PROJECT SUMMARY

Overall, the Texas Transportation Institute has processes and controls in place to provide reasonable assurance that human resources operations are performed effectively and efficiently and in compliance with applicable laws, policies, regulations and rules.

Opportunities for improvement exist in the Agency’s compliance with federal requirements regarding completion of the Form I-9, Employment Eligibility Verification, and the timeliness of removing terminated employees’ access to Agency resources.

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OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Form I-9 Completion

Observation

Form I-9s were not completed in full within three days for 14% (2 out of 14) of the new hire files reviewed. One of the Form I-9s had not been signed by the Human Resources representative. Both of the Form I-9s did not have a processing date. Department of Homeland Security, US Citizenship and Immigration Services’ Instructions OMB No. 1615-0047 states that “Employers must sign and date the certification in Section 2” and “Employers must complete Section 2 by examining evidence of identity and employment eligibility within three (3) business days of the date employment begins.”

Noncompliance with the I-9 requirements elevates the Agency’s risk of being levied civil and criminal penalties according to the Immigration and Reform Control Act of 1986. Management indicated that in both cases the Human Resources representative had verified employment eligibility via the federal electronic
Improvements to the employee termination check-out process are needed to ensure the return of Agency property and timely termination of employee access to Agency information systems.

Observation

The employee termination process does not ensure Agency assets are returned and access to information systems is removed in a timely manner. For 15% (2 out of 13) of the voluntary terminations reviewed, employee check-out processing was not completed timely. The check-out processing checklists for these two cases were completed 52 and 62 days, respectively, after their last day at work. This elevates the risk that terminated employees retain use of Agency assets and access to information systems. Management indicated this was partly because human resources management did not have a process for individual departments to confirm the completion of their respective check-out processing tasks. In addition, management indicated it is in the process of implementing a monitoring process including electronic routing of the termination checklist. Management expects the electronic routing of the checklist to enhance both the timeliness of check-out processing and Human Resources compliance monitoring.

Recommendation

Improve the timeliness of the check-out process and the effectiveness of compliance monitoring to ensure that access to
information systems and return of assets occurs on the last day of work for all terminated employees.

Management’s Response

TTI recognizes the need for improvement of the employee termination process. An improved termination notification process has been developed, and the Agency is in the process of implementing an electronic termination notification system that will allow us to monitor the completion of the process, and thus ensure that terminated employee’s access to Agency resources is removed in a timely manner. Full implementation of this electronic termination notification system should be realized by March 1, 2011.
BASIS OF REVIEW

Objective and Scope

The audit objective was to review the Agency’s management processes over human resources to determine if strategic and operational results and outcomes are achieved in an efficient and effective manner and in compliance with laws, policies, regulations, and Agency rules. The review focused on hiring, performance evaluations, terminations and training processes for the period September 1, 2009 to August 31, 2010. Fieldwork was conducted in November and December, 2010.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Texas Transportation Institute’s Human Resources Office has seven employees. The Human Resources Office aims to “to provide information and guidance to all employees with regard to employment, benefits, payroll, policies, compliance and other human resources issues.”

Texas Transportation Institute has over 600 employees and an annual budget of approximately $57 million.
AUDIT TEAM INFORMATION

Dick Dinan, CPA, Director  
Amanda Jenami, CPA, Audit Manager  
Lori Ellison  
Madelyn Galloway  
Susan McGrail, CIA

DISTRIBUTION LIST

Dr. G. Kemble Bennett, Vice Chancellor and Dean for Engineering  
Director, Texas Engineering Experiment Station  
Dr. Dennis Christiansen, Director  
Ms. Deena Wallace, Assistant Vice Chancellor for Administration and Legal Affairs  
Mr. Don Bugh, Executive Associate Agency Director  
Ms. Linda Edge, Director of Human Resources