

State Agency Internal Audit Recruitment & Retention Best Practices

Leadership Development Program
Cohort IX Capstone Project
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Presentation Overview

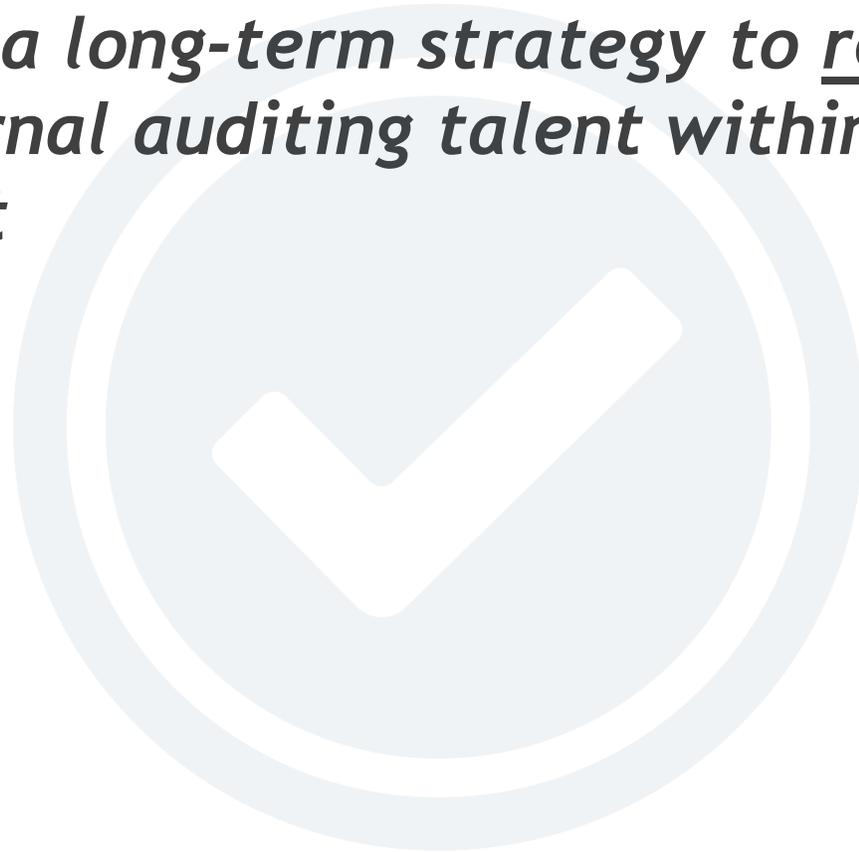
1. Project Objective and Methodology
2. State Agency Audit Environment
3. Recruitment Challenges and Best Practices
4. Retention Challenges and Best Practices



Project Objective and Methodology

Project Objective

To develop a long-term strategy to recruit and retain internal auditing talent within state government



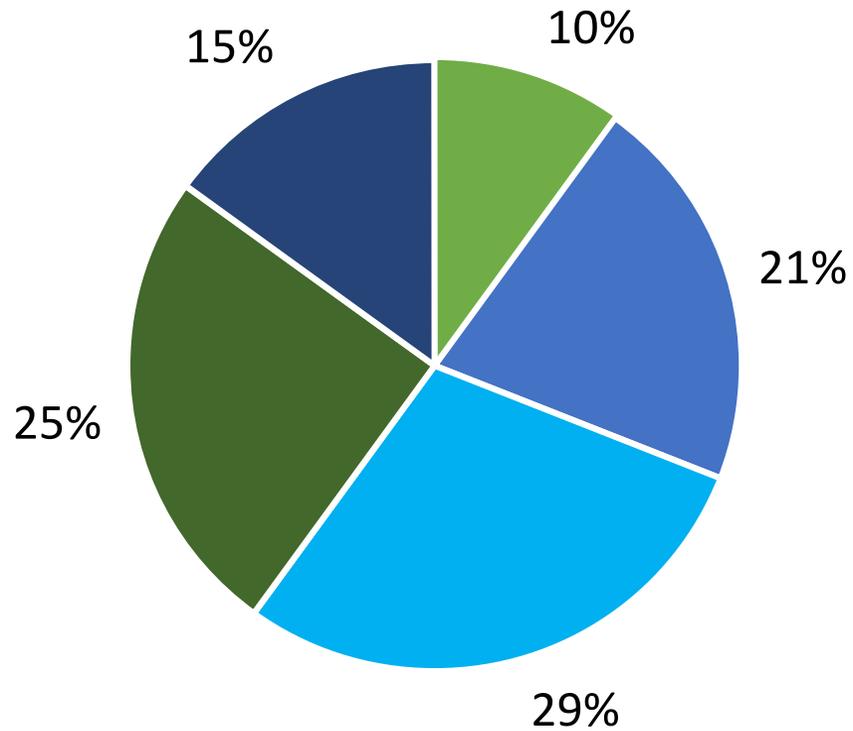
Methodology

- Conduct interviews with State Chief Audit Executives, Human Resources and Private Sector Recruitment staff
- Survey accounting students from the University of Texas at Austin and St. Edwards University
- Research challenges and best practices for recruitment and retention

State Agency Audit Environment

State Agency Audit Environment

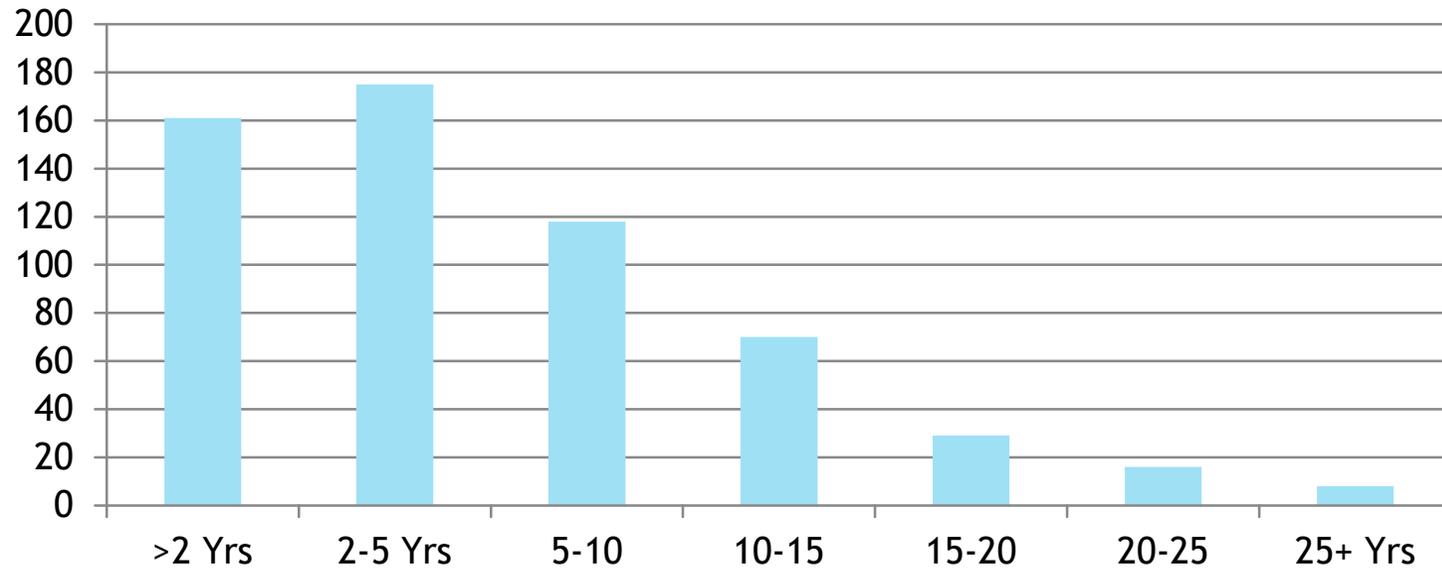
Job Classifications of Auditors



■ Auditor I-II ■ Auditor III ■ Auditor IV ■ Auditor V ■ Auditor VI

State Agency Audit Environment

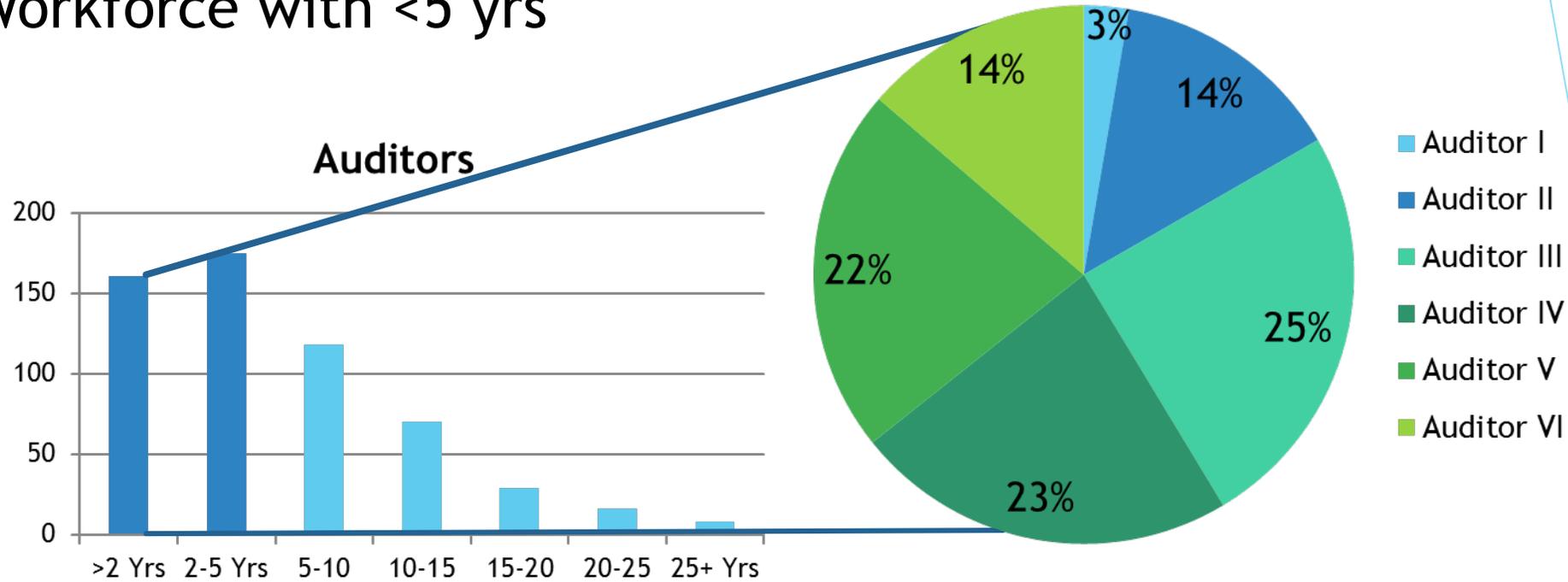
How Long Auditors have Worked for the State



80% have 10 years or less tenure with the State
60% have 5 years or less

State Agency Audit Environment

Workforce with <5 yrs

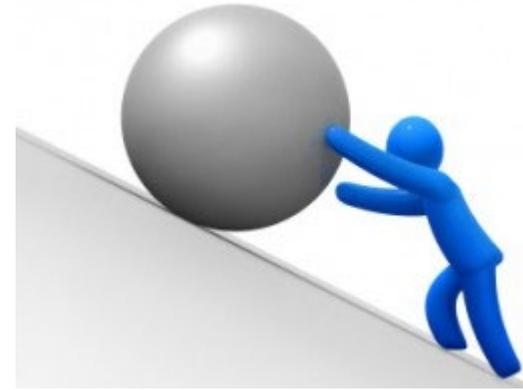


Recruitment Challenges and Best Practices

Recruitment Challenges

Chief Audit Executive Feedback

- Attracting qualified candidates
- Providing competitive compensation
- Ensuring swift hiring process with succinct job descriptions and smooth onboarding experience



Recruitment Challenges

Student Feedback

- Gain knowledge of career opportunities through on-campus recruiting, networking, and internships
- Committed to employer by December
- Focus on external audit and consulting

Recruitment Best Practices

1. Develop Marketing Strategy

- Promote the internal audit career (impact, growth, benefits)
- Tailor your message (mission, team, and value proposition)
- Provide candid job information
- Monitor job evaluation sites

Recruitment Best Practices

2. Identify target characteristics

- Ability to synthesize
- Industry knowledge
- Curiosity
- Self-Starter
- Backbone
- Conscientiousness is crucial



Recruitment Best Practices

3. Identify Talent Sources

- Referrals from high-quality staff and professional network
- Social media
- Non-traditional audit candidates
- Professional organizations
- University Students



Recruitment Best Practices

4. Establish Recruitment Process

- Timely offers
- Ensure regular contact during recruitment
- Ensure succinct job descriptions that are not overly restrictive
- Ensure employer website grabs candidate's attention and is easy to navigate

Retention Challenges and Best Practices

Retention Challenges

Chief Audit Executive Feedback

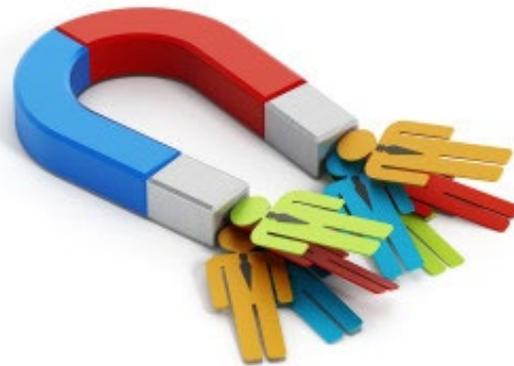
- Providing competitive compensation
- Opportunities for promotion not available
- State government pace not fast enough



Retention Challenges

Causes of Turnover

- Exit interviews may not tell the full story
(Hint: Salary is not always the answer)
- Turnover predictors include poor
 - Organizational commitment and job satisfaction
 - Relationship with immediate supervisor
 - Role clarity
 - Job design
 - Workgroup cohesion



Retention Challenges

Executives think employees want

- Physically pleasing environment and workplace amenities
- Education opportunities
- Rewards and incentives

Employees say they want

- Ability to disconnect
- work-life balance
- Transparency
- Sense of purpose
- Ability to develop meaningful relationships



Retention Best Practices

1. Recruit the right people
2. Implement successful onboarding, help new employees
 - a. Learn what makes the organization unique
 - b. Learn how their jobs help fulfill the mission
3. Listen to new employees early
 - a. Meet to discuss background and how it fits with current job
 - b. Draft sample career path based on their future goals

Retention Best Practices

4. Engage through career development
 - a. Job design - variety, autonomy
 - b. Performance management - challenging goals, positive feedback
 - c. Conversations - regular, one-on-one, high feedback
 - d. Manager Training - how to lead and develop effective relationships with team
 - e. Audit Plan - include value-add and varying projects

Retention Best Practices

5. Engage through supportive environment
 - a. Communication - value of audit, culture, organizational changes, clear expectations
 - b. Team - team building activities, foster collaboration, celebrate milestones
 - c. Work-Life - support healthy balance, time to disconnect
 - d. Stay Interviews - what would you improve?
 - e. Assess Strategy - at least once per year

Key Takeaways

Key Takeaways

Recruitment Best Practices

1. Develop Marketing Strategy
2. Identify target characteristics
3. Identify Talent Sources
4. Establish Recruitment Process

Retention Best Practices

1. Recruit the right people
2. Implement successful onboarding
3. Listen to new employees early
4. Engage through career development
5. Engage through supportive environment



Additional Innovative Ideas



1. Agreed upon training program sponsored by SAIAF
2. Creative use of other classifications
3. Guest auditor programs
4. Intern-to-entry-level programs
5. Geographic adjustments for starting salaries
6. New employee surveys
7. Internal Auditor standalone classification series
8. Review your process
9. Shift your hiring perspective
10. State IA - “Me” or “We”



Thank you for allowing us the opportunity to serve the SAIAF community!
Nick Ballard, Cheryl Foreman, Derrick Miller, Karen Norman, Tammara West