

Audit and Advisory Services
401 Golden Shore
Long Beach, CA 90802-4210

July 29, 2021

Mr. Framroze M. Virjee, President
California State University, Fullerton
800 N. State College Boulevard
Fullerton, CA 92834

Dear Mr. Virjee:

**Subject: Audit Report 20-23, Faculty Assigned Time and Additional Employment,
California State University, Fullerton**

We have completed an audit of *Faculty Assigned Time and Additional Employment* as part of our 2020-2021 Audit Plan, and the final report is attached for your reference. The audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

I have reviewed the management response and have concluded that it appropriately addresses our recommendations. The management response has been incorporated into the final audit report, which will be posted to Audit and Advisory Services' website. We will follow-up on the implementation of corrective actions outlined in the response and determine whether additional action is required.

Any observations not included in this report were discussed with your staff at the informal exit conference and may be subject to follow-up.

I wish to express my appreciation for the cooperation extended by the campus personnel over the course of this review.

Sincerely,



Vlad Marinescu
Vice Chancellor and Chief Audit Officer

c: Joseph I. Castro, Chancellor
Adam Day, Chair, Committee on Audit
Jane W. Carney, Vice Chair, Committee on Audit

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**FACULTY ASSIGNED TIME
AND ADDITIONAL EMPLOYMENT**

**California State University,
Fullerton**

Audit Report 20-23
July 29, 2021

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of operational and administrative controls related to faculty assigned time and additional employment (FATAE) and to ensure compliance with relevant federal and state regulations, Trustee policy, Office of the Chancellor (CO) directives, and campus procedures.

CONCLUSION

Based upon the results of the work performed within the scope of the audit, except for the weaknesses described below, the operational and administrative controls for faculty assigned time (AT), additional employment (AE), and sabbatical leave (SL) as of March 26, 2021, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

Overall, we found that AE records were not consistently maintained or provided, did not comply with the Unit 3 Collective Bargaining Agreement (CBA), and were not approved before the work started. We also found that workload was not adequately monitored to ensure that faculty members did not exceed 25 percent of their normal full-time workload, and the campus had not established written procedures for AE assignments. For AT work assignments, we found that records were not consistently maintained or were incomplete and did not include an appropriate description of the job to be performed, the number of weighted teaching units (WTU) assigned, and formal approval. Also, after-the-fact evaluations for indirect AT were not consistently performed, and the campus did not always comply with requirements related to excess enrollment. Additionally, the campus did not establish written procedures for AT work assignments, and administrative oversight of AT was inconsistent among colleges.

Specific observations, recommendations, and management responses are detailed in the remainder of this report.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. ADDITIONAL EMPLOYMENT

OBSERVATION

Administration of AE needed improvement.

Specifically, we found that:

- AE records were not consistently maintained or provided, and AE assignments did not comply with the Unit 3 CBA or were not approved before the work started.
- AE assignments related to special consultant or stipend payments of \$500 or less did not require a formal agreement or contract.
- The campus had not established written procedures for AE that included clearly defined roles and responsibilities.
- Faculty workloads were not adequately monitored to ensure that AE assignments did not represent additional workload that would exceed 25 percent of a faculty member's normal full-time workload, as outlined in the Unit 3 CBA and the CO *Additional Employment Policy*.

For the spring and fall 2019 semesters, the campus paid approximately \$1,305,000 and \$1,426,000 for AE to 387 and 398 faculty members, respectively. For the spring and fall 2020 semesters, the campus paid about \$1,426,000 and \$1,234,000 to 348 and 302 faculty members, respectively.

The process for granting AE assignments was completed online in the human resources (HR) system, PeopleSoft, by each individual college. For each AE assignment requested, a Faculty Additional Employment Request (FAER) form was initiated and completed by the department coordinator with approval from the college dean, assistant vice president, or designee before the work is performed. In addition, the faculty member's AE assignment was defined as either an academic year appointment (job code 2403) or work-break appointment (job code 4660) and entered into PeopleSoft, an AE appointment contract with the faculty member's signature was created, and the Faculty Additional Employment Payroll Report was approved prior to submittal to the payroll department.

We reviewed 176 AE transactions for 44 faculty members from all eight campus colleges and found that:

- For 12 AE transactions for four faculty members, we could not verify whether the faculty members were concurrently granted AT WTUs for the same work, because the college did not provide us with sufficient AT records to audit.
- For five AE transactions for two faculty members, the AE assignment was not different from the member's primary work assignment, based on review of the supporting records

provided by the campus. These AE assignments were related to course revisions and faculty lead positions. According to the Unit 3 CBA, faculty members cannot be compensated for AE work that is part of their primary work assignment.

- For 38 AE transactions for 20 faculty members, the FAER form or AE appointment contract was not approved timely and before the faculty member started the work. Instead, these documents were approved as late as 35 days after the AE assignment started. In addition, for four AE transactions for four faculty members, the FAER form or AE appointment contract was missing the required approval.

The campus used job code 4660 for non-faculty AE, which represents external activities that are not a part of the faculty member’s primary work assignment and may include activities such as conducting research, participating in non-academic training activities, or attending informal training (such as a lunch-and-learn session). These assignments were generally based on the priorities and available budget of the college or department, among other factors. Non-faculty AE greater than \$500 was processed as a quick hire, in which the consultant completed an application and the HR department generated a written offer for both parties to sign. However, non-faculty AE of \$500 or less was processed as a stipend, and in practice the campus does not require an agreement or contract for this type of work. In both instances, a completed Faculty Special Consultant Stipend form was submitted to the payroll department for payment.

For the same 176 AE transactions for 44 faculty members noted above, 53 were job code 4660. Of those, we found:

- For all 27 AE transactions provided to 18 faculty members for non-faculty AE assignments of \$500 or less, there was no corresponding written record created prior to the start of the AE work assignment and could not be verified. Sound business practice recommends a written record, such as an agreement or contract, be established to specify important agreed-upon terms, including a description of the work, the amount of compensation, the timeframe (start and end dates), the rights and obligations of both parties, and approval before the work begins.
- For seven AE payments to three faculty members for non-faculty AE assignments greater than \$500, the corresponding agreement or contract required by campus practice was not provided to us. Specifically, one of the three faculty members had five AE transactions totaling \$11,000, and the college did not provide us with the requested agreement or contract and payment support for any of them. Instead, the college provided an excerpt of an internal document that did not include sufficient information for us to verify the agreed-upon AE work assignment terms.

Additionally, we found that monitoring and administrative oversight activities of AE assignments in eight colleges were inconsistent and needed improvement. Specifically, we found that:

- The campus had not established written procedures for the general administration of AE, including clearly defined roles and responsibilities.

- When reviewing and approving AE requests, the colleges did not have an adequate process to determine a faculty member’s complete workload or to determine whether the AE work was different from the faculty member’s primary work assignment. Specifically, the college did not always know whether the faculty member had already completed or had been assigned other work because there was no established process among campus departments and colleges and auxiliaries to share information about AE and AT, and the faculty member was not asked to disclose this information.
- Most colleges did not have a process to monitor AE or ensure that AE assignments did not exceed 25 percent of a faculty member’s normal full-time workload. We noted that some colleges relied either on a system or report for this information, while others believed that the payroll department was responsible for monitoring compliance by performing spot checks or flagging faculty who could potentially exceed the workload limit. According to campus Academic Affairs senior management, a prior campus system, Special Consultant Pay Request, had a feature to monitor workload, but it was not the payroll department’s responsibility to monitor the workload of faculty members.

Proper monitoring and administrative oversight of AE assignments, including timely approval, maintenance of support records, and monitoring of workloads, can help to ensure compliance with systemwide policy and Unit 3 CBA requirements. This, along with signed written agreements or contracts, can allow the campus to evaluate the operational and fiscal impact of noncompliance with AE assignment requirements and workload limits.

RECOMMENDATION

We recommend that the campus:

- a. Develop and implement a process to improve the administration of AE assignments and address the issues noted above, including a thorough review to determine the appropriateness of AE, assess whether the job is a part of the faculty member’s primary job, and ensure that all required approvals are obtained before the work begins.
- b. Review the current process related to non-faculty AE of \$500 or less and determine whether a written agreement or contract is appropriate. If not, establish a process to ensure that adequate records to support the work and payment are maintained.
- c. Review and update the current process to enhance monitoring of AE assignments for compliance with the Unit 3 CBA and systemwide and campus policies, and to ensure that all supporting records are maintained.
- d. Create and document campus policies and procedures, including defined roles and responsibilities for review and approval of AE. Communicate and distribute AE policies and procedures to appropriate campus administration, faculty, and staff.
- e. Reiterate to all appropriate campus personnel the updated processes and the importance of complying with the requirements of the Unit 3 CBA and systemwide and campus policies regarding AE assignments, workload limits, and proper maintenance of records, and provide training as needed.

MANAGEMENT RESPONSE

We concur. The campus will:

- a. Develop and implement a process to improve the administration of AE assignments and address the issues noted above, including a thorough review to determine the appropriateness of AE, assess whether the job is a part of the faculty member’s primary job, and ensure that all required approvals are obtained before the work begins.
- b. Review the current process related to non-faculty AE of \$500 or less and determine whether a written agreement or contract is appropriate. If not, we will establish a process to ensure that adequate records to support the work and payment are maintained.
- c. Review and update the current process to enhance monitoring of AE assignments for compliance with the Unit 3 CBA and systemwide and campus policies, and to ensure that all supporting records are maintained.
- d. Create and document campus policies and procedures, including defined roles and responsibilities for review and approval of AE. We will communicate and distribute AE policies and procedures to appropriate campus administration, faculty, and staff.
- e. Reiterate to all appropriate campus personnel the updated processes and the importance of complying with the requirements of the Unit 3 CBA and systemwide and campus policies regarding AE assignments, workload limits, and proper maintenance of records, and provide training as needed.

Date of completion: April 15, 2022

2. ASSIGNED TIME

OBSERVATION

Administration of AT needed improvement.

Specifically, we found that:

- AT records were not consistently maintained or provided or were incomplete and did not include an appropriate description of the job to be performed, the number of WTU assigned, and formal approval.
- After-the-fact evaluations were not consistently performed, and colleges did not always comply with requirements related to excess enrollment.
- The campus had not established written procedures for AT work assignments, and monitoring and administrative oversight of AT was inconsistent among colleges.

Tenure-track faculty and lecturers are eligible for AT for indirect instructional activities in lieu of classroom teaching or to account for teaching courses with excess enrollment. Normal faculty workload consists of 12 WTU of direct instructional assignments (i.e., classroom and laboratory instruction and instructional supervision) and three WTU of indirect instructional activity (i.e., student advisement, curriculum development and improvements, and committee assignments). For the spring and fall 2019 semesters, 820 and 829 AT work assignments were granted, totaling 2,593 and 2,532 WTUs for 631 and 651 faculty members, respectively. For the spring and fall 2020 semesters, 886 and 844 AT work assignments were granted, totaling 2,715 and 2,597 WTUs for 661 and 662 faculty members, respectively.

We reviewed the records of 111 AT work assignments, of which 80 were indirect AT, totaling nearly 398 WTUs for 45 faculty members. We found that:

- For 75 of 111 AT work assignments for 35 faculty members, records were incomplete and did not include one or more of the following requirements: a description of the job to be performed; the number of WTUs assigned; formal approval or approval before the start of the assignment; correct assignment code in the systemwide academic personnel database (APDB); or an after-the-fact evaluation.
- For 68 of 80 indirect AT assignments, an after-the-fact evaluation was not completed as required by Educational Programs and Resources (EP&R) 76-36, *Faculty Workload: Policies and Procedures*.
- For four AT work assignments for four faculty members, records were not consistently maintained, or the college did not provide us with documents to show a complete description of the task, the number of WTUs assigned, formal approval, and an after-the-fact evaluation of the completed assignment.
- For 64 AT assignments for 25 faculty members, the campus did not provide us with evidence, such as records or a response to our request, to verify that the number of WTU on the supporting documentation matched the number of units on the faculty's workload.
- In seven instances, the job code assigned and entered into APDB was incorrect for the AT work assignment performed.

With regard to excess enrollment, per EP&R 76-36, *Faculty Workload: Policies and Procedures*, a faculty member may be assigned a graduate student or student assistant for classes with student enrollment between 75 and 120. For classes with more than 120 enrolled students, a faculty member may be assigned either a graduate assistant or student assistant or be granted an additional three WTUs. A faculty member cannot receive these accommodations for more than one class per semester. However, we found that:

- Five of eight colleges used revised enrollment standards, each of which was lower than 120 students.
- In our review of all AT work assignments from spring 2019 to fall 2020, we identified 303 faculty members who were granted additional WTUs for excess enrollment. We found noncompliance with the EP&R rules. Specifically, for 32 faculty members, the campus

granted additional WTUs for excess enrollment for more than one course per semester, including eight faculty members who were granted more than three WTUs for a single course with excess enrollment in 11 instances.

- Based on our detailed review of sampled AT work assignments for the same 45 faculty members noted above, we found that for 12 faculty members, additional WTUs for excess enrollment were granted for courses that did not have the minimum number of students enrolled. Class enrollment for these AT assignments ranged from 70 to 117 students.

Additionally, we found that administrative oversight and monitoring of AT work assignments was inconsistent among eight colleges. Specifically, we found that:

- The campus had not established written procedures for the general administration of AT work assignments, including clearly defined roles and responsibilities.
- Most colleges indicated that the common practice for requesting AT work assignments was informal and often made through email or verbal discussions. Further, we found that there was no standard form that faculty members completed when requesting AT. In addition, when specific supporting records to document AT work assignments were requested during the audit, some colleges provided only general explanations or incorrect records, such as copies of internal procedures, which were insufficient for the purpose of verification. Lacking necessary records from some colleges, we were unable to perform a thorough review of this area.
- Some colleges did not have a process to reconcile or track overall awarded AT for each term and instead relied only on limited information from the FAD report. We noted that the FAD report does not include all necessary information, including who approved the AT, a detailed description of the AT, and which course was approved for excess enrollment.

Proper administration of AT work assignments, including maintaining complete and accurate records to support all activities of AT work assignments and excess enrollment, obtaining required approvals, monitoring and reconciling AT assignments, and performing after-the-fact evaluations, can help to ensure compliance with systemwide policy and Unit 3 CBA requirements, and can help the campus evaluate the operational and fiscal impact of indirect instructional activities.

RECOMMENDATION

We recommend that the campus:

- a. Develop and implement a process to improve the administration of AT work assignments and ensure that a full description of the job to be performed is provided, all required approvals are timely obtained, and after-the-fact evaluations are performed.
- b. Review and update the current process to improve monitoring of AT work assignments and allocations for excess enrollment for compliance with the Unit 3 CBA and systemwide and campus policies, and ensure that all supporting records are maintained.

- c. Create and document campus policies and procedures, including defined roles and responsibilities for review and approval of AT work assignments. Communicate and distribute AT policies and procedures to appropriate campus administration, faculty, and staff.
- d. Reiterate to all appropriate campus personnel the updated processes and the importance of compliance with requirements of the Unit 3 CBA and systemwide and campus policies regarding AT work, allocations for excess enrollment, and maintenance of records, and provide training as needed.

MANAGEMENT RESPONSE

We concur. The campus will:

- a. Develop and implement a process to improve the administration of AT work assignments and ensure that a full description of the job to be performed is provided, all required approvals are timely obtained, and after-the-fact evaluations are performed.
- b. Review and update the current process to improve monitoring of AT work assignments and allocations for excess enrollment for compliance with the Unit 3 CBA and systemwide and campus policies, and ensure that all supporting records are maintained.
- c. Create and document campus policies and procedures, including defined roles and responsibilities for review and approval of AT work assignments. We will communicate and distribute AT policies and procedures to appropriate campus administration, faculty, and staff.
- d. Reiterate to all appropriate campus personnel the updated processes and the importance of compliance with requirements of the Unit 3 CBA and systemwide and campus policies regarding AT work, allocations for excess enrollment, and maintenance of records, and provide training as needed.

Date of completion: December 31, 2021

GENERAL INFORMATION

BACKGROUND

Substantially all elements of faculty employment are outlined in the Unit 3 CBA between the Board of Trustees of the California State University and the California Faculty Association, which was last approved November 12, 2014. The agreement covers the rights and responsibilities for contract negotiations and other employment-related topics, such as appointments, salaries, benefits, grievances, and the various categories of leave.

Article 20 of the CBA, *Workload*, states that the primary professional responsibilities of instructional faculty members are teaching, research, scholarship, creative activity, and service to the university, profession, and community. Article 20 discusses at length the parameters for determining the number of WTU to assign to each faculty member, allowing for assigned time, or non-instructional time, for professional responsibilities other than teaching. Although there are some specific requirements for determining assigned time, academic departments are given latitude in deciding what is appropriate. Article 20.2c states that the scheduling of academic leaves, sabbaticals, and other professional responsibilities will be determined by the appropriate administrator after consultation with the department chair or designee and/or the individual faculty member and that these decisions must be consistent with campus policies.

In 1976, the systemwide division of Academic Affairs issued EP&R 76-36, *Faculty Workload: Policies and Procedures*, addressing the allocation of workload. The coded memorandum acknowledges that variations in campus curricula require variations in the use of instructional faculty positions allocated to each campus, but also recognizes the need for a common frame of reference for faculty workload assignments. EP&R 76-36 continues to serve as a guideline and common standard, though it has been revised as CBAs have been renegotiated, mainly to add new categories of leave. An addendum in the current version of the CBA, *Memorandum of Understanding Article 20 Changes*, dated October 1995, states that changes made to the article at that time were not undertaken for the purpose of changing current appointment practices on campuses or having faculty exceed the previous contractual workload requirements. It further states that the parties have agreed to continue measuring what constitutes unreasonable or excessive workload assignments by considering the past practices of the university, including the calculation of WTUs in prior years pursuant to EP&R 76-36. The memorandum ends by stating that it is the intention of the parties that teaching continue to be the primary responsibility of faculty.

EP&R 76-36 defines normal faculty workload as two components: 12 WTUs of direct instructional activity and three WTU of indirect instructional activity such as student advisement, curriculum development, or improvement and committee assignments, for a total of 15 WTUs. It also provides guidelines on assigning weight to teaching units, based on factors such as class size and supervisory requirements, as well as descriptions and specific codes for indirect instructional activities that can be assigned WTUs, such as new course preparation, curricular planning and studies, excessive advising responsibilities, and instructional research. The EP&R also states that WTU assignments for indirect instructional activities are subject to review and audit and should include a description of the specific tasks to be performed and the number of WTUs assigned, formal approval of the assignment, and an after-the-fact evaluation of the assignment.

EP&R 76-36 also requires campuses to prepare an annual report summarizing its use of assigned WTUs during the previous fiscal year that can serve as a basis for a campus administrative review of assigned WTU activities. These reports are submitted to the systemwide APDB, and the information is compiled and analyzed by the Academic Human Resources department at the CO.

Article 27 of the CBA, *Sabbatical Leaves*, allows for paid leave for purposes that benefit the CSU, such as research, scholarly, and creative activity: instructional improvement; or faculty retraining. The article describes the eligibility and application requirements and requires that a professional leave committee of tenured faculty unit employees review the applications and advise the campus president on recommended leave approvals. The CBA stipulates that the campus shall grant sabbaticals in a number no less than 12 percent of faculty eligible to apply.

Article 36 of the CBA, *Additional Employment*, defines additional employment as any employment compensated by the CSU, funded by the General Fund or non-general funds such as CSU auxiliaries, that is in addition to the primary or normal employment of a faculty unit employee. The granting of this leave is subject to eligibility requirements, must be reported to the campus president, and is subject to a cap of 25 percent of the faculty member's full-time normal workload.

According to the data compiled from APDB reporting, as summarized by the CO Academic Human Resources department, California State University, Fullerton (CSUF) had 831 tenure-track faculty, 1,281 lecturers and one visiting lecturer, 17 counselors, 26 coaches, and 24 librarians in 2019, for a total of 2,180 Unit 3 members. The average WTU workload for 2019 was 8.47 WTU, compared to the systemwide average of 8.53 WTU. CO Academic Human Resources reported AT as the number of full-time equivalent positions (FTE) the time represented and broke the time into direct and indirect WTU assignments. At CSUF, AT for 2019 was 37.4 FTE in direct WTUs and 138.6 FTE in indirect WTUs, with indirect time comprising 78.8 percent of the assigned WTUs. The systemwide percentage of indirect WTUs for assigned time was 85.7 percent.

Administration of FATAE at CSUF is decentralized. Specifically, AT and AE are managed and approved at the level initiated, including the division, college or department level; however, very little AE is administered at the division level. Administration of SL is centralized at the office of FAR. They are recommended by a PLC and ultimately approved by the provost as the president's designee.

SCOPE

Due to temporary operating procedures and limitations resulting from the COVID-19 public health emergency, we performed fieldwork remotely from January 25, 2021, through March 26, 2021. Our audit and evaluation included the audit tests we considered necessary in determining whether operational and administrative controls are in place and operative. The audit focused on procedures in effect from January 1, 2019, to March 26, 2021.

Specifically, we reviewed and tested:

- Administration and organization of areas responsible for assignment, monitoring, and reporting of faculty workload and leave time, indicating clear lines of responsibility and authority.
- Activities of the professional leave committee.
- Procedures to review, approve, and monitor requests or grants of faculty assigned time.
- Procedures to ensure that assignments of indirect instructional activities include a description of the specific tasks to be performed and the number of WTUs assigned, formal approval of the assignment, and an after-the-fact evaluation of the assignment, as required.
- Procedures to review, approve, and monitor the grants for sabbatical leaves, including any requirements for a post-leave presentation or other deliverable.
- Procedures to review, approve, and monitor approvals for additional employment, including a calculation to determine that the 25 percent cap is not exceeded.
- Controls for ensuring the accuracy of data reported in the CO APDB.

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.

Our testing and methodology, which was designed to provide a review of key operational and administrative controls, included interviews and testing of a limited number of aspects of faculty workload assignments. Our review was limited to gaining reasonable assurance that controls were in place to capture and monitor assigned time, sabbatical leaves, and additional employment, but did not test other categories of faculty leave.

CRITERIA

Our audit was based upon standards as set forth in federal and state regulations and guidance; Trustee policy; Office of the Chancellor directives; and campus (and auxiliary, if applicable) procedures; as well as sound administrative practices and consideration of the potential impact of significant risks. This audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

This review emphasized, but was not limited to, compliance with:

- Unit 3 Faculty *California Faculty Association Collective Bargaining Agreement*, dated November 12, 2014
- EP&R 76-36, *Faculty Workload: Policies and Procedures*
- Coded memorandum Human Resources 2002-05, *Additional Employment Policy*
- Technical Letter HR/Salary 2015-22, *New Classification for Faculty Additional Employment*
- *APDB Data Dictionary*
- Government Code §13402 and §13403

- CSUF *Sabbatical Leaves* policy

AUDIT TEAM

Senior Audit Manager: Joanna McDonald
Senior Auditors: May Flores, Marcos Chagollan, Alexandra Gonzalez, and Anthony Milan