

# **UTSouthwestern**

## Medical Center

### **Recruiting & Onboarding Review (Phase 2)**

**Internal Audit Report 23:74**

**July 26, 2023**

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## Executive Summary

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### Background

The Talent Acquisition department provides recruitment and onboarding services for The University of Texas Southwestern Medical Center (UTSW). Talent Acquisition collaborates with hiring departments to identify staffing needs, source applicants, screen and interview eligible candidates, and prepare candidates for UTSW employment. The Talent Acquisition Management (TAM) System and PeopleSoft Human Capital Management (HCM) are used to track and manage the recruitment processes, from candidate application to candidate hire. PreCheck is the system used to complete background checks for external candidates and for licensure verification, while the Texas Department of Public Safety (DPS) database is used to complete background checks on internal candidates.

The Recruiting & Onboarding Review was conducted utilizing a phased approach. This audit report summarizes the scope, objectives, and results from Phase 2. The Phase 1 report was issued in April 2023.

### Scope and Objectives

The Office of Institutional Compliance & Audit Services (OICAS, Internal Audit, IA) has completed its Recruiting & Onboarding Review (Phase 2). This was a risk-based audit and part of the fiscal year 2023 Audit Plan.

The audit scope period included activities of the recruiting and onboarding functions from January 2022 to December 2022. The review included an evaluation of recruiting, new hire and onboarding, and contingent worker processes for Administrative & Professional (A&P) employees. Additionally, the review included sample-based testing of filled A&P requisitions to evaluate key recruiting and onboarding controls and data consistency between various source systems. Academic Affairs and Faculty recruiting were not included in the scope of this review. Audit procedures included interviews with stakeholders, review of policies and procedures and other documentation, sample testing, and data analytics.

We conducted our examination according to guidelines set forth by the Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing.

Fieldwork was initiated, performed, and completed during May and June 2023 and consisted of the following primary objectives:

- Evaluating the sufficiency of the processes, internal controls, and monitoring in place for recruiting and onboarding of new employees, including:
  - Recruiting Processes - Job posting, job application, candidate screening and communication, feedback and approvals, candidate response, candidate offers, and pre-boarding processes.

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- New Hire / Onboarding Processes - Background checks, applicable verification of licensure and certifications, access to critical systems (including early access processes), and completion and retention of supporting documentation.
- Contingent Worker (CWR) Processes - Employee type setup and corresponding payment processes and system access transition from CWR to employee.
- Validating through sample-based testing that select key recruiting and onboarding controls are operating effectively (e.g., recruiting processes include veteran recruitment, background checks are conducted timely, documentation maintenance and retention, application pool requirements, etc.) and data is consistent between various sources such as TAM, PeopleSoft, and other system applications.

### Conclusion

Overall, opportunities exist to further strengthen processes related to critical recruiting and onboarding functions such as background checks, start date changes, veteran recruitment, compensation practices, job description postings, interview evaluations, and employee record management.

Included in the table below is a summary of the observations noted, along with the respective disposition of these observations within the Medical Center internal audit risk definition and classification process. See Appendix A for Risk Rating Classifications and Definitions.

Priority (0)	High (0)	Medium (5)	Low (2)	Total (7)
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Key observations are listed below.

- **Background Check Practices** - Evidence does not exist to demonstrate that background checks are always conducted and verified in accordance with *EMP-152 Security-Sensitive Positions and Background Checks* and processes may not be defined for completely documenting and monitoring background check information. In addition, background check processes vary for internal candidates vs. external candidates. Four (4) of 16 internal transfers (25%) did not have evidence in TAM that a DPS check was conducted and verified. Talent Acquisition does not retain a copy of the DPS background check results for internal candidates as the background check is not conducted in the PreCheck platform.
- **Untimely Start Date Modification** - Start date modifications are not consistently initiated or completed timely by department managers, which could result in implications with payroll, benefits, employee access, and other onboarding processes per inquiry with the Talent Acquisition team. Two (2) of 10 requisitions (20%) reviewed did not have a ServiceNow ticket submitted timely to

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review downstream implications. Of these, one (1) requisition resulted in the employee being overpaid by approximately \$2,200; this overpayment was not recouped.

- **Preferred Veteran Recruitment Practices** - Recruiting and interviewing practices do not meet UTSW's documented veteran employment preference established to comply with Texas Government Code Chapter 657. Five (5) of 5 applicable requisitions (100%) reviewed had preferred veteran applicants that were not interviewed for the position, which did not meet UTSW's veteran employment preference.
- **Compensation Offers and Job Descriptions** - Sufficient processes do not exist to ensure the compensation offer remains within the appropriate range, per the compensation grid. In addition, processes are not sufficient to ensure external requisitions posted contain the official / approved job descriptions. Instances were identified where the minimum requirements for required certifications posted in TAM did not reconcile to the approved job descriptions.
- **Interview Evaluations** - Interview evaluations are not completed for every interview conducted, as required by the *Critical Path Guide for Hiring Managers* and the *Talent Acquisition Partner (TAP) Guide*. 18 of 30 (60%) candidates in a "Hired" final selection step in TAM did not have evidence of an interview evaluation completed in TAM. 15 of these 18 (~83%) did not have an interview evaluation requested by the recruiter.
- **Employee Record Management** - Employee record profiles are not always considered as the primary employment record if there is also a CWR or person of interest (POI) record profile. Upon inquiry with Human Resources Information Systems (HRIS), it was stated the employee record profiles should always be indicated as the primary employment record, except for faculty employees. Primary records determine employee access levels and benefit eligibility. Four (4) active employees with a dual role that were non-faculty employees erroneously had the employee profile documented as the secondary record.
- **Opportunity Rule Compliance Reports** - Opportunity Rule compliance reports are not consistently completed or retained to ensure a compliant candidate pool is considered and documented for executive positions, as required by policy *EMP-163 Promoting Diversity in Executive Candidates (The Opportunity Rule)*. One (1) of 11 requisitions for filled executive positions (~9%) did not have evidence that the Opportunity Rule compliance report was completed.

Management has plans to address the issues identified in the report and in some cases has already implemented corrective actions. Action Plan Owners are designated individuals responsible for implementing the issue resolution. Action Plan Executives are individuals responsible for overseeing or managing the issue resolution. Executive Sponsors are Senior Leadership members who are responsible for ensuring the identified issue is resolved. These responses, along with additional details for the key improvement opportunities identified above are listed in the Detailed Observations and Action Plans Matrix (Matrix) section of this report.

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We would like to take the opportunity to thank the departments and individuals included in this audit for the courtesies extended to us and for their cooperation during our review.

Sincerely,

*Natalie Ramello*

Natalie Ramello, J.D., Vice President of Compliance & Chief Compliance Officer / Interim Audit Executive

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## Detailed Observations & Action Plans Matrix

Observation	Recommendation	Management Response
<p><b>Risk Rating: Medium</b> ●</p> <p><b>1. Background Check Practices</b></p> <p>Evidence does not exist to demonstrate that background checks are always conducted and verified (i.e., the results reviewed by the onboarding coordinator for appropriateness) in accordance with <i>EMP-152 Security-Sensitive Positions and Background Checks</i> and processes may not be defined for completely documenting and monitoring background check information. Failure to obtain, document, and retain background check results and appropriately verify them could result in Fair Credit Reporting Act (FCRA) violations or in a non-favorable hire that exposes the organization to unfavorable risk.</p> <p><i>EMP-152</i> states that “background checks will be conducted on any applicant who has received a conditional offer of employment” and that “an applicant to whom an offer of employment has been extended for a position requiring a background check may not begin work until after the check is completed and found to be satisfactory.” The <i>Critical Path Guide for Hiring Managers</i> also states, “an applicant cannot begin working until the background check, and other applicable checks are complete.”</p> <p>In addition, background check processes vary for internal candidates vs. external candidates:</p> <ul style="list-style-type: none"> <li>• PreCheck is used to perform the criminal background check process for external hires</li> </ul>	<p>Talent Acquisition leadership should:</p> <ol style="list-style-type: none"> <li>1. Evaluate process variances of background check practices between internal transfers and external hires and determine if there is an opportunity to standardize background check practices.</li> <li>2. Review documentation retention processes to determine whether any additional background check information should be retained.</li> <li>3. Review current processes in place for documenting background check completion and adjudication. They should also revamp the processes to include reportable fields indicating the date of background check completion and adjudication and ensure a consistent manner of documenting results for internal and external candidates, including a copy of the DPS background check where applicable.</li> <li>4. Perform routine monitoring to ensure compliance with established processes for completing, verifying, and documenting background check information. They should also develop additional reporting capabilities to monitor background check status and implement a process to ensure sufficient review and documentation occurs.</li> </ol>	<p><b><u>Management Action Plans:</u></b></p> <p>Talent Acquisition leadership will:</p> <ol style="list-style-type: none"> <li>1. Consult with Legal to determine whether to establish a standardized process to consistently conduct background checks for both internal transfers and external hires. Per consultation already completed, decision was made to keep the process separate for internal transfers and external hires.</li> <li>2. Discuss with Legal documentation retention requirements. Per discussion, decision was made to utilize the history function within DPS if a need arises to validate DPS checks from a prior date and not retain additional documentation due to Texas Code.</li> <li>3. Work with HRIS to develop a standardized manner to document the completion of background check reviews for external hires and internal transfers via a User Defined Field (UDF).</li> <li>4. Once this process has been developed, create monthly training and routine monitoring to ensure background checks are conducted and reviewed timely. Evaluate other methods of documenting background check information to determine whether they can be discontinued.</li> </ol>

## Detailed Observations & Action Plans Matrix

Observation	Recommendation	Management Response
<p>as well as primary source verification for education, employment, and licensure depending on the minimum requirements of the job description.</p> <ul style="list-style-type: none"> <li>DPS criminal check is performed for internal hires and results are instantly obtained. In the event additional verification is needed for minimum job requirements (e.g., education or licensure), PreCheck is used for verification.</li> </ul> <p>IA reviewed a sample of 30 filled requisitions (14 external and 16 internal) from 2022 to verify that a background check was conducted and verified prior to the employee's start date indicated in PeopleSoft and noted the following:</p> <ul style="list-style-type: none"> <li>Four (4) of 16 internal transfers (25%) did not have evidence in TAM that a DPS check was conducted and verified. Talent Acquisition does not retain a copy of the DPS background check results for internal candidates as the background check is not conducted in the PreCheck platform. <ul style="list-style-type: none"> <li>Three (3) of four (4) were internal transfers where the DPS check evidence was not available for review. At the time of testing, IA verified that their DPS record was clear.</li> <li>One (1) of four (4) was an internal promotion where the DPS check evidence was not available for review.</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>Standardize the documentation of the Adjudication Committee's review of candidates, including meeting minutes and documentation of committee decisions on the Criminal Background Check Documentation &amp; Adjudication Form.</li> <li>Ensure the onboarding coordinators are trained on the corresponding requirements (including documentation requirements) as process modifications occur and compliance with the requirements should be monitored through review.</li> </ol>	<ol style="list-style-type: none"> <li>Revise the Criminal Background Check Documentation &amp; Adjudication Form to include the date the Adjudication Committee met, committee members in attendance, and details regarding the hiring decision.</li> <li>Update process documentation and associated policies to include processes for completing and verifying background check results, including all changes made to the background check process.</li> </ol> <p><b>Action Plan Owner(s):</b> Ajeeth Viswanath - Director, HRIS Melissa Sotelo - Manager, HR Services</p> <p><b>Action Plan Executive(s):</b> Martha Washington - Assistant Vice President, HR Services</p> <p><b>Executive Sponsor(s):</b> Jeremy Falke - Vice President, Chief Human Resources Officer</p> <p><b>Target Completion Dates:</b></p> <ol style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>December 31, 2023</li> <li>December 31, 2023</li> <li>December 31, 2023</li> <li>December 31, 2023</li> </ol>

## Detailed Observations & Action Plans Matrix

Observation	Recommendation	Management Response
<p>At the time of testing, IA verified that their DPS record was clear.</p> <p>While Talent Acquisition has a documented formal process to review documentation to support the hiring decision for candidates with criminal history, the Criminal Background Check Documentation &amp; Adjudication Form and related process does not sufficiently document key details of the hiring decision. The form does not address the Adjudication Committee's review, including committee members, date the review occurred, and final decision from the Adjudication Committee's review.</p> <p>Per <i>EMP-152</i>, the background check information will be reviewed to "determine eligibility for employment and will consider the relevancy of any conviction to the responsibilities of the position that the applicant would hold and the length of time that has elapsed since the conviction occurred."</p> <p>Talent Acquisition also lacks a defined process to perform ongoing monitoring of background checks being completed and verified prior to the employee's start date. This is a result of lacking a defined field to indicate when verification by the onboarding coordinator occurs. Currently, monitoring occurs by manually reviewing individual hired requisitions to see when the background checks were obtained / cleared.</p>		

## Detailed Observations & Action Plans Matrix

Observation	Recommendation	Management Response
<p><b>Risk Rating: Medium</b> ●</p> <p><b>2. Untimely Start Date Modification</b></p> <p>Start date modifications are not consistently initiated or completed timely by department managers, which could result in implications with payroll, benefits, employee access, and other onboarding processes per inquiry with the Talent Acquisition team.</p> <p>IA tested a sample of 10 filled requisitions from 2022 where the start date in TAM differed from the start date in PeopleSoft and noted the following:</p> <ul style="list-style-type: none"> <li>Two (2) of 10 requisitions (20%) did not have a ServiceNow ticket submitted timely (i.e., HRIS was not notified of the change in start date prior to the employee's actual start date). It is important to note that these were instances where the start date was modified to a later date. Inaccurate benefit eligibility was not noted for either of these instances. <ul style="list-style-type: none"> <li>One (1) of two (2) requisitions resulted in the employee being overpaid for 11 working days (~\$2,200). The defined process was performed as the overpayment was self-reported by the employee, a ServiceNow ticket was created, HRIS and Payroll investigated, but the payroll employee did not properly address the overpayment. It</li> </ul> </li> </ul>	<p>HRIS leadership should:</p> <ol style="list-style-type: none"> <li>1. Track and monitor instances where start date change requests are not initiated and/or completed timely. Any downstream impacts should also be considered especially for payroll, benefits, and employee access. Any trends should be escalated to leadership and accounted for.</li> <li>2. Review payroll processes for potential overpayments when a change in start date is not communicated or not communicated timely. Investigate the requisition identified where the employee was overpaid and determine whether appropriate steps were taken to recoup the overpayment. Evaluate whether to recoup the overpayment.</li> <li>3. Train all employees involved in reviewing potential impacts to the business when start date changes are not communicated timely to ensure all issues are identified and resolved appropriately.</li> <li>4. Perform routine audits to monitor instances where the start date in TAM does not match the start date in PeopleSoft. These instances should be investigated to determine whether a ServiceNow ticket was submitted and closed, ensuring that each department</li> </ol>	<p><b>Management Action Plans:</b></p> <p>HRIS leadership will:</p> <ol style="list-style-type: none"> <li>1. Develop and distribute departmental communication to hiring managers to communicate the appropriate process for start date change requests.</li> <li>2. Review payroll processes to recoup potential overpayments when change in start date is not communicated timely. Investigate the instance where the employee was overpaid and determine whether the overpayment was recouped. If not recouped, evaluate whether to recoup the overpayment.</li> <li>3. Train employees involved in reviewing potential business impacts due to start date changes to ensure all issues are identified and resolved appropriately.</li> <li>4. Explore TAM system functionality to utilize the “Ready for Hire” status prior to updating candidates to “Hire” to prevent premature closure of the requisition.</li> <li>5. Explore functionality to update start dates in TAM after a requisition has been closed. This may require modification to the current TAM configuration. New offer letters may also be issued reflecting a change in start date.</li> <li>6. Track and monitor start date change requests through routine reporting to continuously monitor if change requests</li> </ol>

## Detailed Observations & Action Plans Matrix

Observation	Recommendation	Management Response
<p>was determined that the overpayment occurred, but it was never recouped.</p> <ul style="list-style-type: none"> <li>One (1) of 10 requisitions (10%) did not have a ServiceNow ticket submitted to properly update all departments (e.g., payroll, benefits, etc.); however, the start date change was communicated via another means to at least one department. Payments made to the employee were appropriate and the employee was not benefit eligible.</li> </ul> <p>Candidates hired for exempt status positions are integrated into HCM / PeopleSoft once the offer is accepted. Upon offer acceptance, a start date is communicated and agreed upon by Talent Acquisition and the candidate and is populated in HCM. However, if there is a change in start date initiated by the employee (e.g., illness, moving delays, etc.) once the requisition is closed, many downstream processes are negatively impacted if the start date change is either not communicated or not communicated timely to Talent Acquisition and HRIS after the requisition has been closed.</p> <p>The process to modify the start date is reliant upon department managers or recruiters submitting a ServiceNow ticket to properly alert Talent Acquisition and HRIS so they are aware that a change in start date is necessary, which should result in updating the start date in PeopleSoft once all approvals are obtained. If not processed timely, there is a risk that an exempt employee could be paid, begin</p>	<p>impacted by the change in start date was notified of the change.</p> <p>5. Ensure leadership of the respective department who was supposed to submit the ticket is informed and any associated cost incurred is transferred to that department.</p>	<p>are initiated and completed timely. Any trends of noncompliance should be escalated to leadership and trained upon.</p> <p>7. Explore the feasibility of triggering an automatic notification from TAM notifying the appropriate teams (e.g., HRIS, Benefits, Payroll, etc.) when a Start Date has been altered to modify the current ServiceNow ticketing process.</p> <p>8. Escalate any instances where information is not appropriately updated by the department within 30 days to department leadership.</p> <p><b>Action Plan Owner(s):</b> Blake Johnson - Director, Payroll Ajeeth Viswanath - Director, HRIS</p> <p><b>Action Plan Executive(s):</b> Martha Washington - Assistant Vice President, HR Services</p> <p><b>Executive Sponsor(s):</b> Jeremy Falke, Vice President - Chief Human Resources Officer</p> <p><b>Target Completion Dates:</b> December 31, 2023</p>

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Observation	Recommendation	Management Response
<p>receiving benefits, and have system access according to their original start date even though the employee has not officially begun employment.</p>		
<p><b>Risk Rating:</b> Medium <span style="color: yellow;">●</span></p> <p><b>3. Preferred Veteran Recruitment Practices</b></p> <p>Recruiting and interviewing practices do not meet UTSW's documented veteran employment preference established to comply with Texas Government Code Chapter 657. The <i>TAP Guide</i> states "veteran preference requires that eligible candidates who meet the minimum qualifications for a position be shown preference in the interview process in the following manner:</p> <ul style="list-style-type: none"> <li>• If the total number of individuals interviewed for a position is six (6) or fewer, the state agency must interview at least one (1) individual qualified for a veteran's employment preference.</li> <li>• If the total number of individuals interviewed for a position is more than six (6), at least 20 percent of the total number of individuals that the state agency interviews must be individuals qualified for a veteran's employment preference.</li> <li>• If the final two (2) candidates include a qualified veteran, the veteran should be offered the position."</li> </ul>	<p>Talent Acquisition leadership should:</p> <ol style="list-style-type: none"> <li>1. Continue to coordinate with the Office of Institutional Equity and Access (OIEA) to develop and provide trainings to the Talent Acquisition team and hiring managers regarding Preferred Veteran status.</li> <li>2. Consider establishing a process in TAM to clearly document when an applicant with a Preferred Veteran status does not qualify for the role. This can be accomplished through notes, a flag, or another mechanism in TAM, pending system limitations.</li> <li>3. Ensure verification of Preferred Veteran status occurs prior to following procedures for hiring an employee.</li> <li>4. Perform periodic audits of requisitions, in partnership with OIA, to determine compliance with the interview practices for veteran employment preference, as indicated within the <i>TAP Guide</i>. Any trends across recruiters and hiring managers should be reviewed to identify targeted training opportunities.</li> </ol>	<p><b>Management Action Plans:</b></p> <p>Talent Acquisition leadership will:</p> <ol style="list-style-type: none"> <li>1. Meet with OIEA to fully understand the requirements, build a standardized operating procedure, and provide training and education to recruiters and hiring managers on the requirement and significance of interviewing candidates that self-disclose as a preferred veteran and meet the minimum requirements for the role.</li> <li>2. Establish a process to document instances when an applicant that self-discloses as a preferred veteran does not meet the minimum requirements for the role.</li> <li>3. Collaborate with OIEA to routinely monitor applicable eligible veteran requisitions who meet the minimum requirements to ensure they are interviewed. Results will be communicated to Talent Acquisition and the associated hiring managers. Trends of noncompliance will be escalated to leadership and trained on.</li> </ol>

## Detailed Observations & Action Plans Matrix

Observation	Recommendation	Management Response
<p>IA reviewed 30 filled requisitions in calendar year 2022, of which five (5) filled requisitions had an applicant self-disclose their preferred veteran status, and noted the following:</p> <ul style="list-style-type: none"> <li>Five (5) of 5 applicable requisitions (100%) reviewed had preferred veteran applicants that were not interviewed for the position, which did not meet UTSW's veteran employment preference. These filled requisitions had less than six (6) interviews per requisition; however, the preferred veteran was not interviewed.</li> </ul>		<p><b>Action Plan Owner(s):</b>  Keith Herl - Manager, Talent Acquisition  Sheila Imhoff - Manager, Talent Acquisition  Timothy Ratley - Manager, Talent Acquisition</p> <p><b>Action Plan Executive(s):</b>  Leslie Phillips - Assistant Vice President, Talent Acquisition</p> <p><b>Executive Sponsor(s):</b>  Jeremy Falke - Vice President, Chief Human Resources Officer</p> <p><b>Target Completion Dates:</b>  December 31, 2023</p>
<p><b>Risk Rating: Medium</b> ●</p> <p><b>4. Compensation Offers and Job Descriptions</b></p> <p>Sufficient processes do not exist to ensure the compensation offer remains within the appropriate range, per the compensation grid.</p> <p>The Compensation Department provides the approved compensation grids to Talent Acquisition to be used during offer creation and extension. Per inquiry, it is the responsibility of the recruiters to determine the appropriate rate for the candidate based on the role and years of experience. If modifications are made to the compensation grids, a member from the Compensation team notifies the Talent Acquisition managers.</p>	<p>Talent Acquisition and Compensation leadership should:</p> <ol style="list-style-type: none"> <li>Monitor compensation offers to ensure the compensation extended in offer letters are in accordance with the applicable compensation grid and determine whether a monitoring report is available to review this process periodically.</li> <li>Conduct periodic audits to ensure the job description posted for the requisition matches the official job description and reinforce this expectation with those involved with recruiting.</li> </ol>	<p><b>Management Action Plans:</b></p> <p>Talent Acquisition and Compensation leadership will:</p> <ol style="list-style-type: none"> <li>Create a Standard Operating Procedure (SOP) and work with IR / HRIS to develop a tool to consolidate our files and grids for easier access and usage.</li> <li>Establish a process to review the compensation extended in new hire offer letters against the approved compensation grids / ranges provided by the Compensation department to ensure compliant and accurate compensation amounts are communicated to the new</li> </ol>

## Detailed Observations & Action Plans Matrix

Observation	Recommendation	Management Response
<p>In addition, processes are not sufficient to ensure external requisitions posted contain the official / approved job descriptions. Although job description templates are auto populated in PeopleSoft, the recruiters have access to edit the text and are required to manually edit the job description to modify the formatting and include required statements (e.g., equal employment opportunity statement, etc.) prior to posting. The manual nature of this process increases the risk of human error, which may result in incomplete or inaccurate job description details. Instances were identified through completed requisition testing where the minimum requirements for required certifications posted in TAM did not reconcile to the official / approved job descriptions.</p>	<p>3. Explore the interface between PeopleSoft and TAM to determine whether PeopleSoft could send over a job posting template that includes all the job description details and formatting needed for posting, limiting the need for the recruiter to edit the job description within the requisition. If a new process is developed where manual intervention is no longer required, remove the recruiter's access to edit the requisition job description posting to minimize the risk of errors.</p>	<p>hire. Consider opportunities to automate this review.</p> <p>3. Explore opportunities to revise the job description template within job posting to consistently include required information and formatting, such as the equal employment opportunity statement. If this can be systemically addressed to where manual intervention is no longer required, evaluate any implications or updates to access configuration for recruiters.</p> <p>4. Establish a process to periodically review the job requisitions posted in TAM against the job descriptions approved and provided by Compensation to ensure compliance and accuracy. Communicate any discrepancies to parties involved and leadership.</p> <p><b>Action Plan Owner(s):</b></p> <p>Bill Daley - Director, Information Resources (IR)</p> <p>Ajeeth Viswanath - Director, HRIS</p> <p>Keith Herl - Manager, Talent Acquisition</p> <p>Sheila Imhoff - Manager, Talent Acquisition</p> <p>Timothy Ratley - Manager, Talent Acquisition</p> <p>Priscilla Sananikone-Medina - Manager, Compensation</p>

## Detailed Observations & Action Plans Matrix

Observation	Recommendation	Management Response
		<p><b>Action Plan Executive(s):</b></p> <p>Leslie Phillips - Assistant Vice President, Talent Acquisition Jeremy Falke - Vice President, Chief Human Resources Officer Jodi Levy - Assistant Vice President, IR</p> <p><b>Executive Sponsor(s):</b></p> <p>Jeremy Falke - Vice President, Chief Human Resources Officer Russell Poole - Vice President &amp; Institutional Chief Information Officer</p> <p><b>Target Completion Dates:</b></p> <p>December 31, 2023</p>
<p><b>Risk Rating: Medium</b> ●</p> <p><b>5. Interview Evaluations</b></p> <p>Interview evaluations are not completed for every interview conducted, as required by the <i>Critical Path Guide for Hiring Managers</i> and the <i>TAP Guide</i>. Interview evaluations are important tools to serve as documentation and support for the final candidate selection.</p> <p>Per the <i>Critical Path Guide for Hiring Managers</i>, “All individuals involved in the formal interview process are expected to complete an evaluation form.”</p>	<p>Talent Acquisition leadership should:</p> <ol style="list-style-type: none"> <li>1. Reinforce education with recruiters and hiring managers regarding the requirement to complete interview evaluations for each interview conducted, regardless of the final selection outcome.</li> <li>2. Define what constitutes an interview, including whether a phone screening is considered an interview and whether interview evaluations should be completed following phone screens and update applicable policy or procedure documentation with definition.</li> </ol>	<p><b>Management Action Plans:</b></p> <p>Talent Acquisition will:</p> <ol style="list-style-type: none"> <li>1. Provide training to hiring managers, collaborators, and interviewers on the policy requirement to complete an evaluation for all candidates for which a formal interview is completed.</li> <li>2. Define what constitutes an interview and what steps of the process require formal evaluations / documentation of candidate assessment.</li> <li>3. Conduct periodic reviews / audits to monitor compliance with interview evaluation requirements. Work with HRIS to determine whether reporting can be</li> </ol>

## Detailed Observations & Action Plans Matrix

Observation	Recommendation	Management Response
<p>IA reviewed 30 requisitions filled during calendar year 2022 that had 546 total applicants and noted the following:</p> <ul style="list-style-type: none"> <li>• 18 of 30 (60%) candidates in a “Hired” final selection step in TAM did not have evidence of an interview evaluation completed in TAM. <ul style="list-style-type: none"> <li>◦ 15 of 18 (~83%) did not have an interview evaluation requested by the recruiter.</li> </ul> </li> </ul> <p>IA also noted other instances where the candidate was not selected but was indicated to be in the “Interview” stage as the final selection step in TAM, indicating an interview occurred, and noted the following:</p> <ul style="list-style-type: none"> <li>• One (1) of two (2) (50%) candidates in an “Offer - Candidate Withdrew” final selection step did not have evidence of an interview evaluation completed in TAM. <ul style="list-style-type: none"> <li>◦ This instance did not have an interview evaluation requested by the recruiter.</li> </ul> </li> <li>• 15 of 20 (75%) candidates in an “Interview - Reject Candidate” disposition did not have evidence of an interview evaluation completed in TAM. <ul style="list-style-type: none"> <li>◦ 13 of 15 (~87%) did not have an interview evaluation requested by the recruiter.</li> </ul> </li> <li>• Seven (7) of 9 (~78%) candidates in an “Interview - Candidate Withdrew”</li> </ul>	<ol style="list-style-type: none"> <li>3. Continue to perform self-audits to ensure interview evaluation completion. Monitoring should occur to ensure recruiters are initiating and hiring managers are completing the interview evaluation forms. Any trends of noncompliance should be escalated to leadership for training purposes.</li> <li>4. Investigate technical capabilities to auto-populate a requirement for interview evaluations in TAM, as opposed to the recruiter having to manually initiate.</li> <li>5. Evaluate the use of automated alert notifications to the recruiter and another to the hiring manager to complete their required steps following candidate interviews.</li> </ol>	<p>developed. Track evidence of noncompliance and escalate to leadership.</p> <p>4. Work with HRIS to investigate technical capabilities to auto-populate interview evaluation requirements in TAM and to assess the current automated alert notifications following candidate interviews.</p> <p><b>Action Plan Owner(s):</b></p> <p>Ajeeth Viswanath - Director, HRIS Keith Herl - Manager, Talent Acquisition Sheila Imhoff - Manager, Talent Acquisition Timothy Ratley - Manager, Talent Acquisition</p> <p><b>Action Plan Executive(s):</b></p> <p>Jeremy Falke - Vice President, Chief Human Resources Officer Leslie Phillips - Assistant Vice President, Talent Acquisition</p> <p><b>Executive Sponsor(s):</b></p> <p>Jeremy Falke - Vice President, Chief Human Resources Officer</p> <p><b>Target Completion Dates:</b></p> <p>November 30, 2023</p>

## Detailed Observations & Action Plans Matrix

Observation	Recommendation	Management Response
<p>disposition did not have evidence of an interview evaluation completed in TAM.</p> <ul style="list-style-type: none"> <li>○ Seven (7) of 7 (100%) did not have an interview evaluation requested by the recruiter.</li> </ul>		
<p><b>Risk Rating:</b> Low ●</p> <p><b>6. Employee Record Management</b></p> <p>Employee record profiles are not always considered as the primary employment record if there is also a CWR or POI record profile. Upon inquiry with HRIS, it was stated the employee record profiles should always be indicated as the primary employment record, except for faculty employees. Primary records determine employee access levels (both physical and system access) and benefit eligibility.</p> <p>IA reviewed the active employee roster as of June 2, 2023 and noted that four (4) of 33,522 active employees with a dual role (i.e., employee and a CWR or POI profile) that were non-faculty employees (&lt;1%) erroneously had the employee profile documented as the secondary record.</p>	<p>HRIS leadership should:</p> <ol style="list-style-type: none"> <li>1. Determine whether the system can accommodate a rule requiring the employee profile to default to the primary profile for non-faculty employees that have multiple profiles.</li> <li>2. Conduct periodic audits to ensure the employee record is set as primary for any non-faculty employees with dual role types and reinforce this expectation with individuals creating new employee records.</li> </ol>	<p><b><u>Management Action Plans:</u></b></p> <p>HRIS leadership will:</p> <ol style="list-style-type: none"> <li>1. Explore the feasibility of forcing non-faculty employee records as primary in PeopleSoft when multiple profiles exist.</li> <li>2. Establish a process to automatically / periodically review dual employee records to ensure the employee record is indicated as the primary record. Any discrepancies will be immediately updated and reviewed to understand whether any downstream effects occurred with benefits enrollment or access.</li> </ol> <p><b><u>Action Plan Owner(s):</u></b></p> <p>Ajeeth Viswanath - Director, HRIS</p> <p><b><u>Action Plan Executive(s):</u></b></p> <p>Jeremy Falke - Vice President, Chief Human Resources Officer</p> <p><b><u>Executive Sponsor(s):</u></b></p> <p>Jeremy Falke - Vice President, Chief Human Resources Officer</p> <p><b><u>Target Completion Dates:</u></b></p>

## Detailed Observations & Action Plans Matrix

Observation	Recommendation	Management Response
		December 31, 2023
<p><b>Risk Rating:</b> Low ●</p> <p><b>7. Opportunity Rule Compliance Reports</b></p> <p>Opportunity Rule compliance reports (i.e., <i>EMP-163 A: Opportunity Rule Compliance Report on Finalist Pools for All Executive Administrator Positions</i> or <i>EMP-163 B: Opportunity Rule Compliance Report on Finalist Interview Pools for Other Senior Administrator Positions</i>) are not consistently completed or retained to ensure a compliant candidate pool is considered and documented for required executive positions, as required by policy <i>EMP-163 Promoting Diversity in Executive Candidates (The Opportunity Rule)</i>.</p> <p>Per <i>EMP-163</i>, this policy was established “to promote diversity at the executive level and comply with UT System policy and applicable state and federal laws, it is UT Southwestern policy to conduct searches for leadership positions that will result in diverse candidate pools for interview by the final decision maker.”</p> <p>IA reviewed 11 requisitions for filled executive positions and noted that one (1) of 11 positions (~9%) did not have evidence that the Opportunity Rule compliance report was completed.</p>	<p>Talent Acquisition leadership should:</p> <ol style="list-style-type: none"> <li>1. Review the current process for opportunity rule compliance report completion to determine whether opportunities exist to strengthen current practices, such as automating the compliance reporting or performing a review prior to hire to ensure this form is completed and retained in the appropriate location.</li> <li>2. Investigate the identified testing exception to identify the root cause as to why the compliance report was not completed or retained appropriately. Determine whether a compliant candidate pool was considered for the requisition.</li> <li>3. Reinforce education with executive recruiters to ensure the opportunity rule compliance report is being completed and signed for all executive positions.</li> <li>4. Perform routine audits to ensure documentation of the opportunity rule compliance reports are being completed and retained appropriately.</li> </ol>	<p><b>Management Action Plans:</b></p> <p>Talent Acquisition leadership will:</p> <ol style="list-style-type: none"> <li>1. Review the current process for opportunity rule compliance report completion to determine whether opportunities exist to strengthen current practices.</li> <li>2. Investigate the identified testing exception to identify the root cause as to why the compliance report was not completed or retained appropriately and whether a compliant candidate pool was considered for the requisition.</li> <li>3. Provide targeted refresher training to reinstate the importance of completing and retaining the opportunity rule compliance report for every executive position.</li> <li>4. Monitor the O: Drive monthly to ensure all <i>EMP-163-A</i> and <i>EMP-163-B</i> forms are uploaded to the departmental O: Drive.</li> </ol> <p><b>Action Plan Owner(s):</b></p> <p>Stacey Holland - Executive Recruiter, Talent Acquisition</p> <p>Yeturde Broomfield-Figueroa - Executive Recruiter, Talent Acquisition</p> <p><b>Action Plan Executive(s):</b></p>

## Detailed Observations & Action Plans Matrix

Observation	Recommendation	Management Response
		<p>Leslie Phillips - Assistant Vice President, Talent Acquisition</p> <p><b><u>Executive Sponsor(s):</u></b></p> <p>Jeremy Falke - Vice President, Chief Human Resources Officer</p> <p><b><u>Target Completion Dates:</u></b></p> <p>October 31, 2023</p>

## Appendix A - Risk Classifications and Definitions

As you review each observation within the Detailed Observations and Action Plans Matrix of this report, please note that we have included a color-coded depiction as to the perceived degree of risk represented by each of the observations identified during our review. The following chart is intended to provide information with respect to the applicable definitions and terms utilized as part of our risk ranking process:

<b>Risk Definition</b> - The degree of risk that exists based upon the identified deficiency combined with the subsequent priority of action to be undertaken by management.	Degree of Risk & Priority of Action	
	Priority	An issue identified by Internal Audit that, if not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.
	High	A finding identified by Internal Audit that is considered to have a high probability of adverse effects to the UT institution either as a whole or to a significant college / school / unit level. As such, immediate action is required by management in order to address the noted concern and reduce risks to the organization.
	Medium	A finding identified by Internal Audit that is considered to have a medium probability of adverse effects to the UT institution either as a whole or to a college / school / unit level. As such, action is needed by management in order to address the noted concern and reduce the risk to a more desirable level.
	Low	A finding identified by Internal Audit that is considered to have minimal probability of adverse effects to the UT institution either as a whole or to a college / school / unit level. As such, action should be taken by management to address the noted concern and reduce risks to the organization.

It is important to note that considerable professional judgment is required in determining the overall ratings presented on the subsequent pages of this report. Accordingly, others could evaluate the results differently and draw different conclusions. It is also important to note that this report provides management with information about the condition of risks and internal controls at one point in time. Future changes in environmental factors and actions by personnel may significantly and adversely impact these risks and controls in ways that this report did not and cannot anticipate.