



AUDIT AND ADVISORY SERVICES

Human Resources – Hiring Practices Audit Project No. 15-650

November 20, 2015

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November 20, 2015

Claude Steele
Executive Vice Chancellor and Provost

John Wilton
Vice Chancellor
Administration and Finance

Executive Vice Chancellor and Provost Steele and Vice Chancellor Wilton:

We have completed our audit of hiring practices per our annual service plan in accordance with the Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing* and 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 Academic Personnel Office, the Office of Faculty Equity and Welfare, Campus Shared Services Human Resources/Academic Personnel Support, and central Human Resources 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,

Wanda Lynn Riley
Chief Audit Executive

cc: Vice Provost Janet Broughton
Associate Vice Provost Angelica Stacy
Assistant Vice Provost Heather Archer
Assistant Vice Chancellor Jeannine Raymond
Chief Operating Officer Peggy Huston
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University of California, Berkeley
Audit and Advisory Services
Human Resources – Hiring Practices

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OVERVIEW

Executive Summary

The purpose of the audit was to assess the oversight and management of hiring practices to assure qualified individuals are employed and campus hiring practices are in compliance with University policy and government regulatory requirements.

The process of hiring and onboarding staff and academic personnel across campus is jointly managed by several entities. Campus Shared Services Human Resources/Academic Personnel Support (CSS-HR/APS) provides a variety of services including recruitment, hiring, and onboarding support for personnel. Three other campus entities also play pivotal roles in the hiring and recruitment process; they include the Academic Personnel Office (APO), the Office of Faculty Equity and Welfare (OFEW), and the Talent Acquisition team in central Human Resources. These entities work collaboratively to ensure the campus is staffed to meet the mandates of its teaching, public service, and research mission.

Based upon our audit fieldwork, which concluded in May 2015, we observed two opportunities to enhance the current practices, processes, and internal controls which support the hiring and onboarding processes for staff and academic appointments.

First, as a federal contractor, the campus is required to abide by mandates set forth by the US Department of Labor and enforced by the Office of Federal Contracts Compliance Programs (OFCCP). These mandates require that contractors maintain consistent and detailed records regarding the disposition of all job applicants and document the rationale for hiring decisions made. The campus established a procedure that requires recruiters to complete a Recruitment Closure Checklist (RCC) including an Interview Data Form (IDF) for contract and staff hires. Both the RCC and the IDF are required to be completed, signed, and uploaded into the Talent Acquisition Management system (TAM) in a timely manner at the completion of the recruitment process. We observed that controls related to ensuring that IDF forms are completed and uploaded into TAM prior to the job opening being closed were not operating effectively. Also RCC forms were not completed in a manner to affirm completion of the required tasks. We believe there is an opportunity for central HR and CSS-HR/APS to evaluate the use of the RCC form to promote more consistent completion and perhaps rationalize minimum levels of documentation.

Second, non-senate academic searches and appointments excluding post-doctoral students and visiting scholars require approval by the APO and OFEW. We found two instances in our test sample where non-senate academic appointments appear to have been made without an approved search plan or an approved search waiver from APO and OFEW. In the absence of an approved search plan or search waiver, the campus may not be able to demonstrate fair and equitable hiring practices for non-academic senate appointments to the satisfaction of OFCCP or any other external parties in the event of an inquiry or audit.

Source and Purpose of the Audit

The purpose of the audit was to assess the oversight and management of hiring practices to assure qualified individuals are employed and campus hiring practices are compliant with university policy and government regulatory requirements.

Scope of the Audit

The scope of the audit included reviews of the following practices

- Job posting approval
- Job search approval
- Final candidate selection documentation
- Job description documentation
- Offer letter documentation and completeness
- Documentation of interview questions
- Documentation of reference and background checks
- Documentation of employment eligibility

Background Information

The process of hiring and onboarding staff and academic personnel across campus is jointly managed by several entities. Campus Shared Services Human Resources/Academic Personnel Support (CSS-HR/APS) provides a variety of services including recruitment, hiring, and onboarding support for personnel. Three other campus entities also play pivotal roles in the hiring and recruitment process; they include the Academic Personnel Office (APO), the Office of Faculty and Equity Welfare (OFEW), and the Talent Acquisition team in central Human Resources. These entities work collaboratively to ensure the campus is staffed to meet the mandates of its teaching, public service, and research mission.

Two information systems are used by the human resources organizations to hire, recruit, and onboard most personnel. Talent Acquisition Management (TAM), a component of the Human Capital Management System (HCM), is used to post and recruit staff positions and Academic Recruit (AP Recruit) is used to post and recruit for academic positions. After employees have been hired and onboarded, their records appear in HCM. TAM, AP Recruit and AP Search serve as the university's official systems of record for documenting the hiring of staff and academic personnel.

There are currently nine teams in CSS-HR/APS servicing the human resource needs of the academic, research, administrative, and auxiliary entities on campus. While standardization of all recruitment steps is a work in process, TAM is the system of record used across all teams for the recruitment of staff personnel and is used to post staff positions and document the evaluation of candidate qualifications. A completed recruitment closure checklist (RCC) and Interview Data Form (IDF) are required at the completion of staff recruitment efforts to ensure justification for hiring decisions is consistent and documented, as well as to ensure that all other required steps in the recruitment process have been completed.

Academic positions are posted in AP Recruit pending the completion of a series of approvals including a search plan or a waiver of search. Approval of a search report is required prior to final decision to make an academic appointment.

CSS-HR/APS and the overall CSS organization have undergone several management changes during the course of the 2014-15 fiscal year. The organization continues to make changes to processes and procedures to better serve the needs of the Berkeley campus. We understand that one of the major initiatives underway is the implementation of an electronic system to manage the onboarding of staff and academic personnel. The electronic system is expected to improve the efficiency and completeness of the onboarding process.

Summary Conclusion

Based upon our audit fieldwork, which concluded in May 2015, we observed two opportunities to enhance the current practices, processes, and internal controls which support the hiring and onboarding processes for staff and academic appointments.

First, the campus established a procedure that requires recruiters to complete a RCC and IDF for contract and staff hires. Both the RCC and the IDF are required to be completed, signed, and uploaded into the Talent Acquisition Management system (TAM) in a timely manner at the completion of the recruitment process. We selected a sample of ten recruitment searches associated with contract and staff hires between June and August 2014. Three of the completed IDF forms were not uploaded to TAM for document retention. In addition, all seven of the uploaded IDF forms were uploaded in March 2015 during our fieldwork testing. As a result, we observe that controls related to ensuring that IDF forms are completed and uploaded into TAM prior to the job opening being closed were not operating effectively. Also, all ten of the RCC forms were not completed in a manner to affirm completion of the required tasks. For all ten RCC forms, none of the checklist boxes were checked off so we could not infer whether the tasks were completed or not.

Second, non-senate academic searches and appointments excluding post-doctoral students and visiting scholars require approval by APO and OFEW. We selected a sample of non-senate academic appointments, excluding post-doctoral students and visiting scholars, made between June and August 2014 and found two instances where a non-senate academic appointment appears to have been made without an approved search plan or an approved search waiver from APO and OFEW. In the absence of an approved search plan or search waiver, the campus may not be able to demonstrate fair and equitable hiring practices for non-academic senate appointments to the satisfaction of OFCCP or any other external parties in the event of an inquiry or audit.

SUMMARY OF OBSERVATIONS & MANAGEMENT RESPONSE AND ACTION PLAN

Documentation of Hiring Process and Selection for Staff Positions

Observation

As a federal contractor, the campus is required to abide by mandates set forth by the US Department of Labor and enforced by the Office of Federal Contracts Compliance Programs (OFCCP). These mandates require that contractors maintain consistent and detailed records regarding the disposition of all job applicants and document the rationale for hiring decisions made. The campus established a procedure that requires recruiters to complete a Recruitment Closure Checklist (RCC) and an Interview Data Form (IDF) for contract and staff hires.¹ Both the RCC and the IDF are required to be completed, signed, and uploaded into the Talent Acquisition Management system (TAM) in a timely manner at the completion of the recruitment process. TAM is a module of HCM, the human resources system of record.

We selected a sample of ten recruitment searches associated with contract and staff hires between June and August 2014. We inspected the completed IDF forms in hard copy for all ten searches and noted that they provided documentation by the hiring manager for selection of the hired candidate and non-selection of other interviewed candidates. However, three of the completed IDF forms were not uploaded to TAM for document retention. In addition, all seven of the uploaded IDF forms were uploaded in March 2015 during our fieldwork testing. As a result, we observe that controls related to ensuring that IDF forms are completed and uploaded into TAM prior to the job opening being closed were not operating effectively. Even though hard copies of the IDF forms were available for review, the required practice of uploading the completed IDF forms in a timely manner reduces the risk that important documentation related to the search and the unit's hiring decision is not preserved and readily accessible should there be an external audit or inquiry.

Also, for our sample of ten searches, all ten of the RCC forms were not completed in a manner to affirm completion of the required tasks such as confirming that the job description and job level had been classified by the Compensation unit, that the salary offer had been reviewed by the Compensation unit or departmental HR designee, that good faith efforts were made to recruit qualified candidates from underutilized groups, etc. For all ten RCC forms, none of the checklist boxes were checked off so we could not infer whether the tasks were completed or not. We note that the required steps outlined in the checklist notes may require considerable documentation by the campus recruiter in addition to the completed IDF form. We understand that the RCC form was developed by central HR, but the campus recruiters are now primarily in CSS-HR/APS. As a result, we believe there is an opportunity for central HR and CSS-HR/APS to evaluate the use of the RCC form to promote more consistent completion and perhaps rationalize minimum levels of documentation. The overall goal is to preserve a record of the key actions and decisions

¹ RCC and IDF documentation is not required for student and, limited staff appointments.

related to the recruitment process which could be accomplished in ways other than that currently outlined by the RCC form. In the absence of such documentation, the campus faces a risk that it may not be able to demonstrate fair and equitable hiring practices for staff and contract positions to the satisfaction of OFCCP or any other external parties in the event of an inquiry or audit.

Management Response and Action Plan

Goal: Ensure that the RCC and IDF are completed, signed, and uploaded into the TAM system in a timely manner at the completion of the recruitment process for all positions.		
Issue	Proposed Action	Expected Completion Date
There are a variety of forms being used to document the close of the recruitment process.	<ol style="list-style-type: none"> 1. Implement the use of one form that combines the RCC and the IDF into one form now called the IDF. 2. Inform all campus recruiters to use the required form. 	10/31/15
Accountability for completing the recruiting documentation and monitoring compliance is unclear.	<ol style="list-style-type: none"> 1. Identify the varieties of recruiting and hiring processes that exist on campus and the delegated authority and accountabilities of all parties in each process for completing the IDF, e.g., <ul style="list-style-type: none"> • central HR-managed recruitments • CSS-managed recruitments • hiring manager-managed recruitments, and • other. 2. Identify accountabilities for monitoring, documenting, and reporting compliance <ol style="list-style-type: none"> a. Include input from HR business partners and hiring managers who use minimal support from recruiters 	12/15/15
	<ol style="list-style-type: none"> 3. Determine the workflows for Service Now-supported recruitments and whether it allows for the assigning of accountabilities and control points to ensure completion of the IDF. 	12/15/15
	<ol style="list-style-type: none"> 4. Clarify and communicate to all accountable parties the accountability for correctly documenting recruitments in compliance with US Department of Labor and OFCCP requirements and establish consequences for non-compliance such as the removal of authority to hire. 	2/15/16

	Implement a monthly controls process to identify recruitments that need to be fully documented. Note: this may require staffing to follow up with individual recruiters, hiring managers, or HR business partners.	11/30/15
Since more than 50% of campus hiring is done with no recruiter involvement beyond the job posting, most documentation must be completed by hiring managers who may be unaware of their responsibility and who are not held accountable for non-compliance.	<ol style="list-style-type: none"> 1. Review all hiring-related training for hiring managers and HR business partners to ensure that it enables hiring managers and HR business partners to correctly complete their documentation responsibility. 2. Develop a strategy for expanding the reach of manager and HR business partner training. 	11/30/15
	<ol style="list-style-type: none"> 3. Improve mechanisms for enabling hiring manager compliance. <ol style="list-style-type: none"> a. Develop tools to help managers complete the ADF and IDF, along the way. b. Update all job aids and web instructions for managers. c. Provide individual coaching to assist managers in completing the requirements. d. Implement meaningful consequences for non-compliance. 4. Implement a change management plan to promote hiring manager's complete documentation. 	2/15/16
	5. Communicate to all campus managers the requirements UC Berkeley must abide by as a federal contractor, the tools available to help, and the consequences of non-compliance.	2/15/16

Non-Senate Academic Appointments without Approved Search Waivers

Observation

Per the campus Office for Faculty Equity and Welfare's (OFEW) *Search and Search Waiver Guide for Non-Senate Recruitments: Policies, Procedures, and Practices*, "As a federal contractor, UC Berkeley must establish and maintain an Affirmative Action Program and a yearly written Affirmative Action Plan (AAP), and fulfill requirements established by the Federal Department of Labor, Office for Federal Contractor Compliance Programs (OFCCP) to provide equal employment opportunity and nondiscrimination. The university is required to make a good faith effort to recruit a broad and inclusive pool of qualified candidates."

Furthermore, as outlined in the guide, all non-senate academic appointments excluding post-doctoral students, visiting scholars, and certain other specific titles that are exempt require approval through APO and OFEW. The process typically begins with the development of a search plan by the department, followed by a chain of approvals in AP Recruit that includes APO and OFEW. Departments may also request a waiver of a search through AP Search, which must be approved by OFEW. OFEW's *Search and Search Waiver Guide* delineate only a limited number of situations for a search waiver, such as being part of the existing research team of a new senate faculty appointee, being in a very specialized area, spousal/partner opportunity, or emergency temporary need, among others. The approved search waiver helps to ensure that the university has met its obligation as a federal contractor.

We selected a sample of fifteen non-senate academic appointments made between June and August 2014. Seven of the fifteen appointments selected upon review by OFEW were determined to not require an approved search plan or waiver because they related to postdoc positions or existing employees with temporary changes to their appointments such as taking on an appointment in addition to their primary one. For the remaining eight, we identified one instance for the School of Optometry where a non-senate academic appointment was made without an approved search plan or an approved search waiver by APO and OFEW. Since a number of appointments selected in our initial sample were not required to have a search conducted, we selected a supplemental sample of eighteen additional non-senate academic appointments. One appointment in the supplemental sample for the School of Information did not have an approved search plan or search waiver.

Upon further inquiry by OFEW with the individual schools, management represented that personnel assigned the responsibility of recruiting and staffing the vacant positions were not aware of policies and procedures requiring that either an approved search plan or search waiver be obtained. Staff turnover in both the School of Information and the School of Optometry contributed to non-adherence to policy.

In the absence of an approved search plan or search waiver, the campus may not be able to demonstrate fair and equitable hiring practices for non-academic senate appointments to the satisfaction of OFCCP or any other external parties in the event of an inquiry or audit.

Management Response and Action Plan

All academic personnel actions within the School of Optometry now go through Assistant Dean Eric Leal, who will personally sign off (or not) on all proposed searches, search waivers, and hires. This will serve to ensure compliance with all campus policies and processes. In November 2015, OFEW Director Karie Frasch will pull the full list of individuals hired in the school in academic positions between August 1, 2015 and October 31, 2015 to verify that all hires were done using either an open search or a search waiver (unless the position was exempt). If any academic staff are found to have been hired without a search or search waiver (or exemption) over the three-month period a meeting will be scheduled with the school to discuss concerns, establish new procedures, and create an appropriate action plan.

The same actions will be taken by OFEW Director Frasch for the School of Information.