

UNIVERSITY OF NEVADA, LAS VEGAS
HUMAN RESOURCES
Internal Audit Report
July 1, 2012 through December 31, 2013

GENERAL OVERVIEW

The University of Nevada, Las Vegas (UNLV) Office of Human Resources (HR) provides ongoing support and service for the university's various employee types. This includes professional, classified, postdoctoral scholars, graduate assistants, temporary/hourly and student employees. The HR office is responsible for supporting the recruitment of faculty and staff, establishing new positions and reclassifying existing positions, administering and supporting benefits provided to employees, assisting campus leadership in determining and setting salary and compensation, managing HR systems and employee relations, and providing staff orientation, development and training. The HR office also helps to ensure the university maintains compliance with federal, state, and NSHE employment regulations. The HR office strives to create a successful work environment through the recruitment, retention, and development of a diverse workforce, and to provide quality service in a professional, caring, and consistent manner.

The HR office is organized into the following units: Employment, Employee Relations and Development, Benefits, Compensation and Salary Administration, and Systems Administration. The Chief Human Resources Officer reports up to the Senior Vice President of Finance and Business. The HR office had a staff of nineteen employees at the time of this review.

SCOPE OF AUDIT

The Internal Audit Department has completed a review of the UNLV Office of Human Resources for the period of July 1, 2012 through December 31, 2013.

Our review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors, and included tests of the accounting records and other auditing procedures, as we considered necessary. The tests included, but were not necessarily limited to these areas.

1. Reviewing and testing employee files to determine whether adequate documentation was on file to confirm compliance with UNLV and Board of Regents hiring policies and procedures.
2. Verifying adequate support services are in place to orient and train new hires, evaluate employee performance, and manage employee termination and grievance processes.
3. Reviewing and testing controls in place for the authorization of pay rates and payment of additional compensation, job classifications, and identifying efforts in place for evaluating competitiveness of employee compensation.
4. Verifying the existence of HR policies and procedures that are readily available to assist staff.
5. Testing expenditures for reasonableness, supporting documentation and proper approval; performing an inventory of equipment assigned to the department and reviewing controls over cash and revenue received.
6. Verifying controls are in place to manage access to HR software applications.

In our opinion, we can be reasonably assured that the UNLV Office of Human Resources is operating in a satisfactory manner. However, implementation of the following recommendation would further improve operations.

STAFF EVALUATIONS

The Nevada Revised Statutes (NRS) Chapter 284, Sections 337 and 340, and the State of Nevada Employee Handbook state that supervisors are to prepare annual reports of performance for classified staff that have attained permanent status. This governance also identifies that the performance evaluation is to include both a written evaluation, and a meeting to communicate and discuss employee goals and objectives and their improvement in performance and personal development. The evaluations are to be performed based on employee hire date. We noted automated monthly e-mail communication is utilized by the HR office to provide advanced notification to supervisors and departmental contacts of classified personnel with performance evaluations that are due within the next 60 days. However, we noted from two of five classified employees tested, that the annual evaluations were not always completed. The most recent evaluations that could be provided for these two employees were from 2004 and 2010.

We recommend the HR office notify the management of supervisors who have missed annual evaluations due for their classified staff, and request that they facilitate more timely completion and submittal of the evaluations to Employee Relations and Development. In our view, the completion of annual evaluations for classified staff benefits the staff member and the institution by providing feedback for meeting goals and expectations, clarifying numerical ratings for job rating elements, outlining future goals and expectations, and identifying plans and strategies for achieving career development. Annual evaluations also provide an objective basis to potentially aid in the resolution of personal issues and grievances.

Institution Response

We agree with this recommendation.

- **What will be done to avoid the identified problems and issues in the future. As stated in the audit report, UNLV Human Resources currently provides advance notification to supervisors and departments of upcoming classified employee evaluations. The additional action to be taken by UNLV Human Resources will be in the form of after-the-fact reports provided to the appropriate Cabinet Officers detailing late and missing evaluations.**
- **How compliance and future good management and practice will be measured, monitored and assured. Missing evaluations are a supervisory letdown and the distribution of these reports to UNLV Cabinet Officers will allow campus management in each area to address the situation with their supervisory staff members.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems arise. Supervisors and Cabinet Officers are responsible for the timely completion of classified staff evaluations in their areas.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. These reports will occur quarterly and will begin immediately.**
- **How compliance and performance will be documented for future audit, management and performance review. Copies of each report will be maintained in UNLV Human Resources. With the upcoming iNtegrate2 plans for a replacement Human Resources system, we will investigate if the identified vendor product will permit additional improvement steps to occur.**

We respectfully request that this item be closed.

FOLLOW-UP RESPONSE

This item was completed at the time of the initial responses.

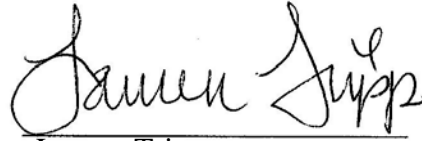
STATEMENT OF REVENUES AND EXPENDITURES

The statement of revenues and expenditures provided below is based on the activity of two state, one self-supporting, and three agency accounts that have been assigned to the HR office. The revenue and expenditure information was obtained from the financial accounting system and is provided for informational purposes only.

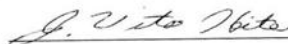
	State Funds	Self Supporting Funds	Agency Funds	Total
Balance, July 1, 2012	\$ -	\$ 18,534	\$ 216,702	\$ 235,236
Transfers-In	-	-	-	-
Revenues				
State Appropriations	1,510,297	-	-	1,510,297
Other Sources	-	20,000	375,465	395,465
Total Revenue	1,510,297	20,000	375,465	1,905,762
Transfers-Out	-	1,525	-	1,525
Expenditures				
Salaries	1,404,724	2,884	330,255	1,737,863
Operating	105,573	1,309	-	106,882
Encumbrances	-	-	-	-
Total Expenditures	1,510,297	4,193	330,255	1,844,745
Balance, June 30, 2013	\$ -	\$ 32,816	\$ 261,912	\$ 294,728
Balance, July 1, 2013	\$ -	\$ 32,816	\$ 261,912	\$ 294,728
Transfers-In	-	-	-	-
Revenues				
State Appropriations	1,655,003	-	-	1,655,003
Other Sources	-	-	181,986	181,986
Total Revenue	1,655,003	-	181,986	1,836,989
Transfers-Out	-	-	-	-
Expenditures				
Salaries	726,634	-	198,881	925,515
Operating	89,175	703	-	89,878
Encumbrances	680,002	-	-	680,002
Total Expenditures	1,495,811	703	198,881	1,695,395
Balance, December 31, 2013	\$ 159,192	\$ 32,113	\$ 245,017	\$ 436,322

The Internal Audit Department appreciates the assistance and cooperation received from the UNLV Office of Human Resources during this review.

Las Vegas, Nevada
June 11, 2014



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AUDIT: Human Resources

AUDIT PERIOD: 7/1/2012 – 12/31/2013

NUMBER OF FINDINGS: 1

NUMBER OF RECOMMENDATIONS IMPLEMENTED: 1

Nbr	Finding	Agree	Implemented	Est Date of Completion
1	HR should notify supervisors of individuals who fail to prepare an annual evaluation	Yes	Yes	