



City of Phoenix

Mission Statement

To improve the quality
of life in Phoenix
through efficient
delivery of outstanding
public services.

Project Team

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Project Number

1230076

This report can be made
available in alternate
format upon request.

Law Department Background Screening Process

June 26, 2023

Report Highlights

Background Screenings

The Law Department consistently conducted background checks for the newly hired employees we reviewed. However, some documentation, required by the City's Background Screening policy, was missing.

***City Auditor Department
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Executive Summary

Purpose

Our purpose was to determine that the Law Department (Law) properly executed employee background screenings according to *Administrative Regulations 2.81 – Background Screening* (A.R. 2.81).

Background

The goal of A.R. 2.81 is to ensure that employees do not represent a risk to the City or community due to factors in their background that are known or that should have been known. A.R. 2.81 requires that background checks be performed on all full-time, part-time, and temporary City positions.

Law Management Services Division (MSD) oversees the background screening process for potential Law Department employees. This applies to new employees and to employees who transfer between departments. All Civil Division employee background screenings must be performed by a contracted City vendor. In addition, Law MSD facilitates fingerprinting and the FBI's Criminal Justice Information System (CJIS) background checks for the City Prosecutor's Office.

Results in Brief

The Law Department consistently conducted background checks for the newly hired employees we reviewed. However, some documentation, required by A.R. 2.81, was missing.

A.R. 2.81 requires departments to conduct various checks, such as position assessments, reference checks, education/certification checks, and background screenings. We reviewed the documentation for each step in the background screening process for the 27 employees hired in 2022. Background checks were completed for all employees. However, some files were missing documentation, such as drug screening and education checks.

Law can improve compliance with A.R. 2.81 by developing department procedures to outline how to manage the evaluation process.

A.R. 2.81 requires the hiring department to evaluate the background screening results received from the City's vendor. Job applicants that pass the background screening receive a "clear" result. If something is found that could potentially prevent an applicant from being hired, the result is noted as "consider." For "consider" results, Law MSD must determine if the finding prohibits the candidate's employment. One of the 27 background checks reviewed resulted in a "consider." Law stated that the results were discussed verbally with the Human Resources Department (H.R.). No documentation was available for review demonstrating who approved the job offer.

Law MSD did not have procedures defining who makes the final decision and how that decision is made when a “consider” result is received. To reduce the potential risk to the City, Law should establish department procedures with defined criteria to ensure that candidates are treated consistently. The procedures should also define what documentation must be kept to show that each step in the background screening process was completed.

Department Responses to Recommendations

Rec. 1.1: Develop department procedures to set specific criteria for evaluating background screening results. Ensure the procedures address what documentation must be maintained for each background screening performed and decisions made when “consider” results are received.

Response: Law will develop an internal policy document consistent with A.R. 2.81 that (1) sets out specific criteria for evaluating background screening results; (2) addresses what documentation must be maintained for each background screening; and (3) establishes standard for handling a “consider” background result.

Target Date:
September 19,
2023

Explanation, Target Date > 90 Days: [Type response here]

1 – Employee Background Screening Process

Background

A.R. 2.81 requires the hiring department to evaluate the background screening results. If a job applicant passes the background screening, the results are noted as “clear.” Items found that could potentially prevent an applicant from being hired are indicated as “consider.” For “consider” results, the hiring department must determine if the items found on the background check prohibit the candidate’s employment.

Law MSD oversees the background screening process for potential Law Department employees. All Civil Division employee background screenings must be performed by a contracted City vendor. In addition, Law facilitates fingerprinting and the FBI’s Criminal Justice Information System (CJIS) background checks for the City Prosecutor’s Office.

The following steps are required in the background screening process:

- Position Assessment
- Applicant Disclosure of Criminal History
- Employee Reference Check
- Background Screening by Approved Vendor
- Education and/or Certification Verification
- Drug Screenings
- Evaluation of Results

Law hired 27 employees in calendar year 2022. We obtained department procedures and reviewed the supporting documentation maintained from the background screening process for each employee.

Results

Law consistently conducted background checks for new hires we reviewed but was missing some documentation required by A.R. 2.81.

We requested documentation for each step in the background screening process for the 27 employees hired. The following documents were missing:

- 20 of 27 reference checks
- 7 of 19 drug screening results (Criminal Division only)
- 3 of 27 education/certification checks

Law can improve compliance with A.R. 2.81 by developing department procedures to outline how to manage the evaluation process, including what documentation to maintain when a candidate that receives a “consider” background check is hired.

One employee was hired with a “consider” status on the background screening report. There was no documentation to show who decided to move forward with the recruitment and why, as decisions were made verbally. H.R. and Law MSD did not have a policy defining who makes the final decision and how that decision is made when a “consider” result is received. Law can reduce the potential risk to the City by developing department procedures with defined criteria to treat candidates consistently. The policy should also explain what documentation must be kept to show that each step in the background screening process was completed.

Recommendation

- 1.1 Develop department procedures to set specific criteria for evaluating background screening results. Ensure that procedures address what documentation must be maintained for each background screening performed, and what decisions must be made when “consider” results are received.

Scope, Methods, and Standards

Scope

Our scope included employees hired by Law during calendar year 2022.

The internal control components and underlying principles that are significant to the audit objectives are:

- Control Activities
 - Management should design control activities to achieve objectives and respond to risks.
- Control Activities
 - Management should implement control activities through policies.

Methods

We used the following methods to complete this audit:

- Established criteria through the review of Administrative Regulations.
- Conducted interviews with Law staff.
- Determined Laws' procedures for employee background screenings.
- Reviewed documentation to ensure compliance with City policy.
- Performed testing to determine that background screenings were timely and effective.

Unless otherwise stated in the report, all sampling in this audit was conducted using a judgmental methodology to maximize efficiency based on auditor knowledge of the population being tested. As such, sample results cannot be extrapolated to the entire population and are limited to a discussion of only those items reviewed.

Data Reliability

The data used for this review (eCHRIS) was determined to be reliable through a prior independent audit review.

Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our

audit objectives. Any deficiencies in internal controls deemed to be insignificant to the audit objectives but that warranted the attention of those charged with governance were delivered in a separate memo. We are independent per the generally accepted government auditing requirements for internal auditors.