

**REVIEW OF
AFFIRMATIVE ACTION PROGRAM**

MARCH 2010



**CITY AUDITOR'S OFFICE
CITY OF GAINESVILLE, FLORIDA**

City of
Gainesville

Inter-Office Communication

March 29, 2010

TO: Audit, Finance and Legislative Committee
Mayor Pegeen Hanrahan, Chair
Mayor-Commissioner Pro Tem Scherwin Henry, Member

FROM: Brent Godshalk, City Auditor

SUBJECT: Review of Affirmative Action Program

Recommendation

The Audit, Finance and Legislative Committee recommend the City Commission:

- 1) Accept the City Auditor's report and response from the Equal Opportunity Director, and
- 2) Instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit, Finance and Legislative Committee.

Explanation

In accordance with our Annual Audit Plan, we have completed a Review of the Affirmative Action Program. Our report, which includes a response from the Equal Opportunity Director, is attached for your review.

We request that the Committee recommend the City Commission accept our report and the Equal Opportunity Director's response. Also, in accordance with City Commission Resolution 970187, Section 10, Responsibilities for Follow-up on Audits, we request that the Committee recommend the City Commission instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit, Finance and Legislative Committee.

City of
Gainesville

Inter-Office Communication

February 17, 2010

TO: Cecil Howard, Equal Opportunity Director
FROM: Brent Godshalk, City Auditor
SUBJECT: Review of Affirmative Action Program

In accordance with our Annual Audit Plan, we have completed a Review of the Affirmative Action Program. During our review, we interviewed key personnel, reviewed operating information and tested management controls. We also prepared a multi-year trend analysis of gender and minority representation within the City's workforce. The primary objective of this review was to evaluate the effectiveness of the City's Affirmative Action Program.

Based on our review, we believe that there are opportunities for enhancements to the Affirmation Action Program. The attached draft report provides recommendations focused on enhancing quality control and reporting functions.

In accordance with Commission Resolution 970187, Section 9, please submit your written response to the recommendation presented in the attached report and indicate an actual or expected date of implementation for the recommendation. Our final report, which will include your written response, will then become public record and be submitted to the City Commission's Audit, Finance and Legislative Committee for review and approval. The next meeting is scheduled for March 29, 2010.

We would like to thank you and your staff for the cooperation extended to us during our review. Please let me know if you have any comments or questions.

OBJECTIVES, SCOPE AND METHODOLOGY

In accordance with our Annual Audit Plan, the City Auditor's Office completed a Review of the City's Affirmative Action Program. The primary objective of this review was to evaluate the effectiveness of this Program. Our procedures involved conducting an evaluation of the overall function, including testing the accuracy of data used to compile annual affirmative action plans and reviewing the effectiveness of management controls related to post hiring analyses. We also prepared a multi-year trend analysis of gender and minority representation within the City's workforce. The scope of our review was generally for data utilized in preparing the City's Affirmative Action Plans for 2006 through 2009.

As for all of our audits, we conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Based on the results of our review, we believe that opportunities exist for the Office of Equal Opportunity to enhance reporting procedures and management controls related to creating and monitoring progress on the City's Affirmative Action Plan. We have prepared recommendations regarding these issues that were discussed with management. The recommendations, as well as management's written responses, can be found in the following sections of this report.

BACKGROUND INFORMATION

The City's Office of Equal Opportunity (EO) is overseen by the Equal Opportunity Director, a Charter Officer appointed by the City Commission. The EO Office's mission is "to ensure equal opportunity/equal access to employment, housing, public accommodations and credit within the Gainesville city limits without regard to individuals' gender, race, religion, national origin, marital status, sexual orientation, color, age, disability or gender identity; and to work to ensure the City's workforce is diverse and well trained."

Affirmative Action Policy

The City's Affirmative Action Policy establishes that "the City will take positive results-oriented approaches to ensure that its employment practices provide an equality of opportunity and/or remedy the effects of any past discrimination, intentional or not, through the implementation of an Affirmative Action Plan." It also establishes that "each individual City employee shall cooperate in prohibiting discrimination against employees and/or applicants for employment or promotion" and that "all efforts will be made to support a continuing program of self-evaluation and affirmative action." To that end, the Affirmative Action Policy requires preparation and presentation to the City Commission of an annual Affirmative Action Plan.

Affirmative Action Plan

The City's Affirmative Action Plan (the Plan) establishes as its primary objective to set forth "the specific and result-oriented items to which the management of the City commits itself" and to "assure the full realization of its stated objectives through a continuous procedure of monitoring and reporting." The Plan assigns various and specific levels of responsibility for implementation of the Plan to the Charter Officers of the City, the Equal Opportunity Director, the Human Resources Director, department heads and managers, as well as non-management employees.

Charter Officers have the overall responsibility for implementing the Affirmative Action Policy, which includes the Affirmative Action Plan. The Equal Opportunity Director is responsible for presenting the Plan to the City Commission and providing reports on progress made. Duties of the Equal Opportunity Director include planning and coordinating affirmative action efforts, coordinating the preparation of the Affirmative Action Plan and any updates, as well as identifying problem areas and proposing solutions.

The City also has an Affirmative Action Subcommittee whose role is to advise the Equal Opportunity Director in the development and dissemination of the Plan. The Plan generally follows the rules and regulations of the U.S. Department of Labor's Office of Federal Contract Compliance Programs' (OFCCP).

The Plan analyzes workforce race and gender designations, and develops annual placement goals to address areas where minority or female under-utilization is determined. The Plan presents the information via the following sections:

- *Workforce Analysis* – A snapshot of the organization depicting its race and gender characteristics, which lists each job title within each department or similar organizational unit.
- *Job Group Analysis* – A method of combining job titles into job groups to organize the workforce into manageable size groups to facilitate analysis. This is the first step in comparing the representation of minorities and women in the City's workforce with the estimated availability of minorities and women qualified to be employed.
- *Availability Analysis* – Provides a statistical estimate of the current availability of minorities and women for each job group.
- *Utilization Analysis (not specifically provided in Plan)* – Provides an indicator of areas that need attention by comparing the representation of minorities and women in each job group with their representation among those available to be employed.
- *Incumbency versus Estimated Availability* – Displays job groups and titles with Affirmative Action Goals as determined by the Utilization Analysis.

The Plan and the list of job titles with Affirmative Action Goals are disseminated to Charter Officers and other hiring personnel and community organizations within the City. Additionally, the EO Office hosts Equal Opportunity/Affirmative Action classes for hiring managers. Hiring managers are required to show effort in meeting Affirmative Action Goals; however, they are prohibited from preferential hiring of an applicant based on any protected class, including race or gender.

Monitoring Activities

The Equal Opportunity Director is responsible for facilitating an understanding of the City's Affirmative Action Policy and Plan objectives and assisting department managers in their recruitment efforts to meet any identified Affirmative Action Goals. Hiring managers are charged with demonstrating a commitment to the Policy and Plan by working towards eliminating under-utilization of minorities and women and being accountable for their department or division's efforts to establish a recruitment plan to achieve the Plan objectives.

The EO Office monitors managements' efforts by distributing post hiring analysis reports to hiring managers for completion, generally within 2 weeks after a position with an Affirmative Action goal has been filled. The reports are basically surveys and must be completed and returned to the EO Office in a timely manner. Upon completion, the EO Office reviews the report to determine the level of effort shown, and subsequently works with management to improve future effort, if needed.

Reporting Results

The EO Office compiles various reports designed to communicate the activities and progress of the Affirmative Action (AA) Program and Plan, identified in Figure 1 below.

Figure 1

REPORT	DISTRIBUTION LIST	FREQUENCY	INFORMATION REPORTED
Affirmative Action Plan	Charter Officers, Managers, City Internet	Annually	Workforce Analyses, Problem Areas and Plan of Action, Policies and Procedures, AA Goals.
Goals Met Report	City Commission, City Manager or General Manager, and the African American Accountability Alliance	Quarterly and Annually	Lists the positions filled with AA goals. States whether assigned goal is met and the percentage of goals met for the reported period.
Annual Report	Management, human rights activists, churches, libraries, local media, community groups, City Internet	Annually	Introduction of staff and committees, complaint intake activity, outreach activity, Utilization Analysis.

Workforce Representation

In an effort to graphically portray some general trends in minority and women representation in the City’s workforce, the City Auditor’s Office has prepared the following charts based on Plan data over the past four years. As displayed in Figure 2 below, City minority representation over the four most recent years averaged approximately 26% overall and has seen little fluctuation staying between 25% and 27%.

Figure 2

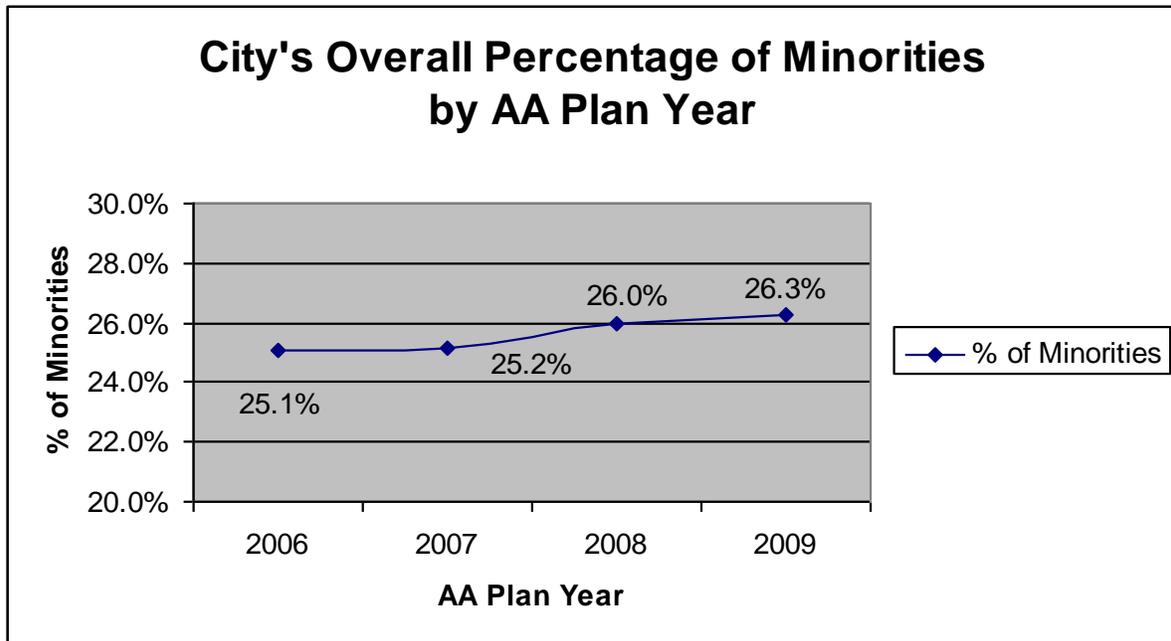


Figure 3 displays a more detailed analysis of minority representation broken down by General Government and GRU during the same periods.

Figure 3

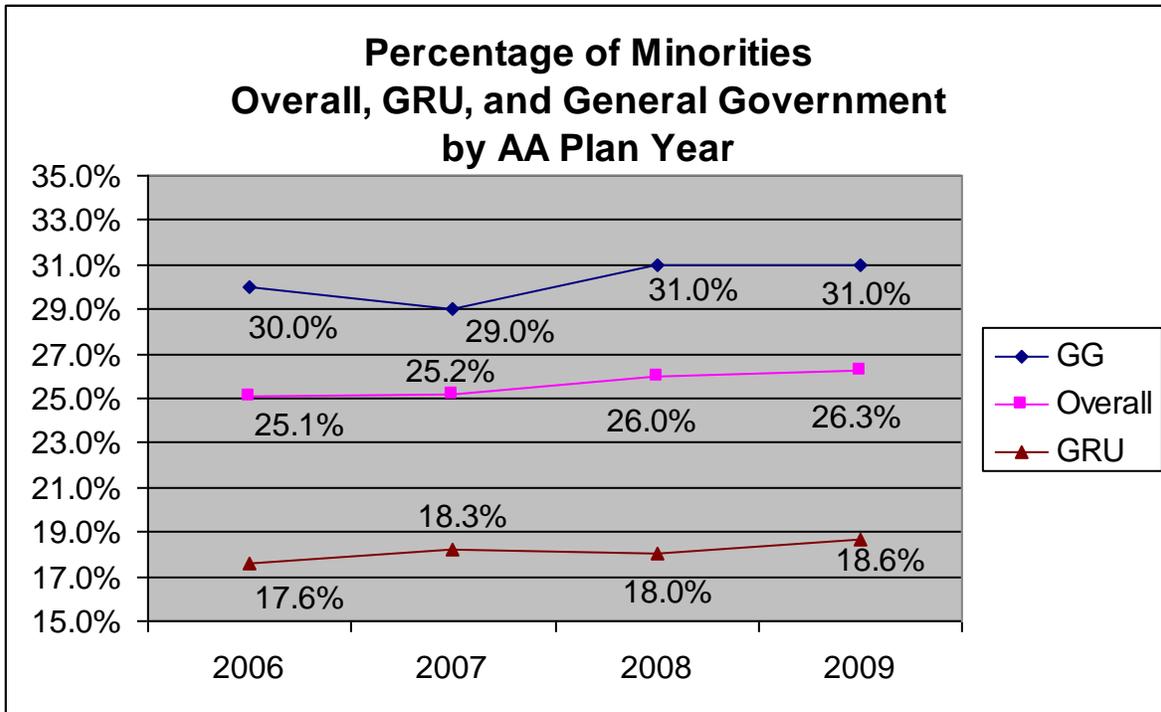
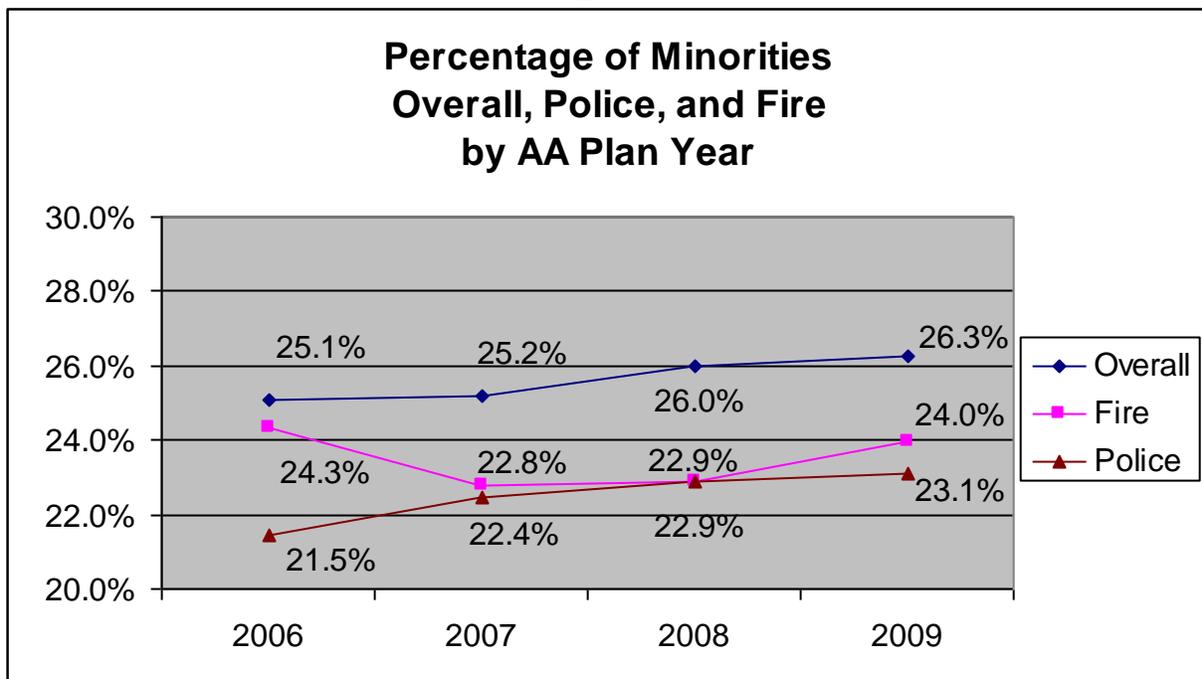


Figure 4 further breaks down minority representation for the Police and Fire departments and compares them to overall City percentages.

Figure 4



City female representation over the last four years averaged approximately 29% overall and has seen little fluctuation staying between 28% and 30% as displayed in Figure 5.

Figure 5

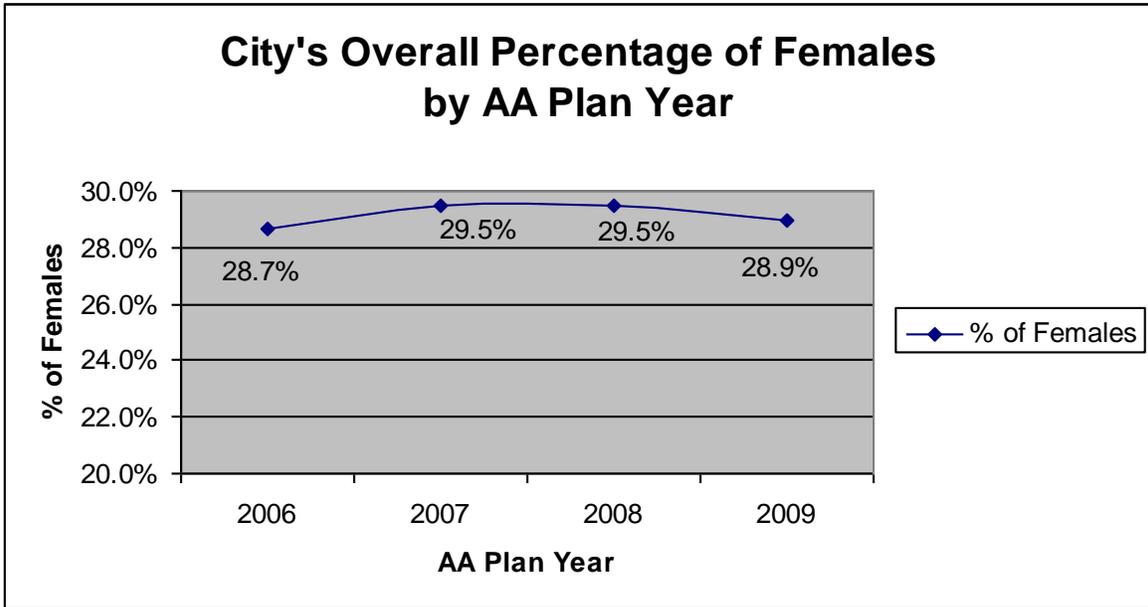


Figure 6 displays a more detailed analysis of female representation in General Government and GRU during the same periods.

Figure 6

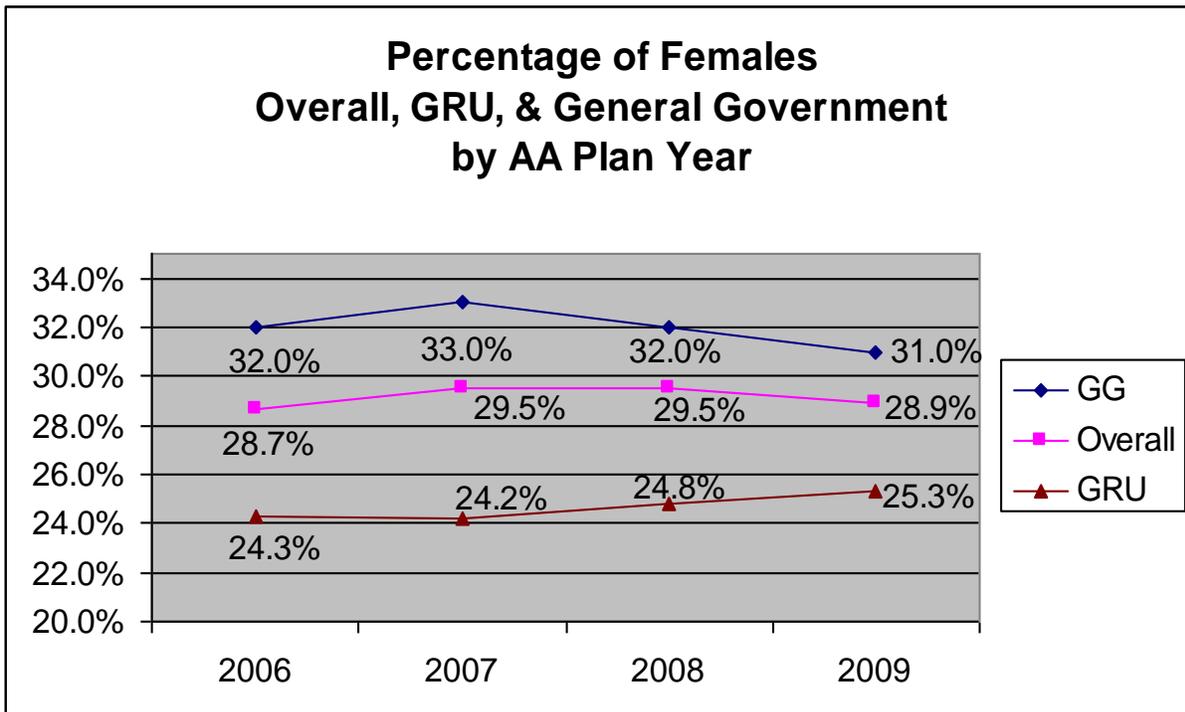
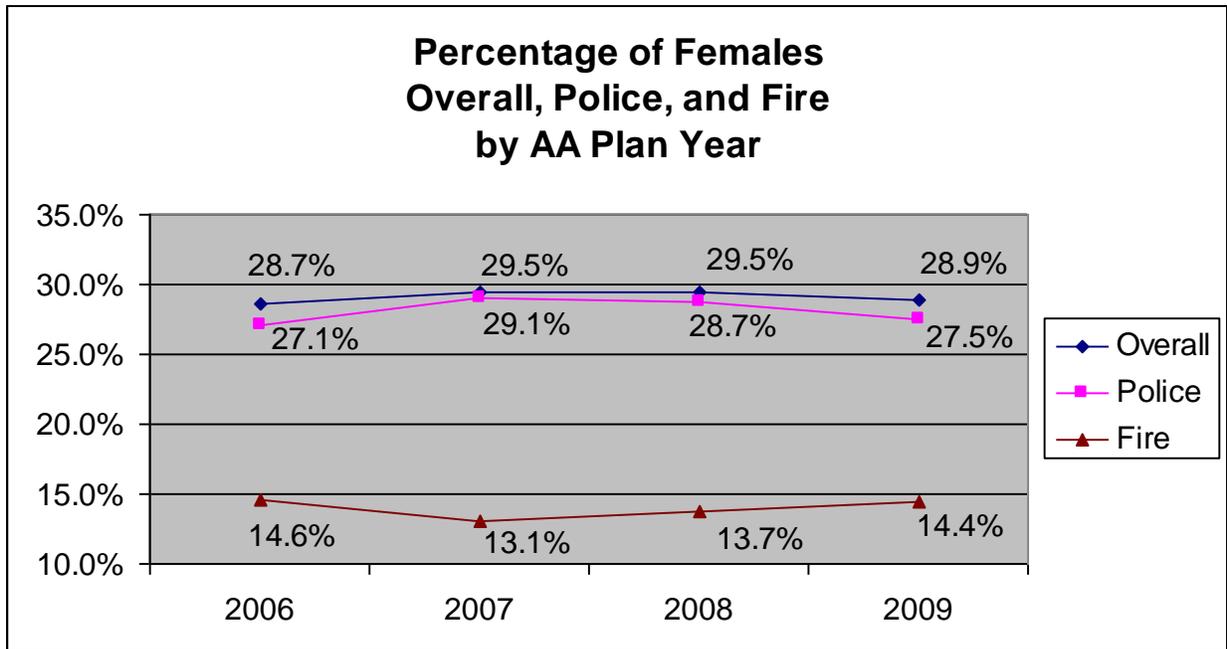


Figure 7 further breaks down female representation for the Police and Fire departments and compares them to overall City percentages.

Figure 7



ISSUE #1

Improvements to Quality Controls over Affirmative Action Plans and Supporting Data

Discussion

The Affirmative Action Plan development process involves several steps. The Office of Equal Opportunity begins by requesting a data extract of the current workforce from an Access database generated from the City's human resources/payroll system. General Government Information Technology (IT) Department staff performs the extract and sends the data to the EO Office for uploading of the data into EO's PeopleClick AA Planner software system. Prior to uploading the data, EO staff makes numerous adjustments to the fields to ensure data compatibility with the AA Planner software system. A former employee of the EO Office completed the last two Affirmative Action Plans on a contractual basis. Neither EO staff nor the contractor retained the original data extract or the electronic version of Affirmative Action Plans in the AA Planner software.

Audit Testing Results

In order to evaluate the accuracy of data utilized within the AA Plan, we analyzed employee data in the Workforce Analysis section of the AA Plan for plan years 2007, 2008 and 2009 by three criteria: total number of employees within the department, gender representation within the department and race representation within the department.

For 15 selected departments, we then compared the AA Plan data to corresponding data independently extracted by the Human Resources (HR) Department. Our analysis identified significant discrepancies. A summary of the discrepancies is as follows:

- Total Number of Employees Per Department – 7 of 15 discrepancies
- Gender Representation by Department – 7 of 15 discrepancies
- Race Representation by Department – 8 of 15 discrepancies

In an effort to identify the cause of the differences identified above, we compared the total number of City employees denoted in the Affirmative Action Plans to the Human Resource Department data extractions for the same years and noted significant discrepancies as displayed in the table below.

Figure 8

AA Plan Yr	# Employees per AA Plan	# Employees per HR Report	Difference in # of Employees
2007 (as of 6-30-06)	2,058	2,018	40 More in AA Plan
2008 (as of 6-30-07)	2,028	2,011	17 More in AA Plan
2009 (as of 6-30-08)	2,064	2,059	5 More in AA Plan

In an effort to further identify causes of the differences, we performed an analysis of fiscal year 2009 AA and HR data to determine the completeness of the two sets of data. We noted that the workforce data extracted by General Government's IT Department and utilized by the EO Office excluded personnel listed as being on military leave without pay. Although this represented less than 1% of the total

workforce, the exclusion may have altered workforce representation. There were also some apparent timing differences in pulling the data leading to difficulty in independently verifying supporting data.

Analysis of HR Source Documents

In an effort to determine whether the data captured in the City's human resources/payroll system is an accurate representation of employees' self-designated race and gender, we also selected a sample of 30 employees from the system and compared the information in the system to the employees' original applications and related documents. We noted that three of the 30 employees' races were recorded incorrectly in the human resources/payroll system. All 30 employees' self-reported gender representations were recorded accurately.

Conclusion

Quality controls over employee race and gender data are very important in creating and utilizing the City's Affirmative Action Plan effectively because the remaining sections of the Plan are based on the data captured in the Workforce Analysis section. Errors in the Workforce Analysis section could lead to errors throughout the Plan. Based on our review, we believe that current quality control measures are not adequate to ensure that extracted data will be accurate, complete and representative of the City's workforce.

Recommendation

We recommend management implement the following improvements in the process of recording, collecting and utilizing data necessary for effective preparation of the City's Affirmative Action Plan:

- The EO Office should work with the Human Resources Department to identify and correct any errors in current employees' race self-designations and to enhance procedures for accurately entering employee data to the City's human resources/payroll system.
- The EO Office should develop and document written procedures to be utilized in conducting quality control analyses of extracted AA data prior to the completion of future Affirmative Action Plans in an effort to ensure more accurate and complete representation of City personnel. Enhanced quality control measures should include spot checks of data to source documentation, batch totaling and year-to-year analyses to assist in identifying possible errors in the data supporting the City's Affirmative Action Plan. EO should also retain adequate supporting documentation of the data utilized in preparing future Affirmative Action Plans, with documentation of any changes to the data at each stage of the data analysis and compilation process.

Equal Opportunity Director's Response

We agree that improved quality controls are needed regarding the process used to extract and utilize employee data in preparing the City's Affirmative Action Plan.

A written document of standard operating procedures was completed following the 2010 AA Plan. This was produced to ensure quality control analyses of the extracted AA data and to ensure the accuracy of the AA Plan. It will be further tested before it is put into full use with the 2011 AA plan. In addition, we plan to add spot checks of the data from the original data source to make certain that we are providing accurate output in our AA Plan. Finally, we will maintain the raw data that we utilize prior to any manipulation. This will be done to ensure that the data can be tracked back to verify its accuracy. In addition, we will save all data each time it is manipulated so that its accuracy may be verified later.

ISSUE #2

Improvements in Management Controls over Monitoring Hiring Processes

Discussion

A main function of the City's Affirmative Action Plan is to establish Affirmative Action Goals for positions in which there is low representation of minorities/women in comparison to availability. Job positions with AA Goals are categorized by job group with an under-representation of women, minorities or both. Annually, EO distributes a list of job titles designated as having an AA Goal to managers and other stakeholders in the process. Hiring managers are charged with demonstrating a commitment to the City's AA Policy and Plan and are required to show effort in meeting AA Goals and working towards eliminating minority/women under-utilization.

The EO Office monitors management's hiring activity related to positions with AA Goals. The EO Office documents whether a position scheduled for hire has an AA goal during the requisition approval process. Once the position is filled, EO reviews sends a Post Hiring Analysis Report (PHAR) to the hiring manager, who completes the PHAR explaining efforts made in attempting the AA Goal. EO then reviews the PHAR and assesses managements' level of effort in attempting to meet the established AA Goal.

Audit Testing Results

We performed several tests to evaluate the effectiveness of the PHAR process, including reviewing whether a PHAR was properly sent to the hiring manager for positions with AA Goals, whether the PHAR was completed and returned to the EO Office timely and the EO Office's evaluation of the effectiveness of hiring managers' efforts. Our test results are as follows:

- Out of a sample of 30 positions filled, we noted that 11 of the positions had AA Goals in place and should have PHAR's completed. However, for five of the 11 positions filled, required PHAR's were not sent to hiring managers for completion because of an error made regarding the effective date of the AA Plan in effect at the time of the hiring. For two more of these 11 positions filled, there was no PHAR retained for verification. As a result, EO Office assessment of the efforts for filling these seven positions was either not completed or not documented.
- Another sample of 30 PHAR reports maintained by the EO Office indicated that all PHAR's submitted to hiring managers were returned in a timely manner. However, we were unable to assess how EO management evaluated the effectiveness of hiring managers' efforts because EO did not document or retain its analysis of the PHAR's.
- In another sample of 10 new positions, we noted that two positions hired with newly established titles were filled without the distribution or completion of PHAR's. This occurred because the new titles were not listed in the AA Plan and even though there is a process within the EO Office to incorporate the new titles into the AA Plan, the process did not result in PHAR's being sent to hiring managers during the year the new titles were created and filled.

Conclusion

Quality controls over post hiring analyses are very important in assessing management efforts in meeting the City's Affirmative Action Goals established by the AA Plan. Based on our review, we believe that improvements are needed to provide better assurance that reasonable and proactive efforts are being considered and implemented by hiring managers.

Recommendation

We recommend that the EO Office improve the oversight procedures necessary to effectively assess and adequately document their assessment of management efforts in meeting the City's Affirmative Action Goals.

Equal Opportunity Director's Response

We agree that improvements of oversight procedures are necessary to effectively assess management efforts in meeting the City's Affirmative Actions Goals. As such, we have already instituted changes in this area. For example, the Post Hiring Analysis Report (PHAR) has been made easier for hiring managers to complete. All PHARs are now sent to the hiring managers who had AA Goals by the 15th of the month after an employee is hired. The manager is given two weeks to finish the report and return it to the EO Office. Once returned to the EO Office, the PHAR is date stamped and reviewed for completeness and accuracy. If discrepancies are found, the report—pointing out the discrepancies—is returned to the hiring manager who is given one additional week to complete the form. Once the EO Office receives the finalized form, it is again date stamped and verified for completeness, and filed in a binder for historical use.

Once each quarter, a Goals Met Report is compiled, using the PHARs and is sent to the Mayor, City Commission, City Manager, General Manager for Utilities and the African American Accountability Alliance, (4A's.)

ISSUE #3

Improvements in Reporting Efforts and Progress Relative to Affirmative Action Goals

Discussion

The City's Affirmative Action Policy establishes that "the City will take positive results-oriented approaches to ensure that its employment practices provide an equality of opportunity and/or remedy the effects of any past discrimination, intentional or not, through the implementation of an Affirmative Action Plan." It also states that "all efforts will be made to support a continuing program of self-evaluation and affirmative action." To that end, the Affirmative Action Policy requires preparation and presentation to the City Commission of an annual Affirmative Action Plan.

The Affirmative Action Plan is presented annually to the City Commission to report on the program's effectiveness and to provide a plan of action for the following year. The Affirmative Action Goals set forth in the Plan are established by job groups, which are groups of positions categorized by similar job duties. The EO Office also provides an annual Utilization Analysis Report which shows the utilization percentage and availability percentage of each job group for minorities and women, as well as those job groups with underutilization of minorities and women. Those job groups are assigned Goals for the following year, which are presented in the Affirmative Action Plan as well.

While the Affirmative Action Plan displays a snapshot of diversity representation for the prior year, it does not display trends or movement in the diversity of the City's workforce over a number of years. It also does not reflect trends by major operating department or job group.

Conclusion

In our opinion, greater utility in affirmative action data would be provided by comparing progress over a set period of time. Figures 2 through 7 in the Background section of this report display a trend analysis of minority and female representation on a city-wide basis, as well as by major departments over the last four fiscal years. Such analyses, or others focusing on trends in utilization of minorities and women by job group, can provide valuable information regarding City areas where diversity percentages have increased or decreased over a multi-year time frame. This information could be used by the EO Office, the City Commission, management and the public to better evaluate progress toward meeting Affirmative Action goals and to align hiring goals with underutilized areas.

Recommendation

We recommend that the EO Office implement policies and procedures to enhance the effectiveness of annual reporting. Such enhancements should consider, at a minimum, the utility of reporting on representation trends over time by job groups and major departmental units. The information should also be utilized to improve the effectiveness of the EO Office in monitoring the City's progress toward meeting established Affirmative Action Goals.

Equal Opportunity Director's Response

We agree that the effectiveness of EO Office annual reporting should be enhanced. With the hiring of a new director, the EO Office has instituted plans for a more comprehensive, data driven annual report, inclusive of strategic goals, community equity indicator statistics, trend analysis, and areas of great concern.

ISSUE #4

Enhancements in Affirmative Action Training, Management Evaluation and Exit Interview Processes

Discussion

The EO Office develops annual Affirmative Action Plans to assist with the administration of the Affirmative Action Program. The AA Plans are developed to “establish clear objectives to be achieved over a period of time.” Managers making hiring decisions should be cognizant of the annual AA Plan in order to be equipped to reach toward accomplishing its objectives.

Management Training and Evaluation

Historically, the EO Office provided annual Operational Diversity Workplan Training to hiring managers, which included components focused on the City’s overall AA Program and on the utilization of the AA Plan. The last training class of this type was held in October 2006.

The classes generally trained managers on how to complete their annual Operational Diversity Workplan (also known as the AA Workplan), which was included as part of each manager’s annual evaluation. The Workplan documented and assessed managers’ annual efforts related to key components of the AA Program and Plan including community outreach, organizational development, recruitment and employee development. The Workplan was excluded from managers’ evaluations during 2007, but has recently been simplified and reinstated into managers’ annual evaluation process.

Exit Interviews

Exit Interviews are a tool utilized by the City to increase communication with exiting employees in an effort to detect possible workplace problems, including issues related to equal opportunity and affirmative action. Employees separating from employment with the City of Gainesville are provided an opportunity to complete an Exit Interview Questionnaire and forward it to the EO Office. Completion of the questionnaire is voluntary and inquires about the employees’ reason for separating in an effort to “correct existing problems, improve working conditions, and make the City of Gainesville a better workplace.” Employees also have an opportunity to request a personal exit interview meeting with the EO Office.

Conclusion

Effective execution of the AA Plan requires consistently educating management of its importance and continually reviewing its effectiveness. During our review, we noted the following areas related to EO oversight of management training, management evaluation and employee exit interview processes that we believe can be strengthened:

- The Operational Diversity Workplan was removed from the manager evaluation process for two years prior to being replaced with a simplified version with limited involvement and oversight from the EO Office.
- There was a lack of annual management training for a period of two years focusing on efforts needed to properly implement the City’s AA Plan.
- Exit Interview Questionnaires are offered to departing employees, but there is very little communicated to employees to stress the importance of this process.

Recommendation

We recommend the EO Office increase communication and training efforts regarding efforts needed by hiring managers to sufficiently address responsibilities related to the City's AA Program and Plan, including the importance of the annual evaluation process for employees related to affirmative action and diversity. The EO Office should also proactively encourage employees to participate in exit interviews.

Equal Opportunity Director's Response

We agree that increased communication and training efforts are needed regarding hiring manager efforts, the annual evaluation process and exit interviews. The Operational Diversity Workplan has been added to the manager's evaluation again and annual training will begin during summer 2010. Managers will be trained on the AA Plan and on the AA Workplan at the same time. The Workplan, however, will not impact managers' 2010 evaluations. It will become effective for FY 2011 evaluations.

Exit Interviews are listed on the Time Keepers Separation Check List, meaning an Exit Interview form is provided to departing employees at the same time the separation checklist is provided. The Exit Interview form instructs employees to contact the EO Office. The office does encourage employees to participate when they call by telling them the significance associated with completion of the form, including the fact that their responses would potentially make the City of Gainesville a better working environment and will hopefully make it a better work place for the person who will replace them. In the coming year, we will look for ways to more proactively encourage employees' participation in the exit interview process.

At the end of the quarter, copies of the report, interview notes, if applicable, and a cover report are sent to the City Manager, HR Director, and EO Director. Information regarding GRU's employees is sent to the General Manager, HR Director and EO Director. If other Charter Officers have employees separate, they too receive the exit forms, as does the EO Director and HR Director.