

INTERNAL CONTROL GUIDANCE: HUMAN RESOURCES

I. Leave Reporting

Area of Risk: Leave Reporting

Description of Risk: Improper compensation could result from inaccurate vacation sick leave record keeping, which may be immaterial individually, but material for the Institute as a whole.

Criteria: The Institute's Policy Library, Employment, entitled Time Away From Work contains descriptions and policies regarding types of leave available to employees at <http://policies.gatech.edu/employment/time-away-work>

Auditor's Overview: The purpose of reviewing this area is to ensure that campus units have in place a system that ensures accuracy of vacation and sick leave by all applicable employees.

Best Practices:

1. Communicate the Institute's leave reporting practices to the unit employees; training resources are available at <http://www.ohr.gatech.edu/timeout/training>
2. Designate an individual (and alternates) within the unit the responsibility for overseeing the leave reporting process
3. Verify and/or ensure accuracy of the unit employees' reporting relationships; if modifications are needed, contact hr.ask@ohr.gatech.edu
4. Ensure supervisors acknowledge/approve monthly time reported by unit employees
5. Notify individuals who have not reported their monthly leave balances
6. Time Reporting policy and necessary forms for hourly paid employees are available at: <http://www.policylibrary.gatech.edu/employment/time-reporting>

Process:

SET THE TONE AT THE TOP

We recommend the unit head ensure faculty and staff understand their responsibilities regarding monthly leave reporting. This may be accomplished by composing, approving, and distributing written policies and procedures internal to the unit.

REPORTING

OHR launched a new leave management system, TimeOut. The system provides monthly-paid faculty and staff an online system to request and report vacation, sick, paid military leave, consulting and court leaves. Employees are required to submit their monthly time report even if they did not take any time off. Supervisors can electronically approve and view employees' leave report, correct leave reports and verify leave. Employees can access TimeOut through Techworks <http://www.ohr.gatech.edu/timeout>

Related Issue:

Termination/Retirement: Remember when an employee resigns or retires, payments for accrued vacation leave or credit for sick leave are to be based on the official Institute leave balance as supported by TimeOut.

II. Off-Campus Assignments

Area of Risk: Off-Campus Assignments

Description of Risk: Failure to comply with Board of Regents, and Institute Policies and Procedures regarding off-campus assignments could subject the Institute to risk of loss by compensating employees for activities that are not conducted in the best interest of the Institute, and could result in negative publicity.

Criteria: The Board of Regents (BOR) Academic and Student Affairs Handbook, Section 4.9.2, discusses “Educational and Professional Leave”:

http://www.usg.edu/academic_affairs_handbook/section4/handbook/C695

Institute policy on “Professional Absence and Leave Policies” contains detailed policy for faculty:

<http://www.policylibrary.gatech.edu/faculty-handbook/3.1.4-professional-absence-and-leave-policies>

Auditor’s Overview: The purpose of reviewing this area is to ensure that campus units have in place a system that ensures that off-campus assignments are reported, documented, approved in advance, and monitored.

Best Practices:

1. The Unit Head communicates, in written policies and procedures, the internal process for acceptable documentation and approval of absences from the campus for professional and other activities.
2. All faculty and staff members should be aware of Board of Regents and Institute policies and procedures regarding off-campus assignments. Periodic reminders during faculty and staff meetings will serve to reinforce Board of Regents policies and procedures.

Process:

DEVELOP AND EXECUTE INTERNAL PROCESS FOR PROFESSIONAL LEAVES OF ABSENCES

Responsible unit staff should familiarize themselves with Board of Regents and the Institute's policies and procedures pertaining to professional leaves of absences. The unit should communicate to employees, on a periodic basis, the Institute's policy pertaining to professional leaves of absences. This may be accomplished through reminders at faculty/staff meetings, correspondence with employees, or unit internal procedure manuals. A designated person in the unit should establish a procedure to ensure the receipt of all requests for professional leaves of absences. The designated person should ensure that the unit obtains required approvals of professional leaves of absences and that such approvals are documented within the unit.

III. Employment Eligibility Verification

Area of Risk: Employment Eligibility Verification

Description of Risk: Failure to complete and maintain required documentation for employees of the Institute could subject the Institute to fines and penalties imposed by the U.S. Immigration and Naturalization Service, a hold put on hiring of non-resident aliens, as well as adverse publicity. These documents are subject to review during U.S. Department of Labor, Office of Federal Contract Compliance Programs audits.

Criteria: The Immigration Reform and Control Act of 1986 require employers to verify the identity and employment eligibility of anyone hired after November 1986. It is unlawful to knowingly hire, or to continue to employ, any individual not authorized to work in the U.S. Form I-9, Employment Eligibility Verification, was developed for verifying that persons are eligible to work in the United States. Institute requirements call for a new employee to complete Form I-9 on the first day of employment and present required forms within the first three days of employment. Also, policy requires the tracking of expiration of employment authorization documents held by non-resident aliens. Institute hiring departments are responsible for advising new employees of the time frame and documentation required to complete or update Form I-9s.

Auditor's Overview: The purpose of reviewing this area is to ensure that campus units advise new employees of the need to contact Human Resources to complete Form I-9, Employment Eligibility Verification, before they work in the unit.

Best Practices:

1. The Unit Head empowers one person with the responsibility and authority to advise new employees regarding the completion and updating of Form I-9, entitled Employment Eligibility Verification.
2. The appointed administrator advises new employees that they are to report to Human Resources to complete required paperwork, including Form I-9, before they are permitted to work in the unit.
3. The appointed administrator establishes the appropriate contact with the Office of Human Resources in order to be informed on the tracking of expiration of employment

authorization documents held by non-resident aliens in the unit. The unit administrator advises applicable personnel of the need to update Form I-9s.

Process:

EMPOWER THE PEOPLE RESPONSIBLE

The Unit Head appoints a person within the unit to ensure compliance with the Immigration Reform and Control Act of 1986, which requires employers to verify the identity and employment eligibility of new employees.

EXECUTION OF POLICIES AND PROCEDURES

The appointed administrator should put in place a process to ensure compliance with the Immigration Reform and Control Act. Some tasks an administrator might do to implement a compliance process are:

- Familiarize him/herself with the “New Hire Documents” on OHR website: <http://www.ohr.gatech.edu/NewHireDocuments>
- Formalize approach for assuring compliance with Form I-9 procedures
- Communicate procedures to staff, as applicable
- Communicate Form I-9 requirement to staff in pre-employment correspondence and when they initially report to the unit
- Establish lines of communications with the Office of Human Resources in order to track and notify non-USA citizens of the expiration of work authorization documents and the need to update Form I-9s

IV. Sexual Harassment

Area of Risk: Sexual Harassment

Description of Risk: Sexual harassment can (1) alienate employees, (2) create a hostile work environment, (3) result in lawsuits, fines, and penalties for violations; and (4) cause adverse publicity.

Criteria: It is the policy of this Institute that no member of its community, including administrators, faculty, staff, or students, should be subjected to sexual harassment by another. This policy and procedure is intended to create an atmosphere in which individuals who believe that they are the victims of harassment are assured that their complaints will be dealt with fairly and effectively. Toward this end, the Georgia Institute of Technology supports the principle that sexual harassment represents a failure in ethical behavior, and that sexual exploitation of professional relationships will not be condoned.

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when: (1) submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment or academic standing; or (2) submission to or rejection of such conduct is used as the basis for employment or academic

decisions affecting the individual; or (3) such conduct has the effect of unreasonably interfering with an individual's work or academic performance or creates an intimidating, hostile working, or academic, environment. Both men and women may be either the initiators or victims of sexual harassment. Complaints are to be directed to the Employee Relations unit for faculty and staff members and to the Dean of Students for students. Institute officials may require an investigation. The Associate Vice President for Human Resources or the Vice President for Student Affairs will review the results of the investigation and take or recommend appropriate disciplinary and/or other action. Individuals subject to disciplinary action may exercise their appeal rights pursuant to the procedures set forth in the Faculty Handbook, the Classified Employee Handbook, or the Student Conduct Code as appropriate.

Auditor's Overview: The purpose of reviewing this area is to ensure that campus units have in place a system that communicates with staff and students the importance of an environment free of sexual harassment and a means of dealing with situations in which a person believes they have been subjected to sexual harassment.

Best Practices:

1. The Unit Head communicates the importance of the prevention of sexual harassment in the unit on a periodic basis
2. An individual, or individuals within the unit, are designated as contact points for employees to be referred to the appropriate level for counsel in instances where they believe they have been sexually harassed
3. All faculty and staff should be trained on preventing sexual harassment.
<http://trains.gatech.edu/>

Process:

SET THE TONE AT THE TOP

Ensure that everyone in the unit understands that the Institute's policy is that no member of its community should be subjected to sexual harassment by another and if an employee or student believes they have been subjected to such harassment there is a means to deal with the matter fairly and effectively.

DEVELOP AND EXECUTE SEXUAL HARASSMENT PREVENTION PROCEDURES

- Responsible unit staff should familiarize themselves with the Institute's sexual harassment policy and procedures. The Institute's policy can be found in the following:
 - *Policy Library, Employment, Employee Relations, Non- Discrimination and Affirmative Action* at: www.policylibrary.gatech.edu/policy-nondiscrimination-and-affirmative-action
 - *Policy Library, Student Affairs, Other Academic Student Policies* at: <http://www.policylibrary.gatech.edu/student-sexual-harassment-misconduct-policy>
- The unit should communicate to all employees, on a periodic basis, the Institute's policy on sexual harassment. This may be accomplished through reminders at faculty/staff meetings, correspondence with employees, or through unit internal procedure manuals.
- Unit should encourage employees to attend training on sexual harassment offered by the Institute.

- Deal effectively and fairly with any complaints of sexual harassment in accordance with Institute policy.
- No member of the community may, under any circumstances use Georgia Tech's computers or network to create a hostile work environment.

V. Consultants vs. Employees

Area of Risk: Consultants vs. Employees

Description of Risk: Improper classification of independent contractors/employees could result in the Institute being out of compliance with Internal Revenue Service (IRS) regulations, thereby increasing the liability of tax penalties and fines, as well as negative publicity.

Criteria: Georgia Tech's Policy Library, *Consultants (Individuals and Firms)* <http://www.policylibrary.gatech.edu/business-finance/consultants-individuals-and-firms> provides guidelines for determining job classification of independent contractors versus employees. When the Institute is required to make payments to individuals, a determination must be made to ensure that payment clearly meets the IRS definition of independent contractor. Any individual who performs services for the Institute is presumed to be an employee unless the relationship satisfies the IRS standards for Independent Contractor. The campus unit must examine the issue of whether an individual is an employee or independent contractor because of the familiarity of the relationship. If the answer is "yes" to any of the following questions, the individual must be treated as an employee.

- Does the individual provide essentially the same service as an employee of the Institute?
- Is the individual a current employee (or within the previous 12 months) of Georgia Tech providing the same or similar services?
- Is it expected that the Institute will hire this individual as an employee immediately following the termination of his/her services as a consultant?
- Does the Institute control how the individual will perform or accomplish the service?
- Will the individual supervise or control Institute employees in accomplishing the service?

If any of the above questions are answered as "yes," or if there is any doubt regarding the issue, the campus unit should consult with the Office of Human Resources. If there is uncertainty about any of the questions, the Office of Legal Affairs is to be contacted for assistance. If all answers are "no" to the questions above, the individual may be paid as an Independent Contractor.

Auditor's Overview: The purpose of our audit in this area is to ensure that campus units, when contemplating payments to an independent contractor, make a determination to ensure that such payments clearly meet the IRS definition of independent contractor.

Best Practices:

1. Management should designate an individual to monitor instances where payments are contemplated to an individual as an Independent Contractor, to ensure that a determination is made in each instance that such payments are in accordance with IRS guidelines.

2. When contemplating payments to an Independent Contractor, any question in the Institute policy is answered as ‘yes,’ Human Resources is contacted regarding hiring the person as an employee.

Process:

- The Unit Head should designate a person responsible for assisting with the monitoring of instances where the unit contemplates payments to an independent contractor.
- The Unit Head should empower the designated person to deal with Human Resources or Legal Affairs on questions regarding contemplated payments to Independent Contractors.
- The designated person should bring to the Unit Head’s attention any instance where in applying the five Institute questions regarding Independent Contractors, a “yes” answer is obtained. The Unit Head should be advised to hire an individual as an employee if any of the applied questions result in a ‘no’ answer.

VI. Compliance with Equal Employment Opportunity Laws

Area of Risk: Compliance with Equal Employment Opportunity Act

Description of Risk: The Institute could be subjected to legal actions if the Equal Employment Opportunity Laws are not complied with, resulting in both monetary and adverse publicity impacts.

Criteria: Georgia Tech is committed to affirmative implementation of equal employment opportunity in conjunction with an Equal Opportunity Program that is in keeping with this policy. The Institute will continue to recruit, hire, train, and promote into all job levels the best-qualified persons without regard to race, color, religion, sex, or national origin. Similarly, all other personnel matters such as compensation, benefits, transfers, layoffs, Institute sponsored training, education, tuition assistance, social and recreational programs will continue to be administered in accordance with the Institute’s policy. Each administrative officer of the Institute at every supervisory level is responsible for avoiding prohibited bias in the workplace with respect to race, color, religion, sex, national origin, disability, or veteran status. This criterion is in the Institute Policy Library, Section Equal Opportunity Complaint: <http://www.policylibrary.gatech.edu/employment/equal-opportunity-complaint-policy>

Auditor’s Overview: The purpose of our audit in this area is to ensure that campus units have in place a process that assures compliance with the Equal Employment Opportunity Laws.

Best Practices:

1. Management has communicated the importance of Equal Employment Opportunity to the entire unit, enlisting their full cooperation.
2. The unit’s hiring and other personnel procedures are administered without regard to race, color, religion, sex, or national origin
3. Training for managers and supervisors on preventing discrimination
4. Training for manager and supervisors on conflict resolution

5. Periodic climate assessments that include EEO issues; for assistance with these assessments, contact the Office of Diversity Programs at <http://www.ohr.gatech.edu/diversity>
6. Consistency in application of work rules, processes and disciplinary actions

Process:

- The Unit Head should designate a person responsible for assuring compliance with the Equal Employment Act in all unit personnel actions
- The Unit Head should develop written policies and procedures that detail the requirements of Equal Employment Opportunity and develop a written plan for the development of unit personnel
- The Unit Head should communicate the Equal Employment Opportunity Act procedures to all employees and emphasize the importance of the Equal Employment Opportunity Act, enlisting their full cooperation
- The Unit Head should serve as the final checkpoint, assuring that all personnel actions are administered fairly, without regard to race, color, religion, sex, or national origin

VII. Annual Performance Evaluations

Area of Risk: Annual Performance Evaluations

Description of Risk: If the unit fails to properly prepare annual performance evaluations for all employees, the employee may not clearly understand what is expected of him or her. The unit may not have a basis for personnel decisions.

Criteria: Institute policy is reflected in Employment section, Performance Management Policy: <http://www.policylibrary.gatech.edu/employment/performance-management-policy>

The objective of the appraisal system is to:

- Provide employees with a sense of their work accomplishments relative to expectations and predefined performance indicators
- Support employee development through discussion of assigned opportunities and training
- Emphasize the Institute's commitment to continuous improvement and learning
- Avoid surprises; keep lines of communication open

Board of Regents' policy requires that all faculty members receive an annual, written review by their unit head. In addition, the faculty member is to discuss the review with the unit head and sign a statement to the effect that the faculty member has received the written review. The faculty member has the opportunity to respond, in writing, to the evaluation, and to receive a written response from the supervisor to the comments of the faculty member. Both the faculty member's comments and the response will then become part of the record.

Auditor's Overview: The purpose of our audit in this area is to ensure that campus units have in place a process that ensures the accomplishment of employee performance evaluations in accordance with Institute policy.

Best Practices:

1. Ensure that everyone responsible for employee reviews has had appropriate training; more information on training can be found at: <http://www.ohr.gatech.edu/performance>
2. Management has developed and communicated to employees the policies and procedures that detail the requirements of Annual Performance Evaluations
3. Establish specific performance goals and objectives annually
4. Establish an annual employee development plan
5. Provide regular communications and feedback on performance

Process:

- The Unit Head should designate a person responsible for assisting with the monitoring of the Annual Performance Evaluation process and the accumulation of the required documentation in order to meet the Institute's schedule
- The Unit Head should develop policies and procedures that detail the requirements of the Annual Performance Evaluation process
- The Unit Head should communicate the Annual Performance Evaluation procedures to all employees, enlisting their full cooperation
- The Unit Head should serve as the final checkpoint for all performance evaluations, assuring that all evaluations are administered fairly, without regard to race, color, religion, sex, or national origin