

UNIVERSITY OF CALIFORNIA, DAVIS
AUDIT & MANAGEMENT ADVISORY SERVICES

Personnel Action Approval Process
Audit & Management Advisory Services Project # 17-10

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MANAGEMENT SUMMARY

Background

University of California, Davis (UC Davis) policy gives department heads or a qualified delegate authority to approve departmental transactions. This authority is further refined to specifically include departmental personnel transactions in guidance published on the Accounting and Financial Services (A&FS) website. For the fiscal year (FY) ending on June 30, 2015, salary and benefit expenses for UC Davis personnel totaled approximately \$2.7 billion, representing approximately 68% of total expenses associated with UC Davis core activities.¹

Human Resources (HR) acts as a strategic partner to the UC Davis community by providing services related to talent acquisition and management, compensation, and employee and labor relations for UC Davis staff positions. In order to facilitate provision of talent acquisition and management services, HR administers the PeopleAdmin (PA) system, which allows the University to monitor and manage positions during the recruitment process.

PA can be broken down into two primary modules: Position Management and Recruitment. Position Management allows administrators to create position descriptions and vacate or inactivate positions. The Recruitment module serves as a platform to facilitate the hiring process, which includes position postings, applicant screenings, and applications review.

Department human resources staff work with HR when operating within PA. During FY 2016, 6,168² individuals were hired into new or existing positions. Of the 6,168 new hires, 2,881, or 47%, were hired into staff positions.

Purpose and Scope

As part of the fiscal year 2016-17 audit plan, Audit and Management Advisory Services (AMAS) conducted a review of the Personnel Action Approval Process. The focus of this review was to evaluate the processes and controls surrounding the approval of personnel actions such as adding new positions and refilling vacancies and determining whether these actions were approved in accordance with UC policy and other applicable guidelines. While central HR serves both the Campus and UC Davis Health System (UCDHS), this review was limited to only campus practices.

In order to complete our evaluation, we interviewed HR and local human resources staff, including managers from the School of Veterinary Medicine, School of Engineering, and College of Letters and Sciences – Division of Social Studies. We also reviewed a collection of PA user information and performed an additional analysis to determine the users' job titles and access levels.

¹ UC Davis 2014-15 Financial Report, Statement of Operating Results for 2014 and 2015.

² To arrive at this figure, we excluded Temporary Employment Services and student appointments.

Conclusion

Because UC Davis policy and guidelines related to personnel transactions give authority for approval to department heads and delegates who meet certain criteria (versus hold a specified position in the organization), the approval process for personnel transactions can vary by business unit. This variability is appropriate, in that it allows for individuals with knowledge of the transaction to be the approver at the department level.

A risk to the broader organization can arise if individual departments make decisions regarding personnel actions that are not consistent with the strategic objectives and/or goals of their college or division. UC Davis currently does not have policies or procedures in place governing how information is shared through the chain of command to ensure alignment of personnel actions with strategic objectives and goals. As a result, practices in this area are inconsistent across the organization.

Finally, there are opportunities to enhance the process for providing department level access to the PA system.

I. OBSERVATIONS, RECOMMENDATIONS, AND MANAGEMENT CORRECTIVE ACTIONS

A. Strategic Alignment of Personnel Actions

Practices governing approval of personnel actions above the level of the department head are inconsistent.

There are currently no UC Davis wide policies or guidelines governing review or approval of decisions to add positions or fill existing vacancies beyond the level of department head. As a result, UC Davis colleges and divisions have differing internal policies and practices in this area. Based upon our inquiries with a sampling of colleges and divisions, practices range from seeking approval for substantially all decisions to create positions and/or fill vacancies, to providing information on only select positions.³

In instances where departments do not consult with higher level leadership in their college or division, there is an increased risk that positions may be created or filled in a manner that is inconsistent with organizational strategies or goals, and/or that there may be negative financial consequences for the broader organization.

³ Though not included within the scope of this review, UCDHS utilizes a hiring committee to review and approve hiring decisions, which is different than practices on the UCD Campus.

Recommendation

HR leadership should consult with other senior and executive leadership to assess the need for additional policies or guidance addressing review and approval of creating or filling positions beyond the level of department head. Consideration should be given to establishing risk based criteria for when additional approvals would be obtained, such as level of position, related salary and benefits costs, new versus existing position being filled, financial standing of department, and/or the position's alignment with organizational strategies and goals. When additional approvals are not required or approvals are at a lower level in the organization, consider establishing monthly summary reporting to keep upper management levels informed.

Management Corrective Action

By June 15, 2017, the Chief Human Resources Officer (CHRO) will consult with senior and executive leadership to assess the need for additional risk based policies or guidelines for approval of creating or filling positions beyond the level of department head, and begin development of the revised policies or guidelines (if applicable).

B. Standardized Requirements for System Access

Requests for enhanced access to the position management system are not subject to the same requirements as new user access requests.

Controls surrounding user access levels in the position management system can be improved through more standardized access requirements. When a new user seeks access to the system, the user must submit a request form which requires the signature of a department approving authority. When an existing user seeks enhanced access, the same request form is not required. Instead, HR personnel have indicated that department heads can contact HR via email or phone call to request additional access. Approval of these requests by department heads is not consistently documented. At the most minimum access level, a user would be able to initiate actions in the position management system. Enhanced access would allow the user to submit position reviews to the HR compensation team in addition to requisitions for staff positions to HR.

Recommendations

HR should ensure that requests for changes in access levels approved by the department approving authority are documented prior to making requested changes.

Management Corrective Action

By June 15, 2017, HR will develop an internal procedure that outlines elements which must be satisfied in order for existing users to gain enhanced access to the position management system. This internal policy will include a requirement for documentation of department approval. HR will distribute and share the information with departments.

C. Updates to PA User Information

PA user information may be outdated in some instances.

A review of PA users demonstrated that 706 employees currently have some level of access to PA. Of those 706 employees with access, 653⁴ users can be separated into the following categories: Department Initiator, Position Management Approver 1, Recruitment Approver 1, and Department Approver 2⁵, as per the table below.

Summary of User Types

User Type	Primary Functions	Number of Users	Percentage of Whole
Department Initiator	Initiate position reviews and submit for departmental approval; initiate staff recruitment and submit for departmental approval; manage and view recruitments; view the campus position library and department library.	253	39%
Position Management Approver 1	Initiate position reviews and submit to Department Approver 2; update employee information and user access on a department position; vacate current employee; view all actions; view the campus position library and department library.	169	26%
Recruitment Approver 1	Initiate and submit to HR a requisition for a staff position; manage and view recruitments; view the campus position library.	144	22%
Department Approver 2	Initiate and submit position reviews to Compensation; initiate and submit to HR a requisition for a staff position; update employee information and user access on a department position; manage and view recruitments; view the campus position library.	87	13%
TOTAL		653	100%

⁴ We found that 53 employees had a level of access which is either reserved for HR staff or provides the user with “view-only” access; these employees were excluded from our review.

⁵ See above. Additional user access levels exist, however those levels of access were not incorporated into analysis.

We performed a more detailed review of users classified as Department Approver 2 because these individuals have the greatest level of authority of the four user groups in the above table. Of the 87 employees in the Approver 2 level, we were unable to identify 12 in the on-line campus directory. Further research indicates that five of these individuals are no longer employed by UC Davis, and one had changed their last name. The status of the other seven individuals is unclear, with some not appearing in the Payroll Personnel System at all.

For the remaining 75 employees in the Approver 2 category, we found that 61% serve administrative or human resources related roles within department units. The remaining 39% serve more executive roles, such as assistant deans, directors, and HR managers. Having individuals in these roles serving as Approver 2's appears reasonable.

Recommendation

- a. HR should perform a review of current PA users to determine that system access for these users is appropriate.
- b. HR should develop a process to ensure timely maintenance of user accounts in PA during the entire lifecycle of the accounts.

Management Corrective Action

1. By September 15, 2017, HR will assess the users currently in PA to ensure all are UC Davis employees with an approved and appropriate business need for access to the system.
2. By September 15, 2017, HR will develop a process for updating PA user information, including any changes in employment status, the employee's name, or change in job title.