

## 17-116 The Opportunity Rule

We have completed our audit of the Opportunity Rule (the rule). This audit was performed at the request of the UTHealth Audit Committee and was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

### BACKGROUND

The University of Texas System policy 187 (UTS 187) establishes guidelines and procedures for promoting diverse candidate interview pools for leadership positions within the U.T. System Administration and U.T. institutions while complying with applicable laws. According To UTS 187: "Sec-2: To fill a new or vacant Executive Administrator position, a hiring institution is required to:

- Prepare a written position description and offer an interview to more than one candidate;
- Offer interviews only to candidates who meet the minimum qualifications for the position and have the bona fide skills and experience reasonably related to satisfactory performance in the position; and
- Conduct a search process that delivers a pool for interview by the final decision maker that includes female, male and underrepresented group candidates.

Sec-3: When filling a new or vacant Other Senior Administrator position, a hiring institution is encouraged to comply with Sec 2 of UTS 187."

### Definitions:

Executive Administrator: "Each position that performs executive duties and reports directly to the president, each dean, each athletic director, and each other position the president designates as an Executive Administrator under this policy. Any position specifically included in the definition of "Other Senior Administrator" is not an Executive Administrator, whether or not the position reports to the president."

Other Senior Administrator: "An associate vice president, assistant vice president, associate dean, assistant dean, department chair, division chief, section chief or head coach, another similar administrator, and each other position the president designates as an Other Senior Administrator under this policy."

Underrepresented group candidates: "A candidate who is member of one or more of the following groups: Hispanic or Latino; Black or African American; Asian; Native Hawaiian or Other Pacific Islander; or American Indian or Alaska Native."

### OBJECTIVES

The objective of this audit was to review UTHealth policies and procedures and determine whether they align with applicable laws and regulations as well as UT System guidance related to diversity, non-discrimination and compliance with UTS 187.

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### **SCOPE PERIOD**

The scope period was 03/01/2016 – 02/28/2017

### **METHODOLOGY**

The following procedures were performed:

- Obtained and compared UTHHealth policies, procedures and guidance with applicable laws and regulations as well as UT System guidance related to diversity, non-discrimination and compliance with the rule to determine whether they align.
- Gained access to the Applicant Tracking System (ATS) and verified it allows voluntary indication of gender and membership in an underrepresented group.
- Obtained the population of Executive Academic & Professional (A&P) hired between 03/01/2016 and 02/28/2017 and determined whether the position falls within the definition of Executive Administrator or Other Senior Administrator.
- Used UTHHealth Equal Employment Opportunity data provided by the Office of Human Resources to perform an analysis by gender and ethnicity for executives hired for the last 2 fiscal years.
- Selected a sample of Executive A&P hired. For each, we verified the hiring manager has prepared a written position description and designated a search committee that included individuals who represent a broad range of perspectives and appropriate expertise; a consideration for appointing some members who have experience in the search process; and underrepresented groups whenever possible.
- Verified the search committee has a minimum of three members including the Chair. We also verified the hiring manager was not a member of the search committee
- Obtained the search committee list, search firm used (when applicable), and verified the majority of the search committee members are UTHHealth employees as required by UTHHealth Executive Recruitment Guideline.
- Obtained and reviewed the total number of applications received for the position and reviewed the listing of the final poll of candidates delivered to the hiring manager.
- Obtained evidence to support a kick-off meeting was held by the Executive Recruiter to train the search committee on the rule, diversity, equal opportunity as well as provide additional information for the position.
- Obtained copies of search committee member's ranking sheet to determine whether the committee interviewed candidates with the highest ranking. A suggestion was made to document deviations from the policy.
- Verified the search committee offered an interview to more than one candidate and to only those candidates who meet the minimum qualifications for the position and have the bona fide skills and experience reasonably related to satisfactory performance in the position.
- Compared the interview date with the position posting date and verified positions were posted on the UTHHealth online job site before initiating the interview process.
- Compared the interview date with the candidate application date to verify candidates had submitted an online application prior to attending an interview.
- Compared the position posting date to the position offer date and verified all positions were posted for at least 10 days before an offer was made.
- Verified the search committee conducted a search process that delivered a poll for interview to the final decision maker that included at a minimum, a male, a female and a candidate from an underrepresented group for the position identified as Executive Administrator.
- Verified management has made a good faith effort to comply with the rule for each of the Other Senior Administrator positions (as defined under UTS 187) in the sample.

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- Reviewed the disposition notes documented in the ATS for the final pool of candidates who interviewed for the position but were not hired and verified they are according to policy.

**AUDIT RESULTS**

A&AS identified areas of improvement to enhance controls over the recruitment of Executive Administrators and Other Senior Administrators to ensure diversity, non-discrimination and compliance with the rule.

- A&AS developed and provided management with a flowchart of the UTHealth Management Executive A&P recruitment process. A suggestion was made to the Office of Academic and Research Affairs to develop a similar process that is applicable to the Academic A&P Executive recruitment process.
- A&AS developed a checklist to provide management with guidance to ensure compliance with the Opportunity Rule. A suggestion was made for management to work with the Office of Legal Affairs to determine appropriate wording to be included on the search firm contract in order ensure compliance with both federal labor laws and the UTS 187 Opportunity Rule.

**NUMBER OF PRIORITY & HIGH FINDINGS REPORTED TO UT SYSTEM**

None

We would like to thank the staff and management within the Office of Executive Vice President Chief Operating and Financial Officer, the Office of Academic and Research Affairs, the Office of Human Resources and the McGovern Medical School who assisted us during our review.



Daniel G. Sherman, MBA, CPA, CIA  
Assistant Vice President

**MAPPING TO FY 20XX RISK ASSESSMENT**

<b>Risk (Rating)</b>	R.75 Diversity - how is the institution doing from a compliance standpoint? (High) R.76 Rooney Rule - How will we have to implement? (High) R.77 HR - how are they ensuring institution is meeting affirmative action and EEOC requirements? (High) R.83 Rooney Rule - limitations. e.g. in some situations it is difficult to comply when there are no qualifying candidates as finalist. How do account for this? (High) R.91 Rooney Rule: implementation and compliance (High) R.92 Hiring - inequities may exist regarding gender at various ranks and tenure (High) R.104 Rooney Rule is not consistently applied in all five schools (High)
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**AUDITING & ADVISORY SERVICES ENGAGEMENT TEAM**

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<b>End of Fieldwork Date</b>	05/12/2017
<b>Issue Date</b>	06/12/2017

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