access to the document management system containing the recruiting and pre-boarding records was denied, restricting our ability to perform full-population testing. As a result, a hybrid sampling approach was implemented, combining statistical sampling and judgmental selection informed by preliminary analysis. Although this adjusted methodology provided representative coverage for certain audit procedures and enabled the review of observed unusual or irregular items, some planned procedures still could not be performed because additional access restrictions were applied even after the sampling approach was implemented.

Scope Limitation

The OCA's ability to evaluate several aspects of the recruiting and hiring process was limited due to restricted access to documentation maintained by TA and hiring officials. Although City Code Section 12½-4, Access to Records and Property, provides that *"the office of the city auditor shall have access to **all** records, information, properties, equipment, and personnel of the city relevant to a review"* and that *"city officers, employees, and agents shall fully cooperate with the office of the city auditor and fully disclose all known information,"* certain requested documentation – including interview notes, background checks, and IT workflow reports covering the full audit scope period – was not provided. In addition, the Global Internal Audit Standards (2024) require that *"senior management to enable the internal audit function's **unrestricted** access to data, records, information, personnel, and physical properties necessary to fulfill the internal audit mandate."* The lack of access to this information prevented the OCA from fully executing its planned audit procedures.

The OCA also communicated concerns regarding access to records during the June 12, 2026, Audit Committee Meeting. During that meeting, the OCA requested assistance in obtaining documentation necessary to evaluate hiring decisions within the established audit scope. To address HR's stated concerns related to confidentiality, the OCA proposed alternatives, including the possible use of a Non-Disclosure Agreement (NDA). The decision needed to address the scope limitations was not provided, and the limitations remained unresolved. As a result, the OCA was unable to obtain sufficient evidence to fully assess all relevant aspects of the recruiting and hiring process within the audit project timeline, which was clearly communicated to city management as having a deadline of **May 22, 2026**.

Examples of scope limitations and threats to auditor independence encountered include, but are not limited to:

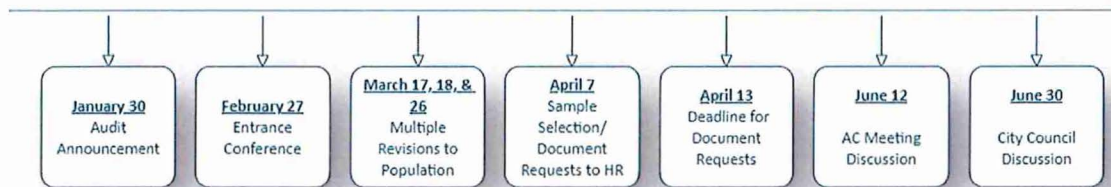
- 1. Audit Population and Sample Selection:** During the audit, HR personnel communicated preferences regarding the audit population and sample size. These determinations are made by the OCA based on audit objectives and methodology. The communications did not affect the OCA's established methodology but were noted because they related to the scope limitation environment.
- 2. Restricted Access to Audit Evidence:** At the beginning of the audit, HR agreed to provide requested documentation with sensitive information redacted in place of granting read-only system access. During the audit, certain documents identified as necessary for testing, including system-generated reports, were not provided. As a result, the OCA could not obtain some of the evidence required to complete planned procedures.
- 3. Change in Interpretation of Audit Scope:** The audit scope period of January 1, 2023, through December 31, 2025, was agreed upon during the Entrance Conference and used in planning, document requests, and sampling. After the June 12, 2026, Audit Committee meeting (see Subsequent Development section of report), HR informed the OCA that it considered the applicable scope period to be limited to calendar year

2024 and did not provide certain records outside that year. This limited the OCA's ability to evaluate evidence for the original scope period.

4. **Access to Laserfiche Records:** The OCA's request for read-only access to recruitment and hiring documentation stored in Laserfiche was not granted. HR initially agreed to provide redacted copies of requested records; however, some requested documents, including materials without sensitive information, were not provided. As a result, the OCA was unable to independently review certain records maintained in Laserfiche.
5. **Relevancy Determination:** During the audit, HR did not provide certain requested information, including interview notes, forms documenting hires of City employee relatives, etc. HR stated that these items were not relevant to the audit and did not align with the established audit objectives. In addition, HR declined to respond to certain questions and inquiries necessary to complete planned audit procedures. As a result, the OCA was unable to perform several procedures needed to fully meet the audit objectives.

Background

The HR Recruiting and Pre-Boarding audit was included in the 2024 Annual Audit Plan presented at the February 13, 2024, Audit Committee Meeting, and approved by the full City Council on March 19, 2024. The request for the audit originated from a Councilmember following concerns from department directors about the length of time between hiring and pre-boarding. The objective of the audit was to evaluate the timeliness and efficiency of the City's recruiting and pre-boarding process. The following timeline summarizes the significant events that occurred throughout the audit engagement.



The TA Division recruits and pre-boards candidates for the City workforce. These processes include job posting, applicant screening, candidate evaluation, and pre-employment requirements such as background checks and pre-boarding documentation. Efficient, well-documented processes help reduce vacancy periods, ensure compliance with policies, and support the City's operational needs.

Recruitment begins when a department identifies a vacancy. Effective June 2024, the City implemented revised hiring protocols that establish a Vacancy Review Committee (VRC) process for certain positions. Positions not on the approved exemption list require a Request to Hire (RTH) form, which is reviewed by the HR Director, the Director of Management and Budget, and the Deputy City Manager before recruitment may begin. Once the hiring request is approved, the hiring department enters the requisition in the City's Applicant Tracking System (ATS), Infor. All required approvals are then completed within Infor before the requisition is routed to TA.

Following approval of the requisition, TA prepares the job posting using information contained in the approved Job Assessment Questionnaire (JAQ), which defines the position title, essential duties, minimum qualifications, education, experience, certifications, licenses, physical requirements, and other job-specific requirements. Compensation staff maintains the JAQs, while TA uses the approved information to prepare and publish job postings. Salary ranges are populated automatically, and initial postings generally remain posted for two weeks before screening is performed.

After the posting period closes, TA screens applications to determine whether candidates meet the minimum qualifications established in the JAQ. Applicants who satisfy the minimum requirements are sent to the Hiring Manager queue via the ATS system. Interview

questions are reviewed by HR before interviews are conducted to help ensure compliance with employment laws and City policies. Upon completion of interviews, the Hiring Manager selects a candidate and provides TA with the proposed hiring information, including the starting salary and anticipated start date. TA then prepares a conditional offer of employment for execution by the Hiring Manager and the selected candidate.

Employment offers are contingent upon successful completion of applicable pre-employment requirements, which may include criminal background checks, reference checks (if requested by the Hiring Manager), drug screening, physical examinations, driving record verification, credit investigations for designated positions, and completion of required employment documentation. Once the candidate accepts the conditional offer, TA initiates the pre-boarding process through Infor, where candidates complete pre-boarding forms and authorize required background investigations and other pre-employment screenings. After all requirements have been satisfied, TA approves the employee for hire within the system.

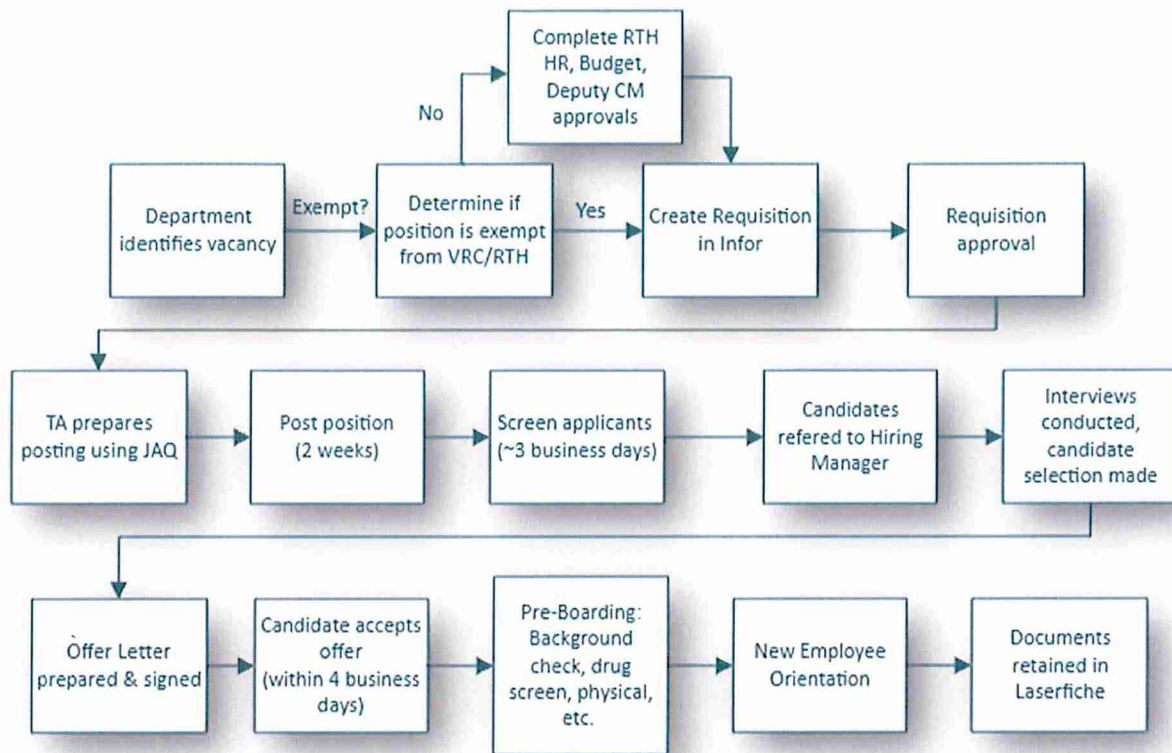
All newly hired employees are required to attend New Employee Orientation (NEO), during which they complete mandatory pre-boarding documentation, including acknowledgment of the Human Resources Policy Manual and other employment-related forms. HR maintains attendance records and retains completed pre-boarding documentation electronically within Laserfiche, the City's document management system.

During the audit period, TA implemented several initiatives to improve recruiting and pre-boarding operations. These initiatives included:

- Implementing a New Hire Experience Survey
 - New Hire Experience Survey results are reviewed annually by the Assistant HR Director to identify opportunities to enhance the onboarding experience
- Redesigning job posting templates
- Expanding electronic document management within Laserfiche
- Enhancing applicant communications
- Automating portions of the pre-boarding process
- Developing additional electronic workflows
- Established internal performance measures to monitor recruiting activity including:
 - the number of new hires
 - employee terminations
 - turnover trends & vacancy trends
 - Turnover analysis and Vacancy Trend Reports are distributed to Executive Leadership to assist with workforce planning

During the audit scope period, TA participated in 16 job fairs, including City-sponsored events and recruitment activities hosted by individual departments, and coordinated with the Communications Department to promote employment opportunities through social media and other outreach efforts.

TA Process Workflow



Source: City Auditor's Office

Results, Recommendations & Management Response

FINDINGS	
01	No Documented Candidate Selection Criteria or Scoring Matrix
CRITERIA	Local government best-practice recruitment processes include documented, consistent methods for evaluating candidates to support fair, transparent, and well-informed hiring decisions. Interview documentation, evaluation criteria, and scoring tools should be utilized and maintained to demonstrate how candidates were assessed against established job requirements.
CONDITION	Although interview questions are pre-approved, the current recruitment procedure lacks both a standardized scoring matrix and a documented process for evaluating final candidate selection decisions.
CAUSE	Recruitment procedures do not define standardized documentation requirements for candidate evaluations.
RISK/EFFECT	The absence of standardized candidate evaluation documentation may limit management's ability to demonstrate that hiring decisions were based on consistent and objective evaluation criteria. This condition may increase the risk of inconsistent candidate assessments, reduced transparency in the selection process, and difficulty supporting hiring decisions during internal or external reviews.
RECOMMENDATION	1. Develop an interview guide, scoring matrices, and selection checklists. The tools should align with job requirements and be validated to minimize bias. 2. Require interview panels to complete and submit scoring sheets and notes for each candidate. These must be retained centrally. 3. Provide annual training for hiring managers on structured interviews, bias mitigation, and documentation.
MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of Disagree. While we understand the intent behind the recommendation, HR cannot develop customized evaluation templates or matrices for each job family because hiring decisions are made by individual departments, which serve as the subject-matter experts for their respective positions and determine the competencies and criteria required for successful performance. HR's role in the recruitment process is to provide qualified candidate pools based on approved job postings and to ensure fairness, consistency, and compliance across hiring activities. Departments are responsible for conducting interviews and making final selections, with the required inclusion of an external panel member to support objectivity. HR reviews interview questions to ensure they are job-related and free from bias; however, departments retain discretion in evaluating technical competencies specific to their operational needs. As a result, standardized evaluation tools cannot accurately accommodate the City's diverse job classifications.

	While a single scoring matrix may appear to promote consistency, it would not appropriately reflect the varied knowledge, skills, and abilities outlined in each job description. Departments are expected to evaluate candidates using those approved criteria. A uniform matrix would lead to generalized assessments rather than job specific evaluations. To strengthen consistency and documentation, HR has taken several steps. All departments are required to use a three-member interview panel, with grade 107 and above positions requiring two internal members and one external member. HR provided interview training through HR101 in FY25 and expanded FY26 training is now being delivered jointly with the Compensation Division to reinforce responsibilities and address department questions. Talent Acquisition, in partnership with IT, is implementing an electronic offer letter request process requiring departments to upload interview questions before an offer can be issued. Approved materials will be stored in Laserfiche to support centralized documentation and retention. Implementation is planned for FY27. Additional FY26 deliverables include a recorded training module and interview best practice guide to be published on Employee Connect.			
CORRECTIVE ACTION DATE		AGREE/ DISAGREE	Disagree	RESPONSIBLE PARTY
OCA COMMENT	The OCA acknowledges management utilizes three-member panels and will transition to electronic document retention via Laserfiche. While a single, uniform matrix across all City positions may be impractical, best practice does not require one static sheet or tool for all roles; rather, it requires role-specific, standardized evaluation frameworks tailored to the Knowledge, Skills, and Abilities (KSAs) of each job classification. Assessing candidates against job descriptions without maintaining documented, score-based evaluation tools (numerical or not) leaves the City unable to objectively prove that selection decisions were fair, defensible, and non-discriminatory during administrative or legal reviews. Requiring departments to upload pre-approved questions into Laserfiche addresses document retention, but it does not solve the core defect: a lack of standardized, objective candidate assessment records. OCA strongly advises HR to develop customizable evaluation templates/matrices aligned with specific job families to ensure objective assessment across all hiring decisions. This approach is consistent with the practices of other Texas cities, which HR has referenced when benchmarking certain HR methodologies. Management is responsible for implementing the fundamental proper documentation and record-keeping controls required by various frameworks, any failure to do so creates a governance gap.			

02	Noncompliance with Salary Requirements
CRITERIA	The Classification & Compensation Procedure (HR 4.0) states that new hires should start at the entry rate unless qualifications justify higher pay, with approvals from the Department Director, HR Director, Budget Director, and Deputy City Manager.
CONDITION	A sample of 103 hired employees was tested, and 34 instances were found in which the salary offer exceeded the 15% threshold above the entry rate. Offers at this level require review by the Director of HR before the offer is extended. Of those 34, no evidence of the required approval was provided for 8 employees (24%). Additionally, for 2 employees, approvals were documented after the offer had already been extended, indicating the approval process was not followed.
CAUSE	The current review process did not identify these incidents, and no automated control exists to evaluate compliance with the applicable City policies. The City's compensation processes do not include sufficient controls to ensure consistent application of established pay policies. Additionally, communication, guidance, and monitoring processes may not have been sufficient to promote consistent understanding and application of compensation requirements.
RISK/EFFECT	Inconsistent application of pay practices may result in employees receiving compensation decisions that are not based on consistently applied criteria. This condition may increase the risk of perceived inequities, reduced transparency in compensation decisions, challenges demonstrating compliance with established policies, and potential employee relations concerns.
RECOMMENDATION	1. Where feasible, configure the system to prevent offer approval completion until required approvals have been obtained and recorded. 2. Provide training to the hiring managers about the compensation procedure, approval requirements, and the importance of internal equity.
MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of Disagree. The identified exceptions pertain to compensation-related approval processes, which fall outside the scope of Talent Acquisition. Salary offers exceeding the minimum of the pay grade by 15% or more are reviewed and approved by the Compensation Division and Director of Human Resources, as required under HR 4.0. In FY25 and years prior, HR delivered foundational recruitment guidance through HR101. In FY26, Talent Acquisition expanded and formalized training for Hiring Managers and Department Liaisons, with emphasis on required documentation, recruitment procedures, and standardized materials. This training is conducted jointly with the Compensation Division to clearly delineate responsibilities and ensure departmental understanding. During FY26, Talent Acquisition strengthened its internal processes to ensure that required memos are collected when applicable and stored in a centralized personnel file. Staff have received updated training and reference materials to support consistent compliance. However, Talent Acquisition is

	not responsible for compensation procedures, approval workflows, or internal equity analysis; these functions remain within the Compensation Division's purview. HR Management Note: The Compensation Division reviews and approves all offers exceeding the 15% threshold in accordance with HR 4.0. If the OCA has specific cases requiring clarification or additional documentation, HR requests that these be directed to Compensation for formal review.			
CORRECTIVE ACTION DATE		AGREE/ DISAGREE	Disagree	RESPONSIBLE PARTY
OCA COMMENT	While the OCA acknowledges Management's proactive training and procedural enhancements in FY26, the audit finding is maintained. OCA's evaluations assess the overall control environment and compliance in the TA end-to-end process; operational division of responsibilities between divisions within Human Resources does not relieve the department of its responsibility to maintain appropriate controls, and HR leadership should assign the corrective action to the appropriate division within the HR department. Audit testing confirmed that appropriate approvals were not documented prior to extending job offers. Management's response does not refute these historical compliance exceptions. Management is requested to reconsider and change its position to "Agree" or "Partially Agree" (as a part of a continuous improvement process), designate a single responsible Human Resources point of contact, and establish a target completion date for full implementation of controls. HR was provided with the listing of exceptions identified and notes the documentation provided were not sufficient and therefore did not change the OCA's findings. The audit evaluates the adherence to the policy (HR 4.0), not the localized job descriptions of the Talent Acquisition team. Whether a failure occurs on a TA desk or a Compensation desk, it is a failure of the overarching HR process and a violation of the policy.			

03	Candidate Qualifications (Education/Prior Employment) Not Independently Verified	
CRITERIA	Local government best practice includes a comprehensive vetting framework – including criminal history matrices, credential verification, and reference checks – to safeguard public funds, infrastructure, and community trust. It requires HR to ensure all candidates fully meet the ethical, legal, and professional qualifications required for municipal service. Additionally, the Human Resources Policy Manual, written on September 5, 2013, and last amended on May 15, 2026, states the offer communicated to the applicant is contingent upon multiple factors, including clearance for employment based upon results of the reference check and criminal background check.	
CONDITION	The City's recruitment and pre-boarding processes lack mandatory verification controls to validate candidate qualifications and professional histories prior to onboarding. A review of candidate files identified: • No Education Verification: HR does not mandate formal, primary-source verifications of educational milestones (e.g., college degrees, transcripts, or required professional certifications). Candidates are cleared for hire based solely on resume submissions and unofficial transcripts and/or certifications. A third-party verification vendor is not used, nor does HR verify the authenticity of documents directly with the issuing source. • No Reference Checks: HR does not mandate or document professional reference checks (non-compliance with the current HR Policy Manual) to assess past job performance, behavioral history, or overall suitability for public service. However, HR stated that hiring managers conduct them at their discretion. Documentation may or may not be retained by HR if performed by the hiring manager. • No Prior Employment & Experience Verification: HR does not perform any primary-source verifications of prior employment and experience.	
CAUSE	HR operating procedures do not define education verification or reference checks as mandatory pre-boarding steps, treating them as optional or omitting them entirely.	
RISK/EFFECT	• Hiring individuals with unverified education or unverified work histories significantly increases the risk that employees may not meet established qualification requirements. • The City faces reputational damage and the loss of public funds by inadvertently paying inflated salaries to individuals possessing falsified or exaggerated credentials.	
RECOMMENDATION	1. Update hiring procedures to explicitly require primary-source education and prior employment verification and a minimum of two documented professional reference checks for all prospective hires. 2. Establish an agreement with a third-party provider to perform mandatory education and prior employment verification. Additionally, HR requires professional reference checks for all employees or specified employee grades.	

Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of **Disagree**.

HR would also like to address the update referenced in paragraph 2 of the Criteria section of the Human Resources Policy Manual. The policy, written on September 5, 2013, and last amended on May 15, 2026, states that an offer communicated to an applicant is contingent upon multiple factors, including clearance for employment based on the results of the reference check and criminal background check. The May 2026 amendment applied solely to Section IV, Compensation, subsection e. Personal Leave, revising the requirement from “Personal leave must be taken within the fiscal year received and does not accrue” to “Personal leave must be taken by July 31 and does not accrue or carry over.”

Current HR procedures do not require mandatory education, employment, or professional reference verification as part of the pre-boarding process. Reference checks may be performed at the hiring manager’s discretion, and HR procedures do not include primary-source verification of candidate-provided education or employment history.

Implementing mandatory third-party verification would require additional funding that is not currently allocated. IntelliCorp charges \$13.75 per verification item—education, employment, and references—for a total of \$41.25 per candidate, with international verifications starting at \$62 per item. DOT employment checks for CDL-required candidates cost \$27.40 each. These costs do not account for verification attempts completed on candidates who ultimately are not hired. Based on hiring activity during the audit period (1,464 employees), mandatory verification would increase expenditures by approximately \$20,130 annually, or \$60,390 over the three-year audit scope, with potential cost escalation if applied to candidates who are ultimately not hired.

Key Cost–Risk Tradeoffs

- **Cost Exposure:** Mandatory verification would introduce significant recurring costs tied to hiring volume and the need to verify multiple attributes for each applicant.
- **Risk Profile:** There is minimal risk associated with relying on applicant provided information. As noted by the OCA, many positions hired during the audit period did not require formal education or employment verification. However, implementing the OCA’s recommended verification process would require establishing a uniform policy-driven procedure applied consistently to all hires, regardless of the position’s education or experience requirements, in order to maintain appropriate controls and mitigate risk. Such uniform implementation would result in significant recurring costs.
- **Cost–Benefit Alignment:** The cost of universal verification outweighs the risk reduction achieved, particularly for positions with no formal education or experience requirements.
- **Operational Practicality:** Applying mandatory verification to all hires—regardless of classification, job requirements, or risk level—does not represent a scalable or cost-effective control under current policies and budget constraints.

HR will continue to monitor verification technologies, vendor capabilities, and funding opportunities as they develop, and will reassess verification options should the City’s operational or financial environment change.

CORRECTIVE ACTION DATE		AGREE/ DISAGREE	Disagree	RESPONSIBLE PARTY	
OCA COMMENT	The OCA acknowledges management's response and its focus on fiscal stewardship and cost containment. However, we maintain the finding as stated. The analysis provided in management's response is overstated, as a portion of hires during the audit period did not have any educational or prior employment requirements noted in the job posting therefore would not require third party verification. The OCA recognizes that third-party verification services incur direct financial costs, management's current reliance on unverified applicant-provided documentation (such as resumes, self-reported application forms, etc.) introduces significant operational, reputational, and compliance risks that outweigh the administrative or service fees. Accepting unverified credentials exposes the City to negligent hiring lawsuits, reputational damage, and financial waste by paying professional salaries to unqualified individuals.				

04	Absence of a Defined Criminal History Assessment Procedure	
CRITERIA	EEOC Employer best practices include developing a narrowly tailored written policy and procedure for screening applicants and employees for criminal conduct. These frameworks require an explicit written evaluation of an applicant's criminal history against the specific requirements of the position to protect public assets and ensure a fair hiring process. Mandates and "individualized assessment" evaluating the nature of the offense, time elapsed, and job-relatedness.	
CONDITION	The City hired individuals with criminal offenses without conducting or documenting a review during the screening process. Out of a sample of 197 employees, 20 were hired with one or more charges or offenses, and one employee was hired despite a professional license infraction disclosed in the candidate's profile/application submission. A review of these identified: • No documented justification explaining why these candidates were deemed suitable for public service. • No individualized risk assessments evaluating the safety risk of the offenses related to the job duties.	
CAUSE	Policies or Standard Procedures do not clearly define: • The appropriate point in the hiring process to evaluate self-disclosed criminal history. • The relationship between self-disclosure and subsequent background check verification. • Responsibilities of recruiters for making criminal history assessments.	
RISK/EFFECT	Exposes the City to potential financial and legal liabilities under Texas law if an unvetted employee causes harm. Puts vulnerable populations, City assets, and sensitive citizen data at risk.	
RECOMMENDATION	1. Update hiring policies to explicitly state that a candidate with one/or more charges or specific offenses cannot be cleared or hired without formal and documented review regardless of candidate disclosure. 2. Management should document a standardized process that: a. Defines when disclosed criminal history will be evaluated. b. Requires criminal history decisions to be based on job-related, consistently applied criteria and applicable legal requirements. c. Provides guidance and training to ensure uniform application across all hiring personnel.	
MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of Disagree. The OCA's conclusions rely primarily on the applicant's self-reported criminal history. Management notes that these entries are often incomplete, inaccurate, or misinterpreted by applicants and cannot be used for suitability determinations. The City's hiring decisions are based solely on verified criminal background checks conducted by our third-party vendor after a conditional offer is extended, consistent with EEOC enforcement guidance and Title VII. This ensures that all decisions are supported by accurate, legally compliant information. The City's adjudication guidelines already incorporate the EEOC's recommended factors, including job-relatedness, the nature and gravity of the offense, and the time elapsed. These guidelines are applied consistently. When a case falls outside predefined criteria, Talent Acquisition consults	

	directly with the Legal Department to ensure the decision adheres to Title VII's disparate treatment and disparate impact standards. This legal review serves as a critical safeguard, ensuring that hiring practices remain defensible, equitable, and compliant with federal civil rights requirements. Management disagrees with the assertion that additional individualized written assessments are required in each hiring file. The existing adjudication process—verified background checks, structured guidelines, and documented Legal consultation when necessary—already provides the level of governance, consistency, and legal integrity required to protect the City from compliance risks. The audit's reference to individuals “hired with offenses” reflects only application entries and not confirmed background findings, which is not an accurate representation of the City's adjudication process. While HR will support policy updates should the City choose to pursue them in the future, management maintains that the current practices are legally compliant, consistently applied, and sufficient for ensuring fair and defensible hiring decisions.			
CORRECTIVE ACTION DATE		AGREE/ DISAGREE	Disagree	RESPONSIBLE PARTY
OCA COMMENT	The OCA acknowledges management's perspective regarding current screening practices. However, we maintain the finding as stated. While HR may conduct background checks in practice, the absence of a written, tailored policy and procedure aligned with Equal Employment Opportunity Commission (EEOC) guidelines (available at https://www.eeoc.gov/laws/guidance/arrest-and-conviction-records-employment-brochure) exposes the city to risk. General hiring practices do not substitute for formal guidance governing how criminal history is evaluated. The audit identified a lack of documented justification in employee files explaining how specific offenses or professional license infractions were cleared prior to final hire. OCA emphasizes that relying on informal consultations with Legal or undocumented adjudication processes leaves the City vulnerable to claims of inconsistent application. Adjudication guidelines merely list offenses and applicable timeframes and do not replace the need for a documented, individualized assessment. If a candidate self-discloses a criminal history, or if a background check flags an offense, the City has been put on actual notice of a potential risk. Regardless of whether the initial flag came from the application or the third-party vendor, if the City proceeds to hire the individual, there must be documented justification. The OCA provided HR with the listing of 20 candidates; however, no supporting documentation was provided. Instead, the majority of items included only the statement: “Candidate was deemed eligible in compliance with adjudication guidelines.” This response does not constitute sufficient audit evidence. In one instance, the documentation noted that the employee disclosed a conviction and that HR would review further. Given that the employee was hired in 2025, the assessment should			

	have been completed prior to hire, taking into consideration all relevant factors and documenting the rationale for hiring despite the conviction.
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	Management must establish formal, written procedures that define the precise checkpoints where criminal disclosures are evaluated and mandate that written individualized risk assessments be retained in official hiring records. Without such documentation, the City remains exposed to compliance risks and the inability to demonstrate practices are consistently applied and documented.
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05	No Formal Executive Management Hiring Policy or Procedure	
CRITERIA	Based on best practice among Texas peer-leading cities shows that all actions for executive positions be routed through a designated HR coordinator, accompanied by a complete package (signed director memo, org charts, candidate documentation), and approved by both the HR Director and City Officials before any offer is posted or extended. Compensation is reviewed for each hire.	
CONDITION	The City has no written policy governing executive position actions. These decisions are handled informally, with no standard documents, no required documented approval chain, and without reason or business justification. Offers that include salary commitments have been extended to executive-level candidates without documented leadership approval. The HR Director confirmed that RTH forms are not being utilized, and instead, verbal authorization is received to proceed with executive hires. This practice results in no formal audit trail, no documented approval, and no evidence of compliance with established hiring or authorization controls.	
CAUSE	The City has no formal policy for the hiring of executives. Without one, there are no defined roles, required documents, or approval steps. HR does not enforce the required hiring authorization process, specifically the use of RTH forms for executive positions. The HR Director relies on verbal approvals, indicating that leadership has neither prioritized nor reinforced compliance with established documentation requirements. This has resulted in a culture of informal approval practices, where hiring and salary commitments are made without the mandated written authorization.	
RISK/EFFECT	• Salary offers may fall outside an appropriate pay range, with no compensation review to catch it as no RTH or formal documentation is required prior to posting of executive positions • Executive appointments lack documentation to demonstrate they were made fairly and with proper authority. • The City cannot fully account for how executive staffing decisions were made – a public accountability risk.	
RECOMMENDATION	1. Develop and implement a formal, written policy that defines the required approval process for all executive-level hiring and compensation decisions. This policy should mandate the use of a standardized RTH form or equivalent documentation that captures position justification, budget validation, and required leadership approvals before an offer is extended. 2. To ensure consistent enforcement of this policy, HR should require, obtain, and retain documented approvals as part of the hiring file. Implementing these controls will strengthen the governance, create a reliable audit trail, and reduce the risk of unauthorized commitments.	
MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA's request, the Management Response has been updated to incorporate the comments provided following the initial submission. After thorough review of the additional feedback, Human Resources affirms and maintains its position of Disagree. Executive compensation authority is explicitly defined in HR Policy 4.0 and in the Municipal Code. HR 4.0, Section J, delegates pay-setting authority for all Executive Pay Plan actions—including initial hire—to the City Manager, except for Council-appointed positions. Additionally, HR 4.0, Section T, requires that all pay remain within the assigned pay range. Together, these provisions establish the governance framework and compensation parameters that apply to executive hiring decisions. Management acknowledges the OCA's distinction between approval authority and documented procedures. However, executive hiring inherently differs from standard recruitment due to its individualized nature, strategic significance, and the need to remain competitive in the external	

	market. The City Manager’s direct review and signature on all executive offer letters constitutes formal authorization of compensation and hiring decisions. This approval represents intentional, documented oversight conducted in coordination with executive leadership. Management disagrees with the assertion that this process lacks adequate controls. Executive recruitment follows the standard Talent Acquisition workflow used for all positions: the position is posted on the City’s career site (with the exception of hard to fill positions that require the use of a third party recruitment firm), Human Resources screens applicants and refers those who meet minimum qualifications, departments review qualified candidates to identify those best aligned with operational needs, interviews are conducted, an offer letter is requested, and—upon receipt of the signed offer letter—the Talent Acquisition team initiates pre-boarding. The OCA has recommended additional standardized documentation requirements, including request-to-hire forms, pre-offer justification packages, and expanded procedural steps prior to initiating executive recruitment. Management does not agree that these additions are necessary. Executive recruitment is infrequent, highly specialized, and often involves confidential or time-sensitive deliberations. Implementing rigid procedural requirements could impede the City’s ability to evaluate senior-level candidates efficiently and respond to competitive conditions. Current practices ensure compliance with established pay ranges, align with HR Policy 4.0, and preserve the operational flexibility needed to attract qualified executive talent.				
CORRECTIVE ACTION DATE		AGREE/ DISAGREE	Disagree	RESPONSIBLE PARTY	
OCA COMMENT	While the OCA acknowledges that HR Policy 4.0 delegates pay-setting authority for executive positions to the City Manager, management’s response conflates ultimate approval authority with the existence of a standardized, documented hiring procedure. The audit condition does not question the City Manager’s legal authority to set executive salaries under HR 4.0; rather, it highlights a complete lack of a formal audit trail prior to extending offers. Relying on verbal communications, informal discussions, and a final signature on an offer letter—without utilizing standardized Request-to-Hire forms, pre-offer budget validations, documented business justifications, or structured compensation reviews. A signature on a final offer letter serves as an execution of a decision, not evidence of a transparent, compliant, and well-vetted administrative review process similar to the approach taken for other hires. To ensure public accountability and align with peer-leading Texas municipal practices, management should establish written operating procedures requiring formal, pre-offer documentation packages to be submitted and retained in the official hiring record before any executive recruitment is initiated.				

06	No Formal Policies and Documentation for Relocation Benefits	
CRITERIA	Local government best practice and internal control frameworks (such as COSO) expect organizations to establish written policies, defined thresholds, and consistent decision-making processes for discretionary compensation and benefits. Key decisions should be documented to ensure transparency, accountability, and equitable application.	
CONDITION	• No written policies, thresholds, or formal guidelines exist to govern the approval or structure of relocation benefits. • Decisions are often communicated verbally and are not required to be documented. • HR stated that relocation practices vary based on candidate-recruitment difficulty and that benchmarking is performed against other large cities and external advisors. • HR confirmed that no formal documentation exists to support the criteria or methodology used.	
CAUSE	Management has not developed or formalized a policy or documentation requirements for executive relocation benefits.	
RISK/EFFECT	• Increased risk of inconsistent or inequitable application of relocation benefits. • Reduced transparency and auditability of management decisions. • Potential reputational, financial, or compliance risks due to lack of documented rationale.	
RECOMMENDATION	1. Develop and implement a formal relocation benefits policy that includes defined thresholds, approval requirements, documentation standards, and alignment with benchmarking practices. 2. Require written documentation for all relocation-related decisions to ensure transparency, consistency, and adherence to internal-control expectations.	
MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of Disagree. Relocation assistance is used selectively as a negotiation tool for executives and hard-to-fill positions. These recruitments vary widely based on market conditions, industry competition, and candidate-specific circumstances. As a result, relocation benefits must remain flexible and tailored. Establishing predefined monetary tiers, rigid approval matrices, or prescriptive cost categories would limit the City's ability to competitively recruit for positions that often require unique skill sets and have limited candidate pools. Management continues to disagree with the recommendation for several reasons: • The factors that influence relocation costs—such as distance, home size, family size, peak moving seasons, and regional pricing variations—cannot reasonably be standardized without creating thresholds that unintentionally restrict recruitment competitiveness. • Executive-level and hard-to-fill recruitment regularly involves negotiation environments in which market dynamics shift rapidly. A formalized policy could constrain the City's ability to respond to real-time conditions and remain competitive with peer municipalities.	

	• Relocation benefits are already confined to departmental budget capacity, and all benefits are structured as “up to” amounts requiring quotes and receipts before reimbursement. These existing controls ensure expenditure remains reasonable and supported. • The small number of positions for which relocation benefits are considered does not justify implementing a comprehensive policy framework that would add administrative burden without meaningfully reducing risk. Management recognizes the OCA’s concern regarding public transparency and documentation and agrees that appropriate supporting documentation is essential. However, HR maintains that flexibility—not a rigid policy—is what allows the City to remain competitive while still operating within budgeted parameters.				
CORRECTIVE ACTION DATE		AGREE/ DISAGREE	Disagree	RESPONSIBLE PARTY	
OCA COMMENT	The OCA recognizes that flexibility can be a helpful recruiting tool for executive and hard-to-fill positions. However, management’s complete reliance on discretionary, unwritten practices without standard parameters, approval limits, or required documentation creates significant exposure to public scrutiny, inconsistent application, and financial risk. Establishing a formal policy does not equate to establishing rigid monetary caps that constrain negotiations. Internal control best practices (such as the COSO framework) simply require defined governance such as clear approval thresholds (e.g., tier-based allowances), eligible expense guidelines (e.g., standard moving costs vs. temporary housing), repayment/clawback provisions if an employee leaves prematurely, and mandatory documentation justifying why a specific benefit amount was granted. Additionally, inclusion of mileage restrictions to be eligible for the benefit. Where applicable, exceptions should have written justifications and approvals. While management highlights that candidate factors (such as distance, family size, or specialized skill sets) dictate these decisions, none of these factors are currently captured in an objective, documented business justification prior to making offer commitments. Relying solely on department budget limits leaves the City unable to demonstrate that public funds were expended equitably, transparently, and consistently. The OCA strongly urges management to formalize a flexible yet structured Relocation Benefit Policy that establishes explicit authorization matrixes, required documentation standards, and repayment protections to safeguard public assets while supporting competitive recruitment efforts.				

07	Recruitment, Hiring and Pre-Boarding KPI Not Fully Established or Tracked
CRITERIA	Local government best practices and Society for Human Resource Management (SHRM) report dictate that talent acquisition functions should define, track, and monitor performance metrics and KPIs – such as time-to-fill, time-to-hire, and turnover rates – to monitor progress towards recruitment and pre-boarding objectives and support management decision-making. Ultimately, establishing these standards allows management to achieve its main goals, such as identifying bottlenecks in the hiring pipeline, benchmarking performance against standards/peer cities, and making data-driven improvements to the overall system.
CONDITION	During 2025, TA began tracking and reporting turnover and vacancies. However, they did not track, analyze, or report critical metrics such as time-to-fill, time-to-hire, candidate conversion rates, the percentage of candidates progressing through each recruitment phase, or other indicators used to evaluate process outcomes. Furthermore, there were no reports comparing established KPIs against actual results. TA stated that establishing these additional KPIs remains on their “to-do list”.
CAUSE	System Limitations: A portion of the recruiting process occurs outside of the primary Infor system. Additionally, changes to pre-employment vendors since mid-2024 have further complicated data tracking. Manual Workflows: HR is currently unable to produce complete candidate lists or track applicant statuses in a timely and reliable manner. This is because the application is not used consistently to track each step of the workflow steps, resulting in the lack of a complete system-generated record of the entire recruitment and pre-boarding process. For example, neither hiring managers nor HR are not required to update the system to “Interview” once candidates are selected for an interview nor are offers tracked and managed in the system making it difficult to systematically track, monitor, and report on time-to-fill, which is typically measured from the posting date to the date an offer is accepted.
RISK/EFFECT	The absence of defined recruitment metrics and KPIs limits management’s ability to evaluate recruitment performance, identify trends, and make data-informed decisions. This condition increases the risk that opportunities to improve recruitment efficiency, address process delays, or allocate resources effectively are not identified in a timely manner.
RECOMMENDATION	1. Establish a set of KPIs aligned with best practices and aligned with the department’s goals and objectives, including time-to-fill/time-to-hire by position type, number of applicants per posting, how candidates progress through each stage (screen, interview, offer, hire), vacancy duration, and retention during the first year. 2. Management should establish expectations for consistent system usage, provide training and guidance to hiring managers and other users on appropriate system processes, and periodically monitor system utilization to promote consistent documentation and reporting of recruitment activities. 3. Consult with IT to configure Infor (or an integrated applicant-tracking system) to automatically capture key milestone dates – such as requisition approval, posting, screening, interviews, offer extension, acceptance, and start dates – while centralizing the recruitment pipeline. To ensure the process is fully auditable, staff should be able to track the end-to-end process directly through the system rather than via email, and maintain the candidate information confidential, allowing candidate statuses to update automatically. Finally, this system integration should be used to automate reporting, providing leadership with a real-time KPI dashboard to monitor overall hiring efficiency.

MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of Partially Agree. Human Resources currently reports recruitment related KPIs as part of the annual budget process, including hires, separations, and recruitment volume. Additional KPIs may be incorporated in the future based on operational priorities and leadership direction; however, at this time, HR does not plan further updates beyond existing practices. Since April 2024, the Talent Acquisition division has focused on stabilizing and enhancing recruitment operations. In partnership with IT, HR has addressed several long-standing Infor limitations, improved reporting reliability, and expanded electronic workflows where feasible. These improvements have resulted in more consistent data tracking, greater utilization of available system features, and initial deployment of real time KPI dashboard functionality within Infor. To strengthen standardization, Talent Acquisition implemented consistent candidate movement tracking and collaborated with departments to adopt system features such as step interviews and interview date fields. Certain functions, most notably step offers—remain impractical due to workflow constraints and template requirements in larger departments. HR continues to evaluate feasible alternatives, but no additional changes are planned at this time. Documentation regarding Infor updates and coordination with IT was provided to the auditors to ensure transparency and accuracy in the audit report. Management agrees that continued system optimization remains a long-term goal; however, recent improvements represent what is currently achievable within existing resources and system constraints. For these reasons, management partially agrees with the recommendation and does not anticipate further updates at this time.				
CORRECTIVE ACTION DATE	Began working on in June 2024 and continuously ongoing	AGREE/ DISAGREE	Partially Agree	RESPONSIBLE PARTY	Talent Acquisition Manager/Talent Acquisition Partner/IT
OCA COMMENT	The OCA acknowledges HR's recent efforts to modernize recruitment operations, collaborate with IT, and expand electronic workflows. While management points to system constraints in Infor and reliance on IT resources, system limitations do not diminish the risk. Using email communications or manual workarounds in lieu of consistent system utilization leaves the City without an automated, auditable recruitment trail. The OCA strongly urges management to prioritize establishing defined target thresholds, mandating consistent system usage by hiring managers to capture key milestone dates (e.g., candidate interview and offer statuses), and fully deploying real-time KPI dashboards.				

08	Missing Required Job Posting Approvals	
CRITERIA	The City's recruitment procedures require that job descriptions accurately reflect the approved Job Assessment Questionnaire (JAQ), including the approved position title, essential duties, and minimum qualifications. In addition, job postings should receive documented approval from both the appropriate Department Director and HR before publication to ensure accuracy, consistency, and compliance with established hiring procedures.	
CONDITION	Audit testing of 120 JAQs identified multiple deficiencies in the job posting review and approval process. • Human Resources Approval: 23 of the 120 JAQs lacked documented HR approval. This represented the most significant control deficiency identified during testing and indicates that the required HR approval was not consistently documented before positions were advertised. • Director Approval: Four of the 120 JAQs did not contain documented Director approval prior to posting, indicating noncompliance with established pre-posting authorization requirements. • Minimum Qualification Alignment: Three of the 120 job descriptions contained minimum qualification requirements that did not align with the qualifications established in the approved JAQs. • Job Description Alignment with JAQ: Two of the 120 descriptions did not align with the approved JAQ. One posting identified the position as "Senior Accountant" rather than the approved Environmental Program Technician position, while the remaining discrepancies involved inconsistencies between the job descriptions and the duties or role expectations documented in the approved JAQs.	
CAUSE	HR has not established or consistently enforced controls to ensure job descriptions are validated against approved JAQs and that all required approvals are documented before job postings are published. Additionally, processes do not prevent positions from being posted when required approvals are incomplete.	
RISK/EFFECT	Inaccurate or unapproved job postings increase the risk that applicants receive incorrect information regarding job duties, qualifications, or position titles, potentially resulting in the recruitment of unqualified candidates or discouraging qualified applicants from applying. Failure to obtain and document required approvals reduces management oversight, weakens accountability, and increases the risk that positions are posted without appropriate authorization. Collectively, these deficiencies may lead to inconsistent hiring practices, noncompliance with established recruitment procedures, and increased legal, operational, and reputational risk.	
RECOMMENDATION	1. Management should explore configuration options within the Infor system to automatically populate job postings with required information from the JAQ, including position details and approvals. Automating this process would reduce manual data entry and improve the accuracy and consistency of information between the JAQ and the job posting. If system automation is not feasible, Management should implement a standardized, required checklist to verify key elements, such as position titles, duties, minimum qualifications, and necessary approvals, prior to posting. 2. Management should also ensure the selected approach will ensure: a. All job descriptions are validated against the approved JAQ b. Approval is obtained from both the Department Director and HR prior to posting any position. c. Controls are in place to prevent job postings from being published until all required approvals have been obtained and documented. Periodic quality assurance reviews	

	of job postings is performed to ensure continued compliance with established recruitment procedures and JAQ requirements.			
MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of Disagree. As noted during the audit, Talent Acquisition does not manage JAQ standards, approvals, or the JAQ development workflow. Several requisitions within the audit scope originated in 2022, and key Talent Acquisition staff were not employed during portions of the period under review. Accordingly, management cannot speak to approval practices used at that time. To strengthen current processes, Talent Acquisition has implemented a standardized procedure that requires job postings to be sent to hiring managers for review before opening new requisitions. Recurrent positions—such as technician and frontline operational roles—remain exempt because they rely on previously approved and unchanged JAQs. These positions are posted frequently and consistently monitored by hiring departments, mitigating the operational risk cited by the auditors. Management disagrees that applying a full pre-posting review to these routine postings would meaningfully improve control effectiveness. Management also reviewed the Job Description Alignment concerns raised in the audit and could not validate one of the cited discrepancies. In this instance, both the JAQ and job posting clearly reflected the correct Environmental Program Technician title rather than the Senior Accountant title noted in the finding. This example indicates that some of the reported variances were not supported by available documentation. With respect to Recommendation 1, Human Resources previously assessed the feasibility of automating JAQ approval workflows within Infor. Implementing this enhancement would require significant configuration, licensing expansion, and consulting support. Historical experience with similar Infor modifications—such as onboarding workflow adjustments—demonstrated extended testing cycles and system limitations that reduced cost-benefit efficiency. Given these operational and financial constraints, management disagrees that Infor automation represents a practical or cost-effective control solution at this time. Strengthened manual controls are now in place, recurrent positions rely on approved and stable JAQs, and not all discrepancies identified in the audit were substantiated by documentation reviewed by Talent Acquisition.			
CORRECTIVE ACTION DATE		AGREE/ DISAGREE	Disagree	RESPONSIBLE PARTY

OCA COMMENT	The primary control deficiencies identified were 23 JAQs lacking documented Human Resources approval and four lacking Director approval. Staff turnover and the audit scope period do not alter the obligation to maintain documented approvals. Additionally, exempting "recurrent positions" from pre-posting reviews creates an unmonitored operational risk and undermines baseline controls. While the OCA acknowledges that system automation within Infor may be cost-prohibitive, Management must establish standardized controls, such as mandatory pre-posting checklists, to prevent unauthorized job postings.
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09	Noncompliance With Pre-Boarding Requirements	
CRITERIA	HR's pre-boarding procedures require all hired and rehired employees to attend NEO as part of the pre-boarding process. During NEO, employees are required to sign in upon attendance and complete all mandatory pre-boarding documents, including the Human Resources Policy Acknowledgment Form, which confirms their receipt and understanding of applicable HR Policies and Procedures. Attendance and completion of required documentation should be maintained to demonstrate compliance with established pre-boarding requirements.	
CONDITION	Audit testing identified instances of noncompliance with the City's pre-boarding documentation requirements related to NEO attendance records and completion of required pre-boarding documentation. Specifically: • NEO Attendance: Review of 30 NEO sign-in sheets, representing 30 hiring days, identified 16 hired employees whose hire dates indicated they should have attended NEO; however, their signatures were not found on the corresponding sign-in sheets. As a result, the OCA was unable to verify whether these employees completed the required orientation. • HR Policy Acknowledgment Forms: Of the 35 employee files reviewed for pre-boarding documentation, two employees did not have the required signed Human Resources Policy Acknowledgment Form on file.	
CAUSE	HR has not implemented adequate controls to ensure attendance at NEO is consistently documented and that required pre-boarding documentation is completed, retained, and verified.	
RISK/EFFECT	• Failure to maintain attendance records and required pre-boarding documentation results in noncompliance with the City's established pre-boarding procedures. • Missing attendance records and acknowledgment forms limit the City's ability to demonstrate that employees received required policies, procedures, and pre-boarding information. • Incomplete pre-boarding documentation increases legal, operational, and compliance risk if the City cannot demonstrate employees received required policy acknowledgments or training.	
RECOMMENDATION	1. Require completion and retention of all mandatory pre-boarding documentation, including the Human Resources Policy Acknowledgment Form, in accordance with established procedures. 2. Implement a standardized pre-boarding checklist and, where feasible, system flags to verify all required documentation is completed, reviewed, and retained before finalizing the pre-boarding process. 3. Perform periodic quality assurance reviews of pre-boarding records to identify and correct missing documentation in a timely manner.	
MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of Partially Agree. The OCA's sample included individuals coded in Infor as "rehires," which created the appearance of non-compliance with New Employee Orientation (NEO) requirements. Management agrees that system limitations currently result in certain internal status changes—such as transitions from temporary to full-time or part-time roles—being recorded as rehires. These employees are not true new hires and are not required to attend NEO. While we recognize the underlying data integrity issue, our internal review determined that 13 individuals cited in the sample were status conversions rather	

	than new hires and therefore fell outside the intended scope of the audit. Additionally, two individuals were part-time and not benefits eligible, and one employee attended NEO immediately following the City's acquisition of the Rockport Gas Facility, which explains the timing difference noted by the auditors. Regarding HR Policy Acknowledgment forms, Talent Acquisition concurs that one acknowledgment was missing from the personnel file. However, internal verification confirmed the employee attended NEO and received the policy. We acknowledge the oversight in not ensuring the completed document was collected and uploaded. Management agrees that improvements in quality assurance, standardized documentation procedures, and centralized retention are necessary and has already taken corrective action. Beginning in FY26, responsibility for NEO oversight was assigned to the HR Specialist to ensure timely uploading of HR Policy Acknowledgments to the centralized Laserfiche Pre Employment folder. A dedicated Laserfiche document type, "HR Policy," was created to support quarterly audits. Additionally, Talent Acquisition implemented an internal new hire documentation checklist to ensure files are complete before finalization. While management acknowledges the auditor's concerns regarding system coding and document retention, we maintain that several individuals included in the sample were not true new hires and therefore should not be evaluated under pre-boarding compliance requirements. Talent Acquisition has supporting documentation for these cases and is available to provide it upon request.			
CORRECTIVE ACTION DATE	Began working on in FY26	AGREE/ DISAGREE	Partially Agree	RESPONSIBLE PARTY Talent Acquisition Manager/HR Specialist
OCA COMMENT	The OCA acknowledges Management's detailed context regarding administrative status changes, facility acquisitions, and the proactive implementation of the Laserfiche "HR Policy" document type and new-hire checklists. These procedural enhancements represent strong, positive steps toward improving document control and retention. However, the OCA maintains the audit finding and recommendation. The inclusion of non-NEO candidates in the audit sample stems directly from underlying system data integrity limitations, specifically coding internal status conversions as "rehires" in Infor. When system records falsely classify existing staff as rehires, management cannot readily distinguish true new hires requiring mandatory orientation from administrative status adjustments, creating operational clarity and compliance gaps. Internal controls require that physical or digital proof of attendance (sign-in sheets) and executed policy acknowledgments be consistently retained and retrievable in official personnel records. Relying on secondary verification after fieldwork highlights an ongoing need for standardized quality assurance before personnel files are closed.			

OBSERVATIONS	
01	Improvement Needed in Milestone Tracking with the Talent Acquisition System
CRITERIA	In line with government best practices and internal control frameworks, information systems should capture and maintain detailed data, including key dates throughout each step of the recruitment and pre-boarding process, to support the evaluation of operational performance.
CONDITION	The current system does not track critical milestone dates throughout the recruitment and pre-boarding process. Specifically, the system fails to capture key dates, such as when interviews are scheduled, when offer letters are extended, and the total time it takes candidates to accept an offer.
CAUSE	The system does not enforce a mandatory step to document or justify exceptions before a transaction can proceed.
RISK/EFFECT	Without comprehensive tracking of these vital timestamps, management cannot effectively measure or monitor hiring progress. This creates a high risk of undetected operational bottlenecks, prolonged vacancies, and an inability to accurately calculate KPIs, such as the overall "time-to-hire" metric.
RECOMMENDATION	We recommend that HR consult with the IT department to evaluate and utilize the full system capabilities and updates of the current software. Management should configure the system to automatically track and enforce all recruitment milestones, activities, and key performance dates from initial interview scheduling through to first day of hire.
MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of Partially Agree. As noted in Item 8, Talent Acquisition has partnered with IT to implement a series of enhancements within the Infor system; however, existing system limitations and navigation constraints continue to restrict full functionality at this time. While the OCA referenced KPI tracking as being "on our to-do list," we would like to clarify that these initiatives have been actively in progress since October 2025. Talent Acquisition and IT have been developing a real-time KPI dashboard to improve recruitment visibility and provide department leadership with deeper insights into key workforce metrics. Additionally, as of July 2026, Talent Acquisition has begun implementing step interview functionality with larger departments and worked with IT to add the capability to capture interview dates and times within Infor. As outlined previously, Talent Acquisition is also collaborating with IT to build an electronic offer letter request workflow that will provide date and time stamps for submissions, uploads, and HR approvals. These enhancements will support more reliable performance tracking and standardize pre-offer documentation across departments. Management acknowledges that, during the audit period, certain features were not yet fully deployed or mandatory across all municipal departments. As a result, system generated recruitment

	timestamps and comprehensive time to hire metrics were limited. However, the initiatives launched beginning in FY25 demonstrate Talent Acquisition's continued commitment to strengthening recruitment operations, improving the candidate experience, and supporting departments in filling positions efficiently and in accordance with established requirements. Management will continue working with IT to complete system enhancements and expand their adoption across all departments.				
CORRECTIVE ACTION DATE	Began working on in FY26	AGREE/ DISAGREE	Partially Agree	RESPONSIBLE PARTY	Talent Acquisition Manager/IT
OCA COMMENT	The OCA acknowledges Talent Acquisition's ongoing efforts and partnership with IT since October 2025 to implement step-interview tracking, electronic offer letter workflows, and real-time KPI dashboards within Infor. These planned system enhancements reflect positive initiatives toward improving recruitment visibility and standardizing pre-offer documentation. However, the OCA maintains the audit finding and recommendation. As of audit fieldwork, the primary recruitment system did not enforce or capture essential timestamps such as interview scheduling dates, offer letter extension dates, or candidate offer acceptance timeframes. Until system configurations, electronic forms, and KPI dashboards are fully deployed and mandatory across all municipal departments, management remains unable to systematically identify recruitment bottlenecks or reliably calculate overall "time-to-hire" metrics. In-progress or planned initiatives do not eliminate the operational and reporting risks present during the audit period.				

02	Enhancement Needed in Hiring Authorization Controls and Form Compliance
CRITERIA	Established TA procedures require submission and formal approval of a written RTH form before processing any hiring requests.
CONDITION	Audit testing identified one instance in which personnel was hired without submitting or approving a formal RTH form. Management stated that authorization was given verbally by the Deputy City Manager, bypassing the City's established TA procedures.
CAUSE	The system does not enforce a mandatory step to document or justify exceptions before a transaction can proceed.
RISK/EFFECT	Relying on verbal approvals creates a risk of unauthorized hiring, budget overruns, and a lack of a clear audit trail.
RECOMMENDATION	We recommend that the HR Director strictly enforce the established hiring procedures and communicate to all hiring managers that verbal authorizations are not permitted. Moving forward, HR should ensure that no personnel actions are processed or finalized in the system until a fully executed RTH form is submitted and approved.
MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of Disagree .
	As clarified at the outset of the audit, Talent Acquisition does not oversee, maintain, or administer Request to Hire (RTH) forms. This process resides within HR Administration, and Talent Acquisition does not have operational authority to enforce or modify RTH-related requirements. As an FY26 enhancement, HR Administration has begun including Talent Acquisition representatives on fully approved RTH forms to improve communication and reduce posting delays; however, this change does not shift ownership of the process.
	Talent Acquisition does not initiate personnel actions until a candidate is selected and hired in the system. Therefore, the recommendation to require RTH documentation at the point of hire is not actionable within the division. Further, Talent Acquisition procedures cannot supersede or redefine HR policies, and there is currently no HR policy requiring an approved RTH form to be submitted at the time of hire. Regarding instances cited in the audit, management notes that the RTH process is an internal management tool—not a policy requirement—and may be implemented, suspended, or adjusted in response to budget constraints or operational needs. In one case raised by the auditor, the recruitment proceeded under a direct management directive following City Council action. In the other instance, documentation authorizing funding for the position was obtained and can be

	provided. Positions approved through Council action, budget amendments, or fiscal year initiatives are already authorized for recruitment based on funding approval and do not require RTH forms. Management acknowledges the auditor's concerns about documenting exception pathways; however, the underlying finding does not accurately reflect the division's roles or established policy requirements. Recruitment actions conducted under formal funding authorization or executive directive remain compliant with current HR policy and governance structures.			
CORRECTIVE ACTION DATE		AGREE/ DISAGREE	Disagree	RESPONSIBLE PARTY
OCA COMMENT	The OCA acknowledges Management's clarification regarding division responsibilities, the enhanced distribution of approved RTH forms to Talent Acquisition, and the documentation confirming funding authorization for the cited positions. However, the OCA maintains the audit finding and recommendation. Internal controls require that established authorization protocols are consistently applied and documented prior to initiating recruitment actions. Relying on verbal directives from executive leadership bypasses established control activities and creates compliance risks and audit trail gaps. If management directives, City Council actions, or budget amendments are intended to bypass standard RTH form requirements, these exception pathways must be explicitly defined and documented within formal HR policy or standard operating procedures. Without codified guidance defining authorized exceptions, the risk of inconsistent hiring authorization across municipal departments remains.			

03	Data Integrity and Personnel Status Errors	
CRITERIA	Personnel and HR should maintain accurate, complete, and reliable employee records to support personnel actions, reporting, payroll, compliance, and management decision-making. Employee status changes, including hires, transfers, and terminations, should be accurately recorded in the HR information systems, and any corrections should be reflected in all system-generated reports.	
CONDITION	Audit testing identified data integrity issues affecting the reliability of HR records and reports. Incorrect Hiring Dates: Audit testing identified two instances where incorrect hiring dates had been entered into the HR system. HR stated that the employees' effective dates had subsequently been corrected; however, reports generated during the audit, several years after the corrections were reportedly made, continued to display the original incorrect hiring dates rather than the updated information.	
CAUSE	HR has not established adequate data quality controls to ensure personnel transactions are accurately recorded and that corrections are consistently reflected throughout all reporting functions. In addition, existing review procedures did not detect or prevent erroneous employee status transactions before they affected system reports and downstream processes.	
RISK/EFFECT	Inaccurate personnel data reduces the reliability of HR reports and increases the risk of errors in workforce analytics, management reporting, audit populations, and operational decision-making. Incorrect employee status transactions may also result in inappropriate personnel processing, inaccurate reporting, and unnecessary audit effort to identify and resolve data discrepancies. Collectively, these deficiencies diminish confidence in the accuracy and completeness of HR data.	
RECOMMENDATION	1. Implement quality review and/or supervisory review procedures to verify the accuracy of personnel transactions (hires, transfers, terminations) before they are finalized. 2. Review and maintain system configurations to ensure employee record updates are accurately reflected across all standard reports. 3. Perform periodic data integrity reviews to identify and resolve discrepancies between employee records and system-generated reports.	
MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of Partially Agree – Recommendation 1. While we acknowledge the auditor's concerns regarding the integrity of reporting outputs, our internal review of the cited instances reflects a different assessment of the underlying issues. One employee record contained an incorrect effective date, which was manually corrected within two days of entry. Human Resources retrieved the system audit log from the employee's resource profile, which documents all changes with date and time stamps. This log confirms both the correction and the subsequent IT-supported update, as well as the profile's accurate historical snapshots dated 03/05/2024 and 04/01/2026. Supporting screenshots can be provided. Given this documentation, management does not concur that the correction resulted in enduring reporting risks. In the second instance, an employee appeared as a termination due to a departmental action submitted without notifying Talent Acquisition of the employee's internal transfer. The individual had to be rehired in the system to resolve the data discrepancy. Management views this circumstance as an isolated user driven error rather than evidence of a broader system failure. Management agrees in part with the recommendation to reduce the potential for inaccurate reporting by strengthening upstream processes. To support this effort, the upcoming electronic offer	

	letter request form will include a required indicator distinguishing internal from external hires. This enhancement is expected to improve data accuracy and reduce erroneous termination actions related to internal transfers. However, management does not fully agree that these isolated instances demonstrate a systemic deficiency in the reporting framework's data integrity controls. The examples cited reflect user input errors that were promptly corrected and properly captured within the system's audit trail. Talent Acquisition and IT will continue implementing planned enhancements to minimize such occurrences, but the division's internal review does not support a conclusion of persistent, system level reporting risk.				
CORRECTIVE ACTION DATE	Began action plan in FY26	AGREE/ DISAGREE	Partially Agree – Recommendation 1	RESPONSIBLE PARTY	Talent Acquisition Manager
OCA COMMENT	The OCA acknowledges Management's explanation, audit log documentation confirming the prompt manual correction of the effective date entry, and planned enhancements to the electronic offer letter request form to distinguish internal transfers. However, the OCA maintains the audit finding and recommendation. If system reporting configurations allow historical or inaccurate data fields to populate standard reports years after a correction is made, the reporting framework lacks sufficient data integrity controls.				

04	Missing Required Hiring Authorization Forms and Approvals	
CRITERIA	Recruitment and pre-boarding documentation should be maintained in a centralized tracking system that records all required hiring documents and workflow activities. Recruiting processes should leave a clear audit trail. Local government best practice includes complete hiring packets with requisition approvals, job postings, resumes, screening classification, interview notes, scoring criteria, reference checks, and signed offer letters.	
CONDITION	In practice, hiring and preboarding documents are scattered across multiple departments, email inboxes, shared drives, and disparate systems (Laserfiche and Infor). RTH forms and other required documentation were not provided to the OCA during testing. Testing results identified the following: • Four RTH forms for positions not exempt on the Hiring Suspension Exempt List were not provided: ○ Three were not provided because HR indicated they could not be located. ○ One was not available, as HR indicated this position was filled based on a directive by City Leadership and was verbally communicated; therefore, no documentation existed. • One hired employee submitted a transcript with no name. • One hired employee did not have a job requisition or an application on file but had a resume. • Proof of education was not available for five hired employees: ○ One missing degree or technical certificate. ○ Four missing high school diplomas/GED records	
CAUSE	Decentralization: Hiring is managed by individual departments with little central oversight. There is no centralized requirement or mechanism that assigns recordkeeping responsibilities consistently across departments. Siloed Systems: Infor handles employee transactions; Laserfiche stores documents; email coordinates screening; and other systems handle background checks. There is no unified repository or workflow to enforce documentation.	
RISK/EFFECT	Risk of Documentation Gaps: Without centralized tracking, recruitment records may be incomplete, inconsistent, or difficult to retrieve. Manual processes increase the risk of errors, lost documentation, delays in hiring, noncompliance with record retention requirements, and reduced management oversight of the recruitment process.	
RECOMMENDATION	1. Implement a requirement that all recruitment documents be uploaded to a central system (e.g., Laserfiche or an integrated ATS) before a hire can proceed. The system should enforce mandatory fields and provide workflow alerts for missing items. 2. Use periodic system audits to flag missing documents and provide feedback to departments.	
MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of Disagree. Talent Acquisition's role within the hiring framework is clearly defined, and several elements of the updated finding do not align with established governance boundaries or the division's responsibilities.	

First, Talent Acquisition is not responsible for the approval, oversight, or retention of Request to Hire (RTH) forms. These forms are authorized by HR Administration and other departmental leadership, and Talent Acquisition becomes involved only after a requisition is created within Infor. The automated workflow notifies the Talent Acquisition representative when a requisition is initiated, at which point job posting development begins. Fully approved RTH forms have been shared with Talent Acquisition since FY26, and that operational enhancement has already been implemented. No additional corrective action falls within Talent Acquisition's scope. Second, the documentation exceptions cited in the updated finding do not reflect systemic control failures. Management identified no missing education documentation; however, we acknowledge one transcript lacking identifying information. This was an isolated oversight, addressed promptly, and does not indicate broader deficiencies in Talent Acquisition processes. Regarding the 11 RTH forms included in the revised finding, Talent Acquisition's detailed review—consistent with governance roles—determined that six were not required due to established exceptions including external recruitment, pre implementation timing, employment status changes, and grant funded positions. The remaining five approved forms were uploaded into the folder requested by the OCA. These facts directly contradict the conclusion that documentation was missing or improperly managed. The instance involving a candidate hired into a full-time position without an application in that specific requisition occurred in January 2023 under prior HR leadership. While the division acknowledges the deviation, the decision was neither made nor overseen by current Talent Acquisition leadership. The candidate met minimum qualifications, and the occurrence should not be interpreted as representative of current governance practices. Talent Acquisition maintains centralized pre-employment documentation in Laserfiche and automated reminders through Infor Transition Management. System constraints—specifically Infor's document upload limitations—are already being addressed through coordinated efforts with IT and an external consultant. These limitations fall outside Talent Acquisition's administrative authority. The OCA recommendations and additional comments do not reflect the division's defined responsibilities, the documentation provided, or the improvements implemented in FY26. The examples cited involve isolated user driven or historical leadership decisions rather than systemic Talent Acquisition process failures. Accordingly, management disagrees with the finding and does not support additional corrective actions within the division's scope of authority.				
CORRECTIVE ACTION DATE		AGREE/ DISAGREE	Disagree	RESPONSIBLE PARTY
OCA COMMENT	The OCA acknowledges Management's detailed clarifications regarding individual RTH form exceptions, historical leadership context, and ongoing collaboration with IT to address Infor document upload limitations. The OCA also notes the operational improvement implemented in FY26 to share approved RTH forms with Talent Acquisition. However, the OCA maintains the audit finding and recommendation. Scattered documentation across email, shared drives, Laserfiche, and Infor creates unnecessary audit trail gaps and administrative inefficiencies. Bypassing standard requisition application			

	procedures (e.g., placing a temporary applicant into a full-time requisition without an official application) and accepting unidentifiable educational transcripts represent key control exceptions. Mandatory quality assurance checks must be enforced to ensure all required candidate documentation is fully verified and archived before employment begins. Management responses are not reflective of the updates made to the finding upon receipt of supporting documentation later provided.
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05	HR Policies Not Updated for More Than a Decade and Outdated Pay Plan
CRITERIA	Local government best practices indicate that operational manuals and recruitment procedures should be reviewed and updated regularly (typically every one to three years) to align with current regulatory requirements, organizational changes, and modern technological workflows.
CONDITION	The Human Resources Policy Manual governing TA rules and procedures was outdated from the period September 2015 until May 2026.
CAUSE	Missing Internal Controls for Compliance Tracking: Management has not established a structured, recurring schedule or an automated monitoring mechanism to trigger updates to the HR Policy Manual
RISK/EFFECT	Operating under an obsolete manual creates operational inefficiencies and standardizes outdated practices. HR management should comprehensively review and update the TA chapter of the HR Policy Manual to reflect current organizational structures, system-driven workflows, and regulatory standards. Additionally, a formal policy should be implemented to ensure all HR manuals undergo a scheduled review at least every two to three years.
RECOMMENDATION	HR should establish and implement a formalized, recurring review schedule for all talent acquisition policies, classification and compensation procedures, and pay plans, and assign clear ownership to specific personnel to track compliance deadlines.
MANAGEMENT RESPONSE & ACTION PLAN	Per the OCA request, the Management Response has been updated to incorporate the comments provided following the initial submission. After careful review of the additional feedback, Human Resources affirms and maintains its position of Disagree. The conclusion extends beyond the authority and responsibilities of Talent Acquisition and does not accurately reflect the governance structure that defines how HR functions are managed within the organization. As noted in Finding 5, Human Resources would like to clarify that the referenced update to the Human Resources Policy Manual does not relate to Talent Acquisition. The conditions cited in the report refer to a May 2026 amendment to the policy manual. The policy, originally issued on September 5, 2013, and last amended on May 15, 2026, states that an offer communicated to an applicant is contingent upon several factors, including clearance for employment based on reference check results and a criminal background check. The May 2026 amendment was limited solely to Section IV, Compensation, subsection e. Personal Leave. The revision updated the requirement from "Personal leave must be taken within the fiscal year received and does not accrue" to "Personal leave must be taken by July 31 and does not accrue or carry over." No changes were made to Talent Acquisition-related provisions.

Talent Acquisition Governance Boundaries:

Talent Acquisition is responsible for recruitment operations only. The division does not oversee, maintain, or update the HR Policy Manual, compensation pay plans, market rate schedules, or job classification structures. These governance responsibilities are assigned to HR Administration and the Compensation division. The audit finding links Talent Acquisition's recruitment practices to policy and compensation maintenance activities that fall entirely outside of Talent Acquisition's scope, authority, and operational control.

Talent Acquisition's own procedures have been reviewed annually since 2025, with updates communicated through Employee Connect – Talent Acquisition, Department Liaison meetings, and the division's process and procedure guide. These actions demonstrate compliance within the boundaries of Talent Acquisition's defined role, independent of broader HR policy maintenance cycles.

HR Management Response:

The HR Policy Manual, compensation plan, and classification maintenance processes fall under HR Administration and Compensation—not Talent Acquisition. These items were not requested from HR as part of the audit, and no evidence was presented that the relevant divisions were out of compliance.

As a point of clarification, the City's pay plan is approved annually by City Council through the budget ordinance, fully satisfying HR Policy 4.0 requirements. Market rate reviews for all classifications occur as required and pay plan or market rate enhancements depend on budget approval, also dictated by HR Policy 4.0. Work performed by Compensation may not be reflected in adopted pay plans if funding is not available, which is a budget governance constraint—not an HR compliance failure.

The assertion that HR is out of compliance with Section 5-C is incorrect. Classification reviews and JAQs are consistently performed at minimum upon vacancy and prior to posting. Compensation continues its work toward full review of all established classifications, which are fully aligned with policy requirements.

Summary of Management's Position:

The expanded finding conflates responsibilities across multiple HR divisions and assigns accountability to Talent Acquisition for matters outside its jurisdiction. The additional information regarding City Council's annual approval of pay plans directly contradicts the suggestion of policy noncompliance. For these reasons, management disagrees with the finding and does not support corrective actions within Talent Acquisition, as the cited issues fall outside the division's governance boundaries.

CORRECTIVE ACTION DATE		AGREE/ DISAGREE	Disagree	RESPONSIBLE PARTY	
OCA COMMENT	Talent Acquisition and recruitment cannot be evaluated in isolation from the foundational HR policies and classification/compensation structures that govern them. Operating under an HR Policy Manual that was not updated from 2015 to May 2026 presents an institutional control risk. Management responses are not reflective of the updates made to the finding upon receipt of additional information, specifically City Council's annual approval of the pay plan.				

Staff Acknowledgement

Jodi Overton, MBA, Senior Auditor
 Joseph Lopez, MSFE, Senior Auditor
 Samantha Chapa, Auditor
 Tiffany Cheshier, Audit Services Associate

Subsequent Developments

On June 12, 2026, the OCA escalated the access restriction and its impact on the audit to the Audit Committee. No determination or corrective action was taken at that time to resolve the restriction or provide the OCA with the records, information, personnel, or documentation necessary to complete the planned audit procedures.

On June 24, 2026, after fieldwork had concluded and the report was in the final stages of preparation, the OCA received notice of a three-signature memorandum added to the June 30, 2026, City Council agenda. The memorandum, submitted by the three council members, proposed directing the City Manager to comply with City Ordinance Chapter 12½ and order the HR Director to comply with all document and material requests for the City Auditor's HR recruiting and pre-boarding compliance audit. On June 25, 2026, following submission of the memorandum, HR contacted the OCA to review outstanding documentation requests and agreed to provide the previously outstanding records.

On June 30, 2026, the City Council discussed the matter and voted to provide the OCA with access to the requested information. The City Council considered and passed a motion directing the City Manager to comply with City Ordinance Chapter 12½ and ordering the HR Department Director to comply with all document and material requests for the City Auditor's HR compliance audit A24-SP2. Council Member Hernandez moved to amend the motion to add: "any questions of confidentiality should be referred to the City Attorney. The City Attorney shall provide response in writing to the City Auditor for audit records." The amendment was seconded by Council Member Campos and approved, and the amended motion passed. Although this Council action is an important subsequent event, this occurred after the audit had already been substantially completed under severe scope limitations and after the draft report had been prepared.

Additionally, on July 1, 2026, the OCA executed an NDA and submitted it to both the City Legal Department and HR to address claims related to the handling of confidential and sensitive information.

As of the date of creation of the draft report, the OCA had not received, validated, tested, or evaluated the previously restricted information in a manner sufficient to determine whether it would affect the audit findings, conclusions, recommendations, or the reported departure from GAGAS. Because sufficient appropriate audit evidence was not available during the audit engagement and had not been fully obtained and evaluated prior to the preparation of this draft report, the severe scope limitation and related departure from GAGAS remain applicable.

Given the significant delays already experienced and the advanced stage of report preparation, the OCA determined that further postponement was not appropriate. Therefore, this report was issued based on the evidence available as of the June 12 Audit Committee meeting. The OCA will evaluate any subsequently provided information – including

documentation resulting from the June 30 City Council action—once testing is complete. If warranted, the OCA will issue a separate engagement, supplemental report, addendum, or follow-up review communicating the results of that testing and any additional observations or conclusions.

Appendix A: Management Response

The Human Resources Department has some additional observations and comments on the draft audit report for A24-SP2 outside of the findings and observations management responses. There are several other statements that HR would like to provide clarity and response, as follows:

A. Page 2, Executive Summary - Conclusion:

- a. **OCA:** “Specifically, HR declined to provide view-only access to certain systems and records, withheld documentation requested in support of candidate screening and selection, and evaluated the timeliness of the recruitment and pre-boarding processes.”

HR response: “During initial Audit meeting held on 01/28/2026 with Human Resources Leadership, OCA, Legal Counsel, and Information Technology Leadership, it was noted by IT Leadership indicated that system access cannot be granted on a user-by-user basis; however, reports can be generated based on defined parameters and provided in Excel format.”

Supporting Evidence: Email summary sent by OCA on 01/30/2026 to recap HR Data Access Discussion – noted within email: “Information Technology indicated that system access cannot be granted on a user-by-user basis; however, reports can be generated based on defined parameters and provided in Excel format.”

B. Page 5, Audit Objective, Scope & Methodology Statement – Scope Limitation:

- a. **OCA:** “The OCA’s ability to evaluate several aspects of the recruiting and hiring process was limited due to restricted access to documentation maintained by TA and hiring officials. Because certain requested documentation was not provided (interview notes, background checks, and IT workflow reports covering the full scope period, etc.), we could not complete all planned audit procedures to evaluate the efficiency and timeliness of the recruiting and pre-boarding processes.”

HR: “... Because certain requested documentation was not provided (interview notes and background checks ~~and IT workflow reports~~ covering the full scope period, etc.), we could not complete all planned audit procedures to evaluate the efficiency and timeliness of the recruiting and pre-boarding processes.”

Supporting Evidence: Housed within shared folder between Talent Acquisition and OCA – Titled “Audit_FY26_Additional Documents > Requests to IT”. TA uploaded supporting documentation to show that reports were requested though unsuccessfully generated by IT therefor had to be manually pulled and complied by Talent Acquisition which were then uploaded on 06/17/2026 within the shared folder

between Talent Acquisition and OCA titled "Audit_FY26_Additonal Documents > Report Request."

C. Page 4, Paragraph 1 under Scope & Methodology Statement:

- a. **OCA:** "Our audit scope covered new hires and rehires from January 1, 2023, through December 31, 2025. Executive-level positions and specialized hiring processes such as Fire Department, Police Department, and Information Technology (IT) Department were excluded."

HR: "Our audit scope covered new hires and rehires from January 1, 2023, through December 31, 2025. ~~Executive-level positions and~~ Specialized hiring processes such as Fire Department, Police Department, and Information Technology (IT) Department were excluded."

Supporting Evidence: OCA included Executive-Level positions on June 4th, 2026 an email request was made for Executive Process (Attachment with 14 executive employees) to include: JAQ and Job Posting, Candidate application submissions and resumes, Interview notes, Transcripts and certificates, Background check results (and references, where applicable), Prior employment verifications, Offer Letter, Written confirmation of all 300-level positions were directives from ACM and/or CM and verbally communicated to HR Director and therefore no request to hire or other documentation on file, If a policy/procedure exists around the hiring of executives, please provide the formal communication sent regarding this process.

D. Page 4, Paragraph 2 under Scope & Methodology Statement:

- a. **OCA:** "Management restricted direct access to certain requested systems and information, resulting in departures from applicable requirements."

HR: "Under guidance of Legal Counsel, management restricted direct access to certain requested systems and information."

Supporting Evidence: Email in response to OCA from Legal Counsel on 01/14/2026 – Summarized: The email explains that the term "direct" access was incorrectly attributed to the City Code, which does not use that term. The Code provides access to all relevant records, information, and personnel, but not specifically "direct" access. It also clarifies that the second highlighted passage should reference the City Code as the governing provision for these matters.

E. Page 5, 2. Restricted Access to Audit Evidence

- a. **OCA** - "During the audit, certain documents identified as necessary for testing, including system-generated reports, were not provided."

HR response: A meeting was held on 1/28/26 between OCA, the IT Director, the HR Director, and legal counsels for both HR and Audit departments. The purpose was "To discuss read-only data access needs and safeguards related to current and future Human Resources audits and investigative work conducted by the Office of the City Auditor." Topics of discussion were system access and generally required data. To quote from the City Auditor's Office, "Audit procedures generally require access to non-confidential employee and process data, such as employee identifiers, employment dates, job classifications, and workflow or approval information."

Documents and data requested by the OCA have superseded the types of documents discussed in this meeting, that is more confidential in nature.

F. Page 5, 3. Change in interpretation of Audit Scope:

- a. **OCA:** The audit scope period of January 1, 2023, through December 31, 2025, was agreed upon during the Entrance Conference and used in planning, document requests, and sampling. After the June 12, 2026, Audit Committee meeting (see Subsequent Development section of report), HR informed the OCA that it considered the applicable scope period to be limited to calendar year 2024 and did not provide certain records outside that year. This limited the OCA's ability to evaluate evidence for the original scope period.

HR response: The scope period exclusion of 2023 and 2025 was a temporary issue, which only occurred between weekly meetings held on June 16, 2026, and June 25, 2026. Prior to and afterward, all responses have included 2023 and 2025 data. The audit period scope limitation is overexaggerated, as it was clarified and resolved expeditiously. It stems from the audit being announced in 2024 but the scope period spanning the prior and subsequent year, which created confusion and misunderstanding. The expansion of the scope period to include three calendar years also increased the amount of work for both the Human Resources and Audit departments.

G. Page 39, Paragraph 3 under Subsequent Developments:

- a. **OCA:** "On June 30, 2026, the City Council discussed the matter and voted to provide the OCA with access to the requested information."

HR response: "On June 30, 2026, the City Council discussed the matter and voted to provide the OCA with access to the requested information with amendment to the motion to add: "any questions of confidentiality should be referred to the city attorney. The city attorney shall provide response in writing to the city auditor for audit records."

Human Resources consulted with Legal Counsel to coordinate an NDA with the OCA to facilitate the release of background reports. HR also requested Legal Counsel's review of the IntelliCorp contract to verify that this action is permissible and does not constitute a breach of contract. Both steps are time consuming due to the extensive review required.

I. Page 39, Subsequent Developments

a. HR response:

The Human Resources Department has provided all agreed upon information for inclusion in A24-SP2 as of date of this draft report but understands it is the prerogative of the City Auditor's Office to issue their report in its current status.

OCA Comments on the Management Response in Appendix A

1. The aforementioned meeting on 01/28/2026 resulted in NO resolution to the matter, and the OCA could not satisfy the requirements of obtaining sufficient, appropriate audit evidence from the proposal provided in this meeting, in accordance with GAGAS requirements. The meeting minutes are available for reference.
2. As a matter of fact, the OCA has proposed the NDA on multiple occasions since the beginning of this audit.
3. The management of confidential data is dictated by established policies, procedures, and widely accepted data governance frameworks utilized across both public and private sectors. A lack of awareness and implementation of these frameworks within the City management resulted in unnecessary delays and disputes. Furthermore, it is imperative that data protection protocols are not improperly leveraged to withhold essential information from the audit team.

July 9, 2026

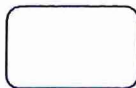
Amr Hussein
Interim City Auditor
Corpus Christi, TX

Re: A24 – SP2 Human Resources – Recruiting & Pre-Boarding

We have carefully reviewed the recommendations in the audit report referenced above. Our action plans to address them are outlined on the preceding pages, and we are committed to resolving the issues identified in the audit report by implementing these plans promptly.



Agree



Disagree

City management has provided responses to the findings as indicated. Management does not agree with DCA comments or recommendations beyond those indicated as "partially agree" for the reasons given in management response.



Rebecca Castillo
Director of Human Resources

8.27.26

Date



Michael Rodriguez
Deputy City Manager

8.27.26

Date



Peter Zanoni
City Manager

8.27.26

Date