



**UNIVERSITY OF CALIFORNIA, MERCED  
AUDIT AND ADVISORY SERVICES**

October 6, 2020

To: Teenie Matlock – Vice Provost for Academic Personnel  
Subject: Faculty Hiring Internal Audit Report  
Ref: UC Merced Audit Report No. M19A004

Internal Audit completed the audit of UC Merced’s controls supporting faculty hiring processes and compliance with Equal Employment Opportunity (EEO) laws. In alignment with the requirements, UC Merced must establish an Affirmative Action Plan (AAP) along with monitoring processes to ensure the campus is meeting objectives outlined in the AAP regarding recruiting and hiring of women, minorities, individuals with disabilities, and protected veterans.

Attached is the subject report. We appreciate the help we received from the Academic Personnel Office, Human Resources and Office of Equity, Diversity, and Inclusion during this review. If you have any questions, please feel free to contact me.

Respectfully reported,

Sheryl Ireland  
Internal Audit Director

cc: Senior Vice President and Chief Audit and Compliance Officer Bustamante  
Chancellor Muñoz  
Associate Chancellor and Chief Ethics and Compliance Officer Putney  
Associate Chancellor and Chief Diversity Officer Matos  
Chief Human Resources Officer and AVC Pollack



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**Faculty Hiring Internal Audit Report  
Audit No. M19A004**

October 2020

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## I. EXECUTIVE SUMMARY

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### Introduction and Background

As part of the University of California Merced (UC Merced) 2019 – 2020 fiscal year internal audit plan, Internal Audit performed an audit of UC Merced’s controls supporting the faculty hiring review processes. Specifically, the review focused on assessing controls with regards to hiring, retention, promotion, and compensation of faculty.

UC Merced is a fast-growing campus with various government contracts, which requires the University to be compliant with Equal Employment Opportunity (EEO) laws. In alignment with this requirement, UC Merced must also establish an Affirmative Action Plan (AAP) along with monitoring processes to ensure that UC Merced is meeting the objectives outlined in the AAP regarding the recruiting and hiring of women, minorities, individuals with disabilities, and protected veterans. While it is UC Merced’s practice to adhere to EEO laws and to meet its AAP goals, UC Merced would like to further enhance its implementation of diversity and inclusion practices.

Currently, all three of UC Merced’s schools, the School of Engineering, School of Natural Sciences, and School of Social Sciences, Humanities and Arts, are responsible for executing their school specific recruiting, hiring, and promotion processes. To ensure that all three schools follow the same policies and procedures, set forth by UC Merced, the Academic Personnel Office provides guidance in form of procedures, recruiting aides, and other resources to the different schools. The schools are also required to ensure that all recruiting and hiring decisions are vetted utilizing AP recruit. AP recruit is UC Merced’s web-based academic recruitment and application management tool, which was designed to streamline the academic hiring process.

### Management Summary

Based on the audit procedures performed and inquiry with UC Merced’s personnel, Internal Audit identified several compliance issues that should be mitigated to comply with EEO laws, and improvement opportunities to better align with EEO laws and best practices. Details can be found in the **Conclusion** and **Observations and Recommended Corrective Actions** sections of this report.

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## II. PURPOSE, OBJECTIVES AND SCOPE

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### Purpose, Objectives and Scope

Internal Audit performed an assessment to evaluate the design effectiveness of controls for UC Merced’s Faculty Hiring processes, specifically in relation to recruiting, hiring, promotion, and compensation of faculty. The assessment included evaluating the design effectiveness of in-scope, internal controls, including:

- Assessed compliance with relevant policies, procedures and guidelines related to the recruiting, hiring, promotion, and compensation of faculty.
- Determined if appropriate analysis with regards to compensation and promotion practices are completed by UC Merced.
- Evaluated whether workplace practices and reporting related to Equal Employment Opportunity laws are appropriately followed.
- Assessed if appropriate training was provided to individuals involved in the faculty hiring processes.

## Procedures Performed

To accomplish the project objectives and scope as documented above, Internal Audit performed the following procedures:

1. Performed interviews and walkthroughs with key stakeholders to develop an understanding of key processes, controls and documentation maintained to support the recruiting, hiring, and promotion of faculty.
2. Reviewed and evaluated relevant documentation, including policies, procedures, standards, and guidelines for recruiting, hiring, promotion, and compensation of faculty.
3. Assessed the design and controls effectiveness, specifically related to the job postings and candidate selections processes to confirm UC Merced's compliance with EEO laws.

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## III. CONCLUSION

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Based on the audit procedures performed and inquiry with UC Merced's personnel, Internal Audit identified several compliance findings pertaining to the faculty hiring processes as follows:

1. There is a lack of ownership over the drafting, communicating, implementing, and monitoring of the Affirmative Action Plan (AAP).
2. Diversity Reports do not capture all protected statuses noted in UC Merced's AAP. As such, while UC Merced may have requirements and action plans to help serve these populations, they do not have appropriate mechanisms in place to determine successful adherence to these requirements.
3. UC Merced's AAP for Academic Year 2018-2019 was not formally approved and promulgated to the appropriate stakeholders in a timely manner. *Note: The AAP was formally approved 11 months after Academic Year 2018-2019.*
4. There is a lack of a formal, standardized process for candidates to document or request disability accommodations.
5. There is no formal documented review performed to ensure that the appropriate Equal Employment Posters and notices informing employees of their rights are displayed appropriately throughout the organization.
6. There is a lack of mandatory training across all roles involved in the Faculty Hiring process to determine that all individuals involved in the faculty hiring process are equipped with the appropriate knowledge and resources to comply with UC Merced's AAP and related Equal Employment Opportunity, (EEO) laws.

Additionally, as part of Internal Audit's review, the following opportunities were identified for UC Merced to enhance its existing internal controls related to the faculty hiring and recruiting process. The areas of potential improvement are briefly summarized below.

1. UC Merced's periodic review of policies and procedures does not include a detailed review to ensure that these are mapped against EEO best practices.
2. UC Merced does not have processes in place to periodically assess its ongoing progress towards the objectives noted in the AAP.
3. The AAP is drafted without the consultation of stakeholders from the individual schools within UC Merced.

For further details of the observations please refer to the **Observations and Recommended Corrective Actions** section of this report below.

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## IV. OBSERVATIONS AND MANAGEMENT CORRECTIVE ACTIONS

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### Opportunities for Improvement and Action Plans

#### Compliance Findings

1. ***There is a lack of ownership over the drafting, communicating, implementing, and monitoring of the Affirmative Action Plan (AAP).***

While historically the AAP has been overseen by the Director of Compliance, UC Merced has hired a new Chief Diversity Officer who will oversee UC Merced's diversity efforts. The responsibilities of this position include oversight of the AAP. However, at the time of Internal Audit's review, it was noted that the current ownership of the AAP, along with the communication, implementing, and monitoring of UC Merced's goals with regards to diversity, are in a transition period and are unclear. There are also no current communication channels to timely announce changes in AAPs or Equal Employment Opportunity (EEO) law requirements to pertinent individuals in the recruiting process (i.e. Faculty Equity Advisors). Additionally, a listing of stakeholders who should be notified of changes in the AAPs or EEO law requirements has not been formally established and documented. The lack of ownership of these processes and communication of the AAP are misaligned with UC Merced's stated action plans within the AAP; as such, while UC Merced has an AAP, it is not adhering to the practices prescribed in the plan, resulting in a breach of their policies and procedures.

**Recommendation:** UC Merced should formally establish and document the ownership of the critical activities pertaining to the AAP. Specifically, UC Merced should establish oversight of the drafting, communicating, implementing, and monitoring of the AAP. Leadership responsible for the areas should have specific responsibilities that highlight the following:

- Drafting the AAP - Ensure that all appropriate stakeholders are consulted to verify that the goals and objectives noted in the AAP are attainable (i.e. including stakeholders from the different schools to provide their input).
- Communicating changes to the AAP - Verify that any changes to the AAP or EEO laws are communicated to the appropriate stakeholders in a timely manner and in a manner that is easy to comprehend (i.e. summarized goals and objective, job aids explaining the purpose of the AAP, etc.).
- Implementing the AAP - Ensure that each department within UC Merced has actionable items and plans to address the Affirmative Action objectives.
- Monitoring the AAP - Assess the progress of UC Merced towards its Affirmative Action goals by completing periodic reviews of areas such as, but not limited to salary structure, off-cycle promotions, and candidate evaluation strategies to ensure that these are equitable across race, gender, discipline, and other protected status.

**Management Corrective Action:** The Offices of Equity, Diversity and Inclusion (EDI), Human Resources (HR) and Vice Provost/Academic Personnel Office (APO) at UC Merced will formalize and document critical Affirmative Action Plan (AAP) activities including ownership, roles, responsibilities, and accountability by 2/28/2021. Specifically, a campus cross-functional ad hoc committee will be established, and a project plan developed to identify key activities and deliverables. Committee deliverables will include a campus

procedure that defines responsibilities and timing related to drafting the AAP, communicating changes, implementing action items and objectives, and monitoring goals and progress. The campus procedure will also include establishment of a standing campus Affirmative Action Program Committee with appropriate representation and leadership to ensure ongoing compliance, accountability, and escalation when appropriate.

- 2. Diversity Reports do not capture all protected statuses noted in UC Merced's AAP. As such, while UC Merced may have requirements and action plans to help serve these populations, they do not have appropriate mechanisms in place to determine successful adherence to these requirements.***

Upon review of the AAP for AY 2018 – 2019 it was noted that UC Merced highlights objectives and action-oriented plans related to the recruiting of individuals in protected status such as individuals with veteran status and age. However, the Diversity Reports, which assist in informing UC Merced of whether the applicant pool is reflective of the labor pool, do not contain data to determine what the applicants age is and whether they identify as veterans. As such, the Diversity Reports are unable to assess whether the applicant pool for these statuses is accurately reflective of the labor pool. Additionally, per further review of the Diversity Reports, it was noted that job applicants deemed as not qualified are not captured in these reports. By not inquiring whether applicants meet certain protected status or excluding other applicants from the Diversity Reports, UC Merced's assessment of applicant pool may be incomplete and/or inaccurate.

**Recommendation:** Diversity reports should be revised to ensure that they capture all appropriate protected populations. In the event, that these reports are not able to be revised, these should be supplemented to ensure that UC Merced is able to gather the appropriate data to accurately assess their progress towards its AAPs.

**Management Corrective Action:** UC Merced Academic Personnel Office (APO) believes its System (AP Recruit) has mechanisms in place to accurately identify and track protected populations as required and by 2/28/2021, will review reports and associated information, update as necessary, and formalize associated processes to ensure consistency and adequacy of Diversity Report information. Specifically, to ensure consistent compliance, APO will update and formalize procedures and reports as needed to ensure appropriate data are available to accurately assess our progress towards our AAPs. This corrective action will be included as a key deliverable in the AAP ad hoc committee project plan and an ongoing topic discussed in the campus Affirmative Action Program Committee.

- 3. UC Merced's AAP for AY 2018-2019 was not formally approved and promulgated to the appropriate stakeholders in a timely manner.***

It was noted that, while the AAP has been in draft since November 2018, UC Merced's AAP for AY 2018-2019 was not formally approved until May 2020, eleven months after the end of AY 2018-2019. It was noted that there are several manual data gathering processes involved in the drafting of the AAP. These manual data gathering processes are a result of position-related information not being shared between systems, often resulting in delays in the drafting of the report. UC Merced also does not have a prescriptive timeline to ensure that all reviews are completed in a timely manner. Due to the lack of a detailed timeline, there is not a clear expectation of when reviews should occur. Therefore, reviews are not prioritized, which result in the untimely review and approval of the AAP. The lack of timely reviews may result in UC Merced not having a completed and approved AAP for each academic year, which could potentially result in a failure to comply with the EEO law's requirement of completing an AAP on an annual basis.

**Recommendation:** UC Merced should establish a formal campus procedure to approve and promulgate the AAPs to the appropriate stakeholders in a timely manner. Specifically, the procedure should include timing, roles, responsibilities, a timeline with specific due dates for tasks, and an escalation process to ensure data gathering and reviews of the AAP are completed on time to comply with EEO law. An escalation process is critical to clearly define potential repercussions resulting from failure to meet the milestones established within the procedure.

In alignment with leading practices, leadership should also assess the manual data gathering processes and consider adopting, as applicable, technology integration tools which can assist in the automation of these processes to make the drafting of the AAP a more efficient process.

**Management Corrective Action:** The Offices of Equity, Diversity and Inclusion (EDI), Human Resources (HR) and Vice Provost/Academic Personnel Office (APO) at UC Merced will formalize and document critical Affirmative Action Plan (AAP) activities including ownership, roles, responsibilities, and accountability by 2/28/2021. Specifically, a campus cross-functional ad hoc committee will be established, and a project plan developed to identify key activities and deliverables. Committee deliverables will include a campus procedure that defines responsibilities and timing related to drafting the AAP, communicating changes, implementing action items and objectives, and monitoring goals and progress. To improve the annual AAP development process:

- The procedure will lay out a timeline for completing the AAP to ensure it is updated, reviewed, approved, and submitted on a timely basis
- Campus will establish a standing campus Affirmative Action Program Committee with appropriate representation and leadership to ensure ongoing compliance, accountability, and escalation when appropriate to ensure compliance
- AAP committee will discuss, identify, and implement processes to streamline reconciliation of plan data and enhance processes to minimize manual data gathering and improve timeliness of AAP completion.

**4. *There is lack of a formal, standardized process for candidates to document or request disability accommodations.***

While UC Merced does have a process to aid faculty and staff with disability accommodations, it was noted that there is lack of a standardized and formal process for candidates to document or request disability accommodations. Although some candidates may request accommodations, these are often informally managed by the Search Committee Chair who is the main point of contact for the interviewee and there is currently not a method to ensure that all interviewees are able to request disability accommodations. The lack of formal processes for candidates to document or request disability accommodations, may result in UC Merced not complying with EEO laws. EEO laws require that disability accommodation requests be made available to all individuals who require them.

**Recommendation:** UC Merced should implement a formal process to ensure that all candidates have the option to request disability accommodations when needed.

**Management Corrective Action:** By 2/28/2021, UC Merced Human Resources and Campus ADA Committee will formalize responsibility and processes to ensure all candidates for employment have the option to request disability accommodations when needed. Our campus cross-functional ad hoc committee plans to include this process deliverable in the committee objectives and project plan and will coordinate with the campus ADA Committee to ensure appropriate accommodation processes are available for all potential employees.

**5. *There is no formal documented review performed to ensure that the appropriate Equal Employment Posters and notices informing employees of their rights are displayed appropriately throughout the organization.***

Per discussion with leadership, UC Merced completes ad-hoc reviews to ensure that the appropriate Equal Employment Posters are made available throughout the campus. However, it was noted that there is currently not a formally, documented review to ensure that the appropriate Equal Employment Posters and notices informing employees of their rights are displayed throughout the organization as required. Human Resources has been responsible for managing employment posters for the campus and annually endeavors to place/replace posters in designated areas across campus and at satellite locations. A list of designated locations is maintained and currently being updated with new buildings and locations.

**Recommendation:** UC Merced should establish a formal campus procedure to perform annual reviews to determine whether UC Merced is complying with the appropriate posting and notices regulatory requirements (i.e. Equal Employment posters and notices).

**Management Corrective Action:** UC Merced Human Resources will organize a committee to develop an annual monitoring process and documentation that ensures EEO posters and notices informing employees of their rights are displayed throughout the organization. This will be completed by 2/28/2021.

**6. *There is a lack of mandatory training across all roles involved in the Faculty Hiring process to determine that all individuals involved in the faculty hiring process are equipped with the appropriate knowledge and resources to comply with UC Merced's AAP and related Equal Employment Opportunity (EEO) laws.***

There is a lack of mandatory training for certain roles involved in the faculty hiring process, such as the Faculty Equity Advisor and Search Committee Chair and panel roles. It was noted that, while resources are made available for all positions involved in the Faculty Hiring process and all individuals are encouraged to utilize the resources, there is currently not a formalized mandatory training program, which UC Merced is tracking and enforcing. Due to the lack of mandatory training, individuals involved in the process may not have the appropriate knowledge and resources to comply with UC Merced's AAP and EEO laws. Additionally, UC Merced does not require mandatory training for all employees involved in the faculty hiring processes, which contradicts the University's stated commitment to ensuring that all employees involved in recruiting and hiring processes obtain appropriate training with regards to AAP and EEO laws.

**Recommendation:** UC Merced should ensure that all individuals involved in the faculty hiring process are required to complete mandatory training on an annual basis to ensure that they have the appropriate, up-to-date knowledge of EEO laws and UC Merced's overall AAP. Additionally, UC Merced should develop a mechanism to formally track and report the completion of trainings, along with a process to escalate faculty and staff's failure to complete these trainings in the given time frame.

**Management Corrective Action:** By 2/28/2021, UC Merced AAP ad hoc committee leaders will determine what trainings are available and develop a schedule and monitoring process to ensure all roles involved in the faculty hiring process have appropriate knowledge and resources to comply with UC Merced's AAP and related EEO laws. Committee leaders will ensure training requirements are consistent across campus and there is an appropriate escalation process for failure to comply.



## Process Enhancements

**1. *UC Merced's periodic review of policies and procedures does not include a detailed review to ensure that these are mapped against EEO best practices.***

Although policies and practices are reviewed on an ad-hoc basis, UC Merced's current review of policies does not include an assessment to determine whether its policies and procedures are in alignment with EEO best practices. Per Internal Audit's review, it was noted that some of the best practice materials provided by UC Merced are dated as late as 2017. As such, while UC Merced is seeking resources to incorporate best practices into their faculty hiring processes, there is a risk that the information utilized by UC Merced may be outdated and not in compliance with EEO laws. Additionally, it was also noted that to date, the policies and procedures surrounding the Faculty Hiring processes, do not include clear guidance on when and how to retire the University's AAPs.

**Recommendation:** UC Merced should adopt a periodic review of its policies and practices to ensure that these continue to be updated and are in alignment with best practices. Specifically, UC Merced should assess its off-cycle promotions to ensure that these are granted in an equitable manner through the different disciplines, genders, race, and other protected identities noted in its AAP. UC Merced should also seek to complete a mapping analysis of its policies and procedures against EEO requirements and industry leading practices. Additionally, UC Merced policies and procedures should include a detailed retention schedule and retirement processes for the University's AAP and related documentation.

**Management Corrective Action:** By 2/28/2021, UC Merced AAP ad hoc committee will develop and formalize AAP policies and procedures that document critical AAP activities including ownership, roles, responsibilities, and accountability. Subsequently the procedures will be included in a cyclical review and update process with all other campus policies and procedures. As part of the review process, subject matter experts will compare campus procedures with current laws and industry best practices to ensure alignment and better compliance.

**2. *UC Merced does not have processes in place to periodically assess its ongoing progress towards the goals noted in the AAP.***

UC Merced does not have processes in place to assess its progress towards its AAP goals and objectives on an ongoing basis throughout the fiscal year. Therefore, while UC Merced may have established goals for AAP, its inability to evaluate its progress limits UC Merced's ability to proactively implement new strategies to ensure that these goals are met prior to the completion of the academic year.

**Recommendation:** UC Merced should implement periodic reviews to assess its progress towards its affirmative action goals and communicate the progress of those reviews to the appropriate stakeholders. As needed and appropriate, new strategies and action plans should be implemented to ensure that UC Merced is in a trajectory to meet its goals and objectives.

**Management Corrective Action:** By 2/28/2021, UC Merced AAP ad hoc committee will develop and formalize AAP policies and procedures that document critical AAP activities including ownership, roles, responsibilities, and accountability. Committee leaders will ensure a deliverable/goal of the campus AAP committee is to formalize responsibility for a review and follow-up process to assess progress towards affirmative action goals and communicate with campus stakeholders for awareness and revision, as necessary.

**3. *The AAP is drafted without the consultation of stakeholders from the individual schools within UC Merced.***

The AAP is drafted with a “top down” approach, in which stakeholders from the individual schools are not consulted. The lack of involvement from the various stakeholders from the individual schools can result in a gap between UC Merced's AAP and the school's implementation of the plan, as such impeding UC Merced from meeting its plan objectives. Additionally, given the lack of communication channels between UC Merced and the schools during the drafting of the AAP there is the potential for UC Merced to set objectives and policies that may not be practical given restrictions that the schools may face (i.e. recruiting system limitations unable to capture disability accommodations for interviewees).

***Recommendation:*** UC Merced should develop and document formal processes to ensure that individuals from the different schools that are involved in the faculty hiring process should be consulted to verify that the goals and objectives noted in the AAP are attainable. Additionally, feedback received from the schools on the AAP objectives should be documented and retained.

***Management Corrective Action:*** By 2/28/2021, UC Merced AAP ad hoc committee will develop and formalize AAP policies and procedures that document critical AAP activities including ownership, roles, responsibilities, and accountability. Committee leaders will ensure a deliverable/goal of the campus AAP committee is to formalize responsibility for a consultation process with individuals in the different schools to verify that goals and objectives in the AAP are attainable, and any feedback is documented and retained.