



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
Thomas A. Stith III, President

COMPLIANCE AUDIT

SECONDARY & DUAL EMPLOYMENT ANNUAL AUDIT

June 23, 2022

INTRODUCTION

Background

The secondary and dual employment policy is in place for two (2) purposes; (1) to determine that the secondary employment does not have an adverse effect on the primary employment with the State; (2) to determine that the secondary employment does not create a conflict of interest with the primary employment. The North Carolina Community College System Secondary and Dual Employment Policy states, "An employee shall have approval through channels to the agency head before engaging in any secondary employment." Regarding dual employment, the policy notes, "State policy requires that an employee must secure approval from the administrative head of the Parent Agency in writing before performing services for pay for a Borrowing Agency."

Evidenced by the statements above, the policy requires multiple levels of approval prior to engaging in secondary and dual employment. To facilitate the approval of secondary and dual employment, the North Carolina Community College System Office has developed a certification document, NC Community College System Secondary/Dual Employment Form, requiring employees to seek approval through channels to the agency head before engaging in any secondary employment. According to Human Resources, the certification document is required to be completed by each System Office employee on an annual basis. The certification document lists three (3) options for employees to select; (1) not engaged in secondary/dual employment; (2) engaged in secondary employment; and (3) engaged in dual employment. The bottom of the document contains signature lines for employee, employee's supervisor, Vice President, Executive Vice President & Chief Operating Officer, and President.

An audit of the secondary and dual employment forms was first completed on January 10, 2018. Of the forms available for review, ten (10) could not be identified based on the signatures alone. Another eight (8) forms contained a direct supervisor's signature approval, but no required signatures beyond that. Recommendations were made to modify the forms to add a line for employees to print their names, to add a checkbox for the employee to indicate they had read the policy, to add a description of the secondary/dual employment work done, and for Human Resources to better track any missing forms.

Entrance Conference

An email was sent to Shakeyia Hazell, Director of Human Resources, to discuss a time when the secondary and dual employment forms could be made available for review. She responded and a date was set to begin the review. When the forms were obtained, we discussed the prior audit and changes that had been made since that time.

Objective, Scope, Methodology

The objective of this audit is to determine if there are any exceptions noted on the System Office secondary and dual employment forms filled out by employees. Exceptions include a lack of approval signatures from supervisors and other senior members of the System Office, lack of an employee name on the form, and lack of a description of the secondary or dual employment. This audit will also be used as an opportunity to review the forms to see if recommendations from the prior audit had been implemented, and whether those changes are operating effectively.

The scope of the audit includes all secondary and dual employment forms filled out since the prior audit took place in early 2018.

The methodology for the audit will be to review the employee list obtained from Human Resources against the physical secondary and dual employment forms completed since early 2018. Any employees that have joined the System Office since that time will be checked to ensure a form has been properly filled out. Employees from the previous audit that did not already have a form on file will also be checked to ensure that a form has been completed as a result of the prior audit findings.

Process

The audit work began by contacting Shakeyia Hazell, Director of Human Resources, to obtain a listing of all active System Office employees. This was followed by obtaining physical copies of all secondary and dual employment forms filled out by employees since 2018. The process started by reviewing the employee listing against the initial workpapers from 2018, to determine which employees already had an appropriate form on file. The remaining employees should have filled one out since that time, either because they were hired after the original audit, or because they had to fill out the form as a result of the prior audit.

Next, the forms from 2018 to October 2021 were reviewed to determine if they were completed appropriately, with signatures and approvals where necessary. The names were matched to the employee listing to help determine which employees had successfully completed the form. There were ten (10) employees who had not completed the secondary and dual employment forms, all of whom appeared to have been hired during the Covid-19 pandemic when the System Office was still operating on a work from home basis. This made it more difficult for HR to track who needed to complete the forms, and to contact them when they returned to the office. These names were forwarded to HR to ensure that no files were kept separate for these employees, and so that these employees could fill out the forms.

At least one of the names on the list confirmed to me that he had previously received and filled out the secondary and dual employment form, so it was determined that at least some of the ten names were likely misplaced.

FINDINGS

- Ten (10) employees did not have a physical form on file for the secondary and dual employment policy. At least some of these forms were likely just misfiled.

RECOMMENDATIONS

Due to the finding noted above, the following recommendation is presented to assist in ensuring compliance with the System Office's secondary and dual employment policy:

Recommendation 1

Obtain a physical secondary and dual employment form completed with all required information for the ten (10) employees noted as missing one.

Management Response

<Insert response here>