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April 24, 2020

Dr. Erika D. Beck, President
California State University Channel Islands
1 University Drive
Camarillo, CA 93012

Dear Dr. Beck:

Subject: Audit Report 19-12, *Faculty Reassigned Time and Additional Employment*, California State University Channel Islands

We have completed an audit of *Faculty Reassigned Time and Additional Employment* as part of our 2019 Audit Plan, and the final report is attached for your reference. The audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

I have reviewed the management response and have concluded that it appropriately addresses our recommendations. The management response has been incorporated into the final audit report, which has been posted to Audit and Advisory Services' website. We will follow-up on the implementation of corrective actions outlined in the response and determine whether additional action is required.

Any observations not included in this report were discussed with your staff at the informal exit conference and may be subject to follow-up.

I wish to express my appreciation for the cooperation extended by the campus personnel over the course of this review.

Sincerely,

Larry Mandel
Vice Chancellor and Chief Audit Officer

c: Timothy P. White, Chancellor

The California State University
Audit and Advisory Services

FACULTY REASSIGNED TIME AND ADDITIONAL EMPLOYMENT

California State University Channel Islands

Audit Report 19-12
March 3, 2020

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of operational and administrative controls related to faculty reassigned time and additional employment, and to ensure compliance with relevant governmental regulations; Trustee policy; Office of the Chancellor (CO) directives; and campus procedures.

CONCLUSION

Based upon the results of the work performed within the scope of the audit, except for the weaknesses described below, the operational and administrative controls for faculty reassigned time and additional employment as of December 20, 2019, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

Although the campus had processes in place for the administration of reassigned time, additional employment, and sabbatical leaves, the issues identified indicate that attention is needed to strengthen these processes to comply with existing campus guidelines, systemwide policies, and the Unit 3 collective bargaining unit agreement (CBA). Specifically, we found that documentation for the allocation, approval, and after-the-fact evaluation of reassigned time was not retained as required by systemwide policy; the threshold for granting reassigned time for excess enrollment was not consistent with systemwide policy; and some faculty were assigned weighted teaching units (WTU) for more than one excess enrollment course per term. We also found that additional employment was not consistently approved prior to the start of work, payments were not always approved as required by campus policy, and guidelines needed updating to address current systemwide policy. Additionally, dissemination of sabbatical leave results was not consistently completed, and employment during leaves was not approved, as required by the CBA. Further, position descriptions for department chairs were not established, and the chair handbook was in draft form and outdated.

Specific observations, recommendations, and management responses are detailed in the remainder of this report.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. REASSIGNED TIME

OBSERVATION

Reassigned time was not administered in compliance with systemwide policy and did not provide assurance that systemwide time reporting was accurate.

We reviewed the process for administering reassigned time in five departments and found that documentation was not consistently retained as required by Educational Programs and Resources (EP&R) 76-36, *Faculty Workload Policies and Procedures*. Specifically, during academic years (AY) 2017/18 and 2018/19, the campus did not document or retain descriptions of the tasks to be performed, formal approvals of the assignment, or after-the-fact evaluations. As a result, the campus could not demonstrate that reassigned time was correctly coded in the systemwide academic personnel database (APDB).

Additionally, the campus was not complying with EP&R 76-36 standards for granting reassigned time for sections with excess enrollment. Specifically, under code 11, EP&R 76-36 allows for a graduate assistant for any class sections with enrollment between 75 and 120 students and an additional three WTU for sections with enrollment greater than 120. The policy also states that a faculty member cannot be granted additional WTU for more than one class with excess enrollment. We found that the campus was granting the additional WTU using a revised enrollment standard of 90 students and that some faculty members were granted the excess enrollment WTU for more than one course per term. The campus indicated that it consulted with the appropriate systemwide office and an exception was allowed because its largest classroom had a maximum capacity of 90 students and qualified graduate assistants were generally unavailable. However, approval for this exception was not documented.

Further, the campus established procedures in August 2019 to formalize the allocation and approval of reassigned time but did not address all requirements in EP&R 76-36, including a description of records to be retained and the required after-the-fact evaluation of assignments.

Proper administration and documentation of reassigned time activities enables the campus to monitor allocations of reassigned time and evaluate results of indirect instructional activities, and a consistent review and approval process helps to ensure that reassigned time units are appropriately recorded in reporting databases.

RECOMMENDATION

We recommend that the campus:

a. Evaluate and update the current reassigned time procedures to ensure that they address all requirements in EP&R 76-36, including a description of records to be maintained and steps to ensure that these records include a description of the specific tasks to be performed and after-the-fact evaluations of the assignment. These updated procedures should be communicated to key personnel.

b. Evaluate reassigned time allocations for excess enrollment and ensure that they comply with systemwide policy, or obtain approval from the appropriate systemwide office for using a lower excess enrollment threshold.

MANAGEMENT RESPONSE

We concur. We will revise the reassigned time procedures to meet all EP&R requirements, including record retention and post-assignment evaluations. The procedures will include documentation and retention of descriptions of the tasks to be performed, formal approvals of the assignment, and after-the-fact evaluations. We will also implement procedures to ensure we obtain approval from the appropriate systemwide office when using lower excess enrollment thresholds for reassigned time allocations.

These actions will be implemented by December 11, 2020.

2. ADDITIONAL EMPLOYMENT

OBSERVATION

Additional employment policies and procedures needed updating to reflect current practices and current payroll standards.

The campus practice for additional employment processing required that a Special Pay Agreement pre-authorization form be completed and approved before a faculty member could perform additional employment. Academic personnel used this form to monitor additional employment and ensure that it did not go above the allowed 25 percent outlined in the Unit 3 CBA. After additional employment was completed, an Authorization for Special Pay form was required to process payments to ensure that time worked did not exceed the time approved. In our review of 30 faculty members with additional employment, we found that:

- For 22 faculty members, pre-authorization forms were not completed and approved before the start of the work engagement.
- For 18 faculty members, the campus could not provide evidence showing that special pay forms were completed and approved before payment was issued to the faculty member.
- For seven faculty members, Authorization for Special Pay forms did not have all required approval signatures.

Additionally, systemwide Human Resources issued Technical Letter HR/Salary-2015-22 to address additional employment for full-time faculty unit employees and included specific provisions for the use of job code 2403. Although this technical letter was issued in October 2015, the campus *Additional Employment and Overload Guidelines and Procedures* had not been updated to address the specific provisions for use of code 2403 and did not include the adopted practice of additional employment pre-authorization and payment authorization forms noted above.

Approval of additional employment before the start of work and authorization of payments helps to ensure that workload and overage thresholds will not be exceeded, and updated procedures help the campus maintain compliance with systemwide policy and CBA requirements.

RECOMMENDATION

We recommend that the campus:

a. Evaluate the campus process for approving additional employment requests and authorizing related payments, and update the process as necessary to ensure that additional employment requests are consistently reviewed and approved and payments are authorized.

b. Review and update the additional employment guidelines to ensure that they address systemwide policies and support compliance with CBA requirements.

MANAGEMENT RESPONSE

We concur. We will revise the approval process to ensure consistent approval of additional employment requests and related payments. We will update the additional employment guidelines to include systemwide policies and CBA requirements.

These actions will be implemented by December 11, 2020.

3. SABBATICAL LEAVES

OBSERVATION

Management of the sabbatical leave process needed improvement.

Academic Senate Policy SP11-15, *Paid Professional Leaves,* requires a formal presentation to the campus community of the results of paid professional leaves, upon completion of the leave. The policy also states that that the Professional Leave Committee (PLC) will approve the format of the presentation, but does not provide the timing. In our review of ten sabbatical leaves, we found that:

- The PLC did not formally approve a format or establish a timeline for a formal presentation of the results of the leave to the campus community for any of the sabbatical leaves. Four of the leaves we reviewed were completed between Spring 2018 and Spring 2019, but formal presentations had not been completed as of the time of the audit, a span of up to 19 months.

- One faculty member completed a sabbatical leave in Fall 2017 but resigned before providing a formal presentation of the results.

We also noted the following:

- Both the Unit 3 CBA and campus policy state that any additional employment during a sabbatical leave must be approved by the president before work begins. Two of the ten faculty members on sabbatical leaves we reviewed engaged in additional employment that was not pre-approved by the president.

- Unit 3 CBA Article 28.7 states that a faculty unit employee applying for a difference-in-pay (DIP) leave is not eligible to serve on the committee making award decisions, which on the campus is the PLC. We found that during AY 2017/18, one faculty member on the PLC applied for and was awarded a DIP leave. There was no documentation to show that faculty member's recusal from the PLC before the application review.

Formal dissemination of sabbatical results supports accountability and helps to ensure that the benefit to the system is clearly demonstrated, and appropriate PLC membership management helps to reduce the risk of conflicts of interest in the evaluation of sabbaticals and other leaves.

RECOMMENDATION

We recommend that the campus:

a. Evaluate the process for ensuring that results of sabbatical leave projects are presented to the campus community upon completion of the leave, including consideration of a reasonable timeframe and deadline for this requirement.

b. Schedule formal presentations to the campus community of results for the four sabbatical leaves noted above.

c. Reiterate to faculty awarded sabbaticals that additional employment during sabbatical leaves requires the pre-approval of the president.

d. Reiterate to key personnel the PLC membership requirements, including, but not limited to, prohibition from applying for a paid professional leave during the term of service.

MANAGEMENT RESPONSE

We concur. We will modify the process to ensure timely presentation of results of sabbatical leave projects. We will conduct presentations for the four sabbatical leave projects noted in the audit. We will remind faculty awarded sabbatical of the need for pre-approval of additional employment. We will remind key personnel who are participating in the PLC committee that they cannot apply for paid professional leave during the term of service.

These actions will be implemented by December 11, 2020.

4. DEPARTMENT CHAIR ROLES AND RESPONSIBILITIES

OBSERVATION

Chair position descriptions were not documented, and the chair handbook was in draft form and outdated.

As indicated in Unit 3 CBA, Article 20, *Workload*, program and department chairs are selected from tenured and tenure-track faculty after recommendation from the department faculty unit members. The Unit 3 CBA also indicated that department chairs perform duties and carry out responsibilities assigned by the president, which in practice, included administration of reassigned time and review of additional employment requests. However, we found that there was no formal documentation or chair position description that communicated these duties and responsibilities to the chairs.

Additionally, although the campus had a *Handbook on the Roles and Responsibilities of Program Chairs and Directors*, this handbook was in draft form and had not been updated since August 2007. Our discussions with department chairs indicated that the draft had not been consistently distributed to all chairs and directors.

Establishing position descriptions helps to set the campus' expectations of their employees and provides documentation of assigned responsibilities and authorities, and updated handbooks provide consistent guidelines that reflect current campus practices.

RECOMMENDATION

We recommend that the campus:

a. Develop position descriptions to document chair expectations and responsibilities, including, but not limited to, administration of reassigned time and review of additional employment.

b. Review and update the chair handbook to ensure that it includes current guidelines and practices.

c. Provide key personnel with position descriptions and the finalized handbook, and ensure that documents are incorporated into the onboarding process going forward.

MANAGEMENT RESPONSE

We concur. We will develop position descriptions to include reassigned time and additional employment administration. We will revise the chair handbook to be consistent with current practices. We will distribute position descriptions and the handbook during the onboarding process.

These actions will be implemented by May 21, 2021.

GENERAL INFORMATION

BACKGROUND

Substantially all elements of faculty employment are outlined in the Unit 3 CBA between the Board of Trustees of the California State University and the California Faculty Association, which was last approved November 12, 2014. The agreement covers the rights and responsibilities for contract negotiations and other employment-related topics, such as appointments, salaries, benefits, grievances, and the various categories of leave.

Article 20 of the CBA, *Workload*, states that the primary professional responsibilities of instructional faculty members are teaching, research, scholarship, creative activity, and service to the university, profession, and community. Article 20 discusses at length the parameters for determining the number of WTUs to assign to each faculty member, allowing for reassigned time, or non-instructional time, for professional responsibilities other than teaching. Although there are some specific requirements for determining reassigned time, academic departments are given latitude in deciding what is appropriate. Article 20.2c states that the scheduling of academic leaves, sabbaticals, and other professional responsibilities will be determined by the appropriate administrator after consultation with the department chair or designee and/or the individual faculty member and that these decisions must be consistent with campus policies.

In 1976, the systemwide division of Academic Affairs issued EP&R 76-36, *Faculty Workload: Policies and Procedures*, addressing the allocation of workload. The coded memorandum acknowledges that variations in campus curricula require variations in the use of instructional faculty positions allocated to each campus, but also recognizes the need for a common frame of reference for faculty workload assignments. EP&R 76-36 continues to serve as a guideline and common standard, though it has been revised as CBAs have been renegotiated, mainly to add new categories of leave. An addendum in the current version of the CBA, *Memorandum of Understanding Article 20 Changes*, dated October 1995, states that changes made to the article at that time were not undertaken for the purpose of changing current appointment practices on campuses or having faculty exceed the previous contractual workload requirements. It further states that the parties have agreed to continue measuring what constitutes unreasonable or excessive workload assignments by considering the past practices of the university, including the calculation of WTUs in prior years pursuant to EP&R 76-36. The memorandum ends by stating that it is the intention of the parties that teaching continue to be the primary responsibility of faculty.

EP&R 76-36 defines normal faculty workload as two components: 12 WTUs of direct instructional activity and three WTU of indirect instructional activity such as student advisement, curriculum development, or improvement and committee assignments, for a total of 15 WTUs. It also provides guidelines on assigning weight to teaching units, based on factors such as class size and supervisory requirements, as well as descriptions and specific codes for indirect instructional activities that can be assigned WTUs, such as new course preparation, curricular planning and studies, excessive advising responsibilities, and instructional research. The EP&R also states that WTU assignments for indirect instructional activities are subject to review and audit and should include a description of the specific tasks to be performed and the number of WTUs assigned, formal approval of the assignment, and an after-the-fact evaluation of the assignment.

EP&R 76-36 also requires campuses to prepare an annual report summarizing its use of assigned WTUs during the previous fiscal year that can serve as a basis for a campus administrative review of assigned WTU activities. These reports are submitted to the systemwide APDB, and the information is compiled and analyzed by the Academic Human Resources department at the CO.

Article 27 of the CBA, *Sabbatical Leaves*, allows for paid leave for purposes that benefit the California State University (CSU), such as research, scholarly, and creative activity: instructional improvement; or faculty retraining. The article describes the eligibility and application requirements and requires that a professional leave committee of tenured faculty unit employees review the applications and advise the campus president on recommended leave approvals. The CBA stipulates that the campus shall grant sabbaticals in a number no less than 12 percent of faculty eligible to apply.

Article 36 of the CBA, *Additional Employment*, defines additional employment as any employment compensated by the CSU, funded by the General Fund or non-general funds such as CSU auxiliaries, that is in addition to the primary or normal employment of a faculty unit employee. The granting of this leave is subject to eligibility requirements, must be reported to the campus president, and is subject to a cap of 25 percent of the faculty member's full-time normal workload.

According to data compiled from APDB reporting, as summarized by the CO Academic Human Resources department, California State University Channel Islands (CSUCI) had 149 tenure-track faculty, 286 lecturers, five counselors, and 11 librarians in 2018, for a total of 451 Unit 3 members. The average WTU workload for 2018 was 9.54 WTU, compared to the systemwide average of 8.54 WTU. CO Academic Human Resources reported reassigned time as the number of full-time equivalent positions (FTE) the time represented and broke the time into direct and indirect WTU assignments. At CI, reassigned time for 2018 was 6.5 FTE in direct WTUs and 22.2 FTE in indirect WTUs, with indirect time comprising 77 percent of the reassigned WTUs. The systemwide percentage of indirect WTUs for reassigned time was 86 percent.

In the fall 2019 term, the provost's office at CI implemented a new process for capturing and reporting reassigned time. Though responsible administrators within each academic college or department still retain decision-making regarding the allotment of reassigned time, the campus has created a process by which the requests are documented and approved, and the information is centrally compiled and reviewed prior to the annual APDB reporting.

SCOPE

We visited the CI campus from November 18, 2019, through December 20, 2019. Our audit and evaluation included the audit tests we considered necessary in determining whether administrative and operational controls are in place and operative. The audit focused on procedures in effect from July 1, 2017, through December 20, 2019.

Specifically, we reviewed and tested:

- Administration and organization of areas responsible for assignment, monitoring, and reporting of faculty workload and leave time, indicating clear lines of responsibility and authority.
- Activities of the professional leave committee.
- Procedures to review, approve, and monitor requests or grants of faculty reassigned time.
- Procedures to ensure that assignments of indirect instructional activities include a description of the specific tasks to be performed and the number of WTUs assigned, formal approval of the assignment, and an after-the-fact evaluation of the assignment, as required.
- Procedures to review, approve, and monitor the grants for sabbatical leaves, including any requirements for a post-leave presentation or other deliverable.
- Procedures to review, approve, and monitor approvals for additional employment, including a calculation to determine that the 25 percent cap is not exceeded.
- Controls for ensuring the accuracy of data reported in the CO APDB.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

Our testing and methodology, which was designed to provide a review of key operational and administrative controls, included interviews, walkthroughs, and detailed testing on certain aspects of faculty workload assignments. Our review was limited to gaining reasonable assurance that controls were in place to capture and monitor reassigned time, sabbatical leaves, and additional employment, but did not test other categories of faculty leave. Additionally, our review of additional employment focused on job codes 4660-Special Consultant and 2403-Faculty Additional Employment. Also, some reassigned time included in our population was granted as a result of external and internal grant funding, but we did not include a review of research and sponsored program elements.

CRITERIA

Our audit was based upon standards as set forth in federal and state regulations and guidance; CSU Board of Trustee policies; CO policies, letters, and directives; campus procedures; and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

This review emphasized, but was not limited to, compliance with:

- Unit 3 Faculty *California Faculty Association Collective Bargaining Agreement*, dated November 12, 2014
- EP&R 76-36, *Faculty Workload: Policies and Procedures*
- Human Resources 2002-05, *Additional Employment Policy*

- Technical Letter HR/Salary 2015-22, *New Classification for Faculty Additional Employment*
- APDB *Data Dictionary*
- Government Code §13402 and §13403
- CSUCI Academic Senate Policy SP11-15, *Policy on Paid Professional Leaves*
- CSUCI *Additional Employment and Overload Guidelines and Procedures*
- CSUCI *Guidelines and Procedures for the Appointment of Special Consultants*
- CSUCI *Faculty Reassignment Procedures*

AUDIT TEAM

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