

**UNIVERSITY OF CALIFORNIA, SAN FRANCISCO
AUDIT & ADVISORY SERVICES**

**Personnel Records Management
Project #23-013**

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University of California
San Francisco

Audit & Advisory Services

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SUBJECT: Personnel Records Management

As a planned audit for Fiscal Year 2023, Audit & Advisory Services (“A&AS”) conducted a review to evaluate the adequacy of the processes and internal controls in place over management and retention of employee personnel records for completeness and compliance with record retention policies and applicable regulatory requirements.

Our services were performed in accordance with the applicable International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors (the “IIA Standards”).

Our review was completed and the preliminary draft report was provided to department management in April 2023. Management provided their final comments and responses to our observations in June 2023. The observations and corrective actions have been discussed and agreed upon with department management and it is management’s responsibility to implement the corrective actions stated in the report. A&AS will periodically follow up to confirm that the agreed upon management corrective actions are completed within the dates specified in the final report.

This report is intended solely for the information and internal use of UCSF management and the Ethics, Compliance and Audit Committee, and is not intended to be and should not be used by any other person or entity.

Sincerely,

Irene McGlynn
Chief Audit Officer
UCSF Audit and Advisory Services



EXECUTIVE SUMMARY

I. BACKGROUND

As a planned audit for Fiscal Year 2023, Audit & Advisory Services conducted a review to evaluate the adequacy of the processes and internal controls in place over management and retention of employee personnel records for completeness and compliance with record retention policies and applicable regulatory requirements.

The Records Management team under Human Resources Shared Services (HRSS) is responsible for managing personnel records for non-academic staff. Personnel records were digitized in 2015 using a content management system called Perceptive Content. Effective August 2022, the Records Management team took over the management of UCSF Health personnel records. Prior to this, the UCSF Health did not have a dedicated team for record management. Additionally, many Health departments keep their own shadow files. The University is looking into moving to a new document imaging system called Hyland.

University of California (UC) Personnel Policies for Staff Members (PPSM) 80: Staff Personnel Records requires that “records will be maintained with accuracy, relevance, timeliness, and completeness, and appropriate and reasonable safeguards will be established by the location to ensure security and confidentiality.” The FAQ section of the PPSM 80 states that “Staff personnel records may include but are not limited to the following examples: employment records (application for employment, reference, etc.), compensation and benefits, training, performance management records, attendance records and other relevant or necessary information specified by the President or the Executive Officer, whether or not the records are maintained in paper or electronic form, together or separately, or in a specifically created file folder.”

UCSF Campus Administrative Policy 050-19 on Records Management and Retention refers to the UC Record Management Policy (RPM) 1 for guidelines on the creation, organization, maintenance, use, retrieval, and disposition of University records.

In 2021, California passed Senate Bill No. 807 (SB 807) that amended California’s Government Code section 12946 to require employers to maintain personnel files, among other records for at least four years. Additionally, the Joint Commission¹ performs a review of personnel records as part of the accreditation process.

Failure to have adequate internal controls and processes in place over management and retention of employee personnel records can increase the risk of incomplete or missing documents, non-compliance with regulatory requirements and internal policies, and inability to provide documentation to accreditation agencies.

¹An independent, not-for profit organization, The Joint Commission is the nation’s oldest and largest standards-setting and accrediting body in health care.

II. AUDIT PURPOSE AND SCOPE

The purpose of this review was to evaluate the adequacy of the processes and internal controls in place over management and retention of employee personnel records for completeness and compliance with record retention policies and applicable regulatory requirements.

The scope of the review included active and separated non-academic Campus and Health personnel records, and evaluated procedures specific to the following components of the UC Records Management Program Policies:

- Creation, organization of, and access to records
- Security and privacy of records
- Records retention and disposition

Procedures performed as part of this review included reviewing applicable policies and procedures related to personnel records management, understanding business rules for importing employee personnel records into the Perceptive Content system, assessment of the current document filing structure, disposition of personnel records per the retention schedule, and review of system access to the Perceptive Content system. For more detailed steps, please refer to Appendix A.

Work performed was limited to the specific activities and procedures described above. As such, this report is not intended to, nor can it be relied upon to provide an assessment of compliance beyond those areas specifically reviewed. Fieldwork was completed in February 2023.

III. SUMMARY

Based on the work performed, opportunities for enhanced controls and processes exist in the areas of adding structure to document filing process, disposition of personnel records, reviewing access to Perceptive Content, management of personnel records residing outside of Perceptive Content and establishing a periodic review process.

The specific observations from this review are listed below:

A. Record Management and Access

1. Inconsistent placement of documents and use of broad document type categories within the content management system makes it difficult to locate specific personnel records.
2. Safeguarding of confidential/ sensitive personal information could be enhanced to protect employees' privacy rights.
3. Historical personnel records have not been purged and a standard disposition process of personnel records has not been established.

4. Periodic review of personnel records has not been performed to verify completeness or to detect compliance gaps.
5. User access to the personnel content management system has not been reviewed periodically; and a number of users were found to have unnecessary access to employees' personnel records.

B. Records Governance

6. Roles and responsibilities of the Records Management Team are not clearly defined.

Additionally, during this review, an opportunity for enhanced process efficiency was identified around automating the manual process of uploading documents to Perceptive Content.

IV. OBSERVATIONS AND MANAGEMENT CORRECTIVE ACTIONS (MCAs)

A. Record Management and Access

No.	Observation	Risk/Effect	Recommendation	MCA
1.	<p><i>Inconsistent placement of documents and use of broad document type categories within the content management system makes it difficult to locate specific personnel records.</i></p> <p>Currently documents that are part of the personnel records are filed under various Document Type (DocType) categories² which makes it difficult to pinpoint specific location of certain personnel files.</p> <p>Based on the analysis performed on personnel records data as of January 2023, we noted the following:</p> <p>a) 77% of the personnel records were filed under the “Class-Comp-Appt” document type. Over forty (40) different types of documents are filed under this category without any indexing, thereby making it difficult to locate specific documents efficiently.</p> <p>b) Inconsistent type of documents that are unrelated to reclassification, appointment or compensation, were also found to be under the “Class-Comp-Appt” document category within the content management system. For example, employee related claim documents are filed under Class-Comp-Appt,</p>	<p>Lack of good organization of documents hinders the effectiveness and efficiency of locating specific records, maintaining confidentiality and meeting retention requirements.</p>	<p>(a) Management should consider revising the filing structure of the documents to either have a) more categories/ subcategories or b) label the actual document name being uploaded to represent the employee work life cycle or event type.</p> <p>(b) Management should remind personnel to file the documents in the correct document type category.</p>	<p>Action Plan:</p> <p>a) The Records Management Team will review the current DocType categories and determine whether the document within each category is appropriate and consider streamlining the documents required to be in the personnel record. As part of this process, the Records Management Team will also determine the feasibility of labeling the document that is being uploaded.</p> <p>b) The Records Management Team will remind HR generalists via email</p>

² Personnel Records could be filed under HR General Drawer among the following Document Types: (1) Class-Comp-Appt, (2) New Hire, (3) Performance Evaluation, (4) Telework Agreement, (5) Pre-2014 Documents, (6) Historical Payroll and (7) Miscellaneous; HR General Drawer also has sub-drawers: FMLA and Non-FMLA Leave

No.	Observation	Risk/Effect	Recommendation	MCA
	<p>Miscellaneous or Pre-2014 Document. Employee related claims documents should be kept separately as they have to be retained for 30 years after separation, and comingling makes it difficult to identify and maintain a retention schedule.</p>			<p>communication to file the documents in the correct DocType categories.</p> <p>Responsible Party: Executive Director, HR Shared Services</p> <p>Target Completion Date: December 31, 2023</p>
<p>2.</p>	<p><i>Safeguarding of confidential/ sensitive personal information could be enhanced to protect employees' privacy rights.</i></p> <p>Currently, there is a restricted access confidential DocType category within Perceptive Content for confidential documents to be filed. However, during the review it was noted that the confidential DocType was only used on a limited basis. Furthermore, confidential documents or documents with PII data were not consistently identified as confidential due to incorrect filing locations, such as:</p> <ul style="list-style-type: none"> ○ Occupational Health Medical Status is filed under Historical-Class-Comp-Appr. ○ Background Check Pass results can be found in Pre-2014 Document, Miscellaneous or Certiphi. ○ Social Security and Date of Birth or election of benefits can be found under Historical 	<p>Inconsistent filing of confidential documents containing PII can lead to unauthorized and inappropriate access to confidential information.</p>	<p>HR Records Team should clearly define what documents are considered confidential/ sensitive personal information and communicate/ train HR Generalists to ensure that confidential documents are filed in the correct location.</p>	<p>Action Plan:</p> <ul style="list-style-type: none"> a) The Records Management Team will clearly define documents that need to be filed under the confidential DocType. b) Training of relevant stakeholders on documents that need to be filed under confidential DocType will be conducted. <p>Responsible Party: Executive Director, HR Shared Services</p>

No.	Observation	Risk/Effect	Recommendation	MCA
	<p>Payroll, Pre-2014 Document, Class-Comp-Appt, or New Hire.</p> <p>The California Privacy Rights Act (effective January 2023) expanded the privacy rights to include employee data. Under the Act, sensitive personal information collected by an employer including social security number, driver's license number or passport number; demographic information or health or biometric information for general HR purposes such as payroll, administration of benefits, and timekeeping should be adequately safeguarded, and access restricted to protect employees' privacy.</p>			<p>Target Completion Date: December 31, 2023</p>
<p>3.</p>	<p><i>Historical personnel records have not been purged and a standard disposition process of personnel records has not been established.</i></p> <p>Currently, a retention schedule for personnel records is not in place. As part of the review, we noted that records for 796 employees with terminated dates of 2018 and older had not been purged.</p> <p>Between 2019 and 2022 there is an average of 4,017 separated employees annually. Some of the challenges in purging of personnel records include:</p> <ul style="list-style-type: none"> ▪ Identifying separated employees; Perceptive Content system is unable to provide an accurate report of separated employees 	<p>By not purging personnel records according to the retention schedule increases the risk of non-compliance with relevant policies and regulatory requirements as well as additional liability for the organization in holding records beyond required.</p>	<p>(a) Management should consult with Enterprise Content Management (ECM) on the feasibility of configuring an auto retention schedule within the new records system.</p> <p>(b) Management should obtain regular report of separated employees from UCPath and set up automatic alerts to purge the record based on the retention schedule.</p>	<p>Action Plan:</p> <p>a) The Records Management Team will work with OnBase, the new imaging system's software vendor and ECM to determine the feasibility of configuring an auto retention schedule established by UCSF in the new imaging system.</p> <p>b) The Records Management Team will review the historical files and dispose the</p>

No.	Observation	Risk/Effect	Recommendation	MCA
	<ul style="list-style-type: none"> ▪ Current generic filing structure as noted in observation #1 makes it difficult to locate documents applicable to the retention schedule ▪ Difficulty of configuring business rules in Perceptive Content system for automating disposition of specific documents based on retention schedule. <p>As per RPM 2 - <i>Records Retention and Disposition: Principles, Processes, and Guidelines</i>: Through the disposition program, the university strives to retain records long enough to satisfy internal and external requirements, but not so long as to incur unnecessary costs or burdens.</p>			<p>records/files that are not required.</p> <p>Responsible Party: Executive Director, HR Shared Services</p> <p>Target Completion Date: December 31, 2023</p>
<p>4.</p>	<p>Periodic review of personnel records has not been performed to verify completeness or to detect compliance gaps.</p> <p>A periodic review of the personnel records to ensure accuracy and completeness of documents in the personnel records has not been established. As noted in observation #1 above, the current filing structure also makes it difficult to ensure completeness and accuracy.</p> <p>In the absence of any periodic review, gaps are not identified timely such as:</p> <ul style="list-style-type: none"> • Performance Evaluation (PE) – The process failure of importing PE from Umbrella into Perceptive Content for UCSF Health employees went undetected for about a year. • Job Description (JD) – JDs are mostly not signed or dated before submitting for e-file 	<p>In the absence of any periodic review process, there is a risk that gaps in maintaining personnel records may go undetected leading to non-compliance with polices.</p>	<p>(a) Management should consider performing periodic reviews of the personnel files to ensure completeness of the personnel files and accuracy of placement of documents within the DocTypes.</p> <p>(b) Training should be provided to the HR team uploading documents to Perceptive Content on (1) placement of documents within the DocTypes, and (2)</p>	<p>Action Plan:</p> <p>a) As part of the new imaging system, the Records Management Team will work with OnBase to determine what reporting capabilities the new system has. Based on this HR Records will determine what reports can be generated to verify completeness of the personnel files.</p> <p>b) The Records Management Team</p>

No.	Observation	Risk/Effect	Recommendation	MCA
	<p>processing making it difficult for the HR Records Team to fulfill requests for recently signed JD.</p>		<p>ensuring documents are signed and completed before uploading it to Perceptive Content.</p>	<p>will train users based on the reports available from the new imaging system</p> <p>Responsible Party: Executive Director, HR Shared Services</p> <p>Target Completion Date: December 31, 2023</p>
<p>5.</p>	<p><i>User access to the personnel content management system has not been reviewed periodically; and a number of users were found to have unnecessary access to employees' personnel records.</i></p> <p>During the audit it was noted that a review process to assess access has not been established. The following was noted while performing an assessment of system access to Perceptive Content:</p> <ul style="list-style-type: none"> ▪ Thirty-six users were not shown as active HR employees in MyReports indicating employees might have transferred to other departments and no longer need access to personnel records within Perceptive Content. ▪ Sixteen users were from non-HR departments. ▪ Nine employees have Health and Campus accounts to access HR General Drawers. As the records are not 	<p>Lack of user access reviews increases the risk of unauthorized or inappropriate access to information.</p>	<p>Periodic access reviews should be performed and there should be timely removal of access for users that have transferred, or have not used the access granted to them, especially those granted with higher privilege.</p>	<p>Action Plan: The Records Management Team will review access to Perceptive Content (Highland OnBase) on an annual basis.</p> <p>Responsible Party: Executive Director, HR Shared Services</p> <p>Target Completion Date: December 31, 2023</p>

No.	Observation	Risk/Effect	Recommendation	MCA
	<p>segregated by Health and Campus, having dual accounts is not necessary.</p> <ul style="list-style-type: none"> ▪ Nine Power Users and 15 HR Manager Groups have more than one access roles that creates unnecessary redundancies and raises uncertainty about which access is needed and which should be removed. <p>Personnel records are filed in different drawers in Perceptive Content. By default, users are assigned access (open, view, create, append, etc.) to these drawers. Access to HR Perceptive Content drawers is only given to (a) HR employees and (b) when an Action Request Form (ARF) or ticket is submitted by an approved HR supervisor/manager and access is granted based on the user role.</p>			

B. Records Governance

No.	Observation	Risk/Effect	Recommendation	MCA
6.	<p><i>Roles and responsibilities of the Records Management Team are not clearly defined.</i></p> <p>As per RMP 1 “The manager of a university department or unit (e.g., central records, electronic information systems department) that has been designated by the Records Proprietor to maintain the records shall serve as the Records Custodian. The Custodian is responsible for complying with University Records Management Program guidelines.</p> <p>During the review it was noted that HR has not assigned a Records Custodian for the management of personnel records. While the</p>	<p>In the absence of clearly defined role and responsibilities, HR Records team may not have the authority they need to make decisions related to personnel records.</p>	<p>(a) Management should clearly define the roles and responsibilities of the Records Management team, including assignment of the Records Custodian role to the appropriate individual.</p> <p>(b) Management should also engage</p>	<p>Action Plan:</p> <p>a) HR Operations Manager has been designated as the Custodian of Records. The role and responsibilities of the custodian will be documented.</p> <p>b) The Records Management Team will develop a guide on what documents should be sent to</p>

No.	Observation	Risk/Effect	Recommendation	MCA
	<p>Manager of HR Operations oversees the management of personnel records, the role and responsibilities, including authority have not been clearly defined and documented. During discussions with the HR Records team, it was noted that the role of the HR Records Team is limited to taking instructions for the request to import or provide documents.</p> <p>Additionally, there are personnel records that reside in other systems in addition to being filed in Perceptive Content such as:</p> <ul style="list-style-type: none"> ▪ Umbrella and E-Performance – These are the two known systems for performance evaluation used by Health and some Campus departments. ▪ UCPath – For Health, the required signed Oath / Patent Agreement (OPA) is Docu-signed and imported to the personnel file. For Campus, the OPA is not part of the personnel file and is kept in UCPath as the system of records. ▪ Tracker I-9 Complete – Managed by the Controller’s Office. The system is used to house I-9 forms to verify the identity and employment authorization of individuals being hired for employment. <p>There is lack of documentation and clarity for the responsibilities of the HR Records team</p>		<p>stakeholders to determine the business needs for personnel records residing outside of Perceptive Content.</p>	<p>HR Records for filing in the employee personnel file and what documents can be retained by the department. The guide will also document the responsibility of documents residing outside of Perceptive Content.</p> <p>Responsible Party: Executive Director, HR Shared Services</p> <p>Target Completion Date: December 31, 2023</p>

No.	Observation	Risk/Effect	Recommendation	MCA
	for the personnel records that reside in other systems outside of Perceptive Content.			

V. Opportunity for Improvement

No.	Observation	Risk/Effect	Recommendation
1	<p><i>There is an opportunity to automate some of the manual process of uploading documents to Perceptive Content.</i></p> <p>Although many document intake streams have already been automated, there are some document uploads that are still manual, for example, campus new hire packets, MedCenter New Employee Orientation (NEO) forms, and Academic Renewal Letters.</p>	Lack of automation leads to inefficiencies and can lead to documents not being sent to Records team for filing.	Management should explore the possibility of automating document intake that are still manual.

APPENDIX A

To conduct our review, the following procedures were performed for the areas in scope:

- Reviewed relevant regulations and guidelines from UCOP, UCSF, and the internet related to personnel records.
- Reviewed PeopleConnect ticket request for assessment on the volume of distribution of personnel records and to whom.
- Interviewed key personnel within HR Records Team and Compliance requestors to understand challenges around personnel records management.
- Assessed the Perceptive Content system to understand the process for importing and organizing records.
- Reviewed a sample of compliance requests by The Joint Commission to identify gaps.