UT Southwestern
Medical Center

Recruiting and Onboarding Review
(Phase 1)

Internal Audit Report 23:13

April 21, 2023

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Background

The Talent Acquisition department provides recruitment and onboarding services for The University of Texas Southwestern Medical Center (UT Southwestern or UTSW). Talent Acquisition collaborates with hiring departments to identify staffing needs, source applicants, screen and interview eligible candidates, and prepare for hire at UTSW. Multiple systems (i.e., 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. Pre-Check is the system used to complete background checks and license verifications.

The Recruiting and Onboarding Review is being conducted utilizing a two-phased approach. This audit report summarizes the scope, objectives, and results from Phase 1. Phase 2 will be performed later in 2023 and will further address recruiting and onboarding within the organization.

Scope and Objectives

The Office of Internal Audit has completed its Recruiting and Onboarding (Phase 1) audit. This is 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 2022 to 2023. The review included assessing the status of remediation efforts from a previous recruiting / onboarding internal audit performed in 2020 and performing high-level data analytics related to recruiting and onboarding functions for Administrative and Professional (A&P) employees. The previously performed internal audit included processes for Academic Affairs and Faculty recruiting; however, these areas were not included in the scope of this review. Prior management action plans related to Academic Affairs and Faculty findings were marked as closed by internal audit staff; however, documentation and evidence regarding completion of these specific management action plans were not retained and were therefore not reviewed as part of this audit. Audit procedures included interviews with stakeholders, review of policies and procedures and other documentation, and data analytics.

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

Fieldwork was initiated, performed, and completed during March 2023 and consisted of the following primary objectives:
- Leadership of in-scope UTSW hiring areas / classifications took appropriate action to remediate findings from a previous recruiting and onboarding audit and current processes continue to support the remediated actions.
- A limited subset of key recruiting and new hire / onboarding data establishes a baseline profile of recruitment and onboarding activities and performance.

Executive Summary

<u>Conclusion</u>

Opportunities exist to further strengthen processes related to critical recruiting and onboarding functions related to job posting requirements and data integrity. While there have been improvements in system access controls within TAM, opportunity remains to ensure TAM access is deactivated for terminated employees. The monitoring of recruitment functions has been expanded through the implementation of the HCi064 and Recruitment dashboard; however, it can be expanded to allow leadership opportunities to further monitor key areas of opportunities.

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 (2)	Low (2)	Total (4)

Key observations are listed below.

- **Job Posting Requirements** – Job postings are not always compliant with the job posting requirements established in the *EMP-151 – Hiring, Promotion, and Transfer* policy, which states "all jobs will be posted for at least five (5) consecutive working days." IA reviewed requisitions filled in 2022 and noted that ~34% did not have a posting or un-posting date recorded within TAM and ~5% of the filled requisitions with posting and un-posting dates were not posted for a minimum of 5 consecutive days. In addition, IA noted disparate job posting requirements between the Talent Acquisition Partner Guide (TAPG) and Policy EMP-151.

- **Data Integrity** – Various data discrepancies exist within TAM and PeopleSoft reporting. Specifically, the start date documented within TAM is not consistent with the start date documented within PeopleSoft and instances were noted where the TAM offer accepted date is after the PeopleSoft start date. In addition, background check dates provided from TAM reporting did not appear to be accurate when compared with source data (i.e., the PreCheck system) for a sample of applicants. Finally, PeopleSoft start dates provided in initial reporting vary from subsequent reporting for approximately ~11% of requisitions.

- **TAM User Access Management Monitoring** – User account profiles in TAM are not consistently removed or monitored where accounts are not automatically deactivated upon termination. IA reviewed all active TAM accounts (3,617) and noted that 16 were not included on the active employee roster who were terminated employees and 15 had multiple roles within TAM.

- **Data Metrics and Reporting** – While UTSW has robust Talent Acquisition reporting capabilities through their reporting dashboards, opportunities exist to increase oversight of recruiting and onboarding practices.

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Management has plans to address the issues identified in the report and in some cases have 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 observation identified on the prior page are listed in the Detailed Observations and Action Plans Matrix (Matrix) section of this report.

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, J.D., Vice President of Compliance and Chief Compliance Officer / Interim Audit Executive

Audit Team:
Abby Jackson, Assistant Vice President, Compliance & Audit Operations
Matt Jackson, Managing Director, Protiviti
Jarod Baccus, Director, Protiviti
Lauren DeBree, Associate Director, Protiviti
Ashley Mammen, Manager, Protiviti
Katherine Gavin, Senior Consultant, Protiviti

Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
Risk Rating: Medium 🟡 1. **Job Posting Requirements** Job postings are not always compliant with the job posting requirements established in EMP-151 – Hiring, Promotion, and Transfer policy, which states "all jobs will be posted for at least five (5) consecutive working days". IA reviewed 8,524 TAM requisitions created and filled in 2022 and noted the following: • 2,873 of 8,524 filled requisitions (~34%) did not have a posting or un-posting date recorded within TAM; as a result, these accounts could not be tested. • 307 of 5,651 filled requisitions (~5%) with posting and un-posting dates were not posted for a minimum of 5 consecutive days. In addition, IA noted disparate job posting requirements between the Talent Acquisition Partner Guide (TAPG) and Policy EMP-151: • The TAPG states "all jobs will be posted for a minimum of five (5) consecutive calendar days to provide a fair recruitment process". • Policy EMP-151 states all jobs will be posted for a "at least five (5) consecutive working days".	1. Determine true job posting requirements and update TAPG and/or Policy EMP-151 to clearly define the requirements across all policies and procedures. 2. Reinforce with Talent Acquisition that all job postings must be posted for a minimum of 5 days (be it calendar or working). 3. Determine the root cause as to why some filled requisitions do not have posting or un-posting dates recorded. Consider instances of pipeline requisitions or other scenarios that may affect data collection of posting dates. 4. Establish metrics within the Recruitment dashboard and assign monitoring expectations to ensure performance is monitored and in compliance with requirements.	**Management Action Plans:** 1. The TAPG, Policy EMP-151, and any other subsequent documentation will be reviewed and revised to reflect job postings are to be posted for a minimum of five (5) consecutive calendar days. 2. Establish a monitoring plan to differentiate between pipeline requisition postings to ensure posted positions meet the minimum 5 consecutive calendar days. **Action Plan Owner(s):** Timothy Ratley, Manager, Talent Acquisition **Action Plan Executive(s):** Jeremy Falke, Vice President, Chief Human Resources Officer **Executive Sponsor(s):** Jeremy Falke, Vice President, Chief Human Resources Officer **Target Completion Dates:** 1. August 31, 2023 2. August 31, 2023

Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
Risk Rating: Medium ⬤ 2. **Data Integrity** Various data discrepancies exist within TAM and PeopleSoft reporting. Specifically, the start date documented within TAM is not consistent with the start date documented within PeopleSoft and instances were noted where the TAM offer accepted date is after the PeopleSoft start date. In addition, background check dates provided from TAM reporting did not appear to be accurate when compared with source data (i.e., the PreCheck system) for a sample of applicants. Finally, PeopleSoft start dates provided in initial reporting vary from subsequent reporting for approximately 928 of 8,534 requisitions (~11%). IA noted the TAM start date is based upon the start date indicated on the job offer letter provided to the candidate. In instances where the start date changes, the system restricts the start date from being modified if the requisition has been closed. PeopleSoft is considered by UTSW as the source of truth for the actual first day of work. IA reviewed requisitions closed in 2022 that are in a "hired" status and compared the TAM employee start date to the PeopleSoft start date and noted the following based on the most recent report provided to Internal Audit:	1. Determine if any reporting metrics or dashboards utilize the TAM start date rather than the PeopleSoft start date. Reporting metrics should be based upon the actual date of hire from the source of truth (i.e., PeopleSoft) to ensure accurate metrics are accurately reported. 2. Investigate the root cause as to why PeopleSoft start dates provided to IA were initially inaccurate. 3. Consider identifying specific reports produced by the HRIS department for operational, financial, and compliance purposes and performing a review to ensure the data is complete and accurate, with appropriate controls in place to ensure quality assurance. 4. Determine the root cause as to why Offer Accepted Dates are documented after the start date.	**Management Action Plans:** 1. Explore capabilities to integrate TAM with key systems and critical processes (such as PeopleSoft, PreCheck for background checks, etc.) to ensure automated and accurate data collection and reporting. If such integration is not possible, then update the "Offer Actual Start Date" field in TAM to "Proposed Start Date". 2. Identify any reports leveraged using data pulled from TAM. Ensure all reporting and dashboards utilizing start dates use the start dates within PeopleSoft as the true source. In addition, investigate root cause of the identified exceptions for offer accepted dates that occurred after start date. 3. Executive leadership to determine responsibilities and appropriate protocols for running reports related to HR functions. 4. Explore capabilities to integrate TAM with key systems and critical processes (such as PeopleSoft, PreCheck for background checks, etc.) to ensure automated and accurate data collection and reporting. **Action Plan Owner(s):** Ajeeth Viswanath, Director, HRIS **Action Plan Executive(s):** Ajeeth Viswanath, Director, HRIS

Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response

• 159 of 8,534 requisitions in "hired" status in TAM (~2%) have a variance between the start dates in TAM and PeopleSoft. Data discrepancies within start dates can skew monitoring metrics or reporting if they are dependent on data from TAM.
 	
    o 123 of 159 requisitions (77%) document a TAM start date after the PeopleSoft start date, with a variance in dates ranging from one (1) to 183 days.
 	
    o 36 of 123 requisitions (~29%) document a TAM start date earlier than the PeopleSoft start date, with a variance in dates ranging from 1 to 154 days.
 	
• 15 of 8,534 requisitions in "hired" status in TAM (<1%) have an "Offer Accepted Date" within TAM after the PeopleSoft start date. The documentation of dates within TAM did not follow onboarding processes if the candidate accepted the job offer after the documented start date within PeopleSoft.
 	
• 10 of 8,446 requisitions in "hired" status in TAM (<1%) have an "Offer Accepted Date" within TAM the same as the start date within PeopleSoft.
 	
Any data reported on or monitored out of TAM may be skewed or misrepresent current processes and performance of recruiting and onboarding functions, as TAM is not the source
	5. Determine whether an interface can be built to maintain TAM system data integrity to ensure it is updated with the same start date as logged in the source of truth, PeopleSoft. Alternatively, develop a manual process to identify these variances and confirm the correct date is documented within PeopleSoft.
	
	6. Confirm reliability of reports from PeopleSoft and PreCheck to complete testing and ensure background checks are completed prior to the accurate PeopleSoft start date. Investigate occurrences where the background checks are not completed prior to the PeopleSoft start date.
		Executive Sponsor(s):
		
		1. Jeremy Falke, Vice President, Chief Human Resources Officer
		
		2. Russ Poole, IR Vice President, Chief Information Officer
		
		Target Completion Dates:
		
		1. August 31, 2023
		
		2. August 31, 2023
		
		3. August 31, 2023
		
		4. August 31, 2023

Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
of truth for start dates. In addition, other disparate data points may exist between TAM and PeopleSoft.		
Risk Rating: Low ● 3. **TAM User Access Management Monitoring** User account profiles in TAM are not consistently removed or monitored when accounts are not automatically deactivated upon termination. TAM is an integrated application that relies on single sign-on through Active Directory to remove terminated user accounts. While there is a daily feed of termination data between PeopleSoft and TAM to automatically remove the TAM account, there are instances where an open object (such as a requisition) is linked to a terminated user account, causing the TAM account to remain active. Although the TAM account remains active in these instances, the standard terminations process would result in the deactivation of Active Directory account, resulting in terminated users not being able to access the TAM application. Any TAM accounts not automatically deactivated upon employee termination require manual deactivation. In addition, there are TAM Users with multiple roles assigned to their account. These multiple roles may occur when the Talent Acquisition team requests user access directly from HRIS rather than through an Institutional	1. Evaluate and confirm TAM system capability to transfer open objects associated with a terminated employee account to a different employee, allowing the deactivation of user accounts upon termination. 2. Audit active user accounts within TAM periodically to ensure automated functions and data feeds are working as intended. Incorporate the use of an exception report or automated notification, if applicable, to ensure continuous monitoring of TAM access for terminated employees. 3. Establish a process to periodically monitor/manually deactivate the user account exceptions for terminated employees that are not automatically deactivated. 4. Reinforce the protocol to request and grant TAM access through the IAR process and determine if this addresses Talent Acquisition's needs for timely turnaround for urgent requests. If not, develop an alternate process that allows for role integrity.	**Management Action Plans:** 1. Establish a monthly process to review and remove any terminated users within TAM. Determine if any objects/requisitions need to be reassigned. 2. Ensure a ticket is logged according to the IAR process any time access is granted and/or modified for TAM. Work with IR to modify the IAR access request process such that, for elevated access to any HR system should be approved by HRIS before provisioning, as the current process does not seek or involve HRIS in this important step to ensure HR data security. This will align with the process for access request to HR data in the reporting tool (EDW/Orbit). 3. Review the identified exceptions and determine which level of access is needed for each user and delete all unnecessary roles. **Action Plan Owner(s):** Ajeeth Viswanath, Director, HRIS **Action Plan Executive(s):** Ajeeth Viswanath, Director, HRIS

Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response

Access Request (IAR). Due to this difference, reporting between PeopleSoft and TAM will not be consistent and will result in multiple roles per user.
 	
IA compared all active TAM profiles as of March 7, 2023, to the active employee roster at UTSW and noted the following:
 	
• 16 of 3,617 active TAM accounts (<1%) were for users not included on the active employee roster who were terminated employees.
 	
   o 9 of 16 active TAM accounts had an open object(s) and were not manually deactivated in TAM.
 	
   o 7 of 16 active TAM accounts did not have an open object but had not been deactivated in TAM.
 	
• 15 of 3,617 users within TAM (<1%) have multiple roles within TAM.
 	
   o 14 users have two (2) roles within TAM.
 	
   o One (1) user has six (6) roles within TAM.
	5. Perform routine audits over reporting of TAM accounts to ensure each user account only has one role type.	**Executive Sponsor(s):**
		
		Jeremy Falke, Vice President, Chief Human Resources Officer
		
		Target Completion Dates:
		
		1. August 31, 2023
		
		2. August 31, 2023
		
		3. August 31, 2023

Risk Rating: Low 🟢 4. **Data Metrics and Reporting** While UTSW has robust Talent Acquisition reporting capabilities through their reporting dashboards, opportunities exist to increase	1. Consider establishing a focus group to review current metrics tracked and determine whether additional metrics/reporting capabilities should be leveraged within the "Talent Acquisition Dashboard" and the "Overview of Applicants". Topics should	**Management Action Plans:** 1. Establish a focus group to review and implement additional reporting metrics identified within the observation and recommendations.

Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response

oversight of recruiting and onboarding practices, including the following:
 	
• Some metrics within HCi064, "Talent Acquisition Dashboard", are based on the date the requisition is drafted and created rather than the date it is posted/open for sourcing. For example, metrics such as "Time to Recruit" and "Time to Open" are calculated based on the date the requisition is in draft versus the date the job posting is active, which could skew the metric. Metrics such as these that focus on targeted processes within Talent Acquisition can further identify opportunities and track/trend progress over time.
 	
• The recruitment dashboard (Oracle BI) "Overview of Applicants" tracks the number of days from date of application but does not indicate days within the current step. This could help identify process opportunities to decrease process times in targeted steps.
 	
• Critical processes within recruiting and onboarding, such as minimum days of job posting and adjudication of background checks, are not monitored for policy compliance.
	include data sources and calculations utilized, how the data can be used to improve performance/ensure compliance, and key performance indicators to measure against.
	
	2. Consider including the following metrics within existing TA dashboards:
	   a. Source of Hire: Track the different sourcing channels and understand which channel is more effective. In addition, review return on investment (ROI) and spending for each channel.
	   b. Time to Accept: Track the number of days between a candidate application submission date and candidate offer acceptance. This is an indication of the timeliness of the recruitment function.
	   c. Hiring Manager Satisfaction: Track the hiring managers' experience and satisfaction with recruiting and onboarding processes.
	   d. Quality of Hire: Indicator of first-year performance of a candidate upon hire.
		Action Plan Owner(s):
		1. Ajeeth Viswanath, Director, HRIS
		2. Timothy Ratley, Manager, Talent Acquisition
		Action Plan Executive(s):
		Ajeeth Viswanath, Director, HRIS
		Executive Sponsor(s):
		Jeremy Falke, Vice President, Chief Human Resources Officer
		Target Completion Dates:
		1. August 31, 2023

Detailed Observations and Action Plans Matrix

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	e. Other examples to consider include monitoring of job posting minimum requirements and completion of background checks. 3. Consider building additional customized dashboards/reports within the Recruitment Dashboard to display days in the current step of the recruitment process. Performance should be monitored according to targeted goals for each step and responsibility for monitoring metric progress should be assigned to key leaders.	

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:

	Degree of Risk and Priority of Action	
Risk Definition- The degree of risk that exists based upon the identified deficiency combined with the subsequent priority of action to be undertaken by management.	**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.