PROJECT SUMMARY

Overview

Texas A&M AgriLife Administrative Services has human resources processes and controls in place that are functioning as required by System policy and Agency procedures with the exception of termination processes. The employee termination process does not ensure timely removal of employee access to information systems and proper documentation is not consistently maintained for cancelling employee ID cards and returning keys upon termination. Opportunities for further improvement were also noted in the areas of accurate and timely completion of Form I-9s, protection of confidential information by a third-party vendor, and the hiring process. Texas A&M AgriLife Administrative Services provides centralized human resources support to Texas AgriLife Research, Texas AgriLife Extension Service and the Texas Veterinary Medical Diagnostic Laboratory.

Summary of Significant Results

Termination Process

The employee termination process does not ensure timely removal of employee access to information systems and proper documentation of the return or cancellation of employee identification cards or the return of keys. The employee termination process is not consistently documented and monitored to ensure that all requirements are completed. The lack of monitoring of the completion of termination process requirements increases the agencies' risk of unauthorized access to information systems and facilities by former employees which could result in the loss or misuse of agency resources.

Summary of Management’s Response

AgriLife Human Resources reviewed the audit findings and agrees with the need for improvements in specific areas. Human Resources will work closely with AgriLife Information Technology to improve the process for removing access and deactivating accounts.
Efforts to enhance the training and education of hiring supervisors are currently in progress and will continue.

Scope

The review of human resources processes at Texas A&M AgriLife Administrative Services focused on termination procedures, Form I-9s, security of confidential information and hiring procedures at Texas AgriLife Research, Texas AgriLife Extension Service and the Texas Veterinary Medical Diagnostic Laboratory (collectively called AgriLife). Audit tests did not include faculty. The audit reviewed activities at various units/departments within the three agencies from September 1, 2010 to October 31, 2011. Fieldwork was conducted from December 2011 to March 2012.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Termination Process

Observation

The employee termination process does not ensure timely removal of employee access to information systems and proper documentation of the return or cancellation of employee identification (ID) cards or the return of keys.

Access to information systems was not removed within one business day following the termination date for eight of thirty (27%) employees having Active Directory/Novell access, one of four (25%) employees having Financial Accounting Management Information Systems access, and three of four (75%) employees having Laserfiche access. Access by terminated employees to the AgriLife and A&M System information systems could result in unauthorized access to confidential data or the loss of availability of critical systems and data due to deleted or corrupted data or viruses and other malware. This could also damage the agencies' public image.

Supporting records were not available to document the issuance and return of ID cards for eighteen of thirty (60%) terminated employees and the return of keys for fifteen of thirty (50%) terminated employees. As a result, it could not be determined whether ID cards or keys had been returned for these employees. For those with supporting records, ID cards were not returned and/or corresponding access was not removed within one business day following the termination date for one of three (33%) AgriLife employees. AgriLife Procedures 21.99.99.A1.02, Employee Termination Checklist, require units to keep accurate records of all property, including keys, credit cards, computers, etc. which are issued to and returned from AgriLife employees. In addition, units must keep records of all access provided to employees, including special key cards, network, e-mail accounts, and access to other computer-based systems. Unauthorized access to AgriLife facilities could result in loss or damage to AgriLife property and equipment.

AgriLife’s employee termination procedures require employee termination checklists be completed; however, they do not require all items on the list be checked or otherwise noted that the item
1. Termination Process

(continued)

does not apply in order to determine the completeness of this checklist. Additionally, procedures do not specify a time period in which access must be removed and property be returned upon an employee's termination. Human resource liaisons have a lengthy period of sixty days as cited on the employee termination checklists to submit the checklist to AgriLife Human Resources through Laserfiche. In addition, the checklists are not consistently reviewed by AgriLife Human Resources for completeness as they are returned.

AgriLife’s employee termination procedures require decentralized units to notify AgriLife Human Resources when employees are terminated. However, the AgriLife Information Technology Department (IT) is not consistently notified when employees are terminated in order to remove their access to information systems. AgriLife IT personnel indicated they are currently working on a new web-based system to fully centralize and electronically manage all information systems on-boarding and off-boarding documentation.

Recommendation

Revise the current employee termination procedures to specify a time period in which access must be removed and property returned upon an employee’s termination. Improve monitoring processes related to employee terminations by:

- Requiring all items on the employee termination checklist to either be checked or noted as not applicable in order to determine the completeness of termination process requirements.
- Adding a date completed field for each item on the checklist to determine the timeliness of completion.
- Shortening the sixty-day timeline for the submission of the checklist to ensure that termination tasks are being completed in a timely manner.
- Reviewing the checklist upon return to AgriLife Human Resources for completeness and timeliness. Also, the internal management review team should include coverage of this area during their scheduled reviews to ensure supporting documentation and accurate records of property including keys, ID cards, credit cards, computers, etc. which have been issued to and returned from employees are being maintained as required.
1. Termination Process

(continued)

Continue working to develop a better system for notifying AgriLife IT of an employee's termination so that the employee's access can be removed within one business day of the termination date. If extended access to information systems is requested for a terminated employee, ensure a formal request is submitted and approved by the IT system owner. This request should include the specific access required and the length of time the additional access is needed. Ensure the access is limited to only that time period which is required.

Management’s Response

AgriLife Human Resources will revise current employment termination procedures to specify a time period in which access must be removed and property returned upon an employee’s termination. The termination checklist will be revised to require a response on each item and a date, where applicable. The Employee Termination Checklist procedures will be revised to require that completed forms be submitted to Human Resources within 30 days of termination. Checklists will be reviewed for completeness by Human Resources personnel. These revisions will be completed by August 31, 2012.

AgriLife IT has updated the Information Security, Computer Use and Software Installation/Use procedures and identified specific individuals within the units who are responsible for removing access to the network. AgriLife IT has also created a system that all departments will be required to use and is scheduled for launch by August 31, 2012, along with new rules and procedures related to off-boarding IT accounts within the agencies.

The internal management review team will add the termination process to their compliance reviews by November 30, 2012.

2. Accuracy of Form I-9s

Observation

Improvements are needed in the accurate and timely completion of Form I-9s.

Instances were noted in which Form I-9s, Employment Eligibility Verification, were not completed accurately and timely in accordance with Department of Homeland Security requirements. Three of twenty-nine (10%) Form I-9s could not be tested for timeliness due to missing employee or employer signature dates. Six of twenty-nine (21%) Form I-9s tested were not fully or correctly completed. Employees completing these forms require additional instruction and oversight regarding Form I-9 completion requirements.
2. Accuracy of Form I-9s (cont.)

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 agencies at risk for possible civil and criminal penalties levied according to the Immigration Reform and Control Act of 1986.

Recommendation

Improve the Form I-9 process to ensure forms are completed accurately and timely. Enhance the current monitoring process and ensure that personnel involved with completing and reviewing Form I-9s are trained and knowledgeable of Form I-9 completion requirements.

Management’s Response

AgriLife Human Resources will provide additional training materials to units regarding proper completion of an I-9, as well as a list of the most common errors. Employees who receive I-9s will be retrained and a secondary review will be put into place for all new I-9s received.

Because the current Form I-9 has an expiration date of 8/31/12 and the US Citizenship and Immigration Services has invited public comment on a revised Form I-9, training for units will be delayed until the revised Form I-9 has been made official. However, if the form has not been revised by October 31, 2012, training will proceed.

3. Confidential Information Hosted by Third-Party Vendor

Observation

Confidential or personally identifiable employee information hosted by a third-party vendor could be further protected.

AgriLife’s current service agreement with PeopleAdmin does not contain sufficient language to ensure that AgriLife’s confidential employee data is adequately protected or that the vendor will be responsible and liable in the event that this data is illegally accessed or lost while in their possession. While AgriLife’s current service agreement with PeopleAdmin does contain a broad hold harmless statement, there are no references to how the data will be protected by the vendor and acceptable methods of return, destruction, or disposal of AgriLife information at the end of the contract. In the event that confidential data being hosted by
3. Confidential Information
Hosted by Third-Party Vendor (cont.)

PeopleAdmin is exposed or otherwise misused, AgriLife may be at risk of liability and negative publicity. This could lead to a damaged reputation as well as costly expenses and litigation. AgriLife is now working to amend their agreement with PeopleAdmin to include additional language regarding the security of confidential data.

In addition, this agreement does not comply with AgriLife Procedure 29.01.03.A1, Information Security and Computer Use – Vendor Access, which has requirements regarding specifications that must be included in vendor contracts including how AgriLife information is to be protected by the vendor and acceptable methods of return, destruction or disposal of AgriLife information at the end of the contract.

Recommendation

Continue working to amend the current agreement with PeopleAdmin to include the necessary stipulations regarding protection of confidential AgriLife data as well as appropriate language regarding responsibility and liability for any unauthorized exposure of this data. Otherwise, make these changes during the next renewal period for this agreement.

Ensure the amended agreement and future agreements are in compliance with the stipulations noted in the AgriLife information resources security procedure related to vendor access.

Management’s Response

AgriLife Human Resources will amend its current agreement with PeopleAdmin as recommended by August 31, 2012.

4. Hiring Process

Observation

Hiring supervisors are not required to complete training on the hiring process and hiring documentation retention requirements.

AgriLife Human Resources provides informal training and assistance to hiring supervisors as needed, but without formal required training there is a greater risk that the hiring process will be done poorly, and the agency may end up with an unqualified employee, complaints of discrimination and noncompliance with applicable laws, policies, regulations, rules and procedures. It is critical that hiring supervisors are fully knowledgeable and aware of all hiring requirements because the AgriLife Human Resources’ hiring process relies on the hiring supervisors within the decentralized units to certify their compliance with A&M System
and AgriLife hiring requirements by completing and signing a hiring certificate as required by AgriLife 33.99.01.A1, Recruiting and Employment Procedures. The hiring certificate certifies the following requirements have been met: application materials were reviewed for all qualified applicants, a standard set of interview questions was asked of all interviewed applicants, references were checked for the final applicant, and job-related credentials were verified as required by A&M System Regulation 33.99.01, Employment Practices, and agency procedures.

Hiring documentation as prepared and used by the decentralized units is being retained in various forms which may include PeopleAdmin, Laserfiche, or paper files limiting the ability of AgriLife Human Resources to monitor this information for compliance. AgriLife Human Resources’ procedures specify that documentation is required to be retained, but allows units to choose the form used. Without the ability to monitor hiring documentation, there is a greater risk that hiring files may not contain sufficient documentation and information to support the selection of the employee hired and demonstrate that the best qualified candidate was selected.

**Recommendation**

Require hiring supervisors to complete formal training to ensure they are knowledgeable and aware of the hiring process and documentation retention requirements, especially related to the items they are certifying on the hiring certificate. Require training for employees who will be performing hiring duties if they have not been trained within the past two years. Encourage hiring documentation to be maintained in PeopleAdmin to the extent feasible to better facilitate the monitoring of documentation for appropriateness and compliance.

**Management’s Response**

AgriLife Human Resources will create additional training resources and opportunities for hiring supervisors or anyone that will be performing hiring duties who has not had training within the past two years to ensure they are knowledgeable about the hiring process and document retention requirements. These resources will be available by November 30, 2012. In addition, an effort will be made to contact each unit to educate them regarding the hiring process and direct to specific resources that may be applicable. A Human Resources Manager has also been assigned responsibility for the hiring process, which we believe will result in improved communication with and education of hiring supervisors.
4. Hiring Process (cont.)

| Supervisors will be strongly encouraged to attach recruiting file documents in the PeopleAdmin system. |

**BASIS OF REVIEW**

**Objective**

The overall objective of the audit was to review the processes and controls over Texas A&M AgriLife Administrative Services' human resources processes 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; the Texas AgriLife Research, Texas AgriLife Extension Service, and the Texas Veterinary Medical Diagnostic Laboratory rules and procedures; various other human resource guidelines published by the Texas A&M AgriLife Human Resources department; state and federal regulations; 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 A&M AgriLife Administrative Services provides guidance and support to Texas AgriLife Research (1,700 employees), Texas AgriLife Extension Service (1,900 employees), and Texas Veterinary Medical Diagnostic Laboratory (175 employees) and monitors their work for accuracy and compliance with policies, regulations, rules, and procedures. This central support unit is staffed by 22 full-time employees and contains the Chief Human Resources Officer for Texas AgriLife Research, Texas AgriLife Extension Service, and the
Texas Veterinary Medical Diagnostic Laboratory. Texas A&M AgriLife also provides some human resources support to the Texas A&M University College of Agriculture and Life Sciences' (COALS) employees, although COALS follows Texas A&M University rules and procedures.

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