



**Mecklenburg County  
Department of Internal Audit**

Human Resources  
Applicant Background Check Follow-Up Audit  
Report 2118

November 9, 2021

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**Internal Audit's  
Mission**

To support key stakeholders in cultivating an environment of accountability, transparency, and good governance.

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**Internal Audit Contacts**

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**Staff  
Acknowledgements**

Gewreka Robertson, Auditor-in-Charge

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**Obtaining Copies of  
Internal Audit Reports**

This report can be found in electronic format at  
<https://www.mecknc.gov/audit/reports/pages/default.aspx>



MECKLENBURG COUNTY  
Department of Internal Audit

**To:** Dena Diorio, County Manager  
County Manager's Office

**From:** Joanne Prakapas, Director  
Department of Internal Audit

**Date:** November 9, 2021

**Subject:** Human Resources Applicant Background Check Audit Follow-Up Report 2118

The Department of Internal Audit completed a follow-up audit on reported issues from the Human Resources Applicant Background Check Audit Report 1968 issued December 10, 2019. The objective of the follow-up audit was to determine with reasonable but not absolute assurance whether management took effective corrective action on the issues presented in the audit report.

Internal Audit interviewed key personnel, observed operations, reviewed written policies and procedures and other documents, and tested specific transactions where applicable. Internal Audit conducted this audit in conformance with The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.

**FOLLOW-UP SUMMARY**

There were thirteen recommendations in the Human Resources Applicant Background Check Audit Report 1968. The following table summarizes the results of the follow-up audits performed to date.

Fiscal Year	Audit Report	Implemented	Open	Not Implemented <sup>1</sup>	Withdrawn	Total Carryforward
2019	1968 <sup>2</sup>	N/A				13
2021	2118	13				0

<sup>1</sup> Management assuming risk for not taking corrective action

<sup>2</sup> Initial report

Details regarding the most recent follow-up audit are noted in the attached **Follow-Up Results** matrix. Recommendations considered implemented will be excluded from further review.

The cooperation and assistance of the Human Resources Department staff are recognized and appreciated.

- c: Deputy County Managers
- County Attorney
- Deputy County Attorney
- Board of County Commissioners
- Audit Review Committee
- Director, Human Resources

**Follow-Up Results**  
**Human Resources Applicant Background Checks Audit Report 1968**

- **Implemented** – Audit issue has been adequately addressed by implementing the original or alternative corrective action plan (**I**)
- **Open** – Corrective action for audit issue initiated but not completed (**P**); Implemented but not operating as intended (**IO**); Not been addressed but management fully intends to address issue (**O**)
- **Not Implemented** – Audit issue not addressed and management has assumed the risk of not taking corrective action (**NI**)
- **Withdrawn** – Audit issue no longer exists due to operational changes (**W**)

				Implementation Status	
Risk Observation	Recommendation	Management’s Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
1.1	Internal Audit recommends management update its background check procedures and train staff accordingly. Procedures should include, at a minimum: Frequency of policy and procedure reviews and updates <ul style="list-style-type: none"> <li>• Staff training requirements</li> <li>• Segregation of duties</li> <li>• Document retention requirements</li> <li>• Applicable federal and State regulations</li> </ul>	The Department will update procedures and train staff as necessary. In addition, the Department will define who handles various parts of the background check process to ensure segregation of duties. After implementation of the new Applicant Tracking System (ATS) and background check vendor, the ATS will become the system of record for retention purposes.	5/2020	I (2)	
2.1	Internal Audit recommends management ensure staff complete the Criminal Individualized Assessment form as necessary and maintain the documentation in accordance with department policy.	The Department will add the Criminal Individualized Assessment form to the onboarding checklist to ensure that this process is being done up front.	10/2019	I (2)	
2.2	Internal Audit recommends management re-emphasize to staff the importance of documenting their review of background check reports. Management should routinely monitor for compliance to policy.	The Department will hold a meeting to discuss the importance of compliance and then document the discussion via email to the staff. This will be reinforced during the quarterly document spot checks	10/2019	I (2)	

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				Implementation Status	
Risk Observation	Recommendation	Management’s Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
		conducted by the Onboarding Manager.			
2.3	Internal Audit recommends management develop a process to track all Pre-Adverse and Adverse Action Letter mailings. Management should routinely monitor for compliance to policy.	The Department will add a column(s) to the Conviction Log to document the date that the Pre-Adverse Letter and the Adverse Action Letter has been sent. Additionally, this will be added to the onboarding checklist to ensure the letters have been sent.	10/2019	I (2)	
3.1	Internal Audit recommends management establish formal training for staff conducting background checks; evidence of training content and participants should be maintained.	On an annual basis, the Department will arrange for background check training with the background check vendor and HR attorney for updates. The Onboarding Manager will maintain evidence of training, content, and participants.	5/2020	I (2)	
4.1	Internal Audit recommends management develop a process to periodically reconcile third-party vendor reports against department information. In addition, management should document their review and any actions taken.	On a quarterly basis, a report for all candidates processed during the quarter will be requested from the background check vendor. This report will be compared to candidates hired and not hired (adverse decision). This process will allow us to identify any background checks ran on non-candidates for Mecklenburg	5/2020	I (2)	

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				Implementation Status	
Risk Observation	Recommendation	Management’s Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
		County and handle the situation in accordance to HR/Mecklenburg County policy. This will be done by the Onboarding Manager.			
5.1	Internal Audit recommends management re-emphasize to staff the importance of properly filing and securely maintaining all supporting documentation for its background check activities.	The Department is implementing an Applicant Tracking System (ATS) by the end of the calendar year 2019. The ATS will be the system of record for all documentation associated with the hiring process. The background check vendor will integrate with the ATS, and background check information will be in the system.	5/2020	I	