



CITY OF RENO
AUDIT REPORT

CIVIL SERVICE AUDIT
FEBRUARY 2024

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BACKGROUND

The City of Reno Charter provides for the establishment of a civil service system to provide for an efficient workforce and equity in hiring for employees covered under the system. The fundamental principle for a civil service system is to provide for a professional and non-partisan workforce to support government functions. The civil service system for the City of Reno includes the provision for open and competitive recruitments, job security, career progression, and adherence to ethical standards. Recent developments in the provision of civil service systems are a growing emphasis on promoting diversity and inclusion and to promote a workforce which reflects the demographics of the population and ensure a broad range of perspectives.

Regulations for the civil service system at the City of Reno are detailed in the Reno City Charter Article IX – *Civil Service*, and the Civil Service Commission Rule Book. Pursuant to Charter §9.020, “the City of Reno Civil Service System covers all employees of the City except those specifically exempted under this section of the Charter.”

The Civil Service Commission

Per the Civil Service Commission Rule Book, “The Commission is an autonomous body of seven (7) residents of the City with no other connection with the City government who are appointed to five (5) year terms on succeeding years by the Mayor with approval of the City Council.” The Commission is authorized per the Reno City Charter and is the only Civil Service commission, committee, or board established by Charter to be independent of the rest of the City.

According to the Civil Service Rule Book,

“It is the Commission’s task to supervise the merit system of competition and fitness in procedures for recruiting, evaluating, selecting, employing, promoting, and retaining all employees in Civil Service within the City. They receive and evaluate all applications for employment in the City’s Civil Service, administer written and oral examinations, establish eligible lists, and certify eligibles for all Civil Service classifications. They function as an appeal tribunal for confirmed classified employees within Civil Service regarding adverse actions premised upon Prohibited Acts, classification, layoff, dismissal, demotion, suspension, and disciplinary actions. It is their duty to establish career paths on which classified employees within Civil Service may progress to mutual advantage. They are responsible for all Civil Service classified employee transfers. It is also their responsibility to assure equal employment opportunities to persons of all races, colors, sexes, sexual orientation, marital status, gender identity or expression, disability, ages, national origins, religious beliefs and political or organizational affiliations.”

In order to fulfil the objectives of the Civil Service Commission as outlined in the Reno City Charter, the Commission is empowered to appoint a Chief Examiner under Reno City Charter § 9.070. Under this appointment, “The Chief Examiner shall administer the provisions of this article in regard to the selection, appointment and promotion of employees in the Civil Service, under the direction of the Commission and within restrictions established by the Commission.”

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AUDIT RESULTS

Audit reviewed documentation and queried City of Reno staff and Civil Service Commissioners regarding the processes and procedures involved in recruitments, classifications, reclassifications, promotions, and appeals of adverse management actions. Queries included surveys of hiring managers and department directors to gather information on their understanding of and interaction with the Civil Service Commission and its staff. Interviews were conducted with key Civil Service Commissioners and staff. These queries were evaluated for process efficiency, points of confusion or overlap, equity, and security. Citywide policies and best business practices were also considered during the audit fieldwork.

The audit identified seven separate findings. A finding is noted when audit testing identifies an area of noncompliance with documented policies or best practices. Simply put, findings identify areas of risk. In addition, we have identified one area of note to be considered for review and analysis. The audit's findings and recommendations are detailed below with management's responses at the end of the report.

The Civil Service System is an institution within governmental organizations to provide employees protections and insulation from political influence and interference in their hiring, promotion, and execution of their duties. The City of Reno Charter outlines the objectives of the Civil Service System under Article IX § 9.010 as,

“The purpose of this article is to provide the City with an efficient workforce, with equity to all persons concerned. To attain this objective:

1. All appointments and promotions to positions in the Civil Service must be made on the sole basis of merit and fitness, without regard to non-job-related considerations.
2. Career and promotional opportunities must be readily available to employees.
3. A high level of performance is required of employees to meet their obligations to the City administration, to the users of City services and to the taxpayers.”

Clarify Program Administration

1. An impetus for this audit was a sense of confusion from hiring managers as to who administers the various functions and processes relating to position description development, position minimum qualifications, position classifications, position recruitment, hiring, promotions or reclassifications, and employee discipline. Part of this confusion is directly related to the City of Reno Charter which provides for certain functions to be administered by the Civil Service Commission and certain function to be administered by the City Manager or their designee. Specifically, RMC Article IX, Sec. 9.180, states, in part, “1. The City Manager or his or her designee shall: (a) Prepare maintain, and, as necessary, revise a classification plan for all positions in the Civil Service. (b) Allocate each position in the Civil Service to a class set forth in the classification plan.”

This division of duties provides for a Civil Service System that is shielded from political influence and undue pressure to conform or have their employment negatively impacted. However, a consequence of this division is confusion, as many of these functions are interrelated and cannot be easily separated into distinct tasks. Confusion in the hiring process may reduce confidence in the hiring and promoting process and create potential delays in recruitments.

Recommendations

We recommend:

- the City Manager clarify the duties they have delegated to other managers as permitted in the City Charter, and
- the Chief Examiner clarify the responsibilities for the Civil Service function.

Clarify Due Diligence Responsibilities

2. Due diligence within the hiring process is the assessment and evaluation of the information provided by the applicants for employment with the City. It generally involves reviewing and assessing the information provided by the applicant through a variety of tasks including resume review, testing, interviewing, reference checks, and verification of work samples provided by the applicant. Effective due diligence in hiring helps mitigate the risks associated with making poor hiring decisions, reduces employee turnover, and contributes to building a strong and capable workforce.

Per queries with 13 departmental hiring managers/directors citywide and three Civil Service employees, the expectation of who performs due diligence tasks and how it should be performed in the recruitment and hiring process is unclear. A lack of clear due diligence responsibilities creates the risk that unqualified applicants being advanced and potentially hired. Best practices support conducting formal, iterative due diligence during the hiring process.

Recommendation

We recommend the Chief Examiner clarify the due diligence responsibilities between Civil Service, Human Resources, and departmental hiring managers, and train applicable staff with a formal, iterative process.

Enhance Security of Documents

3. The use of Personal Identifying Information (PII) is necessary when potential employees are recruited for employment with the City. Multiple employees, departmental directors, and hiring managers across the organization have been tasked with reviewing applicant materials and

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have access to PII provided by the applicant as an element of the recruiting process through Civil Service.

The physical security and cybersecurity of applicants' PII may be compromised with the current procedures in place. Those application documents with PII are maintained in several locations by departmental hiring managers and hiring committee members such as desktop computers, laptops, email, and shared drives – each with various states of security. There is no formal training program to protect PII.

Citywide Policy 103 - Records Management Section V states, in part, "Properly managing City records is a fundamental role of being a public employee," and also, Section VIII.B. Care of Records states, in part, "Access Control: All employees must maintain the security of City Records. Records must be stored in safe and secure locations." In addition, per NRS 603A.210 Security measures, includes, in part, "1. A data collector that maintains records which contain personal information of a resident of this State shall implement and maintain reasonable security measures to protect those records from unauthorized access, acquisition, destruction, use, modification or disclosure."

Recommendation

We recommend best practices and policies surrounding the security of recruitment documents, and Personal Identifying Information within, be established, communicated to applicable directors and hiring managers, and implemented timely.

Include Proper Supporting Documentation

4. We tested 19 expenditures from the Civil Service account for compliance with documented policies and best practices and two did not include supporting documentation that proves the purchase was for a legitimate business meeting. Citywide Policy #303 Purchasing, Section VIII.E allows for refreshments and light lunch purchases for “staff meetings, public meetings and business meetings.” Without supporting documentation which identifies the business purpose of the meetings that include City-purchased food and beverages, verifying compliance with citywide policies is not possible.

Recommendation:

We recommend, for expenditures that include food or beverage, the supporting documentation include the business purpose for the meeting.

Standardized Training

Effective training programs are essential for personal and professional development of employees, to ensure compliance with applicable rules and regulations, ensure safety, provide innovation and support overall organizational success. Training programs provide the organization with well-qualified employees who are more effective while supporting employee growth and promotional opportunities.

Training programs need to have components of skill development, awareness, and application of legal and regulatory issues to ensure compliance, provide for knowledge transfer, and reinforce cultural norms within the organization. Providing opportunities for learning and development can boost employee morale and job satisfaction and demonstrates that the organization values its employees' growth and invests in their success.

Organizations which offer robust training programs are often more attractive to potential employees and plays a role in retaining talent, as employees are more likely to stay with organization's who invest in employee development.

Provide Hiring Manager Training Periodically

- 5. A systematic, iterative program to train departmental hiring managers on the Civil Service processes and rules has not been formalized. While informational sessions have recently been instituted by Civil Service and offered to employees citywide, the content is general in nature and not specific to the procedures conducted by departmental hiring managers. Without required appropriate and periodic training, compliance with Civil Service processes, Civil Service rules, and citywide policies may be compromised.

Recommendation

We recommend a systematic, iterative training program be developed by Civil Service and implemented to ensure hiring managers receive formal training on which portions of the recruitment process are covered under the Civil Service processes and rules. In addition, we recommend hiring managers be required to participate in the formal training provided by Civil Service.

Provide Staff Training Periodically

- 6. Training opportunities are being developed and implemented for Civil Service staff, but these training programs are ad hoc at this point and not a standardized program for Civil Service staff. A lack of standardized training creates uneven knowledge between personnel of the same level and performing the same duties.

Recommendation

We recommend the training programs currently being delivered on an ad hoc basis be formalized and a standard training routine be implemented

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and documented through training manuals to ensure all employees of a similar title and workload are receiving the same training.

Provide Training on Personal Identifying Information Security

7. Personal Identifying Information (PII) is collected through the recruitment process and this information is disturbed to hiring managers through electronic means and other methods. Standardized training on the treatment of PII is not provided to employees with access to it. Without appropriate training, the physical security and cybersecurity of individuals' PII may be compromised.

Recommendation

We recommend formal training be provided to all hiring managers and Civil Service staff as it relates to physical security and cybersecurity for the collection, distribution, and retention of Personal Identifying Information to meet industry best practices.

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ADDITIONAL AREAS OF NOTE

During the course of the audit, additional matters were considered and may warrant further review and analysis. While not an audit *finding* or instances of noncompliance with documented City policies, these matters present areas of note and/or opportunities to improve the operational process and/or the internal control environment to reduce risk and increase efficiencies.

Municipal Court Hiring

The Court Administrator noted employees hired by the Municipal Court are exempt from the Civil Service process as provided for in the Reno City Charter Article IX § 9.020(g). This presents two distinct conditions for the City:

1. Duplication of Effort - The City currently has a robust classification, recruitment, examination, and hiring process by professionals in Civil Service and Human Resources. By not partnering with the City departments charged with this specialized work, the Court is taking on additional work and costs associated with those activities.
2. Employee Protections - As noted in the background section of this report, Civil Service Systems provide the City and the employees certain protections. These protections are not in effect for employees of the Municipal Court as they currently hire the Court employees directly.

NOTEWORTHY ACCOMPLISHMENTS

The Chief Examiner has hired a full staff and has begun instituting training for staff to help clear a backlog of recruitment requests and provide a stable and well qualified City staff. Civil Service has instituted quarterly informational meetings for employees citywide on specific portions of the Civil Service process. In addition, improvements have recently been made to the Civil Service Commission website including helpful links and access to forms providing a more robust information center for departmental hiring managers' reference.

Audit's Objective, Scope, and Standards

Objectives

- To clarify the criteria surrounding the Civil Service Function at the City;
- Assess the overall process and data used during the Civil Service processes;
- To determine if Civil Service is posting the minimum qualifications that have been approved by the Civil Service Committee;
- To determine if Civil Service is conducting due diligence by verifying applicants' information provided;
- To determine if staff is adequately protecting personally identifying information of applicants during the Civil Service process; and
- To evaluate the risk of fraud, waste, and abuse relative to the audit objectives.

Scope

The audit scope included the procedures and methodologies in place within the Civil Service Department at the time of the audit fieldwork, August – October 2023.

Audit Standards

We conducted this audit in accordance with standards of The Institute of Internal Auditors, sans Standards 1310-1 through 1321. Standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objectives. The evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



Findings' Conditions, Recommendations, and Management Responses

Responses from Civil Service Management:

Clarify Program Administration

1. An impetus for this audit was a sense of confusion from hiring managers as to who administers the various functions and processes relating to position description development, position minimum qualifications, position classifications, position recruitment, hiring, promotions or reclassifications, and employee discipline.

We recommend the Chief Examiner clarify the responsibilities for the Civil Service function.

What measures are planned to address this finding?

The City of Reno Charter very clearly defines the areas in which the Commission has authority over and is responsible for in Article IX – Civil Service. The City Manager does not have authority to clarify and/or delegate the responsibilities of the Commission or the Chief Examiner. The Commission, Chief Examiner and attorney will as needed provide clarification. The Commission and attorney will provide direction to the Chief Examiner and staff in this matter.

An educational presentation and training will be developed to present to the City Manager, Department Directors and hiring managers regarding the authority and responsibilities of the Commission.

When will the measures be taken?

Educational presentation will be developed by March 31, 2024 and will be presented at our regularly scheduled 2nd quarterly hiring team meetings. Quarterly meetings are with all departments and include Directors, hiring managers, and NeoGov liaisons. These meetings will be completed by June 30, 2024.

Clarify Due Diligence Responsibilities

2. Per queries with 13 departmental hiring managers/directors citywide and three Civil Service employees, the expectation of who performs due diligence tasks and how it should be performed in the recruitment and hiring process is unclear.

We recommend the Chief Examiner clarify the due diligence responsibilities between Civil Service, Human Resources, and departmental hiring managers, and train applicable staff with a formal, iterative process.

What measures are planned to address this finding?

As addressed in finding 1., Civil Service staff will develop and present for educational purposes the recruitment and hiring areas of responsibility that fall within the purview of the Civil Service Commission. This presentation will continue to expand upon the routine training currently being provided to hiring managers and other applicable staff on the recruitment lifecycle, Subject

Matter Expert (SME) criteria and selection, job analysis, competency mapping, assessment development, certification of eligibles procedures and probationary periods.

A formal SOP will be developed regarding the due diligence process Civil Service utilizes from application receipt through placement on an eligible list. Training will be provided to Civil Service staff on an annual basis to ensure consistency throughout the delivery of our uniform process.

Civil Service staff will work with Human Resources to develop a hiring process flow chart that will identify the responsibilities of Human Resources, Civil Service and Department hiring managers and post this to our BLI page for reference.

When will the measures be taken?

Educational presentation will be developed by March 31, 2024, and will be presented at our regularly scheduled 2nd quarterly hiring team meetings. Quarterly meetings are with all departments and include Directors, hiring managers, and NeoGov liaisons. These meetings will be completed by June 30, 2024.

SOP to be complete and available for training by June 30, 2024. Training to commence immediately following.

The timeframe for posting the reference material to the Civil Service BLI page is subject to coordination with Human Resources but anticipated to be completed by March 31, 2024.

Enhance Security of Documents

- 3.** The physical security and cybersecurity of applicants' Personal Identifying Information (PII) may be compromised with the current administration's methodology. Those application documents with PII are maintained in several locations by departmental hiring managers and hiring committee members such as desktop computers, laptops, email, and shared drives – each with various states of security. There is no formal training program to protect PII.

We recommend best practices and policies surrounding the security of recruitment document be established and communicated to applicable directors and hiring managers and implemented timely.

What measures are planned to address this finding?

The PII included in recruiting documents is not expansive and carries limited risk. Civil Service Staff will work with Human Resources and IT to identify all employees who have access to applicant information as collected by Civil Service during the application process and distributed during the hiring process. Best practices and policies will be established, communicated, and implemented timely.

When will the measures be taken?

Implementation in coordination with IT per City Policy 103 will be provided by June 30, 2024.

Include Proper Supporting Documentation

4. We tested 19 expenditures from the Civil Service account for compliance with documented policies and best practices and two did not include supporting documentation that proves the purchase was for a legitimate business meeting.

We recommend, for expenditures that include food or beverage, the supporting documentation include the business purpose for the meeting.

What measures are planned to address this finding?

Civil Service staff will implement an updated process to include an information sheet with supporting details surrounding the purchase of food and beverages to include the purpose, the date and a list of participants. Once a formal process or form is developed by Finance or Purchasing, we will implement that into our accounts payable process.

When will the measures be taken?

These changes will occur on December 1, 2023.

Provide Citywide Training Periodically

5. A systematic, iterative program to train departmental hiring managers on the Civil Service processes and rules has not been formalized.

We recommend a systematic, iterative training program be developed by Civil Service and implemented to ensure hiring managers receive formal training on which portions of the recruitment process are covered under the Civil Service processes and rules.

What measures are planned to address this finding?

Civil Service staff is currently providing routine training to Directors, hiring managers and other staff that utilize the NeoGov applicant tracking system. NeoGov support training is provided to all authorized NeoGov users and is administered whenever a new user is identified.

Quarterly training on various Civil Service processes and rules are covered during the regularly scheduled hiring team meetings with departments. Civil Service staff will continue to provide these in-depth trainings on specific rules and process that include the portions of the recruitment process covered by Civil Service. Director and hiring manager attendance at regularly scheduled meetings/trainings is sporadic and interferes with our ability to provide valuable information to them.

This is a continuing effort that will culminate in a formal training program that can be provided to new directors and hiring managers as they are being onboarded.

When will the measures be taken?

Training will be provided at the quarterly training meetings beginning in 2024.

Provide Staff Training Periodically

6. Training opportunities are being developed and implemented for Civil Service staff, but these training programs are ad hoc at this point and not a standardized program for Civil Service staff.

We recommend that the training programs currently being delivered on an ad hoc basis be formalized and a standard training routine be implemented and documented through training manuals to ensure all employees of a similar title and workload are receiving the same training.

What measures are planned to address this finding?

Institute an Analyst training tracker that identifies the skills and tasks required of the Analyst position and documents that training and progress of proficiency similar to the one currently in use for the Civil Service Technician position.

Continue to update training materials and operations manuals to reflect current processes and procedures.

When will the measures be taken?

Training tracker will be developed and implemented by June 30, 2024 and training materials and operation manuals will be updated by December 31, 2024.

Provide Training on Personal Identifying Information Security

7. Personal Identifying Information (PII) is collected through the recruitment process and this information is disturbed to hiring managers through electronic means and other methods. Standardized training on the treatment of PII is not provided to employees with access to it.

We recommend formal training be provided to all hiring managers and Civil Service staff as it relates to physical security and cybersecurity for the collection, distribution, and retention of Personal Identifying Information to meet industry best practices.

What measures are planned to address this finding?

Civil Service Staff will work with Human Resources to identify all employees who have access to applicant information as collected by Civil Service during the application process.

Civil Service will collaborate with Human Resources and IT to train employees regarding the safekeeping and protection of employee information captured and distributed through the application and hiring process.

When will the measures be taken?

Training in coordination with IT per City Policy 103 will be provided by June 30, 2024.



Findings’ Conditions, Recommendations, and Management Responses

Responses from the City Manager’s Office follow:

Clarify Program Administration

1. An impetus for this audit was a sense of confusion from hiring managers as to who administers the various functions and processes relating to position description development, position minimum qualifications, position classifications, position recruitment, hiring, promotions or reclassifications, and employee discipline. Part of this confusion is directly related to the City of Reno Charter which provides for certain functions to be administered by the Civil Service Commission and certain function to be administered by the City Manager or their designee. Specifically, RMC Article IX, Sec. 9.180, states, in part, “1. The City Manager or his or her designee shall: (a) Prepare maintain, and, as necessary, revise a classification plan for all positions in the Civil Service. (b) Allocate each position in the Civil Service to a class set forth in the classification plan.”

This division of duties provides for a Civil Service System that is shielded from political influence and undue pressure to conform or have their employment negatively impacted. However, a consequence of this division is confusion, as many of these functions are interrelated and cannot be easily separated into distinct tasks. Confusion in the hiring process may reduce confidence in the hiring and promoting process and create potential delays in recruitments.

We recommend the City Manager clarify the duties they have delegated to other managers as permitted in the City Charter.

What measures are planned to address this finding?

The City Manager will work with HR to lead a review of RMC 9.180 to identify and assign responsibilities of Human Resources and Civil Service related to classification and compensation.

When will the measures be taken?

A Classification and Compensation Guidelines Manual is identified as a deliverable in the current classification and compensation project to be completed by February 2024.

Provide Citywide Training Periodically

6. A systematic, iterative program to train departmental hiring managers on the Civil Service processes and rules has not been formalized. While informational sessions have recently been instituted by Civil Service and offered to employees citywide, the content is general in nature and not specific to the procedures conducted by departmental hiring managers. Without required appropriate and periodic training, compliance with Civil Service processes, Civil Service rules, and citywide policies may be compromised.

We recommend a systematic, iterative training program be developed by Civil Service and implemented to ensure hiring managers receive formal training on which portions of the recruitment process are covered under the Civil Service processes and rules.

Audit Comment:

Civil Service has indicated “Quarterly training on various Civil Service processes and rules are covered during the regularly scheduled hiring team meetings with departments. Civil Service staff will continue to provide these in-depth trainings on specific rules and process that include the portions of the recruitment process covered by Civil Service. Director and hiring manager attendance at regularly scheduled meetings/trainings is sporadic and interferes with our ability to provide valuable information to them.”

To ensure the systematic, iterative training program offered by the Civil Service team is implemented effectively, we recommend the City Manager’s Office *require* participation in formal trainings, for all applicable directors and hiring managers.

What measures are planned to address this finding?

The City Manager will work with HR to identify and develop a training program and personnel required to participate in classes specific to hiring manager competencies.

When will the measures be taken?

Legal and Effective Interviewing and Hiring training courses is scheduled to launch in February 2024.