

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

Remote Work Controls - Onboarding

Project #22-059

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University of California
San Francisco

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SUBJECT: Remote Work Controls – Onboarding

As a planned audit for Fiscal Year 2022, Audit & Advisory Services (“A&AS”) conducted a review to evaluate the new hire onboarding processes and controls in the current remote work environment.

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 May 2022. Management also provided their final comments and responses to our observations in August 2022. 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 the Fiscal Year 2022, Audit & Advisory Services (A&AS) reviewed the new hire onboarding processes and controls in the current remote work environment.

In March 2020, the University of California, San Francisco (UCSF) switched to a remote work environment due to the coronavirus (COVID-19) pandemic. Some of the onboarding procedure changes as a result of the remote work environment include:

1. Forms that required in-person signatures were added to the ePacket¹ for electronic signature via DocuSign.
2. Based on the guidance issued by U.S Citizenship and Immigration Services (USCIS), new hires can designate a 3rd party as an Authorized Representative² to physically verify work authorization documents for the Employment Eligibility Verification (Form I-9) instead of Human Resource (HR).
3. HR launched a recorded New Employee Orientation (NEO) for Campus with the link to the presentation included in the new hire's welcome email. Also, there is an option for drop-in Q&A sessions, which are held twice a month via Zoom for real-time support in their onboarding process.
4. HR Shared Services (HRSS) permitted new hires with pending background check results due to delays caused by COVID-19 to start employment on a contingent basis pending final clearance.

Campus and Health HR are currently separate, and processes are not always consistent between the two. In October 2021, HR went through a reorganization, and efforts are underway to bring Campus and Health HR under one umbrella, HR Shared Services (HRSS), supporting the UCSF community.

II. **AUDIT PURPOSE AND SCOPE**

The purpose of the review was to evaluate the new hire onboarding processes and controls in the current remote work environment. The scope of the review covered staff employees from Campus and UCSF Health hired during January to September 2021. Academic staff and physician new hires were excluded from the review.

Procedures performed as part of the audit included a review of current HR policies and procedures for staff onboarding; interviews with key personnel and walkthroughs to get an understanding of changes in onboarding processes in the current remote work environment; and validation of a sample of new hires for compliance with policies and procedures and consistency within practices. For more detailed steps, please refer to Appendix A.

¹ ePacket is a set of forms acknowledging important University policies required to be signed before the first day of work. State of Oath of Allegiance, Patent Acknowledgement, and UCRS 419, if applicable, were added to ePacket.

² UC guidance is that an authorized representative can be any person UCSF HR designates to complete and sign Form I-9 on HR's behalf. UCSF is liable for any violations connected to the form or the verification process.

Work performed was limited to the specific activities and procedures described above. As such, this report is not intended to assess compliance beyond those areas specifically reviewed. Fieldwork was completed in April 2022.

III. **SUMMARY**

Based on the procedures performed, HR appears to have adequate controls in place for onboarding in the current remote work environment. Health's mandatory NEO attendance is tracked through BrassRing. Campus optional NEO provides a Welcome email with actions to complete within 30 days, and includes an option to attend a scheduled virtual NEO for questions and answers. The Tracker I-9 Complete (I-9 Tracker) system has built-in controls to alert I-9 managers on expected due dates, and capture completion dates of Sections 1 and 2.

Opportunities for improvement exist in timely completion of Form I-9s, alignment of hire start dates between systems, obtaining final health clearance, and policy updates to reflect current practices.

The specific observations from this review are listed below and in Section IV. Observations and Corrective Management Actions.

A. Health Clearance

1. The final health clearance was not always obtained for provisional hires.
2. There is a lack of clarity on the escalation process governing non-compliance with final health clearance.
3. The Communicable Disease Surveillance and Vaccination Policy (CDSVP) for Campus and UCSF Health Staff does not reflect current practices.

B. I-9 Verification

4. Employment Eligibility Verification (I-9) Forms were not always completed within the required time.
5. Hire start dates between I-9 Tracker and UCPath were not consistently aligned.

C. Fingerprinting

6. Procedures for remote fingerprinting background checks for out-of-state or out-of-bay area candidates, including the definition of roles and responsibilities, have not been documented.

Process improvement opportunities were identified in alignment between Health and Campus for provisional hires, consistency on I-9 required fields, the use of data analytics to determine compliance, background checks in Review status, and I-9. Further detail can be found in Section IV of the report.

IV. OBSERVATIONS AND MANAGEMENT CORRECTIVE ACTIONS (“MCAs”)

A. Health Clearance

No.	<u>Observation</u>	<u>Risk/Effect</u>	<u>Recommendation</u>	<u>MCA</u>
1.	<p><i>The final health clearance was not always obtained for provisional hires.</i></p> <p>For new hires, UCSF Health grants provisional health clearance to start employment when applicable vaccination requirements are met, including Tuberculosis (TB) Step-1, monitored by the Health HRSS team.³ The final health clearance is determined when TB Step-2 is completed and monitored by Occupational Health Services (OHS).</p> <p>OHS maintains a New Hire Non-Compliant excel worksheet, which provides a list of employees that have not obtained the final health clearance. There were 15 employees on the New Hire Non-Compliant report as of December 3, 2021.</p> <p>1. Five (4 Campus and 1 Faculty Practice Organization) out of the 15 employees are still active employees for whom final health clearance has not been obtained. The days out of compliance averaged 477 days.</p> <p>Per Health Employment policy 4.01.01: “The verbal offer and written offer of employment is contingent upon pre-placement health clearance.” The policy further stated that ongoing employment contingencies require maintenance of annual infectious disease</p>	<p>Lack of enforcement of the policy on health clearance increases safety risks for patients and staff.</p> <p>Without the accurate employment status of the new employees, unnecessary efforts may be expended on following up on non-compliance.</p>	<p>HR Executives from People Wellness, Talent Operations, and Shared Services should determine the next step to obtain final clearance for the five active employees.</p> <p>OHS should assess the feasibility of an automated feed to update the TrackIt system for separated employees to enable the efficiency of managing non-compliant and ensure the accuracy of the non-compliant reporting.</p>	<p>Actions: (a) People Wellness will evaluate and implement no provisional hires. New hires will need to obtain full health clearance before starting employment. The policy will be updated based on the decision made after the evaluation. The policy will also include documentation when provisional hires would be used on an exceptional basis.</p> <p>Target Completion Date: December 31, 2022</p> <p>(b) 3 out of the 5 identified as out of compliance are now in compliance. LER is working on the</p>

³ OHS has a matrix for department managers to determine what applicable pre-placement assessment, vaccinations, and annual surveillance are needed by Medical Center and Campus employees working within the Health Care setting, clinical or research laboratories, animals, and human subjects.

No.	Observation	Risk/Effect	Recommendation	MCA
	<p>surveillance. The policy does not provide action(s) that would be taken for non-compliance.</p> <p>2. 10 out of the 15 employees are no longer with the University; however, they were non-compliant during employment, ranging from 2 to 223 days.</p> <p>OHS uses the TrackIt system that does not have an auto-feed from a source system that could provide employee status, limiting OHS's efficiency in managing the New-Hire Non-Compliant report to reflect the most current employees.</p>			<p>remaining 2 employees.</p> <p>Target Completion Date: October 31, 2022</p> <p>Responsible Party: Vice President/Assistant Vice Chancellor of People Wellness</p>
2.	<p><i>There is a lack of clarity on the escalation process governing non-compliance with final health clearance.</i></p> <p>During our review of the health clearance process, we noted there is not a clear and shared understanding of roles and responsibilities in the escalation process for non-compliance.</p> <p>Currently, OHS sends up to three email reminders to the employee requiring final health clearance at 7, 14, and 21 days.⁴ Health HRSS is copied in these emails. The employee's manager is added on the third email reminder, although department managers can track health clearance compliance through the online Umbrella tool. If the employee has not taken action after the third reminder, they</p>	<p>Lack of clarity on roles and responsibilities for the escalation process hinders the effectiveness of managing compliance, potentially creating a risk to patient and employee safety.</p>	<p>HR Executives from People Wellness, Talent Operations, and Shared Services should work with relevant parties to determine the escalation process and document this into formal procedures with agreement from appropriate parties.</p>	<p>Action: OHS will send single reminder to employee and manager. If no action is taken then the matter will be escalated to the Director and VP for action; process for removal from work. The procedures for the escalation process will be documented.</p> <p>Responsible Party: Vice President/Assistant</p>

⁴ Final clearance is required to continue work when the new hire completes TB Step-2 within 30 days of the start date

No.	Observation	Risk/Effect	Recommendation	MCA
	<p>are included in the New Hire Non-Compliant list and sent to LER for assistance.⁵</p> <p>According to LER, they do not own the escalation process; instead, they are there to guide managers on what options are available for them to take for non-compliant employees.</p> <p>While Health HRSS is copied on email notifications to employees, they do not take any actions since they do not own the Final Clearance process of the provisional hire as this is not part of the pre-employment onboarding process.</p>			<p>Vice Chancellor of People Wellness</p> <p>Target Completion Date: October 31, 2022</p>
3.	<p><i>The Communicable Disease Surveillance and Vaccination Policy (CDSVP) for Campus and Health Staff does not reflect current practices.</i></p> <p>The Campus UCSF CDSVP has not been reviewed since 2009, whereas the Health Staff CDSVP version was last reviewed in July 2017. It is unclear if there should be two versions of policy for Campus and Health. The Campus version does not define employee non-compliance procedures and escalation process unlike the COVID-19 policy, which became effective in 2021.⁶</p> <p>The Health Staff CDSVP also does not define ownership of non-compliance enforcement or escalation process but the most recent COVID-19</p>	<p>Outdated policies that do not reflect current practices can lead to confusion and lack of compliance with the policy.</p>	<p>HR Executives from People Wellness, Talent Operations, and Shared Services should work with relevant parties to review and update the Campus UCSF CDSVP as appropriate.</p> <p>Assessment should be made on the effectiveness of the current decentralized vs. centralized process for compliance enforcement.</p>	<p>Action: A review of the policies will be performed to identify areas to update for both policies. Depending on the policy changes there may be notice obligations to all staff and/or obligations to unions if this represents a change.</p>

⁵ Effective December 2021, OHS established a new process and has started to provide the New Hire Non-Compliant report to LER for assistance and will start to copy the hiring managers at the beginning of the first email reminder to the new hire.

⁶ The COVID Policy defines the details of the non-compliance procedures, including the number of days to comply from the triggering events: start date (14 days), first notice (3 days), second notice (14 days), a notice of continued non-compliance (6 weeks), and references to policies for corrective action, investigative leave, and termination.

No.	Observation	Risk/Effect	Recommendation	MCA
	<p>policy has clear guidelines on the escalation path. Also, the Health Staff CDSVP has a link to the UCSF CDSVP, but the link is broken.</p> <p>Additionally, while the UCSF CDSVP stipulates that compliance enforcement rests with department managers, the decentralized approach has not necessarily been effective in enforcing policy compliance based on our limited sample review.</p>			<p>Responsible Party: Vice President/Assistant Vice Chancellor of People Wellness</p> <p>Target Completion Date: December 31, 2022</p>

B. I-9 Verification

No.	Observation	Risk/Effect	Recommendation	MCA
4.	<p><i>Employment Eligibility Verification (I-9) Forms were not always completed within the required time.</i></p> <p>Form I-9 is used to verify the identity and employment authorizations of individuals hired for employment in the United States. At UCSF, Form I-9s are created and processed through an online system, I-9 Tracker. Timely completion of employee information and electronic signatures are required for Sections 1 and 2 as follows:</p> <ul style="list-style-type: none"> • Employees must complete and sign Section 1 of Form I-9 no later than their first day of employment. • Employers must complete and sign Section 2 of Form I-9 within three business days of the date of hire of their employee. 	<p>Without timely completion of the Form I-9 by the employee and verification by the employer, UCSF is not in compliance with Federal regulations and could be subject to penalties for each individual where a violation occurred ranging from \$237 to \$2,360, depending on the employee's hire date.</p> <p>Additionally,</p>	<p>HRSS should develop written procedures on the Form I-9 audit process to include using the I-9 Tracker customization report and defining periodic reviews to identify gaps.</p>	<p>Action: HRSS will establish an audit process leveraging the tracker I9 core functionality for reporting and audit.</p> <p>Target Completion Date: September 30, 2022</p> <p>Responsible Party: Executive Director, HRSS</p>

No.	Observation	Risk/Effect	Recommendation	MCA
	<p>A review of 42 samples (15 each from Health and Campus and 12 from Temporary Employment Program (TEP)) of Form I-9s found the following:</p> <ul style="list-style-type: none"> Sections 1 and 2 for 11 out of 42 (26%) Form I-9s (3 Campus and 8 TEP) reviewed were not completed by the required dates. The delays in completion ranged from 1 to 265 days. Form I-9s reviewed for UCSF Health (15 samples) were completed within the required time. <p>The Immigration Reform and Control Act (IRCA) of 1986 requires all U.S. employers, regardless of size, to verify the identity of new employees and their eligibility for employment in the United States.</p>	<p>there is an increased risk that UCSF could employ an individual who is not authorized to work in the United States.</p>		
<p>5.</p>	<p><i>Hire start dates between I-9 Tracker and UCPath were not consistently aligned.</i></p> <p>Accuracy of new employee hire date is critical to ensure compliance with Form I-9 Sections 1 and 2 completion dates. Hire dates are captured in UCPath, and I-9 Tracker. A review of employment start dates for a sample of 42 new hires (15 each from Health and Campus and 12 from TEP) showed the following:</p> <ul style="list-style-type: none"> Four (1 campus and 3 TEP) out of 42 (10%) new hires sampled from the I-9 Tracker system did not match the UCPath source system. The new hire start dates for UCSF Health (15 samples) matched between I-9 Tracker and UCPath. <p>The differences in the hire start dates between the two systems are mainly due to changes in the start</p>	<p>Lack of data integrity on key data used for compliance assessment can negatively impact business objectives.</p>	<p>a) Campus HRSS should follow up with the I-9 Manager and all Staff Generalists to ensure Section 2 is amended to reflect the actual start date.</p> <p>b) HRSS should consider data analytics between I-9 Tracker and UCPath to ensure start dates align for accuracy of compliance reporting on timeliness.</p> <p>c) HRSS should expand on Form I-9 audit procedures to include the expectations on hire start date alignment between I-9 Tracker and</p>	<p>Action: HRSS will coordinate with UCPath to explore hire date coordination between Tracker I9 and UCPath so when a hire date is updated in UCPath it will update Tracker I9.</p> <p>Target Completion Date: September 30, 2022</p> <p>Responsible Party: Executive Director, HRSS</p>

No.	Observation	Risk/Effect	Recommendation	MCA
	<p>date related to pending background checks or health clearance. Also, there are errors in data entry of the start date in the I-9 Tracker.</p> <p>To ensure compliance with the IRCA law, employers must accurately complete Form I-9 at the outset.</p>		<p>UCPath and any data analytics implemented.</p>	

C. Fingerprint Clearance

No.	Observation	Risk/Effect	Recommendation	MCA
<p>6.</p>	<p><i>Procedures for remote fingerprinting background checks for out-of-state or out-of-bay area candidates, including the definition of roles and responsibilities, have not been documented.</i></p> <p>In addition to the pre-employment, name-based background checks on all new hires, a limited number of departments require additional clearance in fingerprint-based background checks.⁷ With the current remote onboarding environment, an assessment was performed to determine if HR had established a process to accommodate additional fingerprinting needs for out-of-state or out-of-bay area candidates.</p> <p>Based on the discussions with HR, we noted that HR’s role and responsibility with the fingerprinting process was not documented. While HR Generalists have some role in the fingerprinting process, it is unclear who is responsible for</p>	<p>Making a provisional hire decision based on Certiphi result alone with a pending fingerprint clearance increases the risk of employment offer to a candidate not fit for the role.</p>	<p>Campus HRSS should define HRSS’s role in the fingerprinting process for background checks, including the specific distance that requires remote accommodation versus those that may warrant coming onto UCSF campus, and hiring decisions should wait for fingerprint clearance when needed by the department.</p>	<p>Action Staff Shared Services will review the fingerprint requirements as they relate to the updated background check process. Roles and Responsibility will be documented for Staff Shared Services</p> <p>Target Completion Date: October 1, 2022</p> <p>Responsible Party: Executive Director, HRSS</p>

⁷ Some departments continued to conduct additional fingerprint-based background checks to meet legal requirements, safeguard against reputational risk or reduce misappropriation of assets. These departments include EH&S, LARC, UDAR, Controller’s Office, Supply Chain Management, Facilities Services, Psychiatry, Student Health & Counseling, and Fitness & Recreation.

No.	Observation	Risk/Effect	Recommendation	MCA
	<p>coordinating the fingerprinting process and providing guidance for out-of-state candidates. Also, HR decides on provisional hires based on Certiphi results only, even if additional fingerprinting is done and results are pending.</p> <p>It is good practice to acknowledge the business needs for fingerprinting and establish an onboarding process that is inclusive of different departments' business requirements.</p>			

V. OPPORTUNITIES FOR IMPROVEMENTS

	Observation	Risk/Effect	Recommendation
1.	<p><i>Performing data analytics periodically could help identify potential non-compliance.</i></p> <p>Data analytics can provide valuable insights into the compliance gaps that manual human auditing may not detect. There are different systems used for the onboarding process including BrassRing for recruitment roster, Certiphi for a background check, and I-9 Tracker for work authorization. Data analytics has not been implemented to identify background checks and work authorization gaps against the onboarding roster.</p> <p>We also noted that I-9 data does not always accurately reflect active hires. Incomplete Form I-9s that the candidates may have started but never completed due to withdrawals are not deleted from the system.</p> <p>It is good to incorporate more data analytics to identify outliers to strengthen compliance.</p>	<p>Lack of data analytics increases the risk of anomalies being undetected and not being reviewed for errors for correction.</p>	<p>HR should consider performing data analytics periodically to identify gaps and follow up on outliers for data sets such as:</p> <ul style="list-style-type: none"> • the onboarding roster and Certiphi. • the onboarding roster and I-9 Tracker <p>HRSS should expand on Form I-9 written procedures to purge incomplete Form I-9 for candidates who started the process but did not complete the form due to withdrawal or rescinding the job offer as part of this process.</p> <p>HRSS should consider updating PeopleConnect close-out procedures to include house cleaning tasks for a candidate</p>

	<u>Observation</u>	<u>Risk/Effect</u>	<u>Recommendation</u>
			who withdrew that may impact compliance reports for background checks, OHS final clearance, and Form I-9s.
2.	<p><i>Review status in background check reports can be enhanced to reflect follow-up performed to ensure cases have been adjudicated for provisional hire.</i></p> <p>Assessment of Review status in Certiphi background check report for Health, Campus, and TEP were reviewed to determine if the cases were adjudicated for provisional hire based on background check clearance. Review status differed due to the following reasons:</p> <ol style="list-style-type: none"> 1. Five in Health and one in Campus were due to candidates withdrawing from positions. Additionally, there were two "no show" statuses for drug screening where LER changed Review status to "Fail" while the others were left in no show. 2. Two in Health and one in Campus were due to the time lag between when the background check was generated and when the cases were adjudicated and updated in Certiphi. 3. One in Campus was a mistake related to an internal transfer that did not warrant a background check, so Campus requested cancellation to Certiphi. 4. One was due to the department deciding not to move forward with this candidate, and the in-process search was canceled. 5. Two were due to Certiphi errors not updating to passed status. <p>It is good practice to have a mechanism to indicate that Review status has been followed up to ensure cases have been adjudicated for provisional hire.</p>	<p>The lack of ability to change review status to reflect other case scenarios makes it challenging to determine accuracies of actual compliance or the ability to distinguish true non-compliance from others.</p>	<p>HRSS should consult with Certiphi on the ability to note "candidate withdrew," "HR rescinded offer," etc., to conclude the follow-up. At a minimum, HRSS should establish a process to demonstrate evidence and follow-through of Certiphi "Review" status.</p> <p>Also, LER may want to reconsider changing the Review status to "Fail" due to "no show," as this terminology could be misleading. The ability to select Candidate Withdrew, Offer Rescinded, etc., would be better.</p>

	<u>Observation</u>	<u>Risk/Effect</u>	<u>Recommendation</u>
3.	<p><i>There’s an opportunity for alignment on the process for provisional hire for health clearance between Campus and Health.</i></p> <p>For Campus new hires, there is no provisional hire based on health clearance. All staff members must complete both SARS-CoV2 and Influenza vaccines before starting. However, a subset of campus employees works within the patient care setting and are required to complete additional health clearance, including TB Step-1 and TB Step-2 of surveillance. Accountability for the determination of health clearance compliance is placed on department managers.</p> <p>For Health, HR monitors provisional health clearance to complete all immunization requirements, including TB Step-1. Final clearance is contingent upon completing TB Step-2 within the first 30 days of the start date.</p>	<p>When accountability is left to department managers to determine additional health clearance for Campus new hires within patient care settings, the decentralized structure can increase the risk of oversight or inconsistencies in practices, including offer letters that do not stipulate hire contingent upon health clearance.</p>	<p>As part of the HR Kaizen Lean project, HR should consider evaluating an alignment of Health and Campus regarding provisional hire based on health clearance. At a minimum, the Kaizen Lean project should define a mechanism for tracking Campus new hires that require final health clearance.</p>

APPENDIX A

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

- Interviewed relevant personnel to get an understanding of their processes.
- Reviewed I-9 Tracker training material to understand processes and controls within the system.
- Obtained new hire report for Health and Campus for the Calendar year 2021 for sample selections.
- Determined the Review status of the background check has been followed through for provisional clearance of background check for 42 samples from both Health and Campus, including TEP.
- Reviewed prior audits and HR newsletters related to the onboarding processes to determine changes.
- Reviewed local UCSF campus policies and procedures for the new hire onboarding and I-9 regulation requirements.
- Interviewed set-up to accommodate remote fingerprinting background checks.
- For a selected sample of new hires, evaluated whether health provisional health clearances were obtained from both Health and Campus.
- Assessed Occupational Health Services' non-compliance report for final clearance to determine appropriate actions were taken based on contingency hire policy requirements.
- For a selected sample, validated that Form I-9s were completed within the required time for Sections 1 and 2.
- Confirmed data integrity for a hire start date between UCPath and I-9 Tracker to determine possible compliance gap issues within I-9 Tracker.
- Evaluated I-9 Tracker forms among Health, Campus, and TEP to determine alignment on required fields as control.