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October 11, 2024

Marc Fisher
Vice Chancellor
Administration

Vice Chancellor Fisher:

We have completed our audit of Student Employment Lifecycle as per our annual service plan in accordance with the University of California Internal Audit Charter.

Our observations with management action plans are expounded upon in the accompanying report. Please destroy all copies of draft reports and related documents. Thank you to the staff of the People & Culture, Berkeley Regional Services, the Center for Educational Partnerships, Disabled Students Program, Housing and Dining Services, and Recreation and Wellbeing for their cooperative efforts throughout the audit process. Please do not hesitate to call on Audit and Advisory Services if we can be of further assistance in this or other matters.

Respectfully reported,

Jaime Jue

Jaime Jue
Assistant Vice-Chancellor and Campus Internal Audit Director

cc: Associate Vice Chancellor Eugene Whitlock
Assistant Vice Chancellor Seamus Wilmot
Senior Vice President and Chief Compliance and Audit Officer Alexander Bustamante
Associate Chancellor Khira Griscavage
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AUDIT AND ADVISORY SERVICES

Student Employment Lifecycle Audit

Project No. 24-784

October 11, 2024

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**University of California, Berkeley
Audit and Advisory Services
Student Employment Lifecycle**

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OVERVIEW

Executive Summary

The purpose of the audit was to evaluate the adequacy of selected internal controls within the employment lifecycle related to recruiting, hiring, onboarding, payroll, supervision, and offboarding of student employees. Our audit scope was limited to UC Berkeley undergraduate student employment only.

Our audit procedures included interviews and process walkthroughs with selected hiring units with a higher volume of student employees, as well as with key central campus units, including Berkeley Regional Services (BRS) and People & Culture. We also reviewed related campus- and department-level procedural documentation, and performed detailed reviews of a sample of undergraduate student employment records to confirm our understanding of processes and to assess compliance with key employment requirements. Our procedures did not entail a detailed analysis or testing of the efficiency or timeliness of the hiring and onboarding process, which is an area of priority and concern for the campus, but which was the subject of a campus workgroup underway at the time of our audit.

Undergraduate student employees represent an important subset of the campus workforce, with several thousand student appointments active in fall 2023.

Campus student employment activities are primarily managed by each hiring department, with transactional support provided by the supporting BRS team. There is currently no guidance or oversight provided to the campus as a whole by People & Culture, BRS, or any other department related to the student employment lifecycle or experience. Various hiring departments across campus and their supporting regions have developed individual procedures, but the absence of a common set of standard policies and procedures leads to inconsistent practices. We recommend that the People & Culture, in consultation with BRS, develop a common set of policies and/or guidelines to help ensure a sufficient level of consistency in practices, and that risks related to student employment are managed in alignment with senior campus leadership risk tolerance levels.

Our specific findings and recommendations for areas for management response and action are detailed more fully in the attached report.

Source and Purpose of the Audit

Our audit was performed as part of our fiscal year 2024 audit plan. The purpose of the audit was to evaluate the adequacy of selected internal controls within the employment lifecycle related to recruiting, hiring, onboarding, payroll, and offboarding of undergraduate student employees.

Scope of the Audit

Our audit scope was limited to processes related to UC Berkeley students employed within the “5 - Student: Casual/Restricted” employee class. This generally is reserved for undergraduate students, and a “Student Assistant” series title is used for these positions.

Areas of focus included alignment of activities with relevant campus and UCOP policies; and clarity and appropriateness of the assignment of responsibilities to identify and mitigate key operational and compliance risks.

Audit procedures included process walkthroughs and interviews with management from various units directly involved in student employment activities, including Berkeley Regional Services (BRS) and selected units across campus that routinely hire undergraduate student employees. We also interviewed key stakeholder units, including People & Culture and various offices within the Student Affairs division. In addition, we reviewed related campus- and department-level procedural documentation, and performed detailed reviews of a sample of undergraduate student employment records to confirm our understanding of processes and to assess compliance with key employment requirements.

Our procedures did not entail a detailed analysis or testing of the efficiency or timeliness of the hiring and onboarding process, which is an area of priority and concern for the campus, but which was the subject of a campus workgroup underway at the time of our audit.

Background Information

Undergraduate student employees represent an important subset of the campus workforce, with several thousand student appointments active in fall 2023.

Systemwide policies covering staff employment matters (Personnel Policies for Staff Members (PPSM)) also generally pertain to employees holding a “casual/restricted” appointment type, which as specified in *PPSM-3: Types of Appointment* is “reserved for a registered undergraduate or graduate student of the University of California.” The purpose of these appointments is to “assist students in gaining work experience and financial support while pursuing their educational objectives.” Casual/restricted appointments are exempt from certain policy requirements, with exemptions delineated within each PPSM policy, as applicable.

By policy and practice, undergraduate student employees are largely hired only into a limited subset of job titles within the “Casual/Restricted” employee class, including Student Assistant 2, Student Assistant 3, Student Assistant 4, Student Activities Appointment Official BYA, Student Residence Hall LD BYA, Student Residence Hall BYA. Student employee positions may entail a variety of work responsibilities and therefore student assistant job descriptions may vary widely, even in the same title code. To assist units in classifying student jobs in the most appropriate job title, the campus has published generic job descriptions for the primary student title codes that

broadly delineate title code criteria and descriptions, as well as a crosswalk between common campus non-student job titles and the most applicable student title. However, departments have the authority and flexibility to determine the student job title and classification for the employee.

Positions are posted and advertised a variety of ways. Berkeley Career Engagement supports job postings through a third-party recruiting platform, Handshake, and many departments host tabling events on campus. Departments may also identify and hire applicants through direct referral without a formal recruitment process.

The supporting BRS region assists the hiring department in onboarding tasks such as the I-9 completion and relevant personnel hiring paperwork. Supporting regions also assist in terminating student employees in UCPath, but departments are responsible for various off-boarding tasks, such as removing access privileges to systems and secure areas.

Summary Conclusion

Campus student employment activities are primarily managed by each hiring department, with transactional support provided by the supporting BRS team. There is currently no guidance or oversight provided to the campus as a whole by People & Culture, BRS, or any other department related to the student employment lifecycle or experience. Various hiring departments across campus and their supporting regions have developed individual procedures, but the absence of a common set of standard policies and procedures leads to inconsistent practices. We recommend that the People & Culture, in consultation with BRS, develop a common set of policies and/or guidelines to help ensure a sufficient level of consistency in practices, and that risks related to student employment are managed in alignment with senior campus leadership risk tolerance levels.

We note that other campuses, such as Davis and San Diego, have established policies and guidance specific to key areas of student employment, including for recruitment, appointment, compensation, supervision, and termination. Management may wish leverage these resources in developing local campus plans.

Management agrees with our observations and has provided management responses that, if implemented, should address the risks noted in our audit.

SUMMARY OF OBSERVATIONS & MANAGEMENT RESPONSE AND ACTION PLAN

Campus Policies and Guidelines

Observation

Campus student employment activities are primarily managed by each hiring department, with transactional support provided by the supporting BRS team. There is currently no guidance or oversight provided to the campus as a whole by People & Culture, BRS, or any other department related to the student employment lifecycle or experience.

Various hiring departments across campus and their supporting regions have developed individual procedures, but the absence of a common set of standard policies and procedures leads to inconsistent practices across the employment lifecycle, including recruitment, hiring, on boarding, supervision, and termination. Specific areas of elevated concern include, but are not limited to:

- **Job descriptions:** The campus has published generic job descriptions for each of the primary student titles, but while it is recommended that job descriptions specific to each student position be developed, there are no specific controls in place to verify job description sufficiency. We recommend that management reassess and clarify minimum standards for job descriptions, and also consider whether additional guidance or special review/approval procedures should be implemented for potentially sensitive job responsibilities.
- **Health and safety considerations:** We noted that hiring units are not routinely completing or providing Physical, Environmental, and Mental (PEM) requirements checklists to student employees. Absent this analysis, there is a risk that students may not be fully aware of the demands of the position, and that the need for specialized training and/or accommodations may not be adequately considered. We recommend that management require that PEM forms be routinely used for student positions (as they are for staff positions).
- **Student work hours:** Departments are encouraged to keep the appointment full-time equivalent (FTE) percentage under 50%, for student assistants. For international students on F-1 visa status, there are limitations on the numbers of hours they can work¹, and establishing clear guidance and protocols for monitoring is warranted. Per the U.S. Immigration and Customs Enforcement (ICE) international students may not work more than 20 hours while classes are in session. In addition, policy specifies that, for casual/restricted employees, the “number of working hours must take into consideration the student’s educational workload.” Monitoring of recorded hours can also help ensure timely pay.

¹ Per U.S. Immigration and Customs Enforcement 8 CFR 214.2(f)(9) students who hold F-1 visa may work up to 20 hours a week.

- **Appointment end dates and eligibility status monitoring:** Departments are allowed flexibility in setting student appointment end dates. We understand that end dates may be set by some units beyond the current academic year in anticipation that student employees may wish to retain their position throughout the duration of their undergraduate enrollment. Currently, there is no formal monitoring of student employment by BRS to ensure that appointments remain valid and/or that students remain eligible for the appointment based on their registration status. Given this, especially for appointments with longer durations, it is possible that students may cease employment earlier than the established end date or that their status as a registered student may change. To the extent this may occur and not be identified on a timely basis, there are various potential compliance, financial, and operational impacts to the campus, including tax consequences², non-compliance with PPSM requirements for casual/restricted positions, a risk of invalid payroll transactions, and impacts to the processing of new/additional appointments. Management should assess the need for standard requirements for end dates for student appointments, and may also wish to enhance central or regional monitoring of student employee eligibility on a periodic basis.

We recommend that the People & Culture, in consultation with BRS, develop a common set of policies and/or guidelines to help ensure a sufficient level of consistency in practices, and that risks related to student employment are managed in alignment with senior campus leadership risk tolerance levels.

We note that other campuses, such as Davis and San Diego, have established policies and guidance specific to key areas of student employment, including for recruitment, appointment, compensation, supervision, and termination. Management may wish leverage these resources in developing local campus plans.

Management Response and Action Plan

People & Culture will develop and publish an informational webpage regarding student employment. (Target completion date: January 2025).

² Under the federal Internal Revenue Code Section 3121(b)(10), “services in the employ of certain public or private nonprofit schools, colleges, or universities, or affiliated organizations described in Section 509(a)(3) of the Code performed by a student qualify for the exception from FICA tax provided under IRC Section 3121(b)(10) (Student FICA exception).”