

HUMAN RESOURCES
CALIFORNIA STATE UNIVERSITY,
SACRAMENTO

Report Number 04-26
November 19, 2004

Members, Committee on Audit

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ABBREVIATIONS

APC	Academic Professional of California
CFA	California Faculty Association
CFR	Code of Federal Regulations
CSU	California State University
CSUS	California State University, Sacramento
CTO	Compensatory Time Off
FML	Family Medical Leave
HEERA	Higher Education Employee Relations Act
HIPAA	Health Insurance Portability and Accountability Act
HR	Human Resources
IRCA	Immigration Reform and Control Act
MPP	Management Personnel Plan
PIMS	Personnel/Payroll Management Information System

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 2004 meeting, directed that *Human Resources* be reviewed.

We visited the California State University, Sacramento campus from May 10, 2004, through June 18, 2004, and audited the procedures in effect at that time.

In our opinion, the administration and management of the human resources function provided effective controls, such as well documented policies, procedures, and guidelines in the recruitment area, comprehensive training programs for the recruitment and hiring of faculty and staff personnel, a high awareness of the need to maintain the confidentiality of employee information, and comprehensive websites for sharing important employment information. However, the controls that ensure compliance with certain campus and systemwide operating standards needed to be strengthened.

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, SELECTION, AND HIRING [6]

Campus recruitment files were not always properly documented to evidence compliance with related policies and procedures. Specifically, evidence that a draft of the vacancy announcement, the text for job advertisements, and the search committee's recruitment strategies were reviewed and approved by appropriate campus personnel could not be located for all tenure-track searches reviewed, and documentation was not found in staff recruitment files to show that professional references and educational qualifications of job applicants were verified. In addition, payroll files and/or required payroll documentation for special consultants were not always maintained, and employment eligibility and professional license, certification, and registration requirements were not reverified for applicable campus employees, nor were policies and procedures in place for these areas.

COMPENSATION, BENEFITS, AND EMPLOYEE PROGRAMS [11]

Administration of family medical leave (FML) requests was in need of improvement. A review of FML files for 15 employees disclosed that for ten employees, the FML entitlement period was incorrectly calculated as 13 rather than 12 workweeks, one of three applicable employees did not exhaust their personal holiday, accumulated vacation, and/or compensatory time off prior to beginning the unpaid leave, and there were no written procedures for handling these requests. Additionally, campus practices did not always ensure that fee waiver amounts were properly calculated.

INFORMATION SECURITY [13]

The protection of confidential employee information needed improvement. Specifically, the campus did not have a comprehensive policy regarding the confidentiality and safeguarding of this information, and campus managers and other persons with access to confidential employee information were not provided stand-alone training in this area.

INTRODUCTION

BACKGROUND

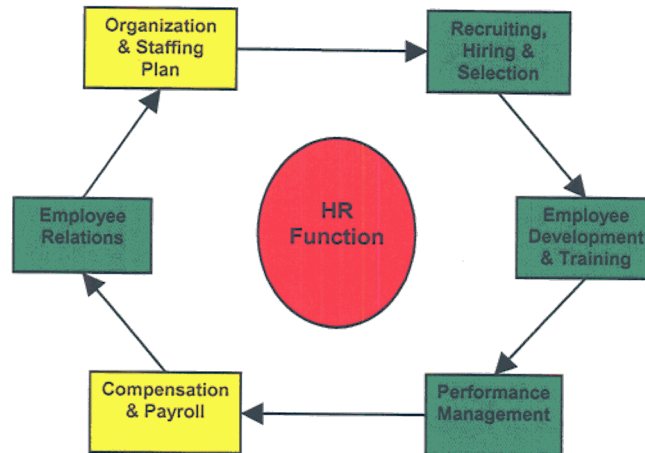
Human resources management is organizing, guiding, providing resources for, and interacting with employees. To be effective, the human resources function must be aligned with the organization's goals and objectives and administered in a manner that meets extensive legal and regulatory challenges. At the California State University (CSU), the human resources management function is a shared responsibility between the chancellor's office and the campuses to:

- ▶ Plan for the movement of people into, within, and out of employment with the university.
- ▶ Recruit and select personnel with the appropriate skills, knowledge, and abilities.
- ▶ Train and develop staff members to enhance their capabilities.
- ▶ Provide compensation and benefits that attract, motivate, and retain talented employees.
- ▶ Appraise and report employee performance to identify areas that need improvement and provide positive reinforcement for effective performance.
- ▶ Maintain effective employee relations.
- ▶ Provide for employees' safety by minimizing the risk of illness and injury in the workplace.

As a state agency and a recipient of federal funds, the CSU must perform its human resources management responsibilities within legal constraints imposed by the government. In addition to Board of Trustee policies, the university must comply with major federal and state laws that govern human resources management practices and address equality and fairness in the workplace. Such laws include, but are not limited to, Title VII of the Civil Rights Act of 1964, the Equal Pay Act of 1963, the Age Discrimination in Employment Act, the Vietnam Veteran's Readjustment Act of 1974, and the Americans with Disabilities Act of 1990. As a result of the Higher Education Employee Relations Act (HEERA) of 1979, human resources management activities must also be performed within the parameters of collective bargaining and negotiated union contracts.

Human resources management activities rely on effective information management systems for operational efficiencies and controls; however, one of the major advantages of such systems is also a potential liability. As part of their job responsibilities, employees have access to information that can be useful for decision-making; however, most of that information needs to remain private and is presently regulated by such laws as the Information Practices Act of 1977, the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and the Board of Trustees' own policies for personal information management.

In fiscal year 2002/03, the CSU expended approximately \$2.8 billion (or 64 percent of total operating expenses) on salary and benefits for faculty and staff. Because of this investment, the university remains accountable for implementing a dynamic human resources function that attracts and maintains qualified personnel. For the scope of this audit, we will review components of the following human resources management activities:



PURPOSE

Our overall audit objective was to ascertain the effectiveness of existing policies and procedures related to the administration of the human resources 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 determining whether:

Administration and management of the human resources 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 communication of CSU and campus policies and federal and state laws and regulations in the employment area.
- ▶ Employees are sufficiently apprised of acceptable business practices and expected standards of ethical and moral behavior and report conflict of interest situations.
- ▶ Recruitment, selection, hiring, and appointment activities are properly authorized, ensure employment eligibility, and comply with state and federal laws and regulations and collective bargaining agreements.
- ▶ Professional licenses, certificates, and/or registration requirements for applicable employees are properly maintained.

- ▶ Employee compensation and benefit requests are properly authorized, timely processed, and comply with applicable collective bargaining agreements as well as campus and CSU policy.
- ▶ Managers, supervisors, and other persons involved in recruiting and interviewing staff and processing employee compensation, benefits, and program requests are appropriately trained and knowledgeable of assigned human resources responsibilities, including the protection of confidential employee information.
- ▶ Confidential hard-copy and system information, such as information pertaining to recruitment, selection, and hiring activities, and compensation and benefit requests are reasonably secure.

SCOPE AND METHODOLOGY

The proposed scope of the audit, as presented in Attachment B, Audit Item 2 of the January 27-28, 2004, meeting of the Committee on Audit, stated that the review would include compliance with employment laws and regulations, position classification/compensation, advertising for prospective employees, employee training, and programs for employee benefit administration. The Office of the University Auditor has not previously reviewed *Human Resources*.

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 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 2003/04. Throughout this report, we will refer to human resources as the primary audit subject. At California State University, Sacramento, the vice president of human resources and other responsible individuals administer the human resources function.

We focused primarily upon internal, administrative, compliance, and operational controls over the management of the human resources function. Specifically, we reviewed and tested:

- ▶ Administrative policies, procedures, and processes.
- ▶ Communication of CSU policies and other directives.
- ▶ Conflict of interest forms and training programs.
- ▶ Recruitment, selection, and hiring activities for faculty and staff, including training processes.
- ▶ Administration of compensation, benefits, and employee programs.
- ▶ Maintenance and protection of confidential human resources information.

OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

RECRUITMENT, SELECTION, AND HIRING

FACULTY AND STAFF FILES

Campus recruitment files were not always properly documented to evidence compliance with related policies and procedures.

As a result of our review of five tenure-track searches, we found that:

- ▶ The responsible search committee coordinator could not locate the recruitment file for one of the searches.
- ▶ For two searches, the campus could not provide evidence that the draft of the vacancy announcement, text for job advertisements, and the search committee's recruitment strategies were reviewed and approved by the appropriate administrator prior to the search.

As a result of our review of recruitment and/or official personnel files for 12 represented and five Management Personnel Plan (MPP) employees, we found that the campus could not provide evidence that:

- ▶ Professional references were verified for eight represented employee searches.
- ▶ Educational qualifications were verified for one MPP employee.
- ▶ Verification of the employee's driver's license was performed for two of seven applicable represented employees.
- ▶ Applicants were notified if they were not considered a finalist for eight represented and two MPP employee searches.

Lastly, we noted that the Process Summary form, which includes preemployment information, was maintained in the faculty official personnel files. Official personnel files are available to employees for review upon written request. Preemployment information on the selection and hiring process should be maintained in a separate file and should not be available to the employee for review.

California State University, Sacramento (CSUS) *Guidelines for Full-Time Faculty Recruitment*, dated July 2003, states that all applications/resumes and information and materials received from applicants should be retained by the department for a minimum of three years, and that the recruitment package (which includes the Request to Advertise form, draft of the vacancy announcement, text for journal ads, and recruitment strategies) should be forwarded to the college dean for review and approval.

CSUS Staff Employment Process at CSUS, dated November 2003, states that the committee will do reference checks on final candidates using preapproved reference questions.

Education Code §89546 states that every employee shall have the right to access reports, documents, correspondence and other material that pertain to the employee upon written request. Preemployment information is excluded from the requirements of this section.

The associate vice president of human resources/faculty affairs stated that the department with the missing applicant files was fairly new and had not performed many faculty recruitments. She also stated that the Process Summary forms were kept in the faculty personnel files, due to their important nature and the human resources (HR) department's need to access them should questions about the search arise. The associate vice president of human resources/staff affairs further stated that the exceptions were due to oversights.

Failure to properly document recruitment files could hinder the campus' ability to respond to potential complaints of discriminatory practices.

Recommendation 1

We recommend that the campus:

- a. Implement monitoring controls to ensure that campus files evidence campus administrative approvals of draft vacancy announcements, text for job advertisements, and search committee recruitment strategies.
- b. Strengthen direction to hiring managers for maintaining recruitment documentation in department files. Such documentation should include, but not be limited to, evidence that professional references and educational qualifications were verified, and appropriate communications regarding the status of selection were made with the applicants.
- c. Ensure that verification of applicable employees' driver's licenses is performed.
- d. Evaluate the practice for maintaining the Process Summary forms in the official faculty personnel files.

Campus Response

We concur. The campus will implement the following actions.

- a. By July 1, 2005, the office of human resources will establish a schedule of periodic audits on randomly selected recruitment files to ensure compliance with existing procedures. These periodic audits will commence during the next fiscal year.
- b. The campus will add information to search committee procedures on the need to retain recruitment information, as well as to verify educational qualifications and reference checks.

Additionally, the campus will amend the Process Summary form to provide verification for reference checking and educational qualifications. These actions will be accomplished by July 1, 2005.

- c. Effective February 7, 2005, the office of human resources will verify applicable employees' driver's licenses during the orientation phase of the hiring process for staff hires. This verification will be documented on a form signed by HR staff.

A process for verifying driver's license information for management or faculty hires will be implemented by July 1, 2005.

- d. By July 1, 2005, the campus will evaluate its current practice of maintaining Process Summary forms in the faculty official personnel file, and make a determination regarding the appropriate location of these forms.

SPECIAL CONSULTANTS

The campus did not always maintain payroll files and/or related payroll documents for special consultants.

We reviewed the personnel and payroll files for five special consultants and found that the campus could not provide:

- ▶ A payroll file or required payroll documents for one consultant, while payroll documents for another consultant were incomplete.
- ▶ The I-9 forms for three special consultants.

CSUS Policies and Procedures for Obtaining and Compensating Individuals for Personal Services as Special Consultants and Independent Contractors, dated October 1, 1990, states that consultants who are new to CSUS, or are returning from a break of six months or more, must complete the following documents in the payroll office within three days of the effective date of their appointment or on the first day of employment if the appointment is for less than three days: Employment Appointment form, Employee Action Request form, and the I-9 Immigration form.

The *Immigration Reform and Control Act (IRCA) of 1986* states that all employees, citizens, and non-citizens are required to complete Form I-9 employment eligibility verifications at the beginning of employment. It further states that the employer is responsible for ensuring completion of the entire form.

The payroll manager stated that inadequate controls over the in-processing of new special consultants contributed to the missing information.

Inadequate control over the hiring of special consultants increases the risk of non-compliance with campus and California State University (CSU) policies, and state and federal laws and regulations.

Recommendation 2

We recommend that the campus ensure that special consultant files are sufficiently documented and maintained.

Campus Response

We concur. Effective July 1, 2004, the hiring paperwork for special consultants is maintained in the payroll office in a separate file from the monthly timesheets. The hiring paperwork will be retained, and only the timesheets will continue to be sent to archives according to the campus record retention schedule. The I-9 forms completed for special consultants have been maintained with the I-9 forms completed for all other employees.

EMPLOYMENT ELIGIBILITY

Employment eligibility was not routinely reverified for employees subject to Form I-9 of IRCA. In addition, policies and procedures were not in place to cover this requirement.

We reviewed ten employees for employment eligibility and found that six of the employees had expired visas on file that had not been reverified. We also found that there was no policy requiring a review of employment eligibility after the initial verification had been done as a part of the hiring process.

CSU directive HR 94-28, *Employment Eligibility Verification Procedure*, dated October 14, 1994, states that a campus must conduct a procedure to reverify an employee's continuing work authorization prior to the expiration date listed in Section 1 of Form I-9.

The payroll manager stated that the campus was updating current employment eligibility records to ensure compliance with IRCA. She also stated that in summer 2004 the campus would install a software package to track employment visas and provide reporting capabilities.

Failure to reverify employment eligibility can subject the campus to monetary penalties and/or other sanctions as set forth in IRCA.

Recommendation 3

We recommend that the campus develop policies and procedures and implement controls for reverifying employment of those subject to IRCA requirements.

Campus Response

We concur. Since the beginning of the fall 2004 semester, non-resident alien employees' visa information is recorded in the *Glacier* application. This application produces monthly reports to notify the payroll office of expiration dates related to work authorization documents. Selected payroll technicians are responsible for contacting employees to obtain current work authorization

documents, and for updating the employees' records in *Glacier*. By March 1, 2005, a procedural memorandum will be issued to payroll technicians documenting their responsibility for this process.

PROFESSIONAL LICENSE, CERTIFICATION, AND REGISTRATION REQUIREMENTS

The administration of requirements related to professional licenses, certifications, and registrations needed improvement.

Professional licenses, certifications, and California driver's licenses had not been reverified or updated in Personnel/Payroll Management Information System (PIMS) for ten of ten employees, nor were policies and procedures in place for this area.

CSU directive HR 2003-26, *MPP: Special License, Certification, and Registration Requirements*, dated December 11, 2003, states that campuses are responsible for monitoring MPP positions that require any special license, certification, and/or registration requirements and for ensuring incumbents possess the appropriate related qualifications.

The vice president of human resources stated that new responsibilities have been defined regarding professional licenses, certifications, and registration requirements. He further stated that the new responsibilities require the payroll department to reverify the licenses, while faculty and staff affairs will perform the initial verification upon hire and input the information into PIMS and PeopleSoft.

Insufficient monitoring of license, certification, and/or registration requirements increases the risk of non-compliance with internal qualification and external agency requirements, and the possible retention of unqualified or unskilled personnel.

Recommendation 4

We recommend that the campus review the list of employees with professional licenses, certifications, and driver's licenses on a periodic basis and perform prompt follow-up on potential expired items.

Campus Response

We concur. Effective July 1, 2004, the monthly review of the listing of professional licenses was assigned to the payroll supervisor. The payroll technicians are responsible for notifying departments of potential expiration dates, and for updating the employees' records in PIMS with the new information on a monthly basis.

COMPENSATION, BENEFITS, AND EMPLOYEE PROGRAMS

FAMILY MEDICAL LEAVE

Administration of family medical leave (FML) requests was in need of improvement.

Our review of FML files for 15 employees found that:

- ▶ There were no written procedures for handling FML requests.
- ▶ For ten employees, the FML entitlement period was incorrectly calculated as 13 rather than 12 workweeks.
- ▶ One of three applicable employees did not exhaust their personal holiday, accumulated vacation, and/or compensatory time off (CTO) prior to the beginning of the unpaid leave.

Code of Federal Regulations (CFR) Title 29, Part 825, *The Family and Medical Leave Act of 1993*, §825.100(a), effective February 5, 1993, states that an eligible employee shall be entitled to a total of 12 workweeks of leave during any 12-month period.

Government Code §13402 and §13403 state that management is responsible for establishing and maintaining a system of internal administrative controls, which includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions. Further, a satisfactory system of internal administrative controls shall include, but not be limited to, an established system of practices to be followed in performance of duties and functions.

CSU HR 99-05, *Revised CSU Family Medical Leave Policy*, dated May 7, 1999, states that employees must exhaust their personal holiday, any accumulated vacation, and CTO leave credits prior to beginning unpaid leave. The maximum leave is 12 weeks in a 12-month period. The CSU calculates the 12-month period on a forward-rolling basis — the period is measured from the date the employee's first FML leave begins.

The manager of disability leaves stated that state and federal laws and regulations, CSU coded memoranda, and the collective bargaining agreements are used as policy and that written procedures do not exist since the same person has handled FML for years. She also stated that, in order to simplify the process, the entitlement period was calculated as roughly three months, which, in most cases, was 13 workweeks, and that not ensuring that personal holidays, accumulated vacation, and CTO were taken prior to the leaves was an oversight.

Inadequate control over the administration and handling of employee benefits increases the risk of poor staff morale and non-compliance with collective bargaining agreements, campus and CSU policy, and state and federal laws and regulations.

Recommendation 5

We recommend that the campus:

- a. Develop written protocols for handling FML requests.
- b. Ensure that FML requests are administered in accordance with CSU policies and state and federal laws and regulations.

Campus Response

We concur. Written protocols for handling FML requests will be developed and distributed by July 1, 2005. During January 2005, workload processing was again discussed with the FML manager to ensure that FML requests will be administered in accordance with applicable system policies and federal state laws and regulations, particularly in the areas of employee eligibility and calculation of time.

EMPLOYEE FEE WAIVERS

Campus practices did not always ensure that employee fee waiver amounts were properly calculated.

We reviewed the employee fee waiver files for 15 employees and found that for two California Faculty Association (CFA) employees, one Academic Professional of California (APC), and one MPP employee, the fee waiver amount was incorrectly calculated.

CSU HR/Benefits 2004-06, *CSU Employee Fee Waiver and Reduction Program*, dated January 30, 2004, states that CFA employees receive a dependent fee waiver for the health services fee, MPP employees receive a dependant fee waiver for the health services fee and a reduction of the student union and facilities fee, and APC employees receive a dependent fee reduction of the student union and facilities fee.

The campus training coordinator stated that student financial services calculates and applies fee waivers to student billings and that the miscalculation of the fee waivers was a result of the department using outdated and incorrect fee waiver information from the chancellor's office.

Inadequate administration of the employee fee waiver program increases the risk of inaccurate benefit payments.

Recommendation 6

We recommend that the campus increase communication between the various departments involved in the fee waiver program to ensure that the appropriate fees are waived for all participating employees.

Campus Response

We concur. Meetings will be held at least twice annually with representatives from the various departments involved with the employee fee waiver program to share current information. These meetings will commence during the spring 2005 semester.

INFORMATION SECURITY

The protection of confidential employee information needed improvement.

We noted that:

- ▶ The campus did not have a comprehensive policy regarding the confidentiality and safeguarding of employee information.
- ▶ Campus managers and other persons with access to confidential employee information were not provided stand-alone training that was solely dedicated to this area.

CSU directive HR 2004-08, *Requirements for Protecting Confidential Employee Data*, dated March 1, 2004, states that each campus and the chancellor's office must take necessary steps to protect confidential employee personal information, which includes, but is not limited to, social security number, ethnicity, gender, home address, physical description, home telephone number, medical history, and performance evaluations. The policy also states that to protect confidential employee data, each campus and the chancellor's office must ensure that all employees with access to confidential employee information have a legitimate CSU need to have such access and that these employees must understand the responsibility they have under the Information Practices Act and Title 5 to protect sensitive employee information.

The vice president of human resources stated that campus managers and other persons with access to confidential employee information had been apprised of the importance of protecting confidential information during recruitment workshops and general trainings; however, the campus had not developed a comprehensive policy or stand-alone training program.

Inadequate control over confidential employee information and staff training increases the risk of loss, theft, or unauthorized access to and disclosure of confidential employee information, poor employee morale, and potential lawsuits against the campus and the CSU.

Recommendation 7

We recommend that the campus:

- a. Develop a policy regarding the confidentiality and safeguarding of employee information.

- b. Develop and implement a stand-alone training program that includes, but is not limited to, information on the state and federal laws and university policies that govern access to and use of information contained in employee and applicant records, including data that is accessible through computerized systems.

Campus Response

We concur. Effective September 28, 2004, policies regarding confidentiality and safeguarding of employee information have been developed, approved by the president, and posted on the campus website. Additionally, the campus will develop and implement a stand-alone training program by July 1, 2005.

APPENDIX A: PERSONNEL CONTACTED

<u>Name</u>	<u>Title</u>
Alexander Gonzalez	President
Barbara Alvarado	Administrative Analyst
Nicole Baldasare	Administrative Support Coordinator
Ken Barnett	Director of Public Safety
Fran Baxter-Guigli	Director, Development Operations
Anita Bird	Administrative Support Coordinator
Margaret Blair	Manager, Classification and Compensation
Roberta Ching	Director, Learning Skills Center
Joanne Davis	Manager, Disability Leaves
Stephen Garcia	Vice President for Administration
Shari Gonzalez	Administrative Support Coordinator
Leticia Guerrero	Payroll Supervisor
Lisa Hall	Director of Administrative and Customer Services
Kim Harrington	Training Coordinator
Ann Marie Henriouille	Administrative Support Coordinator
Jackie F. Kernan	Administrative Analyst/Specialist
Mae Ling Kong	Confidential Office Support
Peter Lau	Affirmative Action/Equal Employment Opportunity
Clint Lee	Business Systems Manager
Priscilla Llamas-McKaughan	Administrative Support Coordinator
Jan Lopez	Administrative Support Coordinator
Kathi McCoy	Director, Auditing Services
Lee McNiece	Administrative Support Coordinator
Teresa Mills	Payroll Manager
Sheila Orman	Associate Vice President of Human Resources/Faculty Affairs
Elizabeth Redmond	Manager, Staff Employment/Classification/Compensation
Katy Romo	Administrative Analyst/Specialist
Doni Santinello	Faculty Hiring Coordinator
Fran Sato	Associate Vice President of Human Resources/Staff Affairs
David Wagner	Vice President for Human Resources



CALIFORNIA STATE UNIVERSITY, SACRAMENTO

OFFICE OF THE VICE PRESIDENT FOR ADMINISTRATION

January 18, 2005

Larry Mandel
University Auditor
The California State University
401 Golden Shore
Long Beach, CA 90802-4210

**RECEIVED
UNIVERSITY AUDITOR**

JAN 20 2005

**THE CALIFORNIA STATE
UNIVERSITY**

Subject: Campus Responses to Audit Report
Human Resources 04-26

Dear Mr. Mandel:

Attached for your consideration and acceptance are campus responses to the recommendations of the Human Resources Audit, #04-26, dated November 19, 2004, for California State University, Sacramento. The campus is committed to addressing and resolving the issues identified in the audit report.

Please contact Kathi McCoy, Director of Auditing Services, if we can be of further assistance. She may be reached by email at mccoyk@csus.edu or by telephone at (916) 278-7439.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen G. Garcia".

Stephen G. Garcia
Vice President for Administration

Attachment

cc: A. Gonzalez
K. McCoy
D. Wagner

6000 J Street, Sacramento, California 95819-6038 • (916) 278-6312 • (916) 278-5783 FAX

HUMAN RESOURCES
CALIFORNIA STATE UNIVERSITY,
SACRAMENTO

Report Number 04-26

RECRUITMENT, SELECTION, AND HIRING

FACULTY AND STAFF FILES

Recommendation 1

We recommend that the campus:

- a. Implement monitoring controls to ensure that campus files evidence campus administrative approvals of draft vacancy announcements, text for job advertisements, and search committee recruitment strategies.
- b. Strengthen direction to hiring managers for maintaining recruitment documentation in department files. Such documentation should include, but not be limited to, evidence that professional references and educational qualifications were verified, and appropriate communications regarding the status of selection were made with the applicants.
- c. Ensure that verification of applicable employees' driver's licenses is performed.
- d. Evaluate the practice for maintaining the Process Summary forms in the faculty official personnel files.

Campus Response

We concur. The campus will implement the following actions.

- a. By July 1, 2005, the Office of Human Resources will establish a schedule of periodic audits on randomly selected recruitment files to ensure compliance with existing procedures. These periodic audits will commence during the next fiscal year.
- b. The campus will add information to search committee procedures on the need to retain recruitment information, as well as to verify educational qualifications and reference checks. Additionally, the campus will amend the process summary form to provide verification for reference checking and educational qualifications. These actions will be accomplished by July 1, 2005.
- c. Effective February 7, 2005, the Office of Human Resources will verify applicable employees' driver's licenses during the orientation phase of the hiring process for staff hires. This verification will be documented on a form signed by HR staff.

A process for verifying driver's license information for management or faculty hires will be implemented by July 1, 2005.

- d. By July 1, 2005, the campus will evaluate its current practice of maintaining process summary forms in the faculty official personnel file, and make a determination regarding the appropriate location of these forms.

SPECIAL CONSULTANTS

Recommendation 2

We recommend that the campus ensure that special consultant files are sufficiently documented and maintained.

Campus Response

We concur. Effective July 1, 2004, the hiring paperwork for special consultants is maintained in the Payroll Office in a separate file from the monthly timesheets. The hiring paperwork will be retained, and only the timesheets will continue to be sent to archives according to the campus record retention schedule. The I-9 forms completed for special consultants have been maintained with the I-9 forms completed for all other employees.

EMPLOYMENT ELIGIBILITY

Recommendation 3

We recommend that the campus develop policies and procedures and implement controls for reverifying employment of those subject to IRCA requirements.

Campus Response

We concur. Since the beginning of the Fall 2004 semester, non resident alien employees' visa information is recorded in the *Glacier* application. This application produces monthly reports to notify the Payroll Office of expiration dates related to work authorization documents. Selected Payroll Technicians are responsible for contacting employees to obtain current work authorization documents, and for updating the employees' records in *Glacier*. By March 1, 2005, a procedural memorandum will be issued to payroll technicians documenting their responsibility for this process.

PROFESSIONAL LICENSE, CERTIFICATION, AND REGISTRATION REQUIREMENTS

Recommendation 4

We recommend that the campus review the list of employees with professional licenses, certifications, and driver's licenses on a periodic basis and perform prompt follow-up on potential expired items.

Campus Response

We concur. Effective July 1, 2004, the monthly review of the listing of professional licenses was assigned to the Payroll Supervisor. The Payroll Technicians are responsible for notifying departments of potential expiration dates, and for updating the employees' records in PIMS with the new information on a monthly basis.

COMPENSATION, BENEFITS, AND EMPLOYEE PROGRAMS**FAMILY MEDICAL LEAVE****Recommendation 5**

We recommend that the campus:

- a. Develop written protocols for handling FML requests.
- b. Ensure that FML requests are administered in accordance with CSU policies and state and federal laws and regulations.

Campus Response

We concur. Written protocols for handling FML requests will be developed and distributed by July 1, 2005. During January 2005, workload processing was again discussed with the FML manager to ensure that FML requests will be administered in accordance with applicable system policies and federal state laws and regulations, particularly in the areas of employee eligibility and calculation of time.

EMPLOYEE FEE WAIVERS**Recommendation 6**

We recommend that the campus increase communication between the various departments involved in the fee waiver program to ensure that the appropriate fees are waived for all participating employees.

Campus Response

We concur. Meetings will be held at least twice annually with representatives from the various departments involved with the employee fee waiver program to share current information. These meetings will commence during the Spring 2005 semester.

INFORMATION SECURITY

Recommendation 7

We recommend that the campus:

- a. Develop a policy regarding the confidentiality and safeguarding of employee information.
- b. Develop and implement a stand-alone training program that includes, but is not limited to, information on the state and federal laws and university policies that govern access to and use of information contained in employee and applicant records, including data that is accessible through computerized systems.

Campus Response

We concur. Effective September 28, 2004, policies regarding confidentiality and safeguarding of employee information have been developed, approved by the President, and posted on the campus Web site. Additionally, the campus will develop and implement a stand-alone training program by July 1, 2005.



THE CALIFORNIA STATE UNIVERSITY

 OFFICE OF THE CHANCELLOR

BAKERSFIELD

January 26, 2005

CHANNEL ISLANDS

CHICO

DOMINGUEZ HILLS

MEMORANDUM

FRESNO

FULLERTON

TO: Mr. Larry Mandel
University Auditor

HAYWARD

FROM: Charles B. Reed
Chancellor

HUMBOLDT

LONG BEACH

SUBJECT: Draft Final Report Number 04-26 on *Human Resources*,
California State University, Sacramento

LOS ANGELES

MARITIME ACADEMY

MONTEREY BAY

In response to your memorandum of January 26, 2005, I accept the response as submitted with the draft final report on *Human Resources*, California State University, Sacramento.

NORTHRIDGE

POMONA

SACRAMENTO

CBR/aml

SAN BERNARDINO

Enclosure

SAN DIEGO

cc: Dr. Alexander Gonzalez, President
Ms. Kathi McCoy, Director, Auditing Services

SAN FRANCISCO

SAN JOSE

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAUS