PROJECT SUMMARY

Overview

Human resources management processes and controls at Texas A&M University - Commerce require significant improvement to ensure that human resources operations are performed effectively and efficiently and in compliance with applicable laws, policies, regulations and rules. Significant weaknesses were identified in the University's non-faculty hiring process, completion of Form I-9s, and the employee termination process. Improvement should also be made in the documentation of the handling of non-faculty employee grievances.

Summary of Significant Results

Non-Faculty Hiring Process

The University does not have comprehensive rules and procedures for the non-faculty hiring process or documentation requirements such as hiring matrices, interview questions and responses, and credential verifications. Employee hiring files did not consistently contain the appropriate information to support the selection of the employee hired. Various hiring file documentation was lacking including verification of educational degrees, reference checks, interview questions and responses, and applicant ratings or scores. Weaknesses noted in documentation to support hiring decisions increases the risk that the University cannot demonstrate that the best qualified candidate for the position is hired and that the hiring decision is supported and well documented.
Form I-9 Completion

Form I-9s, Employment Eligibility Verification, are not being completed accurately and timely in accordance with Department of Homeland Security requirements. Fifty percent of Form I-9s reviewed were not completed accurately and/or timely. Failure to complete the Form I-9s accurately and timely puts the University at risk for possible civil and criminal penalties levied according to the Immigration Reform and Control Act of 1986.

Employee Termination Process

The employee termination process does not ensure that University resources and property are returned upon separation of employment. Limited guidance and lack of monitoring employee terminations increases the risk that University property is not returned or access to University property is not revoked timely, which could result in the loss or misuse of University resources.

Summary of Management’s Response

The University procedures will be reviewed, new procedures written, and changes incorporated into a comprehensive set of procedures and guidelines covering all hires and the termination process. The procedures will include documents, verifications and any status reporting requirements necessary to ensure that all hiring standards have been met and documented in compliance with System regulations. These procedures will incorporate the necessary training requirements for all personnel. These procedures and processes will be completed by August 31, 2011.

Scope

The review of human resources processes at Texas A&M University – Commerce focused on the areas of hiring, state-mandated training, Form I-9 completion, performance evaluations, terminations, and employee grievances for the period of October 1, 2009 through September 30, 2010. Audit tests did not include faculty with the exception of required training and termination procedures. Fieldwork was conducted from November 2010 to January 2011.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Non-Faculty Hiring Process

Observation

The University does not have comprehensive rules and procedures for the non-faculty hiring process including documentation requirements such as hiring matrices, interview questions and responses, reference checks, and job-related credential verifications. The hiring process for support staff positions is not documented and has been informally communicated to hiring supervisors on an as-needed basis. There is no requirement that hiring supervisors complete formal training prior to hiring for a vacant staff-level position. Procedures are currently in place for professional-level hires that require a member of the Office of Human Resources to provide training to the search committee prior to filling a vacant professional-level position. However, the training does not address the specific supporting documentation required to be included in the hiring file.

Hiring files reviewed did not consistently contain appropriate information to support the selection of the employee hired and demonstrate that the best qualified candidate was selected in an objective and unbiased evaluation of the candidates. Of the 21 hiring files reviewed (7 professional and 14 support staff), 14 (67%) had incomplete documentation (some had multiple exceptions) as noted below:

- Seven did not have documentation of the applicants’ ratings or scores on the hiring matrix (3 professional and 4 support staff).
- Three did not have documented interview questions and responses (all professional).
- Twelve did not have documentation of reference checks (1 professional and 11 support staff).
- Three did not have documentation of degree verifications (all support staff). Sixteen of the applicants hired indicated that they had a degree.
1. Non-Faculty Hiring Process (cont.)

For both support staff and professional-level hiring categories, hiring supervisors are not required to submit appropriate hiring documentation, including the hiring matrix, interview questions and notes, to the Office of Human Resources prior to extending an offer to a successful candidate. There is no formal monitoring system in place to promote and verify compliance with hiring procedures.

A&M System Regulation 33.99.01 requires that employment decisions be based on job-related factors such as education, experience, knowledge, skills, abilities, license/certification requirements, results of reference checks, and success in previous employment. It also requires that relevant information acquired during the hiring process be retained. Documentation requirements such as completing reference checks, degree and experience verifications provide corroborative evidence of the applicant’s expertise, accomplishments, and character. Properly completing the hiring process, including documentation of the hiring process, also reduces the risk that supervisors will not hire the most qualified applicant.

Recommendation

Create University rules or procedures to be followed in the hiring process for non-faculty hires. Require verification of all job-related credentials (to include degree verifications, military experience, and foster child status). Establish hiring documentation requirements to ensure that hiring files contain appropriate information to demonstrate qualified candidates are selected in compliance with A&M System regulations. Require hiring supervisors to attend training periodically to maintain their awareness of what information needs to be documented and retained as part of the hiring process. Monitor to ensure that procedures have been followed and that all required hiring documentation is received by the Office of Human Resources.

Management’s Response

The University procedures will be reviewed, new procedures written, and changes incorporated into a comprehensive set of procedures and guidelines covering all hires. The procedures will include all verifications and any status reporting requirements necessary to ensure that all hiring standards have been met and documented to demonstrate that qualified candidates are selected in compliance with System regulations. These procedures will incorporate the necessary training requirements for all hiring personnel. These procedures and processes will be completed by August 31, 2011.
2. Form I-9 Completion

Observation

The University is not ensuring that Form I-9s, Employment Eligibility Verification, are completed accurately and timely in accordance with Department of Homeland Security requirements. Fourteen of 28 (50%) Form I-9s reviewed were not completed accurately and/or timely (some had multiple exceptions). Four were not dated, eight were missing information (i.e. driver’s license expiration date and issuing state) and three were completed after the employee’s third day of employment. Completion of Form I-9s are centralized in the Office of Human Resources; however, various employees complete the forms and there has been no formal training provided on this process.

The Department of Homeland Security, US Citizenship and Immigration Services’ Instructions OMB No. 1615-0047 on Form I-9s 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.” Failure to complete the Form I-9s accurately and timely puts the University at risk for possible civil and criminal penalties levied according to the Immigration Reform and Control Act of 1986.

Recommendation

Provide training on the Department of Homeland Security’s requirements regarding completion of Form I-9s. Monitor the completion of Form I-9s to ensure they are completed accurately and timely.

Management’s Response

All hiring personnel will be trained on the requirements regarding completion of the Form I-9s and a process will be initiated to require a new employee to complete the Form I-9 prior to their first work day and provide all necessary documentation within the first 3 days of employment. A process for monitoring completion of the employee Form I-9s will be implemented immediately. Training shall be provided and procedures initiated by August 31, 2011.
3. Employee Termination Process

Observation

Improvements to the employee termination check-out process are needed to ensure the protection of University resources.

The employee termination process does not ensure that University property and resources are returned upon separation of employment. Twenty-six of the 30 (87%) terminated employees' personnel files reviewed did not contain a termination checklist. Of the four that existed, two were not completed timely (17 and 87 days after termination date) and two were not fully completed. The University recently implemented a new process for the removal of information technology access for terminated employees. While the new process appears reasonable, we were unable to test it due to it only being in use for one month.

Instructions on the University’s employment web page state that supervisors are required to complete the termination checklist upon termination of employees. The current checklist form on the Office of Human Resources’ web page does not have a place to include dates so that the timeliness of the check-out process can be tracked. The University has no detailed written procedures on when and how to complete the termination checklist. Limited guidance and lack of monitoring employee terminations increases the risk that University property is not returned or access to University property is not revoked timely. This could result in the loss or misuse of University resources.

Recommendation

Develop written procedures for the use of the termination checklist and communicate them to supervisors. Monitor to ensure that property and resources are returned and access is removed for all terminated employees and that the termination checklist is completed in a timely manner.

Management’s Response

Written procedures for the use of the termination checklist will be developed and communicated to all supervisors. The termination checklist and computer security access for all terminated employees will be monitored by staff in the Employee Services department and the Technology Services department. The process and procedures will be completed by August 31, 2011.
4. Employee Grievance Documentation

Observation

The University does not have procedures in place to ensure that employee grievances are handled and documented in compliance with A&M System Regulation 32.01.02, Complaint and Appeal Process for Non-faculty Employees. Four of 10 (40%) of the grievance files reviewed had inadequate documentation so that it could not be determined how the grievance was handled, the current status of the grievance, or the final determination. The University does not currently have procedures in place to ensure that grievances are properly documented, tracked, and retained. The A&M System Records Retention Schedule states that grievance records should be maintained for two years after the final decision on the grievance.

Additionally, a complaint filed regarding an event on November 25, 2009 was received in the Office of Human Resources on January 22, 2010 (32 days after the event). A&M System Regulation 32.01.02 states that “a complaint delivered to the human resources officer later than seven (7) business days of the action that caused the complaint will be deemed untimely filed and will be dismissed.” The complaint was forwarded for review even though it fell well past the 7-day deadline.

Recommendation

Develop procedures to ensure compliance with System Regulation 32.01.02. Ensure that adequate documentation of the grievance process, current status and resolution are retained.

Management's Response

Written procedures will be developed to ensure compliance with System Regulation 32.01.02. The procedures will provide that adequate documentation of the grievance process, status, and resolution are retained. The process and procedures will be completed by August 31, 2011.
BASIS OF REVIEW

Objective

The overall objective of the audit was to analyze the University’s management processes for human resources to determine if strategic and operational results and outcomes are achieved in an efficient and effective manner and to determine compliance with laws, policies, regulations, and rules.

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

The Texas A&M University - Commerce Office of Human Resources reports to the Vice President for Business and Administration. Human resources functions are centrally performed and monitored by the Office of Human Resources to ensure compliance with policies, regulations, rules and procedures. Hiring for professional staff is coordinated through the Office of Equal Opportunity and Diversity that reports to the Office of the Provost and Vice President for Academic & Student Affairs.

At the time of the review, the University had a total of 1,234 active faculty, staff, and student workers. The combined salaries, wages and benefits for fiscal year 2010 totaled approximately $71 million.
AUDIT TEAM INFORMATION

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<tr>
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