



Santa Clara Valley Water District

Human Resources Audit

Prepared by:

PMA Consultants
San Jose, California
October 14, 2021

Table of Contents

EXECUTIVE SUMMARY	3
BACKGROUND.....	5
OBJECTIVE, SCOPE, AND PROCEDURES PERFORMED	5
SCOPE LIMITATIONS.....	7
BEST PRACTICES	9
INTERVIEWS CONDUCTED	10
FINDINGS AND RECOMMENDATIONS	11
HR STRUCTURE & MANAGEMENT	11
<i>1a. Inefficient and outdated nature of HR process</i>	<i>11</i>
<i>1b. Siloed HR operations</i>	<i>12</i>
<i>1c. Inconsistent documentation of promotion justifications.....</i>	<i>14</i>
TRAINING	15
<i>2a. Unconscious bias training not completed</i>	<i>15</i>
<i>2b. Ethics/EEO policy acknowledgement not completed</i>	<i>16</i>
<i>2c. Increased use of TPC technical training resource</i>	<i>17</i>
<i>2d. Continued development of knowledge transfer program</i>	<i>18</i>
FORM 700	19
<i>3a. Overbroad interpretation of "making governmental decisions"</i>	<i>19</i>
<i>3b. Cumbersome compliance tracking</i>	<i>21</i>
<i>3c. Lack of positive confirmation for Form 700 managerial review</i>	<i>22</i>
<i>3d. Determine ability of 3rd party Form 700 filers to make unchecked decisions.....</i>	<i>23</i>
RECRUITING AND RETENTION	24
<i>4a. Consideration of new & innovative benefits to attract and retain talent</i>	<i>24</i>
<i>4b. Lack of employee referral program</i>	<i>27</i>
<i>4c. Increased participation in exit surveys/exit interviews.....</i>	<i>28</i>
<i>4d. Periodic analysis of employee terminations.....</i>	<i>29</i>
APPENDIX A- BENEFITS COMPARISON.....	30
APPENDIX B- POTENTIAL REDI ISSUES, EXTERNAL TO HR	30
<i>A. Outdated Diversity and Inclusion program</i>	<i>30</i>
<i>B. Implement continual monitoring of D&I goals.....</i>	<i>31</i>
<i>C. Enhanced Employee Resource Group reporting</i>	<i>31</i>
<i>D. No tracking of Diversity and Inclusion (D&I) participation goals.....</i>	<i>32</i>
APPENDIX C – APPROVED WORK PROGRAM.....	33

Executive Summary

PMA Consultants (PMA) was engaged to perform an internal audit of certain Human Resources (HR) functions on behalf of the Santa Clara Valley Water District (“Valley Water”), Continual Improvement Team (CI Team). More specifically, PMA was engaged to look at five areas within HR: Recruitment (including conflict of interest and Form 700 processes), Reasonable Accommodations, Talent Development, Retention, and Workforce Equity.

To accomplish this objective, we designed a 15-step workprogram to assess and test these five processes. This workprogram was presented and agreed upon by Valley Water Management prior to commencement of our audit, and is included as Appendix C. Periodic updates were provided on the status of the procedures performed as well as potential issues noted during our audit.

Our audit noted both strengths and opportunities to enhance the current processes. Strengths are noted in our “Best Practices” section while opportunities are summarized in *Figure 1: Summary of Observations* below and presented in detail in our “Observations and Recommendations” section. Valley Water staff were very helpful in providing us the requested information to perform our audit in a timely manner.

Figure 1: Summary of Observations

Summary of observations	Detail on Page #
1. <u>HR Structure & Management</u> Through discussion, several commentators perceived HR processes to be inefficient and outdated, and that the siloed operation of the HR division results in less-than-optimal integration of the various units within HR.	11
2. <u>Training</u> Two of the required training programs audited (i.e., Ethics/EEO and Unconscious Bias) had low completion rates, with greater than 20% of the workforce not completing these trainings. Valley Water also has an opportunity to increase their use of the TPC Online training resource and continue their roll out of the knowledge transfer program.	15
3. <u>Form 700</u> There is an opportunity to reduce the number of Form 700 filers (and associated administrative work) through a less conservative interpretation of “employees who make governmental decisions”. The manual and cumbersome compliance tracking process can also be improved for both compliance and efficiency through potential automation of databases used in this process.	19

Summary of observations	Detail on Page #
<p>4. <u>Recruiting & Retention</u></p> <p>Valley Water has a competitive benefits package when compared to peer public agencies. However, while being cognizant of local technology companies competing for top talent, and to remain competitive with peer agencies, Valley Water should reevaluate benefits, and consider innovative options, such as expanded work from home options, employee stress relief areas throughout the offices, and other ideas as further communicated in the body of this report. It is important to solicit employee input as it relates to the reevaluation of benefits, to ensure any benefit changes are desirable, equitable, and inclusive to staff. Additionally, offering an employee referral program may help identify vetted talent, while increasing participation in exit surveys and analysis of employee terminations could help reduce attrition.</p>	24
<p>5. <u>Diversity and Inclusion (D&I)</u></p> <p>The current D&I program was designed for the five-year period 2015-2019 and has not been updated since. D&I goals, as well as employee participation in the D&I program, should be periodically monitored and reported to ensure success of the program. Of note, and based on HR feedback, we understand the D&I program has been transitioned to the Racial Equity Diversity and Inclusion (REDI) group which is external to HR. Though REDI was not part of this audit, we understand they are in the process of updating / creating a new D&I Master Plan. Further detail can be found in the body of this report, and Appendix C.</p>	30

Background

Valley Water Human Resources consists of 28 employees across 3 units as depicted in *Figure 2: HR by unit*.

Figure 2: HR by unit

Unit	# of employees
Equal Opportunity & Benefits	9
Human Resources (Administration)	4
Recruitment & Workforce Development	18
TOTAL	31

Human Resources handles Valley Water’s day-to-day operations as they pertain to personnel management including hiring, compensation, benefits, training of Valley Water’s 826 (as of May 2021) employees, and supporting terminations managed by Labor Relations. Human Resources is also involved in employee matters involving requests for reasonable accommodations and employee investigations. Valley Water recently formed a new Racial Equity, Diversity, and Inclusion (REDI) office to promote a diverse and inclusive workforce free from discrimination. These initiatives were previously handled by Human Resources.

Valley Water’s Human Resources group is currently led by interim Director Ingrid Bella. The organization is in the process of recruiting a permanent HR Director.

Objective, Scope, and Procedures Performed

PMA was engaged to perform a review of the following aspects of the Valley Water’s Human Resources (HR) function:

- Recruitment (Including Form 700)
- Reasonable Accommodations
- Talent Development
- Retention
- Workforce Equity¹

The objective of our audit was to review the above areas to identify opportunities for improvement and potential control weaknesses, making suggestions based on the results of our interviews, testing, and our experience with other similar organizations.

The scope of our review focused on current operations as of the time of our fieldwork (Summer 2021), as well as tests of transactions for the most recent year. Where data was limited, as in the case of reasonable accommodation testing for example, we expanded our testing up to the past five years to obtain a larger population size from which to conduct testing.

¹ Components of workforce equity, namely diversity and inclusion, are handled outside of the HR function, by Valley Water’s Racial Equity Diversity and Inclusion (REDI) team. As requested by Valley Water Management, and commensurate with Scope Limitations #3 and #4, issues that were noted during our audit pertaining to the REDI group are noted in Appendix B, do not contain management responses, and will not be tracked by internal audit. The REDI team was formed in the past year and was formerly part of the HR function.

The following procedures were performed as part of our audit:

1. Interviewed personnel in all five sections to understand processes & procedures
 - a. Recruitment
 - b. Reasonable accommodations
 - c. Talent development
 - d. Retention
 - e. Workforce equity
2. Performed testing to determine if the reasonable accommodations process is functioning as intended. Specifically, we selected a sample of six reasonable accommodation requests (three of which were granted and three of which were denied for various reasons, including the employee's failure to provide requested documentation in support of their request²) from the population of 54 requests received between November 2018 and April 2021. Each case was reviewed to determine if appropriate documentation was present to support the decision that was made. For granted requests, we reviewed documentation to ensure there was justification for the request that was granted, and that Valley Water considered lower cost solutions which may have met the accommodation needs where applicable. For denied requests, we reviewed documentation to ensure the employee's case was given due consideration and that reasonable requests were not denied without adequate documentation including a reasonable explanation as to why. No exceptions were noted.
3. Performed testing to determine if the Ethics and Equal Opportunity (EEO) investigation process is functioning as intended. Specifically, we reviewed all five EEO investigations conducted in 2019 and 2020³. Due to the highly confidential nature of such investigations, our testing involved a high-level on-line walkthrough of each case and the investigatory procedures performed. Through this process we observed that each investigation was taken seriously and thoroughly investigated through interviews with witnesses and other employees and review of available information and documentation. No exceptions were noted.
4. Reviewed the Diversity & Inclusion (D&I) master plan and associated tracking matrix to determine if Valley Water developed a thorough plan for addressing D&I issues and subsequently evaluating the success of program initiatives. See Appendix B for recommendations.
5. Performed testing of background checks & hiring justification to determine if background checks were performed (with acceptable results) prior to an employee starting with the organization. Also reviewed hiring and promotion decisions to assess for potential discriminatory hiring practices, ensuring justification existed for the hiring decision which was made. PMA tested 10 of the 61 new hires in the one-year period

² For confidentiality reasons, PMA did not retain copies of supporting documentation for reasonable accommodation requests, nor did we document the specific reasons a request was approved or denied.

³ Per discussion with HR, there were no EEO investigations in 2021.

from June 15, 2020 through May 3, 2021. No exceptions were noted. Additionally, PMA tested 10 of the 81 promotions in the one-year period from June 15, 2020 through June 28, 2021. See issue #1 below for recommendations.

6. Performed testing of Form 700 completion process to ensure the form was completed and that no apparent conflict existed (or that appropriate mitigating actions were taken should a conflict be identified). Valley Water identified 372 employees which were required to complete the Form 700. Of these, 103 employees submitted multiple page forms⁴. PMA selected 10 of the 103 employees submitting multi-page forms for testing. While no exceptions were noted, PMA recognized several opportunities to enhance the Form 700 process. See issue #3 below for recommendations.
7. Performed testing of EEO/Ethics training to determine if mandatory required trainings had been completed by employees within the established timelines. See issue #2 below for recommendations.
8. Performed testing of harassment prevention training to determine if mandatory required trainings had been completed by employees within the established timelines. See issue #2 below for recommendations.
9. Performed analysis of employee retention by Unit, Division, and Race. See issue #4 below for further details and recommendations.

Scope Limitations

Internal Audit generally has unrestricted access to examine all books and records within the scope of the audit. When access to certain items is restricted, such restrictions are considered scope limitations (i.e., in scope areas of our audit we were unable to audit due to the restrictions imposed). Scope limitations impact the procedures we are able to perform and may impact our recommendations.

The scope limitations we encountered in our HR audit fell into one of three categories: Documentation under attorney-client privilege, confidentiality concerns, or areas handled outside of the HR Division. The scope limitations encountered during our audit are as follows:

1. As part of our assessment of talent development, we wanted to review population-wide data to determine if employees are setting qualitative goals and subsequently evaluated against such goals as part of the annual performance review process. Based on reports run by HR (not provided to the PMA team), 90.2% of employees who have completed

⁴ PMA focused our testing on multiple page Form 700 submissions, as all single page forms indicate the employee has nothing to disclose. We did not perform testing to assess the accuracy of employee self-reporting of investments and other interests.

FY21 work plans have at least one development objective listed in their performance plans. 48% of employees have at least two development objectives. The most common responses observed by HR were obtaining job-related training (270 mentions), attending a conference/workshop (162), and supervisory/management (45). Per edict of VW Legal and VW Labor Relations, detailed reports will not be provided to internal auditors out of concern for employee privacy. Our opinion on the inclusion and sufficiency of training goals in employee performance plans is based solely on interviews with VW HR personnel.

2. As part of our assessment of workforce equity, we wanted to review a recently issued report by a third-party firm (Tapestry by Direct Leaders) on hiring, promotions, and pay, including race and gender factors. While Valley Water has represented that no disparate impact trends were noted, the PMA team was unable to independently review this report as it was issued to Valley Water under attorney-client privilege. Valley Water is concerned that releasing the report to a 3rd party/internal audit would nullify this privilege. Our opinion on pay and disparate impact is based solely on interviews with VW HR personnel.
3. As part of our assessment of workforce equity/diversity and inclusion, we wanted to review the most recent Racial Equity, Diversity, and Inclusion (REDI) work plan. Our request was denied on the grounds that the REDI group is now handled by External Affairs rather than HR and the individual in charge of External Affairs feels this should be excluded from the audit.
4. As part of our assessment of workforce equity, we wanted to review the District-wide equity survey performed by a 3rd party (The Justice Collective). While the report has not yet been issued, the PMA team was denied access to this report on the grounds that the REDI team is housed under External Affairs, not HR. The External Affairs Division feels this should be excluded from our audit as it does not fall under the purview of HR.

Best Practices

While performing our audits, we come across processes or other attributes that we see as working well, perhaps which could be considered “best practices” or other areas of notability. These are presented below.

1. Though PMA did not retain copies of investigation documentation, test samples were reviewed via Zoom and EEO investigations appear to be very thoroughly conducted and well documented, providing ample evidence should an employee claim that their concerns were not taken seriously.
2. Most reasonable accommodation requests are granted, but not without proper documentation from the employee’s doctor. The process is very regimented and well documented. Questions are appropriately designed to avoid asking prohibited medical questions that could violate Health Insurance Portability and Accountability Act (HIPAA) regulations. Valley Water attempts to find solutions that will accommodate the employee’s medically necessitated needs without incurring undo financial burden on Valley Water. For example, one employee requested a motorized workstation that can raise and lower. The reasonable accommodation team asked if a manually adjustable workstation would suffice on their questionnaire to the doctor.
3. All of the ten hiring decisions reviewed were very well documented with both numerical scoring and narrative descriptions of candidates’ strengths and weaknesses, and we believe would be adequate to dispel any allegations of discrimination.
4. None of the comments received in exit interview surveys mentioned any deficiency in the level of training provided by Valley Water, and two comments specifically praised Valley Water’s training and executive coaching efforts.
5. Comments were received suggesting that both HR staff and HR management are nice, friendly, and that staff enjoy working in their teams and work well within such teams.
6. The Interim HR Director is aware of learned lessons under past HR leadership and is proactively working with the HR staff to ensure an effective and efficient operation. A comment was also made that the current Interim Director is forward thinking and willing to work with the staff to accomplish objectives.

Interviews Conducted

An important component of internal audit is gaining an understanding of the various processes under audit. We accomplish this through review of applicable documentation and discussion with process owners and other key or representative individuals. A list of individuals interviewed as part of our audit is presented below (generally grouped by unit).

1. Anthony Mendiola, Program Administrator- Continual Improvement Team
2. Salam Baqleh, Program Administrator- Equal Opportunity and Benefits Unit
3. Angelica Arellano, HR Manager- Equal Opportunity and Benefits Unit
4. Janice Lum, HR Benefits & Wellness staff
5. Natalie Vye, Benefits Program Administrator
6. Cathy Morrey, Supervising Program Administrator- Workforce Development
7. Robert Scott, Program Administrator- Technical Training
8. Arthur Saye, Management Analyst II- Workforce Development
9. Kevin McKay, HR Talent Development
10. Derek Tanguay, HR Talent Development
11. Courtney Letts, Sr. Management Analyst- Recruitment & Workforce Development
12. Laurel Hanchett, HR Recruitment & Selection
13. Richard Nguyen, Management Analyst II
14. Lidya Tesfaye, HR Systems Management
15. Rechelle Blank, Watershed Capital
16. Jennifer Codianne, Watershed Operations & Maintenance
17. Jonathan Burgess, Water Treatment
18. Mike Cook, Information Technology

Findings and Recommendations

During our review, we identified the following opportunities to enhance the HR function and strengthen controls. Our recommendations are based on our experience in internal audit, as well as best practices from other similar functions. These recommendations have been tailored to consider the specific needs of Valley Water.

For ease of review and implementation, we have divided our findings and recommendations into five sections: HR Structure & Management, Training, Form 700, Diversity and Inclusion, and Recruiting & Retention.

HR Structure & Management

1a. Inefficient and outdated nature of HR process

Issue:

Several interviewees commented on the inefficient and outdated nature of the HR process. Some of those processes are detailed in subsequent section of this report, but simply for context, as an example⁵, one employee who was two months short of a position's experience requirement needed to be hired as a temporary employee until they reached the official experience requirement of the position, rather than allowing the hiring manager to make an exception for this minor discrepancy. In another example, a suggestion made by one of the staff over 4 years ago was just recently implemented, resulting in the staff feeling they were either ignored and/or that the process is so inefficient that suggestions take an unnecessarily long amount of time to implement, resulting in continued inefficiency.

Interviewees with past private sector experience, while questioning certain processes, were led to believe that the "Valley Water Way" was just the way a governmental organization operated or flat out told that this is the way it works in government.

There is a sense that HR has an "old guard" (i.e., old way of thinking, resistance to change) and "new guard" (e.g., proactive problem-solving issues with modern technology, and the acceptance of new ideas to promote forward thinking with the outcome in mind) and that these two mindsets conflict with each other.

Risk:

Employees want to feel their contributions are valued and generally would like to work for a well-run, efficient organization. Adhering to dated methodologies or failing to embrace more efficient ways of conducting business may put Valley Water at a competitive disadvantage in attracting and retaining top talent.

⁵ Examples are provided for illustrative purposes only. We are recommending Valley Water address the root issues as further articulated in the recommendation section and not attempt to investigate specific examples.

Recommendation:

While some governmental organizations are subject to more stringent regulations, most are free to operate in a flexible manner that optimizes efficiency and service to the ratepayers and public. As such, we encourage looking at various processes through a lens of efficiency and effectiveness. Processes and practices which do not pass these basic tests, including those highlighted in this report such as increased communication related to continuous improvement, improved documentation, improved (training and disclosure) compliance tracking, and others discussed in this report, should be reexamined.

We understand Valley Water is in the process of filling the HR Director position with a permanent assignment. The ideal candidate would possess skills and traits that are open minded and inviting of positive suggestions that would result in beneficial outcomes to staff and the rate payers through increased efficiency and effectiveness. In striving for a modern and efficient HR function, such qualities may outweigh governmental experience.

A side benefit of process optimization is the creation of a more attractive organization by which to attract and retain perspective talent. While Valley Water may be limited as to the benefits they can offer, prospective employees may be more likely to join an organization unburdened by inefficient and/or ineffective practices masked under the guise of required governmental standards.

Management Response:

A primary focus of the Interim HR Officer has been to direct efforts to review and plan ways to improve the processes, update policies, and implement changes or programs that focus on making Valley Water an employer of choice. During this time, HR has revised the temporary assignment process, added a partial retirement option, completed a telework policy, enhanced benefits, managed the challenges of providing solutions and tracking for the pandemic, streamlined the Form 700 process, enhanced our recruitment efforts through increased use of targeting advertising, metrics, and virtual interviews all while implementing a critical module of our new ERP system (Infor) for benefits just to name a few of our efforts for optimization. We are in agreement with recommendation and have made optimization a part of our operations

Responsible Party:

Human Resources Officer

Completion Date:

11/1/22

1b. Siloed HR operations**Issue:**

Several staff commented that the HR Divisions operate in silos. Most staff are unaware of the inner workings of other units within HR (ex. Benefits staff may be unaware of Recruiting staff activities, learned lessons and achievements).

Risk:

Absent an understanding of how various divisions of the HR function interconnect, employees may make decisions not in the overall best interest of the organization or unknowingly forgo efficiency improvement opportunities.

Recommendation:

While specialization enables staff to focus on a specific discipline, the knowledge of other areas' operations could benefit the entire HR function. Periodic all-HR-staff meetings and/or diverse focus groups discussing objectives, processes, etc. and allowing for open and inclusive discussion related to continual improvement may help achieve this level of communication and collaboration and help to alleviate conflict by dismantling the barrier between the "old guard" and "new guard".

Management Response:

We agree that HR staff would benefit from a better understanding of how their specific area interconnects with the other areas of HR and how they come together to provide services for the organization. The HR Officer will develop a plan for cross-training of staff among the program areas to create generalist abilities vs. just having only specialists in each area. Quarterly meetings, where the whole division can gather to discuss accomplishments, challenges, and share ideas will be planned for the coming year. A survey will be developed to send out at least once a year to gauge the climate within HR and measure if changes are having the desired effects and gather ideas on how we can continually improve.

Responsible Party:

Human Resources Officer

Completion Date:

5/31/22

1c. Inconsistent documentation of promotion justifications

Issue:

Documentation for 6 of the 10 promotions selected for testing did not explicitly state why the selected candidate received the promotion over other candidates. In 3 of these cases, the promoted candidate received the highest numerical scores, though the interview notes did not clearly identify why the successful candidate was selected. In 2 of these cases, the numerical scoring did not clearly identify the chosen candidate and there were no notes to distinguish the successful candidate. In the final case, another candidate had a higher numerical score than the chosen candidate and the notes did not distinguish the successful candidate.

Risk:

While there were no obvious indicators of biased promotion decisions, having clear documentation as to why a selected candidate was promoted over other candidates would historically validate Valley Water's decision, and help defend Valley Water against any potential false claims of unfair practice or discrimination.

Recommendation:

All promotion and hiring⁶ decisions should clearly identify why the chosen candidate was selected over the other candidates.

Management Response:

We agree that having good documentation is important. Many of our second-round notes that come through do have a thorough summary in the debrief notes. The Hiring Manager is required to demonstrate via the Hiring Justification Form why the candidate they are recommending for hire is the best person for the job. The hiring decision does not reside with the interview panel or the Recruiter, but the manager's recommendation to their Appointing Authority that is documented. In response to your recommendation, in those situations, where it is not clear by the debrief document why the top candidate was not selected for the position, the recruiter will go back to the second round debrief notes and add notes as to the reason for the selection. The final hiring decision is always documented in the Hiring Justification Form. This recommendation has already been implemented.

Responsible Party:

Recruitment Program Administrator

Completion Date:

10/31/21

⁶ While no issues were noted with our review of hiring, this recommendation would apply to both new hires and promotions.

Training

2a. Unconscious bias training not completed

Issue:

All employees are required to annually watch a training video on unconscious bias; however, only 64% of employees had taken the training as of 4/14/21. This training was required to be completed by all employees by 1/15/21. Contributing to the non-compliance, there was no individualized follow up by HR for those who had not completed this requirement.

Risk:

Certain trainings are required to ensure employees either have the requisite knowledge to perform their jobs and/or demonstrate the values of the organization, including recognizing differing contributions employees from different backgrounds bring to the workplace and the value such diversity adds to the organization. In the case of Unconscious Bias training, this helps employees recognize and overcome biases they may not be readily aware of. The completion of such training may also help Valley Water reduce instances of workplace discrimination.

Recommendation:

We recommend individualized (personalized) follow up emails be sent to employees who are not compliant with mandatory training requirements, explaining (or reminding) employees of the objectives of the training, and the importance of the required training in meeting those objectives. Continued non-compliance with such training requirements could be communicated with both the employee and their supervisor.

Management Response:

Management agrees that it is important that we have the maximum of staff complete their training to ensure they are prepared with this knowledge when they are asked to participate in hiring panel and as a component of onboarding. Management will assign HR staff to audit employees that are past due and provide a deadline for completing their training. A process for ensuring this training is added to the onboarding required training will be set in place with Workforce Development. Each quarter, staff will review completion rates and follow up with any stragglers that need to complete the training. This training is also scheduled to be renewed by all employees every two years.

Responsible Party:

Recruitment Program Administrator

Completion Date:

5/31/22

2b. Ethics/EEO policy acknowledgement not completed

Issue:

All new hires are required to sign an acknowledgement that they have received and understand the ethics and equal opportunity policies. Additionally, all employees are to sign an annual re-confirmation acknowledging these policies. Compliance tracking is handled through the Learning Management System (LMS) and appears as a required course for all employees (HRETHICS10). The PMA team performed testing to determine the compliance rate for this requirement, noting only 77% of employees had completed this training. Additionally, there does not appear to be a process for following up with employees who have not completed the required courses/certifications.

Risk:

Understanding of ethics and EEO policies helps ensure employees perform their job responsibilities in an ethical manner free from discrimination. Initial and annual reconfirmation of these policies prompts employees to refresh themselves on the organization's expectations.

Recommendation:

We recommend Valley Water develop a process for periodically monitoring the completion status of all required trainings/certifications and following up with employees who are delinquent in this respect. To facilitate this, both the master employee and LMS databases should contain a unique identifying data field to positively identify each employee. When reviewing harassment training, for example, our employee list did not contain email addresses and the LMS system tracked training data did not contain employee ID #'s, so we were not able to make a positive comparison between active employees and completion of this course.

Management Response:

Management agrees that we should develop a process for periodically monitoring the completion status of all required trainings/certifications and following up with employees who are delinquent in this respect. Currently, the process is tracked through an Excel worksheet. However, we have already converted several of our required EEO/Ethics/and Sexual Harassment Prevention training into online training which will be managed through our current and upcoming upgrade of our Learning Management System (LMS). Because the training is now online, the completion will be easier to track. Staff in our EEO/Ethics program will track training and follow up with employees who are overdue in their training. The new LMS will be able to generate reports and reminders more easily for the program administrator to track. Efforts are already underway to catch staff up on any past-due training.

Responsible Party:

EEO/Ethics Program Administrator

Completion Date:

2/28/22

2c. Increased use of TPC technical training resource

Issue:

Valley Water maintains a number of licenses for the 3rd party TPC technical training website. As only 16 employees used this “TPC Online” resource of technical training in 2020, this appears to be an under-utilized resource.

Risk:

One could argue that an experienced tradesperson would not need these courses; however, this could be a good resource to reinforce core concepts that an employee may not be regularly exposed to.

Recommendation:

In addition to internally promoting the use of this resource, the TPC online tool could also be used to assess employee’s knowledge and skill level, providing additional training where needed.

The recommendation for increased use of this technical training resource stems from both the relatively low usage noted in our audit as well as a comment from one of our interviewees, noting an opportunity for Valley Water to develop a better-defined apprenticeship program. While the PMA team did not specifically review the apprenticeship program as part of this audit, the thought is that unless Valley Water’s apprenticeship program becomes more structured with clear expectations & goals, that gaps will need to be filled through requiring standardized sets of college courses and/or standardized trade-specific required trainings.

Management Response:

Management agrees that we want to utilize our various training tools as effectively as possible. The 3rd Party TPC tool was purchased for specific training and refresher in mind. We have been experiencing more request for access to the tool from staff in operation, though they weren’t originally targeted. The Apprenticeship program is being developed for early 2022 and this tool could very well serve as a resource to the participants. The Technical Training Resources will also become part of our Learning Management System and a landing page for the Technical Training Program will also be developed so that employees can retrieve past training and link to tools and resources.

Responsible Party:

Technical Training Program Administrator

Completion Date:

12/31/22

2d. Continued development of knowledge transfer program

Issue:

Valley Water is in the process of creating a knowledge transfer mechanism, whereby key employees with tacit knowledge of their job responsibilities and/or Valley Water are identified. These employees are then interviewed to formally document and memorialize their knowledge. This process was in its infancy stages at the time of our audit, and as such we were unable to perform testing.

Risk:

Given the large amount of institutional knowledge and number of potentially retiring employees, we believe this is a great initiative. As with any initiative, there is a risk that competing resources may bump this off the organization's radar.

Recommendation:

We recommend Valley Water continue to formally develop this knowledge transfer process to capture important information prior to a key employee's departure.

Management Response:

Management agrees that we will continue to formally develop our knowledge transfer process as part of our succession development efforts. It becomes an additional tool in our ability to capture important institutional knowledge.

Responsible Party:

Technical Training Program Administrator and Workforce Development Program Administrator

Completion Date:

12/31/22

Form 700

3a. Overbroad interpretation of "making governmental decisions"

Issue:

The California Fair Political Practices Commission (FPPC) requires that public agencies implement a unique conflict of interest code, listing each position within the agency that makes or participates in making governmental decision. The litmus test of "making governmental decisions" is broadly interpreted by Valley Water. As an example, an employee tasked with approving invoices of a vendor without further supervisory review is required to file Form 700, despite not being the sole decision maker on the selection of that vendor. In this case, there would be no potential conflict of interest in this employee's decision making. Any inappropriate approval of vendor invoices would constitute fraud on the part of the employee & vendor. Form 700 will not prevent fraudulent acts; only identify potential conflicts of interest.

Another example of employees required to complete Form 700 are those that, while procedurally subject to supervisory review, do not undergo such a review in actuality. Such a case may exist, for example, when a supervisor relies on their subordinate as the subject matter expert and trusts their decision without further review.

Risk:

The current "broad brush approach" to identifying Form 700 filers could result in requiring far more employees than reasonably necessary complete the Form 700.

The number of decision makers relying solely on the unfettered decision of a subordinate should be extremely limited as this represents a risk that proper oversight is not being provided in managerial decisions.

Recommendation:

Firstly, it is noted that Valley Water has recently reduced the number of Form 700 filers. Nonetheless, Form 700 should only be required of those who truly have unfettered approval authority and should not be supplanting sufficient managerial review of key decisions. It is recommended that Valley Water HR collaborate with Valley Water legal to review the conflict-of-interest code and the potential to reduce the number of Form 700 filers, as it relates to making governmental decision.

The practical reasons for reviewing and reducing Form 700 filers is reinforced through Valley Water's June 2020 internal research memo showing Form 700 filers as a percentage of total workforce to be far greater for Valley Water than peer agencies, as illustrated in *Figure 3: Peer Agency Form 700 filers* on the following page.

Figure 3: Peer Agency Form 700 filers

Comparable California Governmental Agencies	Total Number of Employees	Number of Employee Form 700 Filers	% of Workforce that are Form 700 Filers
Valley Water	796	325	41%
Department of Water Resources (State)	3,000	550	18%
East Bay Municipal Utility District (EBMUD)	1,957	303	15%
Metropolitan Water District	1,800	649	36%
Westlands Water District	114	22	19%
Del Paso Manor County Water District	10*	6*	60%*
VTA	This agency did not respond to Valley Water's request for information.		

*Del Paso Manor County Water District only has its General Manager and Board of Directors filing Form 700's at this time.

Management Response:

Management agrees that in the past, Valley Water's threshold for criteria of Form 700 filer was too broad and created an extra-large pool of employees who were required to complete a Form 700. Fortunately, Staff completed an assessment of the process and the FPCC requirements, in collaboration with our legal staff, which was reviewed and approved by the executive team. We reduced the number of Form 700 filers to only those who truly have unfettered approval authority of key decisions are now required to complete a Form 700. We are currently in the final stages of working with the Santa Clara County to approve the Conflict-of-Interest Code (with our changes) so that we can present it to Valley Water's Board of Directors for approval and implement the changes in time for the cycle to begin in February 2022.

Responsible Party:

EEO/Ethics Program Administrator

Completion Date:

2/28/22

3b. Cumbersome compliance tracking

Issue:

The current process of ensuring all required Form 700 filers is captured in Santa Clara County's Southtech system is manual and cumbersome. This consists of pulling a report from Valley Water's Peoplesoft system, manually removing all employees who are not required to file and comparing the remaining employees to a download of Filers per the Southtech system.

Risk:

Time spent performing this process could be repurposed on more pressing issues. Additionally, manual processes such as this are more prone to human error than automated processes.

Recommendation:

Simply to increase efficiency, once the need for individual filers is reevaluated, we recommend business intelligence/process optimization/process automation be enacted. This may include, for example, a flag (available open data field) be placed in the Peoplesoft system so that a Peoplesoft report can be automatically generated of all Form 700 filers. This can be matched to the Southtech report through a unique identifying data field, such as the employee's email address, which is used in both systems.

Management Response:

We agree that increasing efficiency is always a good idea. We will work with our Information Technology division to see if there is a simpler solution to help track Form 700 filers.

Responsible Party:

EEO/Ethics Program Administrator

Completion Date:

5/31/22

3c. Lack of positive confirmation for Form 700 managerial review

Issue:

Ultimate responsibility for form 700 review is bestowed upon the filing employee's managers. Some managers will send reply emails to the individual coordinating the Form 700 efforts confirming their review; however, there is no process to ensure managers have completed these reviews.

Risk:

Absent positive confirmation, managers may not have reviewed Form 700's for potential conflicts as required, resulting in potentially missing conflicts of interest and associated decisions which may not be in Valley Water's best interest.

Recommendation:

Valley Water should establish a verification system for Managers to affirm they have performed the requisite review. Such a system could be set up with little to no cost or effort using a survey platform (e.g., SurveyMonkey or MS Forms), so long as externalizing this employee data would not pose a confidentiality / security risk. The Form 700 coordinator should follow up with Managers who have not confirmed their review to ensure compliance.

Management Response:

We agree that we can strengthen our current process for ensuring managers are reviewing Form 700's for potential conflicts of interest. We should follow up with managers that have not confirmed their review. Staff will develop a process, whether Survey Monkey, or the current email reply, that ensures the review is completed effectively.

Responsible Party:

EEO/Ethics Program Administrator

Completion Date:

5/31/22

3d. Determine ability of 3rd party Form 700 filers to make unchecked decisions

Issue:

In previous years, Valley Water has required many of its contractors and consultants to complete the Form 700. Valley Water has reduced the number of these third-party Form 700 filers from more than sixty to roughly six. Although the remaining number of Form 700 filers is small, there is a question of whether the remaining six third-parties are making unfettered business decisions on behalf of Valley Water.

Risk:

While consultants and contractors are often hired for their expertise in a specific subject area, business decisions should be made by Valley Water employees accountable for the success of the organization. There is a risk that the remaining six non-employee individuals who continue to file Form 700 are making unfettered business decisions on behalf of Valley Water.

Recommendation:

We recommend all material business decisions be made or approved by a Valley Water Employee. Relationships with the remaining third-party Form 700 filers should be reviewed to ensure existence of an appropriate level of Managerial review.

Management Response:

Staff will ensure that the 6 contractors that are still required to file Form 700s will have the appropriate VW managerial review. This review will be easier to ensure since the number of contractors filing is so much smaller.

Responsible Party:

EEO/Ethics Program Administrator

Completion Date:

2/28/22

Recruiting and Retention

4a. Consideration of new & innovative benefits to attract and retain talent

Issue:

Valley Water uses a benefits broker (McGriff) to negotiate the annual employer cost for health, dental, and employee assistance plans of employee benefits. This broker also presents similar benefits most employers offer (health/dental/employee assistance plans, etc.); in comparison to peer agencies, Valley Water has a competitive core benefits package. A detailed comparison can be found in Appendix A.

The benefits brokered by McGriff, appear to be limited to those purchased through third-party agencies. Though Valley Water has a competitive core benefits package when compared to peer public agencies, and while Valley Water may be limited as to the additional benefits it can offer, it should remain cognizant of the current market, which includes peer agencies (and to *some* extent local, private technology companies) competing for the same top talent. In order to remain competitive with peer agencies, Valley Water should reevaluate benefits, and consider some innovative options, including those suggested below, that go beyond those offered by third-party benefits providers.

Risk:

Valley Water may be losing top talent (either prospective employees or current employees through attrition) to organizations that are able to offer more attractive benefits.

Recommendation:

The best and most desirable work cultures are not created from the top down, but rather through inclusion and input from all employees. Similarly, implementing new benefits/perks that employees don't care about will not have the effect of improving the culture or increasing retention. Valley Water employees described similar sentiments in the 2016 Great Place to Work (GPTW) survey, which found "opportunities to be involved in change" to be a common suggestion as it relates to making Valley Water "a better place to work". To gauge the relative importance of benefits, and in order to allow employees an opportunity to be involved in any future change, we recommend soliciting employee feedback by conducting an all-employee survey, using a ranked order response in order to determine the cost of offering such benefits (or improvements) and the potential impact to the work environment and culture.

Some benefits *for consideration*, which could be included in the survey are listed below. For clarity, our recommendation is not necessarily to implement each of these items, but to first determine which benefits Valley Water can and cannot implement (we understand a public agency may be limited as to the benefits it can offer), then to determine which benefits staff most desire, and then to formulate a plan which prioritizes any identified changes.

- **Career Development:** A 2018 Work Institute study, which analyzed over 234,000 exit interviews, found career development to be the leading reason for employee exits; notably, it has been the leading reason for eight consecutive years.⁷ More than 20% of Valley Water employee exits were related to career development (i.e. opportunities for growth, achievement, and security), and over 40% if job dissatisfaction is included (commonly associated with career development). Similarly, a study conducted by LinkedIn found that nearly 80% of employees reported that having a well-defined career path would compel them to stay with an organization longer.⁸ Although not typically stated as a “benefit”, we recommend Valley Water treat career development as a benefit, and poll employees on the desire for a revamped/improved program, including more opportunities for training, development programs, and options for employees who are in roles with limited ability to move up within the organization (commonly cited by employees, during exit interviews, as a reason for leaving). It is noted that the GPTW survey recommended refreshing mechanisms for career advancement by developing rotation programs, and more intentional stretch assignments.
- **Work-Life Balance:** Second only to career development, work-life balance (including favorable schedules, improved commutes, and travel commitments) was found to be a leading reason for employee turnover⁷. The prevalence of this benefit has dramatically increased as a result of the COVID-19 pandemic, and that prevalence would not have been captured in the prior GPTW surveys. Expanded work from home options are desirable and are becoming more permanent at other organizations. As a note, similar organizations (including public water agencies) are reassessing telecommuting options in order to potentially provide increased work from home options; we recommend that Valley Water do the same; it is noted that VW is currently in discussion with peer agencies, in order to benchmark and stay cognizant of current trends. Some employees see this as a benefit in the realm of work-life balance, and those that do not see it is a benefit can simply come to the office more frequently, at their own discretion
- **Manager Behavior:** Good relationships between employees and managers are important to retention. More than 10% of employees exit an organization due to manager behavior (including, amongst others, unprofessionalism, lack of support, and poor treatment).⁷ Through our interview process, we heard positive feedback as it relates to current managers (albeit a small sample size). On the other hand, and though there were no “hot spots” indicative of problematic units, dissatisfaction with direct managers was commonly cited during exit interviews, and the GPTW survey recommended strengthening managers at all levels, including competency development and training. We recommend employees be polled on manager

⁷ Mahan, Nelms, Bearden, 2018 Retention Report Truth & Trends in Turnover

⁸ Barry, Attract and Retain Top Talent and Mercer, One in Three Employees Claim to Have a Job Rather Than a Career

behavior to determine if improvements have been made, or if additional training (or other measures) is needed.

- Spaces that influence culture, well-being and interaction: so long as they're desired by employees and spread across multiple areas/floors in order to encourage participation and cross-functional interaction, spaces can have the added benefit of creating a fun and relaxed environment which blends business and pleasure during the day, and which can improve culture and environment. Spaces can include:
 - Recreational, relaxation, or "play-spaces" (such as Valley Water's recently renovated patios) where employees can take a break from work.
 - On-site fitness classes
 - On-site gym,
Snack or drink offerings (offered through an on-site vendor)
- Other Benefits for consideration, which employees may find to be desirable:
 - Subsidized public transit passes
 - Improved work environments (ex. "Virtual windows" [large screen TVs framed as windows showing a pleasant view] in office spaces devoid of actual windows so employees feel less closed in).
 - Sit/Stand workstations (*note – Valley Water's implementation of this is currently underway)
 - Additional holidays, such as Juneteenth and Election Day (would also tie into D&I initiatives)
 - Family planning (ex. IVF)
 - Bring your pet to work (though this could have allergy/accident implications)
 - Emergency savings accounts- More employers are offering payroll-deduction emergency savings accounts for their employees to help with households experiencing financial surprises or difficulties.
 - Other innovative benefits suggested by employees.

We also realize that Valley Water has completed various other all-employee surveys and that these surveys may have included some of the benefits discussed herein.

Management Response:

Management agrees that reviewing our benefit offerings is an important element of being an employer of choice. We have ongoing reviews of our benefits package most recently through open enrollment, periodically through bargaining, and when the need arises to address challenges occur. Many of the suggestions from PMA are already part of our benefits package. HR will continue to survey our comparators and schedule regular reviews (every 6 months at a minimum) to stay competitive.

Responsible Party:

Benefits & Wellness Program Administrator

Completion Date:

Ongoing

4b. Lack of employee referral program

Issue:

Valley Water does not currently have an employee referral program, which they may want to consider in order to attract good candidates at relatively inexpensive recruitment costs.

Risk:

According to a 2016 benchmarking report by the Society for Human Resource Management (SHRM), the average cost per hire is \$4,129, while the average time it takes to fill a position is 42 days. Both cost and lead time could potentially be reduced by offering financial incentives to employees for referring qualified candidates. Additionally, the chances of success of a referred candidate may be higher than that of a candidate whose personality and performance is unknown.

Recommendation:

We recommend Valley Water consider implementation of an employee referral bonus program. A \$2,000 incentive for example, could be both meaningful and comparatively modest. Payment of such incentives could be contingent upon the employee passing their probationary period.

Management Response:

Staff will conduct a survey to see if any of our public agency comparators offer referral bonuses; explore the operational benefits to recruitment efforts and consult with Valley Water management on whether to develop a program to offer an appropriate incentive.

Responsible Party:

Recruitment Program Administrator

Completion Date:

5/31/22

4c. Increased participation in exit surveys/exit interviews

Issue:

Valley Water currently provides a link to an optional survey for all terminating employees. This survey has a 60% response rate. Roughly 25% of the 60% of departing employees who completed the Survey Monkey Survey did not answer the open-ended qualitative questions.

Risk:

Results of exit surveys and exit interviews provide valuable feedback the organization can use to improve operations, productivity, and employee satisfaction. Especially helpful are qualitative comments that can be used to recognize key strengths of the organization and investigate potential problem areas. Valley Water may be missing out on valuable feedback from departing employees who do not complete an exit survey.

Recommendation:

It is our understanding the purpose of the in-person (or virtual) exit meetings is to discuss benefits for the departing employee, collect company equipment, and handle other administrative requirements. As part of the standard exit interview process, Valley Water could ask employees what they liked about working for Valley Water and what they would change about the organization if they could. The answers could be documented and used to improve the organization. While employees could decline to answer, there'd likely be a greater response rate than the 60% who currently complete the Survey Monkey survey. Additionally, Valley Water may receive more responses to the open-ended questions.

Management Response:

Management agrees that gathering information from exiting employees on the reasons they are leaving is an important data point and offers an opportunity to learn from and improve the organization. Benefits & Wellness staff have already started meeting with exiting staff to have verbal discussions to gather information on why staff are leaving our agency as well as continuing to offer exiting staff to complete the online survey tool. Those who conduct the exit interview are tracking the reason in more detail than in the past and have strengthened the survey tool by making certain fields "required" to answer so that we get information more consistently. This recommendation has been implemented.

Responsible Party:

Benefits & Wellness Program Administrator

Completion Date:

10/31/21

4d. Periodic analysis of employee terminations

Issue:

PMA obtained, reviewed, and performed analysis on employee terminations within the roughly five-year period between June 2016 and April 2021. This analysis, which was provided to HR for further review, included comparing terminations by unit and race to the overall percentage of current headcount as well as identifying the nine divisions which made up >75% of the terminations. Valley Water does not currently perform a similar analysis.

Risk:

Periodically examining employee termination trends can help Valley Water identify potential problem areas and take appropriate action to prevent further attrition. Identification of terminations by race and other demographic factors could help Valley Water maintain a diverse and inclusive workforce.

Recommendation:

We recommend Valley Water review the analysis performed by the PMA team, as the analytical data may be more pertinent when combined with subjective feedback and inside organizational knowledge. Additionally, this type of analysis may be beneficial for Valley Water to periodically perform to identify potential problems and determine if further investigation is warranted.

Management Response:

Management agrees that we should conduct periodic reviews of exit interview/termination data. HR will work with the REDI Unit to establish regular check-ins to review not only this data but recruitment/hire data as well. This data can also be presented to the Board's Diversity & Inclusion committee in general terms. This data will also be presented to the CEO and Chiefs every six months.

Responsible Party:

Benefits & Wellness Program Administrator and Recruitment Program Administrator

Completion Date:

5/31/22

Appendix A- Benefits Comparison

Appendix B- Potential REDI Issues, External to HR

As explained in the body of this report, PMA was asked by Management to segregate diversity and inclusion issues previously handled by HR, but currently transitioned to the Racial Equity Diversity and Inclusion (REDI) group, as the REDI group is no longer part of the Human Resources function. All REDI group issues are presented in this appendix.

As the REDI group did not participate in our audit, issues are presented without management responses or completion dates and accordingly will not be tracked by internal audit. It is possible, likely even, that REDI has already addressed these issues, or has a plan to do so. However, in the interest of continual improvement and to be sure those issues which were visible to our team during the audit do not get overlooked, we're including them in this appendix.

A. Outdated Diversity and Inclusion program⁹

Issue:

The most recent 5-year Diversity & Inclusion Plan was valid from 2015-2019 and has essentially been expired/not updated in over a year.

Risk:

Initiatives designed in 2015 may no longer be applicable, effective, or operating. New or developing issues may not be addressed through the former plan.

Recommendation:

Valley Water should reexamine the most recent plan, determine which aspects of the plan worked well/which ones needed improvement, and update the plan accordingly. In updating the plan, Valley Water should consider their own analysis of plan implementation (Performed in March 2018), employee feedback, feedback from the Employee Resource Groups, and recommendations within our report. Furthermore, REDI and HR should work together to clearly outline any necessary interdepartmental responsibilities and authority, as it relates to Diversity and Inclusion, in order to ensure those responsible also hold commensurate authority.

⁹ As previously stated in our scope limitations section, the HR audit did not include interviewing REDI staff. While it is public knowledge that REDI is updating their Master Plan, we are including this in our audit report for the purposes of providing an all-inclusive document addressing the issues noted during our audit.

B. Implement continual monitoring of D&I goals

Issue:

The existing D&I program contains multiple strategies and 51 approaches within these strategies for achieving diversity and inclusion goals. Valley Water created a tracking matrix to monitor the completion of each of these goals in March 2018. While the completion analysis was thorough, it appeared to be a one-time event, rather than a continual or periodic monitoring.

Risk:

Initiatives assessed at a point in time may no longer be applicable, effective, or operating. Additionally, such initiatives may not be addressing new or developing issues.

Recommendation:

We recommend regular (annual) assessments of the D&I program's goals and accomplishments be performed.

C. Enhanced Employee Resource Group reporting

Issue:

Employee Resource Groups (ERG's) are governed by their respective charters as well as the Diversity & Inclusion Program Employee Resource Group policy (ID# Q640D03). Section 7 of this policy requires "an annual report of the program accomplishments including number of new chartered groups, number of diversity and inclusion events, survey assessment results, and fundraiser events". The last such report, drafted in February 2018, was a four-sentence summary as part of the Diversity and Inclusion quarterly report. While providing a sample of ERG events, this brief update might be viewed as falling short of the expectations as outlined in the policy. Additionally, the most recent update was over 3 years ago.

Risk:

Without formal analysis and reporting, a risk exists that ERG activities are not achieving their intended goals- to promote diversity and inclusion within Valley Water.

Recommendation:

We recommend the REDI team identify a responsible party for summarizing ERG activity and identifying need for assistance. Reports on the activities, achievements, and needs of each ERG group should be presented to the leadership team on an annual basis. With detailed annual reports, leadership could identify and provide coaching to inactive ERG's to identify beneficial events and speakers.

D. No tracking of Diversity and Inclusion (D&I) participation goals

Issue:

Per the D&I intranet site, all regular employees are encouraged to commit at least five hours towards the achievement of their D&I Employee Development and Performance Plan (EDPP) goal. We did note, however, that staff are instructed to charge such participation to their regular project code. This treatment, which we understand was implemented for logistical purposes, precludes the ability to run a system report to monitor the prevalence of D&I participation.

Risk:

Absent a tracking mechanism, Valley Water does not have a way to determine if their D&I participation goals are being met, nor is there a way to follow up with specific employees who are not meeting this goal to encourage participation.

Recommendation:

In order to monitor D&I participation with meaningful and easy to run reports, we recommend a sub-code in the time reporting system be established for D&I participation. Periodic (annual) reports should be run and presented with other D&I program updates. This information can be used to adjust or promote the D&I program to specific groups as deemed necessary, increasing the effectiveness of the program.

Appendix C – Approved Work Program

Recruitment
Reasonable accommodations
Talent Development
Retention
Workforce equity

Step	Task
1	Interview VW staff to understand current recruiting & hiring practices, including the process for conducting and reviewing background checks. Determine opportunities for improvement/enhancement.
2	Obtain a list of employees hired in the past year. Design and conduct testing to determine whether background checks are being performed in accordance with established protocol.
3	Interview personnel to understand and document the conflict-of-interest disclosure (Form 700) process. Determine how VW ensures all employees who should be completing for 700 are on the list to solicit completion of this form. Determine if process is operating effectively and investigate opportunities for improvement.
4	Obtain a list of all completed form 700's in the past year. Determine if VW is compliant with all individuals who are legally required to complete Form 700, while not requiring the unnecessary completion of the form for individuals who are not legally required to do so.
5	Interview staff re: reasonable accommodations process, including the types of requests that have been received and the process for handling such requests.
6	Obtain a list of all reasonable accommodation requests filed in the past 5 years. Depending on volume, review all or a sample of such requests to assess reasonability of VW's handling of the request. Quantify and analyze results for potential improvement opportunities. Also determine if VW is granting requests that place an undue hardship on the organization/rate payers.
7	Interview HR personnel to determine processes in place to ensure talent development throughout the organization. How does HR ensure employees are receiving adequate on-the job training to perform their jobs efficiently and progress within the organization?
8	Interview department directors to determine what is being done within their department to ensure employees are receiving adequate on-the job training to perform their jobs efficiently and progress within the organization? Identify departmental specific gaps.

9	Obtain a list of employee terminations between 2016-2020 (past 5 years). Summarize list by department, position level, and other relevant statistical criteria. Determine employee turnover rates by department, position, etc.
10	Select a sample of 15 terminated employees (choose selection in proportion to statistical criteria above to obtain a representative sample of population) and summarize reasons for termination. Review results of exit interviews to identify and summarize trends.
11	Perform further research/interviews as necessary to recommend enhancements to improve retention rate.
12	Interview HR personnel on processes in place to address harassment prevention and anti-discrimination
13	Interview staff to understand VW's diversity and inclusiveness initiatives, including tools used to monitor and track such initiatives.
14	Review specific tool(s) used for this purpose to determine if the tool is effectively designed to achieve its desired purpose/outcome.
15	<p>If tool should be tracking all potential candidates, obtain a list of new employees hired during our scope period. Select a sample of new hires and determine if tool was used to track applicant statistics.</p> <p>Determine if justification exists to indicate why a candidate meeting diversity criteria was passed up for the position (helps ensure qualified candidates are not passed up due to membership in a protected class). Conversely, determine if justification exists demonstrating that the most qualified candidate was hired for the position, regardless of diversity classification (helps ensure job qualifications were the prevailing factor in a hiring decision and that a candidate was not hired primarily because of their membership in a protected class, disregarding best fit for the position).</p>