PROJECT SUMMARY

Overview

Prairie View A&M University’s processes and controls over human resources need improvement to provide reasonable assurance that human resources operations are performed effectively and efficiently and in compliance with applicable laws, policies, regulations, and rules. Significant weaknesses in controls were identified in the areas of organizational accountability in decentralized human resources processes, the employee grievance process, and the employee termination process.

Opportunities for improvement were also identified in the areas of performance evaluations and position descriptions, staff hiring processes, records retention, and development of University human resources rules and/or procedures.

The University’s Office of Human Resources has eleven full-time employees serving approximately 1,500 staff and faculty.

Summary of Significant Results

Organizational Accountability

Departmental employees are not being held accountable for complying with the University’s human resources rules and procedures. A significant number of non-compliance issues were noted despite improvements since our prior 2006 audit of the Office of Human Resources. The lack of accountability by the decentralized departmental employees helped cause a number of the control weaknesses identified in this report. It also significantly increases the University’s risk of non-compliance with human resources laws, policies, regulations, and rules.
Employee Grievance Process

Employee grievances are not reviewed timely to ensure compliance with System Regulation 32.01.02, Complaint and Appeal Process for Nonfaculty Employees. Assigned administrators did not complete the review timely for five of six (83%) grievances in fiscal year 2012 and eight of thirteen (62%) grievances in fiscal year 2011. Grievances that are not reviewed timely increase the risk of inconsistency in the treatment of employees and possible legal actions or litigation against the University.

Employee Termination Process

The University’s employee termination process is not consistently followed to ensure that all requirements are completed in a timely manner. Improvements are needed in the timely removal of access to information systems and the timely processing of employee payroll action (EPA) forms. The lack of a timely termination process increases the University’s risk of misuse or loss of resources and assets.

Summary of Management’s Response

Management appreciates the System Internal Audit Department’s efforts to identify issues needing improvement and steps necessary to ensure improvement is achieved. We are committed to satisfactorily addressing these issues and have developed and enhanced procedures to address these issues.

Scope

The review of human resource processes at Prairie View A&M University focused on the staff hiring process, Form I-9s, performance evaluations and position descriptions, the grievance process, required employee training, staff termination process, and required member rules and/or procedures. Also, the People Admin employee management system (PV PAWS) service agreement was reviewed for completeness. The audit period focused primarily on activities from September 2010 to March 2012. Fieldwork was conducted from May 2012 to July 2012.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Organizational Accountability

Observation

Departmental employees are not being held accountable for complying with the University’s human resources rules and procedures. Since our previous audit in 2006, the Office of Human Resources has improved its communication and monitoring processes over human resources operations. The Office of Human Resources has also been proactive in raising awareness of human resources compliance standards through training and other forms of communication. Despite these improvements numerous human resources non-compliance issues were noted during this audit that were similar to the issues noted in the 2006 audit.

The controls put in place by the Office of Human Resources can only be effective if departmental employees are held accountable for compliance with the University’s human resources rules and procedures. The lack of accountability of departmental employees helped cause a number of the control weaknesses identified in this report. It also places the University at significant risk of non-compliance with applicable laws, policies, regulations, and University rules and procedures.

Recommendation

Evaluate and develop an effective organizational accountability structure for human resources operations to improve compliance with University rules and procedures. Inform senior management of non-compliance with human resources requirements. Establish consequences for non-compliance when appropriate.

Management’s Response

We agree with your recommendations.

The Office of Human Resources management will conduct the following, but not limited to ensuring accountability of human resources operations:
1. Organizational Accountability (cont.)

- Provide the Senior Vice President for Business Affairs with a periodic report of individuals, departments and/or colleges who have been found to be in non-compliance of specific human resources rules and/or procedures;

- The Senior Vice President for Business Affairs will then notify the President and his executive council of these non-compliant issues;

- When officially notified of a human resources rule and/or procedure violation, the area vice president will be responsible for imposing disciplinary action to all relevant parties associated with the violation, ranging from verbal reprimand to removal from position dependent upon the frequency of the violation;

- All documentation relative to personnel actions taken against employees found to be in violation of human resources rules and procedures will be placed in the employee’s official personnel file; and,

- The University’s employee performance evaluation form will be modified to have all supervisors certify that they are compliant with all human resources rules and procedures.

This process will be implemented by January 31, 2013.

2. Employee Grievance Process

Observation

Non-faculty employee grievances are not consistently processed in compliance with System Regulation 32.01.02, Complaint and Appeal Process for Nonfaculty Employees. Five of six (83%) grievances processed in fiscal year 2012 and eight of thirteen (62%) grievances processed in fiscal year 2011 were not submitted timely by the administrator assigned to review the grievance. System Regulation 32.01.02 requires the designated administrator to review the grievance and provide a written decision to the human resources officer within 15 business days of the administrator’s receipt of the complaint. On average the administrators were 19 days past the deadline date.

The Office of Human Resources has an effective monitoring process in place to track the processing of employee grievances. When grievances are assigned to an administrator for review, the Office of Human Resources provides the assigned administrator with a cover letter signifying the date a response is due back to
2. Employee Grievance Process (cont.)

The employee termination process is not completed in a timely manner.

The University’s employee termination process is not consistently followed to ensure that all requirements are completed in a timely manner. Improvements are needed in the timely removal of access to information systems and the timely processing of employee payroll action (EPA) forms. Information technology system access

the Office of Human Resources. The Office of Human Resources also sends reminders via telephone and email to the assigned administrator. In the exceptions noted above, the administrator did not respond by the applicable deadlines even after repeated reminders. The administrators need to be held accountable for complying with the requirements in System Regulation 32.01.02.

Employee grievances that are not handled in compliance with System regulations increase the risk of inconsistent treatment of employees and possible legal actions or litigation.

Recommendation

Provide training to administrators on the current grievance process and requirements to ensure compliance with System Regulation 32.01.02. Monitor the process and establish accountability for those that do not comply.

Management’s Response

We agree with your recommendations.

The Office of Human Resources will ensure compliance with this regulation by developing a training module specially designed to train all managers, department heads, vice presidents, as well as other individuals designated to conduct investigations. This training will be mandatory for individuals involved in the process and training must be completed prior to conducting an investigation. The training will address the role of all individuals involved in responding to employee grievances timely and in accordance with the above mentioned System regulation in order to avoid the risk of inconsistent treatment of employees and possible legal action. The frequency of this training will occur every two (2) years and all training completed by the Vice President will be officially reported to the President.

This process will be implemented by January 31, 2013.

3. Employee Termination Process

Observation

The employee termination process is not completed in a timely manner.
was not removed within one business day after termination for 22 of 30 (73%) terminations reviewed. The EPA final payroll documentation was not created within five business days for 4 of 30 (13%) terminations reviewed. In addition, employee identification cards were not returned timely for 16 of 25 (64%) employees.

It was also determined that the termination process was not initiated timely for 13 of 30 (43%) terminations reviewed. The employee termination notification from the department to the Office of Human Resources was not consistently sent prior to the employee’s termination date. Additionally, the Office of Human Resources did not consistently send the email notification timely to the Employee Clearance Team to begin the process of clearing the employee from University resources. The Office of Human Resources relies on the Employee Clearance Team to ensure a terminated employee’s access is removed timely. There are multiple departments involved in the termination process. Our review indicated that many of these departments did not notify or respond to the Office of Human Resources in a timely manner which delayed the termination process. In response, the Office of Human Resources initiated second and third requests to the Employee Clearance Team to clear information in the termination process.

In addition, the employee Clearance Form, required by University Administrative Procedure 33.99.99.P0.01, Employee Clearance from the University, was not completed for 11 of 30 (37%) terminations. These eleven forms were missing supporting documents, finalization signatures, and the completion was waiting on pending items from the terminated employee. Additionally, 13 of the 19 (68%) completed forms reviewed were processed over thirty days after the employee’s termination date.

The Office of Human Resources had operating standards in place that the termination process needed to be completed within 30 days of the employee’s termination. Best practices in place are to terminate an employee’s access to information technology resources within 24 hours of termination and remove terminated employees from the payroll system within a week of termination. Delays in processing employee terminations, particularly removing an employee’s access to information technology resources and the payroll system increases the University’s risk for unauthorized access to confidential or mission-critical data and misappropriation of funds.

Recommendation

Improve the current termination process to ensure all items on the University’s Clearance Form are completed in a timely manner.
3. Employee Termination Process (cont.)

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Develop a streamlined method to effectively remove terminated employees’ access timely. Improve communications among applicable departments to ensure all parties are addressing their responsibilities related to the out-processing of terminated employees. Ensure the Employee Clearance Team and the Office of Human Resources monitors the process for compliance.

Management’s Response

We agree with your recommendations.

The Office of Human Resources, in conjunction with the Office of Information Technology, will develop a portal that will terminate access from Prairie View systems within twenty-four hours for exiting employees.

The Office of Human Resources will communicate and train all administrative assistants and supervisors on the importance of executing the EPA document within at least twenty-four hours of an employee termination notification.

The Employee Clearance Team will work closely with the Office of Human Resources to monitor the termination process for compliance with University procedures.

This process will be developed and implemented by April 30, 2013.

4. Performance Evaluations and Position Descriptions

Observation

Performance evaluations and position descriptions for non-faculty employees are not completed and reviewed in a timely manner. Annual performance evaluations are not consistently submitted to the Office of Human Resources by the required deadline. For calendar year 2010, 528 of 654 (81%) of annual performance evaluations were submitted after the due date. These late performance evaluations were an average of 36 days late; however, they ranged up to 7 months past due. There was improvement for calendar year 2011 in that only 236 of 670 (35%) were completed after the due date for an average of 14 days late and ranging up to 2 months past due.

Additionally, departments did not consistently update or verify the accuracy of employee position descriptions at the time of the annual performance evaluation. For calendar year 2010, the Office of Human Resources did not monitor the completion of the
review and/or update of the employee’s position description. For calendar year 2011, 159 of 670 (24%) of the performance evaluations did not include documentation to support the review and/or update of the employee’s position description during the annual performance evaluation.

The Office of Human Resources has implemented a monitoring process to track and determine if annual evaluations are completed timely and include required documentation to support the review and/or update of the employee’s position description. As part of the monitoring process, the Office of Human Resources has initiated reminders to departments and University management to compel the timely completion of the annual performance evaluations.

System Regulation 33.99.03, Performance Evaluations for Non-faculty Employees, requires employee performance to be evaluated each year and position descriptions to be reviewed. Timely performance evaluations are important to provide employees feedback on their performance and a clear understanding of their job duties.

**Recommendation**

Develop and implement a plan to promote compliance with annual employee performance evaluations and position description requirements. Monitor the process for departmental compliance and enlist the assistance of executive management when necessary to promote compliance.

**Management’s Response**

We agree with your recommendations.

The Office of Human Resources management will conduct the following, but not limited to ensuring accountability of human resources operations:

- Provide the Senior Vice President for Business Affairs with a periodic report of individuals, departments and/or colleges who have been found to be in non-compliance of specific human resources rules and/or procedures;

- The Senior Vice President for Business Affairs will then notify the President and his executive council of these non-compliant issues;
4. Performance Evaluations and Position Descriptions (cont.)

- When officially notified of a human resources rule and/or procedure violation, the area vice president will be responsible for imposing disciplinary action to all relevant parties associated with the violation, ranging from verbal reprimand to removal from position dependent upon the frequency of the violation;

- All documentation relative to personnel actions taken against employees found to be in violation of human resources rules and procedures will be placed in the employee’s official personnel file; and,

- The University’s employee performance evaluation form will be modified to have all supervisors certify that they are compliant with all human resources rules and procedures.

This process will be implemented by January 31, 2013.

5. Staff Hiring Processes

Observation

Staff hiring processes need improvement to ensure compliance with the University’s hiring process requirements. Two of thirty (7%) new hires reviewed were not posted with the Texas Workforce Commission as required by System Regulation 33.99.01, Employment Practices. When seeking external candidates, the normal posting and recruiting procedures can be waived through an exception to hire process; however, the posting requirements with the Texas Workforce Commission cannot be waived. Failure to post these job postings circumvented the oversight and review processes put in place by the Office of Human Resources and Equal Employment Opportunity Office. The oversight and review processes are in place to ensure compliance throughout the hiring process. Additionally, the official hiring files did not contain appropriate information to support the selection of the employees hired and did not demonstrate that the best qualified candidates were selected in an objective and unbiased manner. Hiring files did not include interview questions, responses, and applicant rankings and scores on the hiring matrix.

In addition, hiring departments did not obtain approval from the Equal Employment Opportunity Office prior to conducting applicant interviews for thirteen of thirty (43%) new hires reviewed. Prior approval by the Equal Employment Opportunity Office promotes compliance with System Policy 08.01, Civil Rights Compliance and is required by the Equal Employment Opportunity Office’s Hiring Process Guidelines/Checklist.
5. Staff Hiring Processes (cont.)

Additionally, five of thirty (17%) new hires reviewed had position descriptions that either lacked signatures, dates, or were missing entirely from the PV PAWS system and/or Laserfiche.

Recommendation

Review the current staff hiring process in place to determine if the process is efficient and effective. If changes are made to the hiring process, communicate these changes university-wide. Monitor for compliance with hiring process requirements. Implement procedures to be followed if exceptions to the hiring process are allowed. Ensure that the Office of Human Resources and the Equal Employment Opportunity Office are notified of hiring process exceptions so they can monitor compliance with all applicable laws, policies, regulations and rules.

Management’s Response

We agree with your recommendations.

The Office of Human Resources management will implement a new platform of the PeopleAdmin System in June 2013. The new system will enhance our overall effectiveness and efficiency in the management of the hiring process. However, prior to the implementation of the system, we will have “focus groups” representing various employee groups on campus to examine the new system and offer any suggestions on how to best streamline the hiring process. Upon completion of this platform, processes and procedures will be updated accordingly.

This process will be implemented in July 31, 2013.

6. Records Retention

Observation

Official hiring records are not complete and retained as required.

All applicable hiring records are not currently maintained in the Office of Human Resources or electronically in the PV PAWS system. The Office of Human Resources is the official custodian for employment selection records according to the University Records Retention Schedule Section 3.3.014. As part of the hiring process, hiring departments provide the Equal Employment Opportunity Office with copies of any interview notes, hiring matrices and other applicable documentation. These documents were not uploaded into PV PAWS or submitted to the Office of Human Resources for inclusion in the official hiring file by either
6. Records Retention (cont.)

The Equal Employment Opportunity Office or the department. The Records Retention Schedule 3.3.014 states, "Includes notes of interviews with candidates...and all other records that document the selection process." The lack of documentation to support hiring decisions increases the risk that the University cannot demonstrate that the best qualified candidate for the position was hired.

Additionally, the Office of Human Resources is in the process of moving hard copy personnel files and applicable documents into an electronic filing system, Laserfiche. During this review, accessibility to the Laserfiche records was limited and time consuming for Human Resources staff to retrieve. Accessibility of records is critical when information needs to be retrieved in a form and timeframe that enables people to carry out their responsibilities.

**Recommendation**

Update hiring documentation requirements to ensure that official hiring files contain appropriate information to demonstrate qualified candidates are selected. Retain records in accordance with the University's Records Retention Schedule.

Assess the current status of human resources records within Laserfiche and establish a timeline with targets and milestones to ensure full accessibility of human resources records within Laserfiche. Develop a checklist or standard for new human resources records within Laserfiche to build a future record system which is readily accessible.

**Management’s Response**

_We agree with your recommendations._

_The Office of Human Resources will implement the new platform of PeopleAdmin in June 2013. Interview notes, hiring matrices and other applicable documentation will be captured in the new system._

_The Office of Human Resources, in conjunction with the Office of Equal Opportunity, will develop the functionality in PeopleAdmin system to ensure departments upload documents electronically related to the entire hiring process._

_The Office of Human Resources will hire a temporary Records Specialist by January 1, 2013, whose sole duty will be to scan, review and move records pertaining to all records of HR. The Office of Human Resources will also ensure the requisite permissions and_
6. Records Retention (cont.)

\[ \text{training are given to all Human Resources staff to ensure records are maintained in the Laserfiche system.} \]

\[ \text{The Office of Human Resources will determine if it is feasible to add additional scanners for each hiring function.} \]

\[ \text{This process will be implemented by July 31, 2013.} \]

7. Required University Rules and/or Procedures

Observation

The University has not created the required rules and/or procedures for two of four (50%) System Human Resources regulations reviewed that require System members to have a rule and/or procedure in place. The lack of required University rules and procedures increases the risk that the University is not in compliance with System policies and regulations and that employees are unaware of requirements.

System Regulation 08.01.01, Civil Rights Compliance requires members to “develop and publicly display a procedure for the receipt, investigation and resolution of discrimination, sexual harassment or related retaliation complaints.” The University currently tracks all required University rules and procedures; however, this regulation although included in the tracking spreadsheet was not fully developed into a University procedure.

System Regulation 33.99.14, Criminal History Record Information states, “Each system member shall have a rule addressing the implementation of this regulation.” As opposed to a member rule, the University has a procedure in place for this regulation. The Office of Human Resources has submitted a proposed rule to the System Office of Planning and Policy to address this System regulation.

Recommendation

Develop and publish all applicable University rules and/or procedures for human resources as required by System policies and regulations.
Management’s Response

7. Required University Rules and/or Procedures (cont.)

We agree with your recommendations.

The Office of Human Resources in conjunction with the University Compliance Office will develop and publish all applicable University rules and/or procedures related to human resources, as required by System policies and regulations.

The Office of Human Resources management in conjunction with the University Compliance Office will monitor to ensure compliance with these requirements.

This process will be implemented by January 31, 2013.
BASIS OF REVIEW

Objective

The overall objective was to review the processes and controls over human resources at Prairie View A&M University to determine if strategic and operational results and outcomes are achieved in an efficient and effective manner.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System; Prairie View A&M University rules and administrative procedures; 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 Prairie View A&M University Office of Human Resources reports to the Associate Vice President for Human Resources who reports to the Senior Vice President for Business Affairs. The mission of the Office of Human Resources is to support the University in attracting, developing and retaining a highly qualified and productive workforce. Human resources operations are centrally monitored to ensure compliance with laws, policies, regulations, and University rules and procedures.

The University had approximately 1,494 staff and faculty with combined salaries, wages and benefits of approximately $86 million in fiscal year 2011.
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