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ABBREVIATIONS

AP             Academic Personnel
CBA            Collective Bargaining Agreement
CSU            California State University
HR             Human Resources
UAW            United Auto Workers
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, Long Beach campus from October 24, 2011, through December 2, 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 December 2, 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 document minimum employment information from job applicants prior to making an offer of employment. 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. Finally, appointment notifications for Unit 11 academic student employees did not include all required collective bargaining agreement language.

TRAINING AND RECORDS [8]

Sexual harassment and other harassment training processes needed improvement. For example, faculty with supervisory duties did not always complete sexual harassment training in a timely manner, and the campus did not offer other harassment training to new faculty or refresher training in other harassment topics when necessary.
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.
PURPOSE

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 December 2, 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 document minimum employment information from job applicants prior to making an offer of employment.

We reviewed employment applications on file for 18 academic personnel employees hired since July 1, 2009, and found that they did not include certain required information, such as the reason for leaving former employers and permission to contact former employers.

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 for faculty affairs stated that the applicants’ reason for leaving former employment was obtained from applicants as part of the screening and selection process, but it was not formally documented.

Failure to include information required by CSU policies could result in inaccurate or incomplete employment applications.

Recommendation 1

We recommend that the campus document required information during the application process prior to making an offer of employment.

Campus Response

We concur. The campus will document the required information on the SC-1 form, which is already required during the application process prior to making an offer of employment.

Estimated date of completion is June 30, 2012.
CONFLICT OF INTEREST

Administration of conflict-of-interest forms needed improvement.

We found that:

- Job postings of “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 all five of the academic personnel files we reviewed, a Statement of Economic Interests form (Form 700) was not completed when the employee was first hired into a “designated” position. In addition, two of the five employees reviewed did not submit their annual Form 700 by the April 1 deadline, and no late fines were assessed.

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 the Form 700 is filed with the campus filing officer on April 1 and is a public document. In addition to the annual filing, the 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. There is a $10 per day late fine for each day after April 1 that the Form 700 is not on file, extending up to a maximum fine of $100.

The associate vice president for faculty affairs stated that the procedure to include specific HR language on job postings for “designated positions” had not yet been fully implemented.

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, and annually by April 1.
**Campus Response**

We concur. The campus will include the specified language in job postings for “designated” positions and will implement a process to ensure that Form 700 is completed with the initial hiring paperwork.

Estimated date of completion is April 30, 2012.

**APPOINTMENT NOTIFICATIONS**

Appointment notifications for Unit 11 academic student employees did not include all required collective bargaining agreement (CBA) language.

We found that appointment notifications for Unit 11 employees did not include a statement that the position is covered by the CBA, the CBA’s website address, and the contact information for United Auto Workers (UAW) 4123.

CBA, Unit 11, Article 2.8 states the appointment notifications will include, but not be limited to: the applicable appointment title, appointment time-base percentage (or range of hours), effective dates, salary/wages, health and other applicable benefits and deductions, and tuition and fee waiver or exemption information, department or equivalent unit, department or equivalent unit contact information, response requirements if any, a statement that the position is covered by the collective bargaining agreement between the parties, the collective bargaining agreement’s website address, a website address with the UAW 4123 contact information, and a systemwide website that provides information regarding the requirement and nature of the California Loyalty Oath.

The associate vice president for faculty affairs stated that the lack of required CBA information on appointment notifications was due to the use of an outdated form.

Failure to include all required information on appointment notifications could result in complaints of discriminatory practices and employees being unaware of the rights and requirements contained in their CBA.

**Recommendation 3**

We recommend that the campus include all required CBA information on appointment notifications for Unit 11 academic student employees.

**Campus Response**

We concur. The campus has already amended the appointment contract to include all required CBA information on appointment notification for Unit 11 academic student employees.

Corrective action on this item is complete.
TRAINING AND RECORDS

Sexual harassment and other harassment training processes needed improvement.

We found that:

- Academic personnel with supervisory duties did not always complete sexual harassment training within six months of assuming supervisory responsibilities, as required by CSU policy.

- The campus did not offer other harassment training to newly hired faculty or refresher training for faculty in other harassment topics, when necessary.

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. For employees employed in a supervisory capacity as of July 1, 2005, the training must be completed by January 1, 2006. For employees who assume supervisory responsibility after July 1, 2005, as the result of a hire or a change in duties, the training must be completed within six months of the assumption of supervisory responsibilities. Employees with supervisory responsibilities must continue to receive the sexual harassment training every two years.

Executive Order 927, Systemwide Policy Prohibiting Harassment in Employment and Retaliation for Reporting Harassment or Participation in a Harassment Investigation, dated January 6, 2005, states that to prevent harassment and encourage the reporting of harassment, training shall be provided by each campus to all employees upon their initial arrival at the campus. Such training shall explain, but not be limited to: what constitutes harassment under applicable law; the rights and responsibilities of each individual relating to workplace harassment; the protection against retaliation for individuals who report harassment or participate in an investigation; the internal complaint procedures for filing, investigating, and resolving a harassment complaint; and the option and method for filing a harassment complaint with external government agencies such as the Department of Fair Employment and Housing and the Equal Employment Opportunity Commission. After training has been given to employees upon their first arrival at the campus, training shall be provided, when necessary, to refresh and update employees’ knowledge of harassment and retaliation laws.

The director for equity and diversity stated that the delay in the completion of sexual harassment training was due to the transition between the former director and manager and the new director and specialist. The associate vice president for faculty affairs stated that due to a lack of resources, formalized training and refresher training, such as the kind offered by Workplace Answers, could not be implemented.

Failure to complete sexual harassment training in a timely manner increases the risk that the campus will not be in compliance with state regulations, and failure to provide new-hire training and refresher training for faculty in other harassment topics increases the risk that faculty will not be fully aware of other harassment procedures and requirements, thereby increasing the risk of litigation.
Recommendation 4

We recommend that the campus:

a. Ensure that academic personnel with supervisory duties complete sexual harassment training within six months of assuming supervisory responsibilities.

b. Provide other harassment training to newly hired faculty and, when necessary, refresher training for faculty in other harassment topics.

Campus Response

We concur.

a. The office of equity and diversity is conducting a departmental audit of university employees to ensure that our records and training processes are accurate.

   Estimated date of completion is April 30, 2012.

b. Staff HR will provide to all employees an annual (spring) educational notification that explains the university’s policy on access, opportunity, and complaint resolution for discrimination, harassment, and retaliation. Harassment- and discrimination-related training is already being offered to new tenure-track faculty through their BeachBoard course with a link to the materials on the equity and diversity website. Each cohort of new faculty is enrolled in this course, which takes place during their first semester at CSU Long Beach. In addition, all new faculty receives a copy of the Department of Fair Employment and Housing (DFEH162) poster (as outlined in Executive Order 928) with the new hire paperwork.

   Corrective action on this item is complete.
## APPENDIX A:
PERSONNEL CONTACTED

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>F. King Alexander</td>
<td>President</td>
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<tr>
<td>Scott Apel</td>
<td>Associate Vice President, Human Resources Management</td>
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<tr>
<td>David Beadle</td>
<td>Director, Environmental, Health and Safety</td>
</tr>
<tr>
<td>Volkan Gunal</td>
<td>Internal Audit Assistant</td>
</tr>
<tr>
<td>Larisa Hamada</td>
<td>Director, Equity and Diversity</td>
</tr>
<tr>
<td>Holly Harbinger</td>
<td>Associate Vice President, Faculty Affairs</td>
</tr>
<tr>
<td>Adam Litman</td>
<td>Director, Human Resources Technology Support Services</td>
</tr>
<tr>
<td>Elizabeth Martin</td>
<td>Director, Faculty Affairs</td>
</tr>
<tr>
<td>Sandy Miyake</td>
<td>Payroll Director</td>
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<tr>
<td>Beth Ryan</td>
<td>Human Resources Director</td>
</tr>
<tr>
<td>Aysu Spruill</td>
<td>Director of Internal Auditing Services/Information Security Officer</td>
</tr>
<tr>
<td>Mary Stephens</td>
<td>Vice President, Administration and Finance</td>
</tr>
</tbody>
</table>
March 8, 2012

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

Re: Response to Academic Personnel Audit #11-61

Dear Larry:

Please find enclosed California State University, Long Beach’s response to the above report. The campus is committed to addressing and resolving the issues identified in the audit report.

Please let me know if we can provide you with any additional information.

Sincerely,

Mary Stephens
Vice President for Administration and Finance

Enclosure

IA-0290

c: F. King Alexander, President
Scott Apel, Associate Vice President, Human Resources Management
Larisa Hamada, Director, Equity and Diversity
Holly Harbinger, Associate Vice President, Faculty Affairs
Ted Kadowaki, Associate Vice President, Budget and University Services
Don Para, Provost and Senior VP Academic Affairs
Aysu Spruill, Director, Internal Auditing Services/Information Security Officer
RECRUITMENT AND HIRING

EMPLOYMENT APPLICANT INFORMATION

Recommendation 1

We recommend that the campus document required information during the application process prior to making an offer of employment.

Campus Response

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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, and annually by April 1.

Campus Response

We concur. The campus will include the specified language in job postings for “designated” positions and will implement a process to ensure that Form 700 is completed with the initial hiring paperwork. Estimated date of completion is April 30, 2012.

APPOINTMENT NOTIFICATIONS

Recommendation 3

We recommend that the campus include all required CBA information on appointment notifications for Unit 11 academic student employees.
Campus Response

We concur. The campus has already amended the appointment contract to include all required CBA information on appointment notification for Unit 11 academic student employees. Corrective action on this item is complete.

TRAINING AND RECORDS

Recommendation 4

We recommend that the campus:

a. Ensure that academic personnel with supervisory duties complete sexual harassment training within six months of assuming supervisory responsibilities.

b. Provide other harassment training to newly hired faculty and, when necessary, refresher training for faculty in other harassment topics.

Campus Response

We concur.

a. The Office of Equity and Diversity is conducting a departmental audit of University employees to ensure that our records and training processes are accurate. Estimated date of completion is April 30, 2012.

b. Staff HR will provide to all employees an annual (spring) educational notification that explains the University’s policy on access, opportunity, and complaint resolution for discrimination, harassment, and retaliation. Harassment and discrimination related training is already being offered to new tenure-track faculty through their BeachBoard course with a link to the materials on the Equity and Diversity website. Each cohort of new faculty is enrolled in this course which takes place during their first semester at CSULB. In addition, all new faculty receives a copy of the Department of Fair Employment and Housing (DFEH162) poster (as outlined in Executive Order 928) with the new hire paperwork.

Corrective action on this item is complete.
April 16, 2012

MEMORANDUM

TO: Mr. Larry Mandel
    University Auditor

FROM: Charles B. Reed
      Chancellor

SUBJECT: Draft Final Report 11-61 on Academic Personnel,
         California State University, Long Beach

In response to your memorandum of April 16, 2012, I accept the response as submitted with the draft final report on Academic Personnel, California State University, Long Beach.

CBR/amd