

EMPLOYEE RELATIONS
CALIFORNIA STATE UNIVERSITY,
STANISLAUS

Report Number 03-17
January 23, 2004

Members, Committee on Audit

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ABBREVIATIONS

APC	Academic Professionals of California
CFA	California Faculty Association
CSEA	California State Employees' Association
CSU	California State University
CSUS	California State University, Stanislaus
EAP	Employee Assistance Program
EO	Executive Order
EOIR	Equal Opportunity and Internal Relations
FTE	Full-Time Employment
HEERA	Higher Education Employee-Employer Relations Act
HR	Human Resources
IUOE	International Union of Operating Engineers
MPP	Management Personnel Plan
SAM	State Administrative Manual
SETC	State Employees Trades Council
SUPA	State University Police Association
UAPD	California Federation of the Union of American Physicians and Dentists

EXECUTIVE SUMMARY

As a result of a systemwide risk assessment conducted by the Office of the University Auditor during the last quarter of 2002, the Board of Trustees, at its January 2003 meeting, directed that *Employee Relations* be reviewed.

We visited the California State University, Stanislaus campus from July 14, 2003, through August 22, 2003, and audited the procedures in effect at that time.

In our opinion, the overall management of the employee relations function needed to be improved to ensure that campus administrative departments clearly understand their roles and responsibilities in this area and employee complaints are resolved in a timely manner.

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.

EMPLOYEE RELATIONS ADMINISTRATION [8]

Certain activities that impact the control environment and administration of the employee relations function needed improvement. In particular, the scope of responsibilities had not been defined for key departments on campus, and lines of reporting authority had not been defined for the office of Equal Opportunity and Internal Relations (EOIR). In addition, the campus had not provided formalized sexual harassment training to faculty and staff, and training efforts for campus managers was insufficient in areas such as complaints processing, performance management, and reconsideration procedures. Further, campus managers lacked a general awareness of the employee assistance program as a resource for employee work and non-work related problems.

COMPLAINTS AND RECONSIDERATION REQUESTS [11]

Complaint files in EOIR were not manageable in their current state and presented a potential risk of unidentified and unresolved complaints. Documentation in the complaint files was inadequate and lacked evidence that the complaints were resolved at any level. Further, controls were not in place to ensure that complaints were handled in accordance with Executive Order No. 675; the campus did not have documented informal investigation procedures; reconsideration procedures were not published for general employee knowledge; and a reconsideration request was not properly processed in accordance with campus policy.

PERFORMANCE MANAGEMENT [15]

Staff performance evaluations were not always prepared by campus managers or received by human resources. Specifically, management personnel plan employees were not being evaluated after six-months of service; there was not always evidence that the evaluator had submitted a draft evaluation for the employee's review, input, and discussion; and required performance evaluations could not be located for certain represented and non-represented employees.

INFORMATION SECURITY [17]

The campus had not developed policies and procedures regarding the protection of confidential employee information.

INTRODUCTION

BACKGROUND

With the passage of major employment legislation since the 1960s, human resources management practices at the California State University (CSU) have evolved from the traditional role of hiring and record keeping to include administering labor contracts, providing employee assistance, and ensuring civil rights and other regulatory compliance. These activities embody the employee relations function within the human resources area and help ensure mutually satisfying working conditions and a viable employee-employer relationship.

The campus human resources departments that provide support for all respective employees typically administer the employee relations function. At the CSU, there are two main classes of employees that are designated in accordance with the provisions of the Higher Education Employee-Employer Relations Act (HEERA) of 1979. These classes are as follows:

Represented employees are individuals who belong to one of ten bargaining units at the CSU and whose duties do not include managerial activities as defined by HEERA.

Non-represented employees are individuals who are not included in a bargaining unit and are hired as management personnel plan (MPP), confidential, or excluded employees.

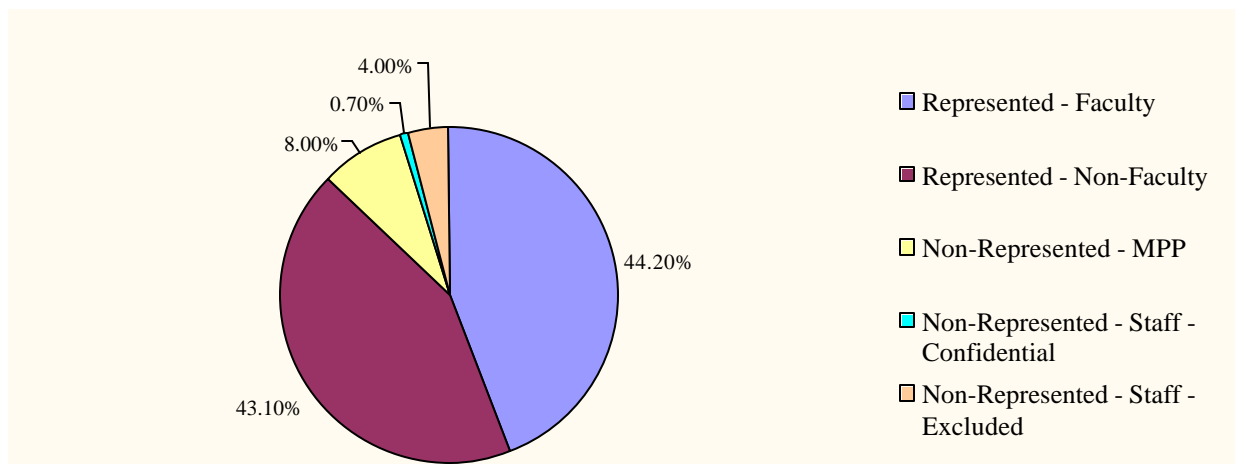
Total full-time employment (FTE) at the CSU has grown from 31,361 to 39,440 active and on-leave employees (excluding hourly employees), which represents a 25.7% increase from October 1995 to October 2002. For administrative and reporting purposes, the CSU has further grouped the represented and non-represented employees into staff, faculty, and MPP categories of which all are provided employee relations support by the campus and designated chancellor's office departments, and reported as follows:

Class	Employee Type	2002	%
Represented	Staff	16,997	43.1
	Faculty	17,422	44.2
Non-Represented	MPP	3,142	8.0
	Staff - Confidential	315	0.7
	Staff - Excluded	1,564	4.0
Total FTE		39,440	100.0

Presently, seven unions represent the 34,419 FTE employees that belong to ten bargaining units. In October 2002, the California Faculty Association (CFA) and the California State Employees' Association (CSEA) included 31,077 total FTE (17,422, and 13,655, respectively), with the remaining 3,341 FTE dispersed between the following unions:

Union	2002 FTE
California Federation of the Union of American Physicians and Dentists (UAPD)	71
Academic Professionals of California (APC)	1,996
State Employees Trades Council (SETC)	973
State University Police Association (SUPA)	288
International Union of Operating Engineers (IUOE)	13
Total	3,341

In the CSU Staffing Trends and Analysis report, dated February 2003, the percentage distribution of total FTEs at the CSU is graphically represented as follows:



PURPOSE

Our overall audit objective was to ascertain the effectiveness of existing policies and procedures related to the administration of the employee relations function and to determine the adequacy of controls over the related processes to ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, and campus procedures.

Within the overall audit, specific goals included making a determination as to whether:

INTRODUCTION

- ▶ Administration and management of the employee relations function provide effective internal controls, clear lines of organizational authority, delegations of authority, and documented policies and procedures.
- ▶ Processes and procedures ensure timely and effective interpretation and communication of CSU policies and other directives impacting the employee-employer relationship, channels for reporting improprieties and escalating grievances and complaints, and resources for resolving both work and non-work related problems.
- ▶ Campus procedures provide for timely reimbursement of union leave.
- ▶ Managers are appropriately trained and knowledgeable of assigned employee relations responsibilities.
- ▶ Complaints and reconsideration requests are handled in compliance with applicable CSU policy and other directives.
- ▶ Employees are provided timely feedback and guidance for performance development and improvement.
- ▶ Disciplinary action is performed in accordance with collective bargaining agreements, CSU policy, and other directives.
- ▶ Whistleblower disclosures are handled in compliance with CSU policy and shared only with individuals who have a legitimate business reason to know.
- ▶ Confidential hardcopy and system information assets such as information pertaining to complaints, reconsideration requests, and performance management activities are reasonably secure.

SCOPE AND METHODOLOGY

The proposed scope of the audit as presented in Attachment B, Audit Item 2 of the January 28-29, 2003, meeting of the Committee on Audit stated that the review would include negotiating and administering collective bargaining agreements with represented employees, administering the management personnel plan for non-represented employees, and the systems for addressing staff grievances and complaints. Potential impacts include inordinate costs, unfavorable contracts, increased exposure to litigation, and unfair labor practices. The Office of the University Auditor has not previously reviewed *Employee Relations*.

Our study and evaluation were conducted in accordance with the *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 that 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 review focused on procedures in effect during fiscal year 2002-2003. Throughout this report, we will refer to employee relations as the primary audit subject. At California State University, Stanislaus, the director of human resources, the office of equal opportunity and internal relations, and to a limited extent and on an interim basis, the vice president of student affairs, administer the employee relations function. We focused primarily upon internal, administrative, compliance, and operational controls over the management of the employee relations function. Specifically, we reviewed and tested:

- ▶ Administrative policies, procedures, and processes.
- ▶ Interpretation and communication of CSU policies, union provisions, and other directives.
- ▶ Reimbursements for union leave provided to represented employees in all bargaining units.
- ▶ Training provided to campus managers with employee relations responsibilities.
- ▶ Complaint handling for non-represented and certain represented employees.
- ▶ Reconsideration requests from non-represented employees.
- ▶ Performance management for non-represented and represented employees, excluding the CFA.
- ▶ Disciplinary actions for non-represented and represented employees, excluding the CFA.
- ▶ Processing of involuntary terminations for non-represented employees.
- ▶ Handling of whistleblower disclosures and complaints of alleged retaliation.
- ▶ Maintenance and protection of confidential employee relations information.

OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

EMPLOYEE RELATIONS ADMINISTRATION

SCOPE OF RESPONSIBILITIES

The campus had not clearly defined the scope of responsibilities for key employee relations departments.

Human resources, faculty affairs, and the office of equal opportunity and internal relations (EOIR) provided various employee relations services to campus staff. However, our review disclosed that the scope of responsibilities for these departments had not been clearly defined and documented. We noted confusion among various campus managers regarding which departments were responsible for handling and resolving the various types of employee complaints. With the recent passing of the EOIR director and the interim management structure of the department, the campus managers also expressed concern whether the same level of confidence would be provided to employees that reported complaints to EOIR.

State Administrative Manual (SAM) §20050 identifies lines of responsibility that are not clearly articulated or non-existent as a danger signal indicative of a poorly maintained or vulnerable control system.

The executive assistant to the president stated that the former head of EOIR had operated the department with a significant degree of autonomy. She noted, however, that the incumbent consulted frequently and extensively with the human resources director, vice presidents, and other campus managers.

Without scope of responsibilities being clearly defined by function and department, there is confusion regarding ultimate responsibility for a complaint, as well as concern over the confidentiality provided to individuals that escalate complaints on the campus.

Recommendation 1

We recommend that the campus define and document the scope of responsibilities for key campus departments that receive and handle employee complaints.

Campus Response

We concur. The key departments are in the process of defining and documenting the scope of responsibilities for each area. As this process continues, equal opportunity and internal relations (EOIR) and human resources (HR) are individually and collectively highlighting their respective roles and scope of responsibilities in the complaint process, along with highlighting the goal of ongoing clarification, throughout campus, both in individual meetings with departments and in campus-wide workshops. In addition, documentation will be formalized outlining how employee complaints are

received and handled. The documentation will be made available on the campus website so employees may readily access the information on a 24/7 basis. Documentation of these efforts will be provided no later than July 1, 2004.

LINES OF REPORTING AUTHORITY

The campus had not clearly defined the lines of reporting authority for EOIR.

SAM §20050 identifies lines of authority that are not clearly articulated or non-existent as a danger signal indicative of a poorly maintained or vulnerable control system necessitating entity heads and managers to identify and make the necessary corrective actions in order to restore the integrity of the system of internal control.

The vice president of business and finance and the vice president of student affairs both indicated that formal lines of reporting authority had not been defined for EOIR since the sudden passing of the former assistant to the president for EOIR. They further stated that an expedited recruitment to fill the position was in process and, because an appointment was imminent, the president had not formally designated a supervisor during this interim period. Both vice presidents stated that the president indicated that the vice president of student affairs was to assist with any case management and content issues, the vice president of business and finance was to assist with other operations, such as budget and audit, and that the interim executive assistant to the president was to assist with daily office operations matters.

Without formal lines of authority, there is no accountability or direction, confusion among department employees regarding daily expectations of management, and poor employee morale.

Recommendation 2

We recommend that lines of reporting authority be clearly defined for EOIR and formally designated by the president during this interim period and upon the appointment of a permanent supervisor.

Campus Response

We concur. During the period of the audit review, the campus was in the process of conducting a nationwide search to fill the leadership role in the office of the assistant to the president in EOIR. This process has now been completed and a new permanent supervisor has been hired establishing a clear line of reporting authority for the operation.

CAMPUS TRAINING

Training was insufficient in the areas of sexual harassment, complaints processing, performance management, reconsideration procedures, and resources for work and non-work related issues.

We noted that formalized sexual harassment training, including the handling of employee complaints, had not been provided to faculty and staff. In addition, we noted that efforts to train campus managers in other employee relations areas needed strengthening. Interviews with eight campus managers disclosed that:

- ▶ Seven were not aware of the campus reconsideration procedures, and none had received training in this area.
- ▶ Four had not attended campus training on preparing performance evaluations.
- ▶ Seven were not aware of the employee assistance program (EAP) as an additional resource for employees with both work and non-work related issues.

Executive Order (EO) No. 345, *Prohibition of Sexual Harassment*, dated June 1, 1981, states that to maintain a learning and working environment free from sexual harassment, the campuses are encouraged to educate the campus community, students, and employees regarding sexual harassment.

SAM §20050 states that the elements of a satisfactory system of internal accounting and administrative controls shall include, but are not limited to, an established system of practices to be followed in performance of duties and functions, and personnel of a quality commensurate with their responsibilities. Sound business practice mandates that a campus develop processes to ensure persons with managerial and oversight responsibilities are trained in campus and California State University (CSU) policies and other employee relations areas.

The director of human resources stated that EOIR had occasionally sponsored ad hoc individual training on matters of sexual harassment prevention and, at the present time, is developing a training unit for all staff who have been identified as contacts for filing complaints. She also stated that in the areas where training had been offered, such as preparing performance evaluations, the low participation was due to the fact that the training was not mandated.

Without adequate training, the campus is exposed to potential litigation in cases where complaints and contract-related issues are processed by untrained management personnel in a manner that is not in accordance with contract terms, campus, or CSU policies.

Recommendation 3

We recommend that the campus:

- a. Provide formalized sexual harassment training, including the handling of employee complaints, to all staff.
- b. Develop a training plan for campus managers to ensure appropriate handling of reconsideration requests, preparation of performance evaluations, and awareness of the EAP program.
- c. Develop controls to ensure manager attendance at training classes and other educational forums.

Campus Response

We concur with each of the recommendations under a, b, and c. Required quarterly management briefing/training sessions are being implemented in which the topics identified in the employee relations audit and other critical management topics will be addressed. Documentation of these efforts will be submitted no later than July 1, 2004.

- a. Formalized sexual harassment recognition, prevention, and complaint response training sessions are planned for campus-wide delivery. In addition, sexual harassment training has been presented to a student group and to monthly new employee orientation sessions since the appointment of the new EOIR director, the assistant to the president.
- b. Reconsideration process: Campus managers will be trained on the appropriate handling of reconsideration requests. In addition, this campus policy will be placed on the campus website for ongoing reference.

Preparation of performance evaluations: Required training will be provided to campus managers on the preparation of performance evaluations. In addition, the campus will continue the current process of written notification of requirements to insure that the performance evaluations are consistent with the performance evaluation guidelines.

Employee assistance program: Managers will be provided additional notices to insure that each are aware of the campus employee assistance program (EAP). Since the establishment of the EAP campus program the third party vendor has consistently reported high campus program utilization of 11% vs. the vendor's utilization norm of 4% by campus employees and their dependents. As a result, the university is confident that employees are aware of the program. However, we concur that it is important that each campus manager is knowledgeable about the services of the EAP program and how it can assist employees.

- c. The campus will develop required training workshops on a quarterly basis to address critical or mandatory issues.

COMPLAINTS AND RECONSIDERATION REQUESTS

SEXUAL HARASSMENT POLICY

The campus did not have a sexual harassment policy or procedures for handling and resolving such complaints.

SAM §20050 states that one symptom of a deficient internal control system is policy and procedural or operational manuals that are either not currently maintained or are non-existent.

The executive assistant to the president stated that, at the direction of the office of the general counsel, the campus policy was recently removed from the campus website since it did not comply with CSU policy. She also stated that in lieu of the policy, hyperlinks to the relevant CSU policies were placed on the campus website.

The absence of campus policies and procedures regarding the prohibition of sexual harassment and the handling of complaints increases the risk of potential loss to the campus and to the CSU.

Recommendation 4

We recommend that the campus revise and publish sexual harassment policies and procedures for handling complaints.

Campus Response

We concur. Plans are in development for revision and campus-wide dissemination of sexual harassment policies and complaint procedures, and are targeted for completion and implementation no later than July 1, 2004.

COMPLAINT FILES

Complaint files in EOIR were not manageable in their current state and presented a potential risk of unidentified and unresolved complaints.

We noted that:

- ▶ EOIR did not maintain a listing of open and closed complaints. Once a listing of open and closed complaints was prepared for the audit, we noted hundreds of files that were unidentifiable and labeled as “other,” as well as several files that appeared to be duplicates.
- ▶ Documentation in the complaint files was not adequate. We could not locate evidence in several files that the complaint had been resolved or addressed at any level.
- ▶ Controls were not in place to ensure that the campus complied with EO No. 675 for handling complaints where applicable.

EO No. 675, *Systemwide Complaint Procedure for Discrimination Complaints by Employees Not Eligible to File a Discrimination Complaint or Grievance Under a Collective Bargaining Agreement*, dated January 21, 1998, establishes a systemwide procedure for discrimination complaints by employees not eligible to file a discrimination complaint under a collective bargaining agreement.

SAM §20050 states the elements of a satisfactory system of internal accounting and administrative controls, shall include, but not be limited to a system of authorization and record-keeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures.

Sound business practice mandates that complaint files be maintained in a current condition with adequate supporting documentation.

The executive assistant to the president stated that the former head of EOIR had run the office very informally and that a listing of open and closed complaints had never been prepared.

Inadequate organization and control expose the campus to potential litigation making it difficult to defend claims of negligence or non-compliance with CSU policy regarding the processing of complaints.

Recommendation 5

We recommend that the campus:

- a. Maintain an accurate and comprehensive listing of open and closed complaints for the purposes of managing the files, status reporting, and ensuring accountability by office management.
- b. Take immediate action to review each of the EOIR files and determine if the complaints were resolved in accordance with CSU policy. Documentation evidencing work performed and determinations reached should be recorded in the files as appropriate.
- c. Implement controls to ensure that future complaints are appropriately documented in compliance with campus and CSU policies.

Campus Response

We concur, and note that the new assistant to the president for EOIR immediately took action to address these needs before receiving audit recommendations, and will continue to ensure full alignment of record maintenance systems with audit recommendations.

- a. Steps are underway to establish and maintain comprehensive electronic and hard data to accurately and comprehensively chronicle the status of complaints and their management and resolution. Full implementation is targeted no later than July 1, 2004.
- b. Steps have been implemented for review of all EOIR files for status indicators and subsequent response or handling. Immediate action has been taken, effective December 2003 and ongoing, to determine the status of complaints for purposes of identifying and documenting resolution or outstanding issues, including steps taken, recommendations offered, and determinations and findings reached and reported. A completed comprehensive review of the status of all existing complaint files is targeted for no later than May 1, 2004. Implementation of new procedures, systems and controls is targeted for completion no later than July 1, 2004.

- c. Steps have been implemented for the establishment of a system to chronicle and demarcate complaint files by electronic and physical means. Controls will be completely implemented no later than July 1, 2004. Steps are currently in process to appropriately, adequately, and accurately ensure documentation and file maintenance to reflect campus compliance efforts for the handling of complaints. A relevant staff person has been assigned database management training to complement creation of companion systems designed for electronic file maintenance and reporting. As part of implementing this new system, we will insure that all procedures are in compliance with Executive Order 675.

INFORMAL INVESTIGATION PROCEDURES

The campus had not developed and documented informal investigation procedures.

CSU directive Human Resources/Equal Employment Opportunity 2002-01, *Employee Discrimination Complaint Processing*, dated June 3, 2002, states that campuses should have informal investigation procedures, which detail the manner in which investigations are to occur.

The executive assistant to the president stated that the campus complaint investigation procedures were recently removed from the campus website at the direction of the office of general counsel due to their non-compliance with CSU policy. She further stated that the former assistant to the president for EOIR's primary objective to resolve issues before they escalated affected the utilization of the formal complaint procedures. As a result of the incumbent's reliance on oral consultation and mediation to mitigate problems immediately, the formal complaint procedure was less often utilized.

Without a standard to use in processing complaints, there is minimal assurance that complaints will be processed consistently, completely, and in accordance with CSU policy.

Recommendation 6

We recommend that the campus develop and document informal investigation procedures as required by CSU policy.

Campus Response

We concur. The process of developing, documenting, and disseminating informal complaint investigation procedures in compliance with CSU policy is underway and targeted for implementation no later than July 1, 2004. EOIR, in consultation with HR and faculty affairs, will recommend procedures, for review and input by campus governing bodies, prior to full implementation. In the interim, the assistant to the president for EOIR has established internal office procedures for addressing informal complaints, including alternative problem-solving approaches when the facts of employee complaints do not give rise to or compel full investigations to uncover possible discrimination.

PERFORMANCE MANAGEMENT

Staff performance evaluations were not always prepared or received by human resources.

During a review of personnel files for 20 represented and 15 non-represented employees, we noted that:

- ▶ For two applicable employees, there was no evidence on file that the evaluator had submitted a draft evaluation for the employees' review, input, and discussion.

- ▶ The campus could not provide a six-month performance evaluation for one represented probationary employee, and the campus could not provide the most recent annual performance evaluation for three represented and three non-represented employees.
- ▶ Management personnel plan (MPP) employees were not provided performance evaluations after six months of service.

Title 5 §42722 states that MPP employees shall be evaluated after six months and one year of service, and subsequently, at one-year intervals.

Article 10.3 of the California State Employees' Association bargaining agreement, for July 1, 2002, through June 30, 2005, states that a permanent employee shall be evaluated at least once each year. Article 10.4 states that a probationary employee shall be evaluated by the end of the third, sixth, and eleventh month of the probationary period, unless the employee has earlier been rejected during probation. Article 10.6 states that the evaluator shall submit a draft evaluation for the employee's review, input, and discussion.

Article 18.1.A.1. of the Academic Professionals of California bargaining agreement, for July 1, 2000, through June 30, 2003, states that employees shall be evaluated on at least an annual basis. Article 18.1.A.3. states that performance evaluations shall be prepared in draft form and a copy will be given to the employee who shall have 14 days to submit a rebuttal (if any) to the evaluator before the evaluation is finalized.

The director of human resources stated that she was unaware of the particular requirement for MPP employees. She also stated that the current evaluation form provides a section for the supervisor to check whether a draft was provided to an employee, even though there is no contract requirement that evidence of a draft evaluation be kept in the personnel file. In this regard, the director of human resources felt that the campus has complied with the spirit and letter of the collective bargaining agreements.

Without timely evaluations, employees are not provided with feedback regarding their performance and efforts to meet goals and objectives.

Recommendation 7

We recommend that the campus:

- a. Implement controls that demonstrate compliance with contract provisions regarding draft performance evaluations.
- b. Implement monitoring controls that ensure performance evaluations are received by human resources for all represented and non-represented employees.

- c. Provide six-month performance evaluations to all MPP employees and incorporate this requirement to the campus performance evaluation policy.

Campus Response

We concur with the recommendations under a, b, and c. Documentation of these efforts will be submitted no later than July 1, 2004.

Draft performance evaluations: The current performance evaluation forms do require the manager to identify the date in which the draft performance evaluations are provided to CSEA and Unit 4 employees in order to comply with the collective bargaining agreements. Managers will continue to be provided written notification of this requirement and this topic will be specifically addressed during the required management quarterly briefing/training sessions.

Performance evaluations of represented and non-represented employees: With the recent implementation of the HR CMS/Peoplesoft applications a new performance evaluation notification and tracking process has been developed and implemented. The system assists HR in assuring that managers are notified of when each employee's performance evaluation is due and tracks when the performance evaluation is completed. The reporting system includes follow-up notifications to the manager, area supervisor and vice president when performance evaluations are past due.

Six-month performance evaluations for new MPP employees: The MPP performance evaluation guidelines are being revised to include six-month performance evaluations for new MPP employees. The new CMS/Peoplesoft performance evaluation reporting system, referenced above, will be used to send out six-month notification to the supervisor, track completion of the evaluation and provide follow-up notices to the manager, area supervisor and vice president if the performance evaluation is past due.

INFORMATION SECURITY

The campus had not developed and documented policies and procedures regarding the protection of confidential employee information.

CSU directive Human Resources 2003-05, *Requirements for Protecting Confidential Employee Information*, dated March 13, 2003, states that each campus and the chancellor's office must take necessary measures to protect confidential employee personal information. Sound business practice mandates that a campus develop, document, and communicate procedures to ensure that confidential employee information is properly protected, and all employees with access to such information are properly trained in such procedures.

SAM §20050 states that one of the elements of a satisfactory system of internal control includes methods to give reasonable assurance that measures to encourage adherence to prescribed managerial polices are being followed.

The vice president of business and finance stated that a campus policy would not have been prepared because the coded memo did not require each campus to have their own written policy.

A lack of current and complete policies, procedures, and guidelines increases the risk of misunderstandings related to the performance of duties and functions and inconsistencies in complying with relevant CSU policies and/or directives.

Recommendation 8

We recommend that the campus develop policies and procedures regarding the protection of confidential employee data.

Campus Response

We concur. In addition to the controls established and in place in HR, the campus president has appointed an ad hoc task force, led by the associate vice president for information technology and assistant to the president for EOIR, to implement campus policies and procedures to ensure regulatory compliance and adequate campus controls, security measures, and crisis response. Documentation of the activities of this ad hoc task force will be submitted no later than July 1, 2004.

APPENDIX A: PERSONNEL CONTACTED

<u>Name</u>	<u>Title</u>
Marvalene Hughes	President
Denice Barr	Associate Director
Donald Bowers	Interim Associate Vice President, Faculty Affairs
David Dauwalder	Provost and Vice President of Academic Affairs
Gary Krietsch	Manager, Planning Services
Mary Kobayashi Lee	Director, Human Resources
Sylvia Lopez	Investigator/Mediator, EOIR
Susan MacDonald	Executive Assistant to the President
Steven Meadows	Supervisor, Support Services
Susana Mendoza	Administrative Support Coordinator, EOIR
Stacey Morgan-Foster	Vice President, Student Affairs
Becka Paulsen	Associate Vice President, Business and Finance
Donald Paulsen	Network Manager
Larry Plants	Interim Director and Police Chief
Lee Renner	Director, First Year Programs and Advising
Milton Richards	Director, Athletics
Ann Robinson	Senior Director, Annual Fund and Special Gifts
Mary Stephens	Vice President, Business and Finance



CALIFORNIA STATE UNIVERSITY, STANISLAUS

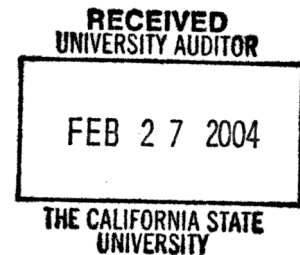
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Office of the President

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February 27, 2004

Larry Mandel, University Auditor
Office of the Chancellor
401 Golden Shore
Long Beach, CA 90802-4210



Dear Larry:

The campus response to the recent Employee Relations audit recommendations are enclosed. We appreciate the effort made to recommend areas needing improvement and assure you that all findings will be fully addressed over the next number of months.

Any questions concerning the response should be directed to Mary Kobayashi Lee at (209) 667-3351 or via email at mklee@csustan.edu.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mary Stephens'.

Mary Stephens, Vice President
Business and Finance

Enclosure

cc: Marvalene Hughes, President
Deanie Brown, Assistant to President, EO/IR
Mary Kobayashi Lee, Director of Human Resources

THE CALIFORNIA STATE UNIVERSITY

**CALIFORNIA STATE UNIVERSITY,
STANISLAUS**

**EMPLOYEE RELATIONS
AUDIT REPORT NO. 03-17**

EMPLOYEE RELATIONS ADMINISTRATION

SCOPE OF RESPONSIBILITIES

Recommendation 1

We recommend that the campus define and document the scope of responsibilities for key campus departments that receive and handle employee complaints.

Campus Response

We concur. The key departments are in the process of defining and documenting the scope of responsibilities for each area. As this process continues, Equal Opportunity and Internal Relations (EOIR) and Human Resources (HR) are individually and collectively highlighting their respective roles and scope of responsibilities in the complaint process, along with highlighting the goal of ongoing clarification, throughout campus, both in individual meetings with departments and in campus-wide workshops. In addition, documentation will be formalized outlining how employee complaints are received and handled. The documentation will be made available on the campus web site so employees may readily access the information on a 24/7 basis. Documentation of these efforts will be provided no later than July 1, 2004.

LINES OF REPORTING AUTHORITY

Recommendation 2

We recommend that lines of reporting authority be clearly defined for EOIR and formally designated by the president during this interim period and upon the appointment of a permanent supervisor.

Campus Response

We concur. During the period of the audit review the campus was in the process of conducting a nationwide search to fill the leadership role in the office of the Assistant to the President in EOIR. This process has now been completed and a new permanent supervisor has been hired establishing a clear line of reporting authority for the operation.

CAMPUS TRAINING

Recommendation 3

We recommend that the campus:

- a. Provide formalized sexual harassment training, including the handling of employee complaints, to all staff.
- b. Develop a training plan for campus managers to ensure appropriate handling of reconsideration requests, preparation of performance evaluations, and awareness of the EAP program.
- c. Develop controls to ensure manager attendance at training classes and other educational forums.

Campus Response

We concur with each of the recommendations under a, b and c. Required quarterly management briefing/training sessions are being implemented in which the topics identified in the Employee Relations audit and other critical management topics will be addressed. Documentation of these efforts will be submitted no later than July 1, 2004.

- a. **Formalized sexual harassment recognition, prevention, and complaint response training sessions are planned for campus-wide delivery. In addition, sexual harassment training has been presented to a student group and to monthly new employee orientation sessions since the appointment of the new EOIR director, the assistant to the president.**
- b. **Reconsideration process: Campus managers will be trained on the appropriate handling of reconsideration requests. In addition, this campus policy will be placed on the campus web site for ongoing reference.**

Preparation of Performance Evaluations: Required training will be provided to campus managers on the preparation of performance evaluations. In addition, the campus will continue the current process of written notification of requirements to insure that the performance evaluations are consistent with the performance evaluation guidelines.

Employee Assistance Program: Managers will be provided additional notices to insure that each are aware of the campus Employee Assistance Program (EAP). Since the establishment of the EAP campus program the third party vendor has consistently reported high campus program utilization of 11% vs. the vendor's utilization norm of 4% by campus employees and their dependents. As a result, the university is confident that employees are aware of the program. However, we concur that it is important that each campus manager is knowledgeable about the services of the EAP program and how it can assist employees.

- c. **The campus will develop required training workshops on a quarterly basis to address critical or mandatory issues.**

COMPLAINTS AND RECONSIDERATION REQUESTS

SEXUAL HARASSMENT POLICY

Recommendation 4

We recommend that the campus revise and publish sexual harassment policies and procedures for handling complaints.

Campus Response

We concur. Plans are in development for revision and campus-wide dissemination of sexual harassment policies and complaint procedures, and are targeted for completion and implementation no later than July 1, 2004.

COMPLAINT FILES

Recommendation 5

We recommend that the campus:

- a. Maintain an accurate and comprehensive listing of open and closed complaints for the purposes of managing the files, status reporting, and ensuring accountability by office management.
- b. Take immediate action to review each of the EOIR files and determine if the complaints were resolved in accordance with CSU policy. Documentation evidencing work performed and determinations reached should be recorded in the files as appropriate.
- c. Implement controls to ensure that future complaints are appropriately documented in compliance with campus and CSU policies.

Campus Response

We concur, and note that the new assistant to the president for EOIR immediately took action to address these needs before receiving audit recommendations, and will continue to ensure full alignment of record maintenance systems with audit recommendations.

- a. **Steps are underway to establish and maintain comprehensive electronic and hard data to accurately and comprehensively chronicle the status of complaints and their management and resolution. Full implementation is targeted no later than July 1, 2004.**
- b. **Steps have been implemented for review of all EOIR files for status indicators and subsequent response or handling. Immediate action has been taken, effective December 2003 and ongoing, to determine the status of complaints for purposes of identifying and documenting resolution or outstanding issues, including steps taken, recommendations offered, and determinations and findings reached and reported. A completed comprehensive review of the status of all existing complaint files is targeted for no later than May 1, 2004. Implementation of new procedures, systems and controls is targeted for completion no later than July 1, 2004.**

- c. **Steps have been implemented for the establishment of a system to chronicle and demarcate complaint files by electronic and physical means. Controls will be completely implemented no later than July 1, 2004. Steps are currently in process to appropriately, adequately, and accurately ensure documentation and file maintenance to reflect campus compliance efforts for the handling of complaints. A relevant staff person has been assigned data base management training to complement creation of companion systems designed for electronic file maintenance and reporting. As part of implementing this new system, we will insure that all procedures are in compliance with Executive Order 675.**

INFORMAL INVESTIGATION PROCEDURES

Recommendation 6

We recommend that the campus develop and document informal investigation procedures as required by CSU policy.

Campus Response

We concur. The process of developing, documenting, and disseminating informal complaint investigation procedures in compliance with CSU policy is underway and targeted for implementation no later than July 1, 2004. EOIR, in consultation with HR and Faculty Affairs, will recommend procedures, for review and input by campus governing bodies, prior to full implementation. In the interim, the assistant to the president for EOIR has established internal office procedures for addressing informal complaints, including alternative problem-solving approaches when the facts of employee complaints do not give rise to or compel full investigations to uncover possible discrimination.

PERFORMANCE MANAGEMENT

Recommendation 7

We recommend that the campus:

- a. **Implement controls that demonstrate compliance with contract provisions regarding draft performance evaluations.**
- b. **Implement monitoring controls that ensure performance evaluations are received by human resources for all represented and non-represented employees.**
- c. **Provide six-month performance evaluations to all MPP employees and incorporate this requirement to the campus performance evaluation policy.**

Campus Response

We concur with the recommendations under a, b and c. Documentation of these efforts will be submitted no later than July 1, 2004.

Draft Performance Evaluations: The current performance evaluation forms do require the manager to identify the date in which the draft performance evaluations are provided to CSEA and Unit 4 employees in order to comply with the collective bargaining agreements. Managers will continue to be provided written notification of this requirement and this topic will be specifically addressed during the required management quarterly briefing/training sessions.

Performance Evaluations of represented and non-represented employees: With the recent implementation of the HR CMS/Peoplesoft applications a new performance evaluation notification and tracking process has been developed and implemented. The system assists HR in assuring that managers are notified of when each employee's performance evaluation is due and tracks when the performance evaluation is completed. The reporting system includes follow-up notifications to the manager, area supervisor and vice president when performance evaluations are past due.

Six-month performance evaluations for new MPP employees: The MPP Performance Evaluation guidelines are being revised to include six-month performance evaluations for new MPP employees. The new CMS/Peoplesoft performance evaluation reporting system, referenced above, will be used to send out six-month notification to the supervisor, track completion of the evaluation and provide follow-up notices to the manager, area supervisor and vice president if the performance evaluation is past due.

INFORMATION SECURITY

Recommendation 8

We recommend that the campus develop policies and procedures regarding the protection of confidential employee data.

Campus Response

We concur. In addition to the controls established and in place in HR, the campus president has appointed an ad hoc task force, led by the associate vice president for information technology and assistant to the president for EOIR, to implement campus policies and procedures to ensure regulatory compliance and adequate campus controls, security measures, and crisis response. Documentation of the activities of this ad hoc task force will be submitted no later than July 1, 2004.

THE CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR

BAKERSFIELD

March 19, 2004

CHANNEL ISLANDS

CHICO

MEMORANDUM

DOMINGUEZ HILLS

FRESNO

FULLERTON

TO: Mr. Larry Mandel
University Auditor

HAYWARD

FROM: Charles B. Reed
Chancellor

HUMBOLDT

LONG BEACH

SUBJECT: Draft Final Report Number 03-17 on *Employee Relations*,
California State University, Stanislaus

LOS ANGELES

MARITIME ACADEMY

MONTEREY BAY

In response to your memorandum of March 19, 2004, I accept the response as submitted with the draft final report on *Employee Relations*, California State University, Stanislaus.

NORTHRIDGE

POMONA

SACRAMENTO

CBR/bth

SAN BERNARDINO

Enclosure

SAN DIEGO

cc: Dr. Marvalene Hughes, President

SAN FRANCISCO

SAN JOSE

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAUS