ACADEMIC PERSONNEL

CALIFORNIA STATE UNIVERSITY,
SAN MARCOS

Audit Report 11-59
January 3, 2012

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## CONTENTS

Executive Summary ...................................................................................................................................... 1

Introduction................................................................................................................................................... 2  
  Background ............................................................................................................................................... 2  
  Purpose ...................................................................................................................................................... 3  
  Scope and Methodology ............................................................................................................................ 4

## OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

Recruitment and Hiring ................................................................................................................................. 5  
  Employment Applicant Information ......................................................................................................... 5  
  Conflict of Interest .................................................................................................................................... 6

Separations .................................................................................................................................................... 7

Training and Records .................................................................................................................................... 8
APPENDICES

APPENDIX A: Personnel Contacted
APPENDIX B: Campus Response
APPENDIX C: Chancellor’s Acceptance

ABBREVIATIONS

AP       Academic Personnel
CSU      California State University
CSUSM    California State University, San Marcos
ESP      Employee Status Page
HR       Human Resources
HREO     Office of Human Resources and Equal Opportunity
PAF      Personnel Action File
EXECUTIVE SUMMARY

As a result of a systemwide risk assessment conducted by the Office of the University Auditor during the last quarter of 2010, the Board of Trustees, at its January 2011 meeting, directed that Academic Personnel (AP) be reviewed. The Office of the University Auditor has never reviewed AP as a subject audit, although some aspects were covered in the Human Resources audits conducted in 2004.

We visited the California State University, San Marcos campus from August 29, 2011, through September 30, 2011, and audited the procedures in effect at that time.

Our study and evaluation did not reveal any significant internal control problems or weaknesses that would be considered pervasive in their effects on AP activities. However, we did identify other reportable weaknesses that are described in the executive summary and body of this report. In our opinion, the operational and administrative controls for AP activities in effect as of September 30, 2011, taken as a whole, were sufficient to meet the objectives stated in the “Purpose” section of this report.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

The following summary provides management with an overview of conditions requiring attention. Areas of review not mentioned in this section were found to be satisfactory. Numbers in brackets [ ] refer to page numbers in the report.

RECRUITMENT AND HIRING [5]

The campus did not always obtain minimum employment applicant information from job applicants prior to making an offer of employment, and documentation was not always maintained in recruitment files. In addition, administration of conflict-of-interest forms needed improvement. For example, Statement of Economic Interests forms were not always completed when employees were hired to “designated” positions.

SEP separations [7]

Campus separation procedures were not always followed. For example, Employee Status Page forms were not always properly completed, and exiting employees did not always return equipment.

TRAINING AND RECORDS [8]

The campus did not provide sexual harassment training to faculty with oversight over graduate assistants.
INTRODUCTION

BACKGROUND

Management of academic personnel (AP) involves facilitating the recruitment, development, and retention of the academic workforce. AP includes faculty and academic student assistants in collective bargaining units three and eleven, as well as faculty management employees who are part of the management personnel plan. In the California State University (CSU) system, campus AP offices coordinate with human resources to perform activities that include, but are not limited to:

- Planning for the movement of AP into, within, and out of employment with the university.
- Recruiting and selecting faculty, student, and management AP with the appropriate skills, knowledge, and abilities.
- Training and developing faculty and faculty management to enhance their capabilities.
- Providing compensation and benefits that attract, motivate, and retain talented employees.
- Appraising and reporting on faculty, student, and management performance to identify areas that need improvement, and providing positive reinforcement for effective performance.
- Maintaining effective employee relations.
- Minimizing the risk of illness and injury in the workplace.

The CSU must comply with collective bargaining agreements, systemwide mandates, and Board of Trustee policies, as well as major federal and state laws that could affect the academic personnel function. Such laws include, but are not limited to, Title VII of the Civil Rights Act of 1964, the Political Reform Act of 1974, Assembly Bill 1825 (passed in 2004), and other state regulations addressing topics such as safety, harassment, and nondiscrimination in the workplace.

AP management relies on effective information management systems for operational efficiencies and controls; however, most of the information that AP management uses through these systems must remain private in accord with laws such as the Information Practices Act of 1977 and the Health Insurance Portability and Accountability Act of 1996, as well as the Board of Trustees’ policies for personal information management.

In fiscal year 2009/10, the CSU expended approximately $1.8 billion on instruction. This investment underscores the importance of maintaining a dynamic AP function that attracts, develops, and retains qualified personnel.
Our overall audit objective was to ascertain the effectiveness of existing policies and procedures related to the administration of the academic personnel function and to determine the adequacy of controls over related processes to ensure compliance with relevant collective bargaining agreements, governmental regulations, Trustee policy, Office of the Chancellor directives, and campus procedures.

Within the overall audit objective, specific goals included determining whether:

- Administration and management of the AP function incorporates effective internal controls, adequate local policies and operational procedures, and current written delegations of authority.
- Processes and procedures ensure timely and effective communication of CSU and campus employment policies and federal and state employment laws and regulations.
- Employees are sufficiently apprised of acceptable business practices and expected standards of ethical and moral behavior, as well as the need to report conflict-of-interest situations.
- Faculty and management are sufficiently trained in the appropriate policies and procedures to support compliance with applicable state and federal laws and regulations regarding nondiscrimination and affirmative action, harassment, and safety.
- Recruitment, selection, hiring, and appointment activities are properly authorized, employment eligibility is verified, and compliance with state and federal laws and regulations and collective bargaining agreements is maintained.
- Professional licenses, certificates, and/or registration requirements for applicable employees are properly maintained.
- Procedures governing faculty evaluations and the review of sabbatical leave events conform with the collective bargaining agreement.
- Separations comply with existing laws and regulations and observe good business practices in accordance with CSU policy.
- Compensation and benefit requests and confidential hard-copy and system information, such as information pertaining to recruitment, selection, and hiring activities, are reasonably secure.
SCOPE AND METHODOLOGY

The proposed scope of the audit as presented in Attachment A, Audit Agenda Item 2 of the January 25 and 26, 2011, meeting of the Committee on Audit stated that AP includes activities involved in the recruitment, hiring, evaluation, and retention of employees directly involved with the academic operations of the CSU system and the individual campuses. Proposed audit scope would include, but was not limited to, review of recruitment and hiring processes for compliance with employment laws and regulations; evaluation of employees as required per collective bargaining agreements; administration of the family medical leave and other employee programs; and protection of sensitive and confidential information.

Our study and evaluation were conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors and included the audit tests we considered necessary in determining whether operational and administrative controls are in place and operative. This review emphasized, but was not limited to, compliance with state and federal laws, Board of Trustee policies, and Office of the Chancellor and campus policies, letters, and directives. The audit focused on procedures in effect from July 1, 2009, through September 30, 2011.

We focused primarily on the internal administrative, compliance, and operations controls over academic personnel activities. Specifically, we reviewed and tested:

- Recruitment, selection, and hiring activities for academic employees, including training processes.
- Conflict-of-interest and employment eligibility forms and procedures.
- Maintenance and protection of confidential human resources information.
- Employee evaluations, sabbatical leaves, and separation procedures.
- Record retention and disposition.
OBSERVATIONS, RECOMMENDATIONS, 
AND CAMPUS RESPONSES

RECRUITMENT AND HIRING

EMPLOYMENT APPLICANT INFORMATION

The campus did not always obtain minimum employment applicant information from job applicants prior to making an offer of employment, and documentation was not always maintained in recruitment files.

We reviewed 20 faculty employees hired since July 1, 2009, and found that:

- Six employees did not have employment applications on file, which would include required information such as criminal background history, reason for leaving former employers, permission to contact former employers, and certification that all information provided is true and correct.
- Five recruitment files did not contain transcripts or degree verifications, and four files did not have letters of recommendation or references.

California State University, San Marcos (CSUSM) Administrative Procedures and Hiring Guidelines for Tenure-Track Positions, dated January 26, 2011, states that documentation that must be retained in the college/library for three years after the search is completed and includes all applications and materials submitted/requested in connection with a search, any search-related notes made by the search committee members and the dean, all advertising, screening criteria, narrative summaries of candidates, and any reports and recommendations.

Coded Memorandum Human Resources (HR) 2006-03, Employment Applicant Information, dated January 13, 2006, states that the campuses and the chancellor’s office are required to obtain, at a minimum, specific information on applicants who will be offered California State University (CSU) positions, such as personal data, work authorization, educational history, employment record, criminal background history, and a certification statement that all information provided is true and correct. This information needs to be secured prior to an offer of employment.

The associate vice president of academic resources stated that faculty members typically provide curricula vitae rather than traditional applications, and that previously, applications were not consistently required of new faculty prior to being hired. She further stated that on a going-forward basis, academic resources will ensure that all new faculty members complete an application prior to receiving an offer of employment. She also stated that although academic resources verified degrees for tenure-track faculty, neither academic resources nor the colleges consistently verified degrees for temporary faculty members.

Failure to recruit and hire faculty in accordance with campus and CSU policies could result in failed searches and potential complaints of discriminatory practices.
Recommendation 1

We recommend that the campus:

a. Obtain minimum required information from applicants prior to making an offer of employment.

b. Ensure that transcripts or degree verifications, and letters of recommendation are maintained in recruitment files.

Campus Response

We concur. Applications will be completed by all new faculty before offers of employment are finalized. Additionally, the office of faculty affairs will require that degree verifications be completed, or transcripts received, from all newly hired faculty, and that such materials be placed in faculty personnel action files (PAF). To the extent faculty provide the university with letters of recommendation, such letters will also be placed in faculty PAFs. Each of these requirements will be set forth in guidelines written by the associate vice president for faculty affairs and distributed to university deans, associate deans, department chairs, the athletic director and associate athletic director, and university personnel directly involved in faculty hiring.

Anticipated completion date: May 15, 2012

CONFLICT OF INTEREST

Administration of conflict-of-interest forms needed improvement.

We found that:

- Job postings for head coaching positions, which are considered “designated” positions, did not include required language from HR 2010-08 stating that the successful candidate would be required to file a conflict-of-interest form.

- In six of the nine academic personnel files we reviewed, a Statement of Economic Interests form (Form 700) had not been completed when the employee was first hired into a “designated” position.

Coded Memorandum HR 2010-08, New Recruitment Policy – Disclosure Requirements for Specified Positions, effective July 1, 2010, states that when a “designated position” is subject to a recruitment process, the job posting must include the following statement: “This position is a “designated position” in the CSU’s Conflict of Interest Code. The successful candidate accepting this position is required to file Conflict of Interest forms subject to the regulations of the Fair Political Practices Commission.”

Office of General Counsel, Conflict of Interest Handbook, revised August 2009, states that, in addition to the annual filing, Form 700 is also required to be filed when the employee first comes in to a designated position and when the employee leaves a designated position.
The associate vice president for academic resources stated that her group was previously unaware that head coaching positions were considered “designated” positions. The HR manager stated that Form 700 had not been completed in a timely manner because HR was not consistently informed of new academic personnel in designated positions.

Inadequate control over conflict-of-interest filing requirements increases campus exposure to loss from inappropriate acts and non-compliance with state legislation.

**Recommendation 2**

We recommend that the campus:

a. Include the specified language in HR 2010-08 in job postings for “designated” positions.

b. Ensure that Form 700 is completed when an employee is first hired into a “designated” position.

**Campus Response**

We concur. On a going-forward basis, the language specified in HR 2010-08 will be included in job postings for “designated” positions. To ensure a Form 700 is completed in a timely fashion, the office of faculty affairs and, as applicable, the athletic department, will notify human resources and equal opportunity when a designated position is posted, and upon the hiring of an individual in a designated position. These requirements will be set forth in guidelines written by the associate vice president for faculty affairs and distributed to university deans and associate deans, human resources and equal opportunity, the athletic director and associate athletic director, and university personnel directly involved in the hiring of designated positions.

Anticipated completion date: May 15, 2012

**SEPARATIONS**

Campus separation procedures were not always followed.

We reviewed five separation transactions and found that:

- An Employee Status Page (ESP) form had not been completed for one exiting employee.
- Four ESP forms were not signed and dated by the exiting employees.
- One exiting employee did not return equipment, a parking permit, and an identification card, and the employee’s department and HR did not perform a follow-up.

CSUSM *Sign-out Procedure for Non-Returning Faculty* states that all faculty/teaching employees who will not be returning for the following semester must complete the “Payroll Clearance Process.” The clearing departments use the ESP system to alert human resources of any outstanding items that need to be returned or, if none, clear their section in the exiting employee’s ESP record. Exiting
employees are responsible for returning all state-issued items. Once the employee has been cleared in all areas, the final form is printed and must be signed and dated by the employee. This is done after the end of the semester but prior to receiving the final paycheck.

State Administrative Manual §20050 states that the elements of a satisfactory system of internal accounting and administrative controls shall include, in part, an established system of practices to be followed in performance of duties and a system of authorization and recordkeeping procedures adequate to provide effective accounting control.

The associate vice president for academic resources stated that the campus had not clearly identified who was responsible for ensuring that ESP forms were completed and that materials were returned by exiting faculty members.

Inadequate control over separations increases the risk of loss, theft, or unauthorized transactions to the campus.

**Recommendation 3**

We recommend that the campus follow separation procedures, including the completion of ESP forms and the return of all state-issued items by exiting employees.

**Campus Response**

We concur. The office of faculty affairs will develop processes to ensure ESP forms will be completed and state-issued items returned by all faculty members who have notified the university of their retirement or resignation. With respect to temporary faculty members (lecturers), we have not yet identified a feasible solution. Temporary faculty members receive assignments, if any, on a semester-by-semester basis, often at the last minute. Given the nature of their assignments, it is difficult to determine whether they have permanently separated, or may be offered work the next semester. The office of faculty affairs will work with the colleges and seek advice from the chancellor’s office and other CSU institutions to determine how to solve this issue. Once identified, the solution will be memorialized in guidelines.

Anticipated completion date: May 15, 2012

**TRAINING AND RECORDS**

The campus did not provide sexual harassment training to faculty with oversight over graduate assistants.

We found that although the campus provided mandatory sexual harassment training to department chairs and coaches who had supervisory duties, it had not identified and trained those faculty members who had oversight over graduate assistants.
Coded Memorandum HR 2005-35, *Sexual Harassment Mandatory Training*, dated August 26, 2005, states that sexual harassment training is now required for all CSU employees who have supervisory responsibility as a result of Assembly Bill 1825. A “supervisor” is defined to include any individual with the authority “to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or the responsibility to direct them, or to adjust their grievances, or effectively to recommend that action, if … the exercise of that authority … requires the use of independent judgment.” It is the responsibility of each campus to determine who meets the definition of “supervisor.”

The human resources manager stated that campus department chairs overseeing the work of teaching assistants currently complete sexual harassment training, and that HR is currently working with faculty affairs to identify and determine how to train faculty members who may oversee the work of graduate assistants.

Failure to provide sexual harassment training to all faculty with supervisory duties increases the risk that the campus will not be in compliance with state regulations and that faculty will not be fully aware of sexual harassment procedures and requirements, thereby increasing risk of litigation.

**Recommendation 4**

We recommend that the campus provide sexual harassment training to faculty with oversight over graduate assistants.

**Campus Response**

We concur. The office of faculty affairs will determine, on a minimum annual basis, which faculty members have oversight over graduate assistants and will forward their names to the office of human resources and equal opportunity (HREO). HREO will offer the faculty members sexual harassment training via an online module, Workplace Answers. We will document and implement these guidelines.

Anticipated completion date: May 15, 2012
## APPENDIX A: PERSONNEL CONTACTED

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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</thead>
<tbody>
<tr>
<td>Karen S. Haynes</td>
<td>President</td>
</tr>
<tr>
<td>Candace Bebee</td>
<td>Assistant to the Vice President, Finance and Administrative Services</td>
</tr>
<tr>
<td>Wanda Boller</td>
<td>Human Resources Manager</td>
</tr>
<tr>
<td>Ellen Cardoso</td>
<td>Director, Human Resources and Equal Opportunity</td>
</tr>
<tr>
<td>Emily Cutrer</td>
<td>Provost</td>
</tr>
<tr>
<td>Regina Frasca</td>
<td>Director of Risk Management and Safety</td>
</tr>
<tr>
<td>Dianna Frye</td>
<td>Academic Resources Coordinator</td>
</tr>
<tr>
<td>Linda Hawk</td>
<td>Vice President, Finance and Administrative Services</td>
</tr>
<tr>
<td>Michelle Hunt</td>
<td>Academic Labor Relations Manager</td>
</tr>
<tr>
<td>Lisa McLean</td>
<td>Human Resources Manager</td>
</tr>
<tr>
<td>Janet Powell</td>
<td>Associate Vice President, Academic Resources</td>
</tr>
<tr>
<td>Chris Quiroga</td>
<td>Human Resources Recruitment Coordinator</td>
</tr>
<tr>
<td>Susie Quon</td>
<td>Assistant to the Human Resources Director</td>
</tr>
<tr>
<td>Katy Rees</td>
<td>Assistant Vice President, Administration</td>
</tr>
<tr>
<td>Patricia Runzel</td>
<td>Faculty Affairs Faculty Personnel Coordinator</td>
</tr>
<tr>
<td>Deirdre Wallace</td>
<td>Faculty Personnel Generalian</td>
</tr>
</tbody>
</table>
January 23, 2012

Mr. Larry Mandel
University Auditor
The California State University
401 Golden Shore
Long Beach, CA 90802

Subject: Campus Response to Audit Report 11-59, Academic Personnel
California State University San Marcos

Dear Mr. Mandel:

Enclosed is our campus response to the four recommendations in Audit Report 11-59, Academic Personnel. We anticipate sending our supporting evidence no later than May 15, 2012.

Please let us know if you have any questions or need additional information.

Sincerely,

[Linda Hawk signature]

Linda Hawk
Vice President
Finance and Administrative Services

Attachment

c: President Karen S. Haynes
ACADEMIC PERSONNEL

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Audit Report 11-59

RECRUITMENT AND HIRING

EMPLOYMENT APPLICANT INFORMATION

Recommendation 1

We recommend that the campus:

a. Obtain minimum required information from applicants prior to making an offer of employment.

b. Ensure that transcripts or degree verifications, and letters of recommendation are maintained in recruitment files.

Campus Response

We concur. Applications will be completed by all new faculty before offers of employment are finalized. Additionally, the Office of Faculty Affairs will require that degree verifications be completed, or transcripts received, from all newly hired faculty, and that such materials be placed in faculty Personnel Action Files ("PAFs"). To the extent faculty provide the University with letters of recommendation, such letters will also be placed in faculty PAFs. Each of these requirements will be set forth in guidelines written by the Associate Vice President for Faculty Affairs and distributed to University Deans, Associate Deans, Department Chairs, the Athletic Director and Associate Athletic Director, and University personnel directly involved in faculty hiring.

Anticipated completion date: May 15, 2012

CONFLICT OF INTEREST

Recommendation 2

We recommend that the campus:

a. Include the specified language in HR 2010-08 in job postings for “designated” positions.
b. Ensure that Form 700 is completed when an employee is first hired into a “designated” position.

Campus Response

We concur. On a going forward basis, the language specified in HR 2010-08 will be included in job postings for “designated” positions. To ensure a Form 700 is completed in a timely fashion, the Office of Faculty Affairs and, as applicable, the Athletic Department, will notify Human Resources
and Equal Opportunity when a designated position is posted, and upon the hiring of an individual in a designated position. These requirements will be set forth in guidelines written by the Associate Vice President for Faculty Affairs and distributed to University Deans and Associate Deans, Human Resources and Equal Opportunity, the Athletic Director and Associate Athletic Director, and University personnel directly involved in the hiring of designated positions.

Anticipated completion date: May 15, 2012

SEPARATIONS

Recommendation 3

We recommend that the campus follow separation procedures, including the completion of ESP forms and the return of all state-issued items by exiting employees.

Campus Response

We concur. The Office of Faculty Affairs will develop processes to ensure ESP forms will be completed and state-issued items returned by all faculty members who have notified the University of their retirement or resignation. With respect to temporary faculty members (lecturers), we have not yet identified a feasible solution. Temporary faculty members receive assignments, if any, on a semester-by-semester basis, often at the last minute. Given the nature of their assignments, it is difficult to determine whether they have permanently separated, or may be offered work the next semester. The Office of Faculty Affairs will work with the Colleges and seek advice from the Chancellor's Office and other CSU institutions to determine how to solve this issue. Once identified, the solution will be memorialized in guidelines.

Anticipated completion date: May 15, 2012

TRAINING AND RECORDS

Recommendation 4

We recommend that the campus provide sexual harassment training to faculty with oversight over graduate assistants.

Campus Response

We concur. The Office of Faculty Affairs will determine, on a minimum annual basis, which faculty members have oversight over graduate assistants and will forward their names to the Office of Human Resources and Equal Opportunity (HREQ). HREQ will offer the faculty members sexual harassment training via an online module, Workplace Answers. We will document and implement these guidelines.

Anticipated completion date: May 15, 2012
February 6, 2012

MEMORANDUM

TO: Mr. Larry Mandel  
   University Auditor
FROM: Charles B. Reed  
       Chancellor
SUBJECT: Draft Final Report 11-59 on Academic Personnel, California State University, San Marcos

In response to your memorandum of February 6, 2012, I accept the response as submitted with the draft final report on Academic Personnel, California State University, San Marcos.

CBR/amd