PRINCE WILLIAM COUNTY, VIRGINIA

Prince William County, Virginia
Internal Audit of the Out-Boarding Process
Report Date: March 17, 2016

Table of Contents

March 17, 2016

The Audit Committee of
Prince William County, Virginia
1 County Complex Court
Prince William, Virginia 22192

Pursuant to the internal audit plan for fiscal year ("FY") 2015-16 for Prince William County, Virginia ("County"), approved by the Board of County Supervisors on October 13, 2015, we hereby present the internal audit of the County's Out-Boarding process. We will be presenting this report to the Audit Committee of Prince William County at the next scheduled meeting on May 10, 2016.

Our report is organized in the following sections:

Executive Summary	This provides a summary of the overview and issues related to the internal audit of the out-boarding process.
Background	This provides an overview of the out-boarding process.
Objectives and Approach	The internal audit objectives and focus are expanded upon in this section as well as a review of the various phases of our approach.
Issues Matrix	This section gives a description of the items noted during this internal audit and recommended actions, management's response, responsible party and estimated completion date.

We would like to thank the staff and all those involved in assisting our firm in connection with the internal audit of the out-boarding process.

Respectfully Submitted,

RSM US LLP

INTERNAL AUDITORS

Executive Summary

Executive Summary

Out-boarding (known as "separation" within the County) refers to procedures taken when an employee separates from employment with the County. The process of out-boarding employees is as important as on-boarding, and all organizations need to transition separated employees out of the workforce as quickly and efficiently as possible. The information technology ("IT") systems, applications, and confidential data stored can prove to be at risk during the out-boarding process. Currently, the County's out-boarding process is informal and decentralized, with the exception of centralized benefits administration coordinated by the Human Resources Department ("HR"). The County has thirty-six (36) departments, including seven (7) exempt agencies[1]. The twenty-nine (29) non-exempt Departments follow the county ordinance and personnel regulations as set forth by the HR department; the remaining seven exempt agencies may opt to follow the personnel policies but are not held accountable to them.

Out-boarding involves actions taken by separating employees and their respective departments, as well as departments administering the action, such as HR, Department of Information Technology ("DoIT"), and the Payroll Office. Procedures vary depending on the department and type of appointment; and the reason for separating.

HR Statistics

The County's Human Resources Department has one (1) part-time and twenty-four (24) full-time staff members. This department supports over thirty (30) departments and agencies, and approximately 4,500 employees. This employee population includes approximately 3,500 regular full-time, 1,000 part-time and 100-1,000 seasonal employees depending on demand. HR also administers benefits programs for approximately 1,750 eligible retirees. HR serves the areas of recruitment & retention, classification & compensation, benefits administration, training & development, retirement assistance and human resource information system ("HRIS") administration. In the area of out-boarding, HR is responsible for drafting and enforcing overall policies and procedures, employee information changes in the system, and benefits coordination.

HR Staff to Employee Ratio

As reported in the 2013 International Public Management Association for Human Resources Benchmarking Survey: "Recruitment, Sponsored by NEOGOV", the national average for the ratio of HR staff to employees, for organizations with 1,000 to 4,999 employees, ranges from one (1) HR professional for every 76 to 125 employees. Bloomberg BNA released a Human Resources Benchmark Report in October 2014, reporting the median ratio of human resources staff to total employee headcount head at 1.3 full-time equivalent ("FTE") HR employees for every 100 workers serviced by HR. A history of the County's HR Department staffing ratio is as follows:

	FY 2011–12	FY 2012–13	FY 2013-14	FY 2014-15	FY 2015-16
FTE Positions	3,645	3,714	4,172	4,272	4,378
HR FTE	18.50	18.50	23.50	23.50	23.50
Ratio	1 to 197	1 to 201	1 to 178	1 to 182	1 to 186

The County's staffing is significantly lower as compared to the national average for public sector entities.

Comparable Virginia Government Entities HR Staff to Employee Ratio

The County's HR Department staffing ratio was benchmarked to comparable Virginia government entities as proposed for FY 2015-16 and the results are as follows:

	Fairfax County	City of Alexandria	Loudoun County	Arlington County	Prince William County
FTE Positions	12,335	2,542	3,762	3,872	4,378
HR FTE	75	25	34	52*	23.50
Ratio	1 to 164	1 to 102	1 to 111	1 to 74	1 to 186

Include payroll processing positions, as the function is housed under HR

The County's staffing is lower than all (and significantly lower than most) of the comparable Virginia government entities. The low HR to FTE ratio is a possible reason for the lack of formal written policies, procedures, directives, guidance, training and oversight in regards to out-boarding. Typically, in most organizations, the oversight of the out-boarding function lies within a Human Resources office.

---

[1]*Exempt agencies are exempt from county ordinance and personnel regulations except where otherwise provided, and shall serve at the pleasure of their appointing authorities except where otherwise provided by law. As such, they perform their own separation tasks.*

Executive Summary

A summary of issues identified and their relative risk rating is provided below. We have assigned relative risk factors to each issue identified. This is the evaluation of the severity of the concern and the potential impact on operations. There are many areas of risk to consider in determining the relative risk rating of an issue, including financial, operational, and/or compliance, as well as public perception or 'brand' risk. Items are rated as High, Moderate, or Low.

- *High Risk Items* are considered to be of immediate concern and could cause significant operational issues if not addressed in a timely manner.
- *Moderate Risk Items* may also cause operational issues and do not require immediate attention, but should be addressed as soon as possible.
- *Low Risk Items* could escalate into operational issues, but can be addressed through the normal course of conducting business.

The details of the below summarized issues are included within the Issues Matrix section of this report.

Issues	Risk Rating
1. Out-Boarding Governance, Collaboration and Checklist	**High**

The County does not have a consistent, standardized out-boarding process, central oversight, or guidance/checklist to ensure that out-boarding activities are monitored and procedures are consistently applied. Two (2) of three (3) departments sampled for testing did not have procedures in place or were inconsistent with their practices. Areas tested include receipt of county assets; final payout; removal from county network, email and phone; system access removal and interdepartmental transfers.

This lack of central governance and guidance over the out-boarding process leads to inefficiencies and inconsistencies in the way employee out-boarding is handled county-wide. When out-boarding procedures are thorough, documented and efficient, compliance with policies is more likely to occur; county assets, both electronic and physical, are safeguarded; and separated employees are more likely to have a positive final experience of their working relationship with the County.

We recommend that the County implement and distribute standardized out-boarding procedures. Out-boarding should be a collaborative effort between Human Resources, the Department of Information Technology, the Payroll Office and the Department with the separated employee. Responsibility of the out-boarding process should be governed by HR and accountability should be on those involved in the process.

2. Exit Interviews	**Moderate**

Exit interviews can be conducted upon a separating employee's request [two (2) were conducted during FY 2016 and three (3) were conducted in FY 2015]. However, this is not a formal and/or required procedure. Separating employees may not be aware that they can request exit interviews. We surveyed four (4) surrounding jurisdictions and all stated that they perform some sort of exit interview either in-person or via an on-line survey/email.   Proper exit interviews are an excellent opportunity to learn about both the strengths and weaknesses of the separated employee's Department and the County, to help understand how best to satisfy and retain employees.

We recommend that exit interviews be part of the out-boarding/separation process.

Background

Background

Overview

Out-boarding (known as "separation" within the County) refers to procedures taken when an employee separates from employment with the County. The process of out-boarding employees is as important as on-boarding, and all organizations need to transition separated employees out of the workforce as quickly and efficiently as possible. The information technology ("IT") systems, applications, and confidential data stored can prove to be at risk during the out-boarding process.

During the out-boarding process:

- Arrangements are made for distribution of the employee's final paycheck (referred to as "final payout");
- Applicability of continuation of benefits are coordinated;
- User accounts are deactivated;
- Keys are returned and physical access to county facilities is removed, as applicable, and
- County assets, such as computers, laptops, and credit cards are returned.

An exit interview can also be conducted to learn how an organization can improve its employee retention.

Currently, the County's out-boarding process is informal and decentralized, with the exception of centralized benefits administration coordinated by the Human Resources ("HR") Department. The County has thirty-six (36) departments, including seven (7) exempt agencies[2]. The twenty-nine (29) non-exempt Departments follow the county ordinance and personnel regulations as set forth by the HR department; the remaining seven (7) exempt agencies may opt to follow the personnel policies but are not held accountable to them.

Out-boarding involves actions taken by separating employees and their respective departments, as well as departments administering the action, such as HR, DoIT, and the Payroll Office. Procedures vary depending on the department and type of appointment; and the reason for separation. The County, as part of the turnover tracking, categorizes employee separation as either:
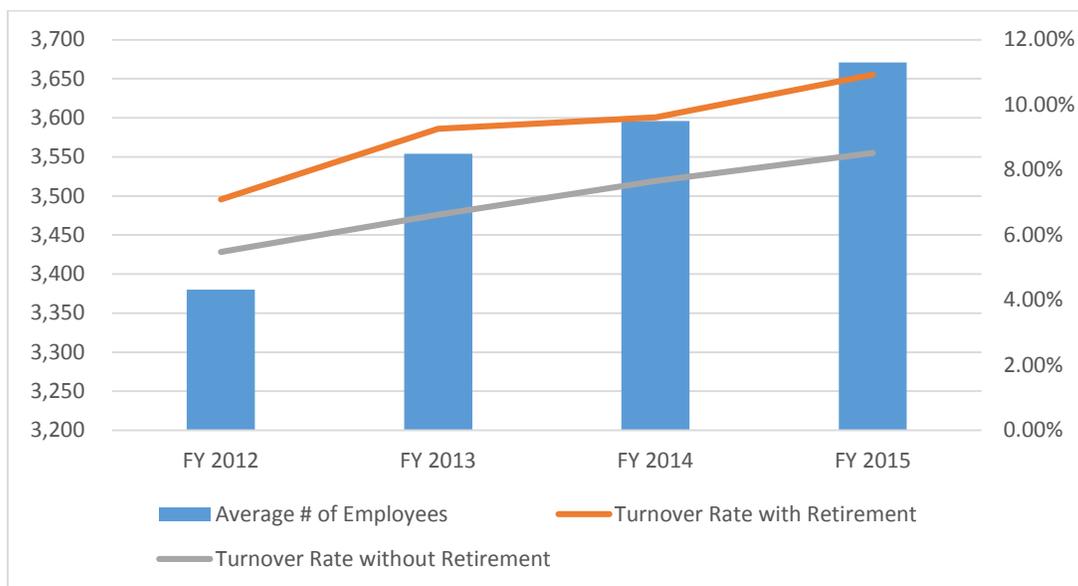
- *Voluntary:* Employees are required to notify their supervisor in writing about their intent to separate, which is ultimately approved by the department head. The County permits a verbal notice, however a notice in writing is preferred. County policy requires a minimum of two weeks' notice.
  - *Retirement:* The Virginia Retirement System ("VRS") suggests that employees intending to retire provide a 90-day notice to VRS. If the notice is less than 90 days, the pension payments are not guaranteed to start immediately upon the retirement date, but any delayed payments will be paid out as arrears.

- *Involuntary:* There are procedures for guidance, counseling and performance improvement plans preceding a termination. All involuntary County terminations are approved by the County Executive, Attorney County, Human Resources Director, and the EEO/Diversity Director. There are grievance procedures in place, if needed, for use by the separated employee.

---

[2]*Exempt agencies are exempt from county ordinance and personnel regulations except where otherwise provided, and shall serve at the pleasure of their appointing authorities except where otherwise provided by law. As such, they perform their own separation tasks.*
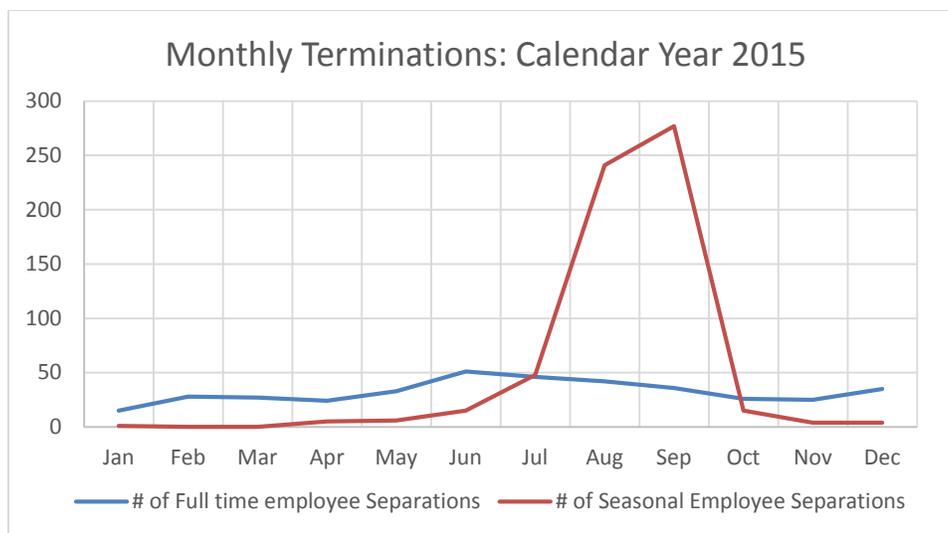
Background - continued

Overview – continued

The chart below shows the average number of employees separated from County employment and the turnover rates from FY 2012 to FY 2015:

The chart below shows the county-wide number of employees who separated employment per month during calendar year 2015:

The Department of Parks and Recreation has a high volume of seasonal employees during the summer months, and separations of full-time non-seasonal employees does not widely fluctuate.

Upon notification of an employee's intent to separate from the County, the employee's department is responsible for initiation of a Personnel Action Form ("PAF") in Ultimus (workflow system); or by preparing a paper PAF (this is not a common occurrence). If the PAF is completed within Ultimus a notification is sent to the HR Department, DoIT and Payroll Office. If the PAF is completed manually by the Department, it must be submitted to HR by the employee's separating department. HR then initiates the separation action in Ultimus; which triggers the notification to the entities mentioned above.

Background - continued

Overview - continued

<u>Human Resource Department Responsibility</u>
The County's HR Department provides retirement counseling to applicable employees and coordinates benefits administration communication to all out-boarding full-time and benefit eligible part-time employees through a centralized process.

HR's Benefits and Retirement team provides counseling to retiring employees to help them make their benefit choices and to complete the required paperwork. Individual, seminar, and group counseling sessions are provided. HR Benefits and Retirement team completes a Virginia Retirement System ("VRS") packet which includes a certification of salary in order for VRS to properly calculate the retirement benefit. A copy of the certification page is then sent to payroll. Once the packet is complete and the salary is verified, the team mails it to VRS to be processed. The team also completes paperwork that is remitted to a third-party vendor specifying the separated employee's requested ongoing insurance and benefits.

Upon separation, the Human Resources Information System ("HRIS") team notifies employees via a letter detailing their ongoing benefits using the Ceased Data Form. The Ceased Data Form details the relevant dates and benefits information of the separating employee. The HRIS team drafts the appropriate letters based on the information on the Ceased Data Form (including the customized benefits package paperwork) and mails it to the separated employee.

For separated employees with less than 15 years tenure with the County, HR Benefits and Retirement administers COBRA benefits. Employees with over 15 years of tenure with the County are offered ongoing insurance (along with eligibility for a health insurance credit). HR Benefits and Retirement coordinates with the applicable benefit providers to move employees from active to COBRA or Retiree benefits. Payments for these benefits are coordinated through a third party administrator.

HRIS team is also responsible for forwarding the action to Payroll to update the HR system (and the VRS system if employee is full-time) with the employee's separation date, retrieving the employee's physical file, updating it with the ceased data form and first page of the COBRA letter, and updating the Employment Record Card for a final electronic document management system scan. Records are then logged and held in the HR filing room for record retention.

The employee separation information is additionally entered manually by the HRIS team into a separate Terminated Employees MS Access Database. When 'miscellaneous' employees are activated, the employee's original termination date, hire date and other information is altered in HRIS. Therefore, the HRIS is unable to provide accurate data of employee separation in a timely manner. The access database keeps track of the original dates.

<u>Department Responsibility</u>
Upon notification of an employee's intent to separate from the County, the employee's department is responsible for the following:

- Initiation of a PAF in Ultimus (workflow system)
- Payout calculation (and entry) for employees not enrolled in the Final Pay Program
- Other pay due as part of Payroll Processing
- Notification to DoIT and other respective departments/individuals regarding system access removal/deactivation (for example, notifying the Finance Department to remove system access to Performance, notification to DoIT to remove network active directory, email and phone access, etc.)
- Receipt of physical devices/county assets (i.e. identification cards/badges, cell phones, purchase cards, keys, etc.)

Each department has at least one (1) HR liaison who coordinates with the County's HR Department in regards to on-boarding, recruitment and retention.

Background - continued

Overview - continued

<u>Payroll Office Responsibility</u>
Payroll is processed in-house via use of StarGarden, an integrated human resources and payroll system. The Payroll Office is housed under the County's Finance Department. This provides for a segregation of duties between HR and payroll functions.

Once the Payroll Office receives notification of an employee separating, the termination is processed in HRIS (called Step 1) which ends the position and schedules to prevent potential overpayment, and allows the time entered by the timekeeper for the employee's last pay run to be processed. Following processing of the employees last paycheck, the Payroll Office completes the termination action (called step 2) which inactivates the employee and enters the separation date in HRIS. If the employee has any payouts due (other than the Final Pay Program), they are reactivated by HR during a subsequent pay cycle, following a request from the Department, to allow the Department to enter the leave payout, and the Payroll Office to process a manual check for them. If the employee is in the Final Pay Program, they are reactivated by HR during a subsequent pay cycle, following a request from the Payroll Office to allow Payroll staff to process the tax-deferred leave payout. HR then notifies the Payroll Office to deactivate the employee from HRIS once the payroll has processed. This process for employee reactivation only activates the employee for one 2-week payroll cycle. If corrections or additional payments are necessary the employee must be activated again by HR, following a request by the Department or the Payroll Office.

<u>Department of Information Technology Responsibility</u>
The DoIT is responsible for maintaining the email access, network active directory access rights and telephone/voicemail accounts for all County employees. DoIT liaisons called Information Technology Representatives ("ITR") in each department are responsible for maintaining and tagging all County issued IT assets via the Information Technology Inventory Management System ("ITIMS") listing. The ITR's are responsible for collecting all identified employee assets listed on the ITIMS listing prior to their departure. Once an employee is processed for separation, DoIT is notified as part of the workflow process in Ultimus to disable email access, network active directory access rights and the telephone/voicemail accounts. This notification is forwarded to DoIT once the Payroll Office completes their final separation task (typically within 2-weeks after the employee's separation date).

Background - continued

HR Statistics

The County's Human Resources Department has one (1) part-time and twenty-four (24) full-time staff members. This department supports over thirty (30) departments and agencies, and approximately 4,500 employees. This employee population includes approximately 3,500 regular full-time, 1,000 part-time and 100-1,000 seasonal employees depending on demand. HR serves the areas of recruitment & retention, classification & compensation, benefits administration, training & development, retirement assistance and human resource information system administration. In the area of out-boarding, HR is responsible for drafting and enforcing overall policies and procedures, employee information changes in the system, and benefits coordination.

HR Staff to Employee Ratio

As reported in the 2013 International Public Management Association for Human Resources Benchmarking Survey: "Recruitment", Sponsored by NEOGOV", the national average for the ratio of HR staff to employee, for organizations with 1,000 to 4,999 employees, ranges from one (1) HR professional for 76 to 125 employees. Bloomberg BNA released a Human Resources Benchmark Report October 2014, in which the median ratio of human resources staff to total employee headcount head at 1.3 full-time equivalent HR employees for every 100 workers serviced by HR.

A history of the County's HR Department's staffing ratio is as follows:

	FY 2011–12	FY 2012–13	FY 2013-14	FY 2014-15	FY 2015-16
FTE Positions	3,645	3,714	4,172	4,272	4,378
HR FTE	18.50	18.50	23.50	23.50	23.50
Ratio	1 to 197	1 to 201	1 to 178	1 to 182	1 to 186

The County's staffing is significantly lower as compared to the national average for public sector entities.

Comparable Virginia Government Entities HR Staff to Employee Ratio

The County's HR Department staffing ratio was benchmarked to comparable Virginia government entities as proposed for FY 2015-16 and the results are as follows:

	Fairfax County	City of Alexandria	Loudoun County	Arlington County	Prince William County
FTE Positions	12,335	2,542	3,762	3,872	4,378
HR FTE	75	25	34	52*	23.50
Ratio	1 to 164	1 to 102	1 to 111	1 to 74	1 to 186

Include payroll processing positions, as the function is housed under HR

The County's staffing is lower than all (and significantly lower than most) of the comparable Virginia government entities. The low HR to FTE ratio is a possible reason for the lack of formal written policies, procedures, directives, guidance, training and oversight in regards to out-boarding. Typically, in most organizations, the oversight of the out-boarding function lies within a Human Resources office.

Objectives and Approach

Objectives and Approach

Objectives

The objectives of this internal audit were to review and assess the County's out-boarding process and provide recommendations to consider for process improvement. Areas of focus to achieve the objectives included:

- Determine compliance with applicable County policy;
- Determine effectiveness of the process;
- Determine if the County's physical property/assets are protected;
- Assess compliance and security regarding systems and physical access;
- Determine effectiveness of collaboration between departments; and
- Identify control gaps, opportunities for process improvement, and efficiency gains.

Approach

Our audit approach consisted of the following phases:

Understanding and Documentation of the Process

During this phase, we conducted interviews with representatives of the Human Resources Department, including the HRIS Administrator, HR Analysts, Benefits & Retirement Manager and Administrative Support Services Manager, to discuss the scope and objectives of the audit work, request relevant documentation, determine key departmental contacts and establish working arrangements. In addition we conducted interviews with the Department of Parks and Recreation, Department of Public Works and Police Department to obtain an understanding of the out-boarding process within their respective departments. We also interviewed the Department of Information Technology and the Payroll Office to gain an understanding of their procedures during the out-boarding process.

Evaluation of the Design of Process and Controls

The purpose of this phase was to test compliance and internal controls based on our understanding of the out-boarding process. During this phase, we conducted interviews with personnel at the selected departments who have responsibilities related to out-boarding. Specific procedures performed included:

- Reviewed County policies and procedures that pertained to out-boarding;
- Assessed and reviewed out-boarding process at the selected departments;
- Performed on-site visit and inquiry of department personnel to obtain detailed documentation of the process;
- Performed testing on a sample of separated employees for the following:
  o Return of county assets;
  o Final pay-out;
  o Open accounts of separated employees on county financial systems; and
  o Separated employees on the County Directory with active email accounts.
- Reviewed forms utilized for out-boarding; and
- Reviewed and benchmarked the County's out-boarding process to industry standards to identify possible improvement opportunities.

Reporting

At the conclusion of this audit, we summarized our findings into this report. We have reviewed the results with the appropriate persons in Management, and have incorporated management's response into the report.

Issues Matrix

Issues Matrix

Rating	Issue
High	**1. Out-Boarding Governance, Collaboration and Checklist**

We noted the following during our testing of the County's out-boarding process:

- ***Consistent, Standardized Process:*** Two (2) of three (3) departments sampled for testing, did not have procedures in place or were inconsistent with their practices, with the exception of the Police Department. The Police Department has robust separation policies and procedures in place, and a checkout sheet is utilized to document the procedures performed during the employee's separation. The checkout sheet is reviewed, approved and maintained in the Police Department's personnel files once completed, and serves to hold individuals in the department accountable for the employee's separation. The County does not have a consistent, standardized out-boarding process, central oversight, or guidance/checklist to ensure that out-boarding activities are monitored and procedures are consistently applied. This lack of central governance and guidance over out-boarding leads to inefficiencies and inconsistencies in the way employee out-boarding is handled county-wide.

- ***County Identification ("ID") Cards and Uniforms:*** County badges with the employee's photograph, name and department name are provided to all full-time, and many part-time, employees (except for employees in Fire & Rescue, Police, Sheriff, and Adult Detention Center), but not retrieved upon separation. No tracking of the badges is performed by HR or the departments. Although County-issued ID badges have no access rights assigned to them, they are used for ID purposes when conducting official County business. Some divisions within the Public Works department do not track if the PWC branded uniforms are returned upon separation. Badges and uniforms that are not returned could be used after separation, for fraudulent representation.

- ***County Assets:*** County assets, outside of DoIT's governance, such as phones, portable radios, etc. are not consistently tracked upon separation. We were unable to test completeness of the receipt of county assets as a complete log/listing of county assets provided to employees is not maintained.

- ***Final Payout:*** If a separated employee requires a leave balance payout or other remaining payment after deactivation in HRIS, the employee's former department (or a Payroll staff member in the case of Final Pay Program enrollees) notifies the HRIS Administrator to reactivate the employee. This notification can be either verbal or via email to HR. If it is verbal, HR requests the department to follow-up with an email. In either situation, justification for the request is not required. The HRIS Administrator reinstates the employee as a "miscellaneous employee," to allow the department (or Payroll) to enter the payout amount and the final payout is processed within HRIS during that Payroll period. The miscellaneous position is added for a 2-week time period only. Once payroll processing is complete for that pay period, HR sends a list to Payroll for final deactivation of the employee. There is not a formal process to verify that these employees are deactivated timely after the final leave payments are processed.

- ***Network Account and Email Addresses:*** Email accounts and network accounts are linked in that you cannot have an email account without a network account. However, disabling a network account doesn't stop the emails from coming into an email account and doesn't prevent anyone with full access to that email account from accessing the emails. It depends on what the department/agency has directed DoIT to do. For example, the department/agency may request that emails submitted to the separated employee be maintained for review for a specified period of time. The separated employee's email account is classified as "ceased employment". Many times DoIT does not receive formal direction/instruction on what to do with the separated employee's email account. DoIT will maintain the email accounts for reference purposes until otherwise directed. Nineteen (19) separated employees out of twenty-seven (27) had email accounts classified as "ceased employment"; their network access was properly disabled.

Issues Matrix - continued

Rating	Issue
High	**1. Out-Boarding Governance, Collaboration and Checklist - continued**

We noted the following during our testing of the County's out-boarding process:

- *Application Access:* We were unable to test completeness of an employee's access to applications, as access granted is not logged/tracked.

- *Human Resources Management System:* The County utilizes StarGarden HRIS version 4.1, which does not allow for workflow and tracking options. This County added this system in 1994, and the last upgrade was in 2011. It should be noted that per discussion with DoIT, this system will no longer be supported by the vendor in eighteen (18) months.

Without adequate guidance to assist departments and separating employees through the out-boarding process there is a risk that the goals of this process will not be achieved, such as compliance with human resource regulations, obligations and policies; removing access to county systems and facilities; and the return of county assets. When out-boarding procedures are thorough, documented and efficient, compliance with policies is more likely; county assets, both electronic and physical, are safeguarded; and separated employees are more likely to have a positive final experience of their working relationship with the County.

Recommendation

Out-boarding should be a collaborative effort between HR, DoIT, Payroll Office and the Department with the separated employee. Responsibility of the out-boarding process should be governed by HR and accountability should be on those involved in the process.

We recommend the following:

- Human Resources collaborate with DoIT, Finance (Payroll Office) and select departments to develop and issue a standard out-boarding checklist to guide employees and those involved in the separation process. We have provided the County with a sample checklist, see Appendix section. The checklist should be designed to be completed by the Department, with required sign-off of completed actions and forwarded to HR. Areas of focus in the checklist should include the following, at a minimum:
  - Required information for PAF;
  - Return of County assets (laptop, flash drive, uniforms, wireless card, scanner, purchase card, phone, tools, equipment, etc.);
  - Physical and system access (keys, ID cards/badge, uniforms, Performance, County intranet, HRIS, email, etc.);
  - Final disposition of check (leave balance payout, expense reimbursement, etc); and
  - Exit interview.

- Human Resources establish and provide guidance/training to departments outlining out-boarding procedures for separating employees. The guidance should include the following, at a minimum:
  - The establishment of roles and responsibilities and accountability of the out-boarding process (employee, HR, DoIT, Finance, and Departments);
  - An expectation that the Department Director, or his/her designee, will review and sign-off on the checklist with the departing employee;
  - Completing and maintaining the out-boarding checklist in the separated employee's personnel file; and
  - Developing instructions and training for Departments on the out-boarding process.

- HR should consider utilizing the department HR liaisons within the out-boarding process in addition to on-boarding, recruitment and retention, etc.

- Once a formal consistent, standardized out-boarding process has been implemented, periodic (quarterly or semi-annual) audits should be performed to ensure the process is being carried out as intended.

Issues Matrix - continued

Rating	Issue
High	**1. Out-Boarding Governance, Collaboration and Checklist - continued**
	Recommendation – continued
	We also recommend that HR consider requiring the use of Ultimus, by all Departments, for the out-boarding process. Automated out-boarding can save a human resources department substantial time and money. These processes are invisible to employees. Additional benefits include: • Tracked compliance with policies; • Ensured accountability of process through alerts and notifications; • Ability to centrally monitor a broad network of out-boarding activities; • Easy verification with visibility into employee's out-boarding activities and progress; and • Easy maintenance and review of complete employee records.
	Management's Response
	Response: Concur. Due to staffing constraints, the Department of Human Resources is unable to take on this function in-house without additional resources. In the short term, HR will develop an informational out-boarding checklist that will be made available to all Departments for use and will emphasize the importance of documenting the out-boarding of employees at regularly scheduled departmental future HR Liaison meeting. However, without added staffing in HR, audits of departmental compliance is not possible. Prince William County currently utilizes StarGarden HRIS version 4.1. In this version workflow and tracking options are not available, therefore County staff rely on external systems in order to track employment activity and in order to provide workflow options that allow communication with between County agencies. Currently, with regard to out-boarding, the main external system that is used is the Ultimus Workflow system. Ultimus allows actions to be electronically routed to pre-determined "roles" for a variety of processing. In most cases the system does not do the task – just allows the user to confirm task has occurred and send it to the next person in the "chain". HR recently mandated that all separations must go through Ultimus, even if this means the process is initiated by HR following receipt of a paper PAF. HR will continue to work with DoIT and Payroll to build upon this system to provide additional follow-on tasks such as rehiring the employee for leave payout and confirmation that the employee is re-inactivated. With regard to "inter-departmental" transfers (promotion, transfer, and demotion), the County uses two systems: NeoGov and Ultimus Workflow (in addition to the HRIS). The NeoGov Applicant Tracking System provides a single system for tracking of applicants and their selection (non-selection) status. During a transfer the system uses data collected manually by the HR Liaison to provide information the current and new position. This is relayed to the Ultimus system electronically; the HR Liaison will initiate the action in Ultimus, which begins the multiple workflow processes and notifications. This allows all departments to be automatically notified as applicable and the action can be tracked Ultimus generally allows HR to catch anyone who has been reported as separated but is really transferring. However for various reasons, such as County employees working in State agencies, a few departments do not use the Ultimus and/or NeoGov systems and in these cases paper processes are used. As part of the future initiative to replace the County's HRIS system, HR will explore the use of a module of a new HRIS system or Ultimus to effectively and efficiently out-board employees, with consideration given to costs and benefits of each option. However, either of these solutions are subject to additional funding by the BOCS. **Responsible Party:** Human Resources **Estimated Completion Date ("ECD"):** June 2017

Issues Matrix - continued

Rating	Issue
Moderate	**2. Exit Interviews**

Exit interviews are conducted by the Department upon a separating employee's request [two (2) were conducted during FY 2016 and three (3) were conducted in FY 2015]. However, this is not a formal and/or required procedure. Separating employees may not be aware that they can request exit interviews. We surveyed four (4) surrounding jurisdictions and all stated that they perform some sort of exit interview either in-person or via an on-line survey/email.

Proper exit interviews are an excellent opportunity for the County to learn about both the strengths and weaknesses of the separated employee's Department and the County, to help understand how best to satisfy and retain employees.

Recommendation

We recommend that exit interviews be part of the out-boarding/separation process.

Exit Interview Timing and Expectations: Typically exit interviews are conducted as part of the out-boarding/separation process. If the exit interview is not completed within the last week of work, a common misconception is there is no longer an option. According to firms that specialize in leadership programs, the best time to do an exit interview is anywhere from one (1) month up to one (1) year after the employee has left their position. This is because it gives the former employee time to gain a more objective and less emotional perspective. The former employee will most likely be in a new role at the time of the exit interview and they will be able to make valuable comparisons. They are also more likely to be truly honest about the reasons for leaving. So often the concern with exit interviews is that separated employees do not want to burn their bridges, so they are very cautious with their answers; or they do not want to criticize their manager because of concern over receiving a good reference. When the exit interview is conducted after an employee has already left the organization, it is seen as a chance to provide constructive criticism, since they no longer hold any power over the former employee. At a basic level, individuals like to be asked their opinion and when the effort is made after they have left, they know that their opinion is valued.

In order to facilitate honest and constructive feedback, it is important to set proper expectations throughout the entire process.

- To initiate the exit interview process, separating employees should receive some form of communication, for example an email or phone call, from either Human Resources and/or the Department Director requesting their participation. This communication should include that their participation is optional. They should give an overview of the process and include the name or position of the person who will be conducting the interview.
- It is important for the interviewer to build trust with the participant and discuss confidentially. When the interviewer contacts the participant, they should inform them about the purpose of the exit interview, how the information will be used and who will have access to it.
- Finally, all questions should be optional. If there are comments that the participant does not want to discuss or to be recorded, they need to be given the option.

Who Should Conduct the Exit Interview: To foster an environment of neutrality and objectivity, either someone from HR or an unbiased/neutral third party should conduct the interview.

Issues Matrix - continued

Rating	Issue
Moderate	**2. Exit Interviews - continued**
	Recommendation - continued
	Example Exit Interview Questions: Questions bound to facilitate valuable discussion include: • Overall, how did you find your experience working on this team? • What did you like about it? • What could have been better? • What was your primary reason for leaving? • What would it have taken for you to stay? • Did you receive enough training and support to do your job effectively? • Did you receive sufficient feedback about your performance between reviews? • Did any policies or procedures (or any other obstacles) make your job more difficult? • Would you consider working for the County again in the future? • What does your new position offer that your previous one doesn't? • Any other comments? *What to Do with the Information Obtained During an Exit Interview:* When the Department Director receives the feedback independently collected during the exit interviews, they will need to go through the results and determine what is within their control of changing and what is not. Ultimately, the Department Director should use the results that are within their control to improve the workplace. This will make things better for the new employees coming in and ensure that the same mistakes will not be made again. These results are an important retention tool; if the results are acted upon. For the exit interview results that are not within the control of the Department Director to make changes, it is extremely important that this information is relayed to the appropriate change agents within the organization. A survey could be instituted for the exit interview as part of the out-boarding/separation process as well, with the option of a personal interview. This would be a low-cost method to understand turnover trends. If survey software is used, it would automatically trend the information and provide the ability for anonymous responses. Once this information is received, it should be processed by designated departmental employees.
	Management's Response
	Response: Concur. Due to staffing constraints, the Department of Human Resources is unable to take on this function in-house without additional resources. In the short term, HR will look to provide a uniform set of questions that are made available to all Departments for use and will emphasize the importance of conducting exit interviews in a future Extended Management Staff and HR Liaison meetings. However, without added staffing in HR, data obtained from these exit interviews cannot be compiled on a county-wide basis. As part of the future initiative to replace the County's HRIS system, HR will explore the use of a survey tool, either as a module of a new HRIS system, separate stand-alone software, or a module within NeoGov, with consideration given to costs and benefits of each option. However, all of these solutions are subject to additional funding by the BOCS. **Responsible Party:** Human Resources **ECD:** June 1, 2017

Appendix

OUT-BOARDING CHECKLIST

EXIT INFORMATION

Employee Name:	

Position Name:		Position Number	
Work Phone		Email	
Department:			
Manager/Supervisor			
Work Phone		Email	
Last Day of Work (in Current Position)		Type of Attrition	☐ Retirement (Date:_____) ☐ Transfer ☐ Promotion ☐ Termination
If promoting/transferring Future Department		Future Position	
Future Manager/Supervisor		Manager/ Supervisor Phone	

EMPLOYEE ACTIONS	Contact Person	DATE COMPLETED
☐ Notify Manager/Supervisor of intent to leave/change employment with at least two weeks' notice		
☐ Submit a Letter of Resignation (if separating employment from the County) to Manager/		
☐ Return all County issued equipment on or before the last day of work/in position		
☐ Complete the Exit Survey/Questionnaire, prior to his/her last day of service (strongly encouraged).		
☐ Participate in an Exit Interview with the Human Resource Manager, or other party (optional).		
☐ Contact Retirement (if applicable)		
☐ Contact Benefits		

DEPARTMENT - SUPERVISOR / MANAGER ACTIONS	Contact Person	DATE COMPLETED
☐ Request a Letter of Resignation, submit to Personnel		
☐ Complete current position (vacancy) information (above)		
☐ Notify leadership and departments (HR, DoIT, Payroll, etc) of impending change and associated dates, via PAF		
☐ Notify personnel of impending change and associated dates, with at least one week notice		
☐ Obtain list of equipment issued to the employee from Information Technology, Asset Management etc staff		
☐ Notify employee position related equipment must be returned on or prior to last day		
☐ Obtain equipment / County Assets issued to the employee from the employee. Note any items		

DEPARTMENT - SUPERVISOR / MANAGER ACTIONS, CONT.		Contact Person	DATE COMPLETED
☐ Verify contact information is correct and applicable for future reference			
☐ Notify DoIT to remove individual and access from:			
☐ Time Keeping System	☐ Network Account/Access		
☐ Email System Email allowed during transition period ☐ YES ☐ NO	☐ Telephone Directory VMail allowed during transition period ☐ YES ☐ NO		
☐ Network Account/Access	☐ Applicable software/applications		
☐ Document transition plan if email and/or voicemail is to be maintained for a transition period after separation. Duration email and/or voicemail needed to be maintained during transition_____ days. Name and title of person to review email and/or voicemail during duration.			
☐ Develop a transition/ coverage plan			
☐ How will coverage be provided?	☐ How will work be delegated? And to who?		
☐ How will knowledge be transferred?	☐ Where will work status be captured?		
☐ Does a new requisition need to be created? (If so, contact Personnel/Human Resources)			
☐ Who and how will training for the replacement be provided?			
☐ Provide value added feedback and information on employee performance			
☐ Inform employee about Exit Survey/Exit Interview			
☐ Other:			
☐ Other:			

DEPARTMENT PERSONNEL STAFF ACTIONS	Contact Person	DATE COMPLETED
☐ Code employee time for exit		
☐ Update Personnel information in Human Resource Information System		
☐ Complete the Personnel Action Form (PAF) and send to Department Head		
☐ Process PAF, send to Human Resources		
☐ File Letter of Resignation in the Personnel file		
☐ Process terminal pay (Payout) and mail to individual		
☐ Issue/send Exit Survey		
☐ Other:		
☐ Other:		

INFORMATION TECHNOLOGY ACTIONS	Contact Person	DATE COMPLETED
☐ Provide the Manager/Supervisor with a list of IT related equipment issued to the employee		
☐ Once equipment is received, verify the equipment is in working order		
☐ Terminate employee access to systems (network active directory, email address), and applications (for example Performance, HRIS etc) as directed above.		
☐ Review above for transition plan if email and/or voicemail is to be maintained for a transition period after separation.		
☐ Other:		

PUBLIC WORKS ACTIONS	Contact Person	DATE COMPLETED
☐ Remove code or swipe access on door entry in buildings.		
☐ Other:		

TRANSFER	Contact Person	DATE COMPLETED
☐ Intra-departmental (within same department) OR ☐ Inter-departmental (one department to another) (Refer to the County's Inter-departmental Employee Transfer Checklist)		
☐ Other		

EQUIPMENT CHECKLIST

Employee Name:

Position Name: Position Number

Work Phone   Email

Department: Manager/Supervisor

Name of staff Receiving
Equipment

Information Technology, Asset Management, Department staff: Indicate the equipment issued to the employee above to performance his/her duties.

Manager/Supervisor/IT Staff: When the equipment is returned, enter the return date and the initials of the

EQUIPMENT	MODEL NUMBER	DATE RETURNED	RECEIVED BY INITIALS
☐ Bluetooth			
☐ Building Key (if applicable)			
☐ Cell Phone/Smart Phone			
☐ Credit Card(s)			
☐ Camera (if applicable)			
☐ Office Key (if applicable)			
☐ ID Badge/Card Key			
☐ Laptop			
☐ Pager/radio (if applicable)			
☐ Portable printer (if applicable)			
☐ Memory Stick/Flash Drive			
☐ Parking Pass (if applicable)			
☐ Mobile Device (Phone/PDA/Tablet)			
☐ Physical Keys (cabinets, equipment, desk, etc.)			
☐ Uniform			
☐ Tools			
☐ Other:			
☐ Other:			

Under penalty of perjury, and in accordance with Section VII the Information Technology Security Policy, I have returned all County Property issued to me to perform the duties of the position listed above. In addition, I understand that I am to comply with the Visitor Procedures on any future visits to the County owned properties.

Employee Name (Printed)   Employee Signature   Date

RSM