	Human Resource Policy Employment & Hiring Practices	No. HR.EHP.05
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		Effective Date: 11-30-18
		Retires Policy Dated: 03-01-13
		Previous Versions Dated: 09-27-11; 08-01-09; 04-20-99; 01-01-93

I. SCOPE:

This policy applies to (1) Tenet Healthcare Corporation and its wholly-owned subsidiaries and affiliates (each, an “Affiliate”); (2) any other entity or organization in which Tenet Healthcare Corporation or an Affiliate owns a direct or indirect equity interest greater than 50%; and (3) any hospital or healthcare facility in which an Affiliate either manages or controls the day-to-day operations of the facility (each, a “Tenet Facility”) (collectively, “Tenet”).

II. PURPOSE:

The purpose of this policy is to provide facilities guidelines for the separation of Human Resources and payroll functions.


III. POLICY:

The separation of Human Resources and payroll functions establishes internal controls and safeguards the functional activities of each department.

- A. The department functions must be separated. Payroll will process all time cards and perform other related payroll duties. Human Resources will initiate and process Personnel Change Notices (PCNs) or equivalent. These duties must not be shared between the departments; they must remain separate.
- B. The departments must be physically separated. Payroll employees may not work in Human Resources (not even temporarily or as a backup), and Human Resource employees must not work in Payroll. All employees must stay in their respective department.
- C. Human Resources will audit information that Payroll has input based on PCNs submitted and Payroll will audit information that Human Resources has input based on PCNs submitted. Both departments will ensure there is a consistent audit practice in place.

IV. PROCEDURE:

- A. Facility Human Resources
 - 1. Generate all initial information (master files) for payroll, such as new hires, salary changes, using the PCN or equivalent.
 - 2. Obtain appropriate signatures on all PCNs or equivalent.

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B. Accounting

1. Cross-train accounting employees to perform the payroll function so they may act as a backup when needed. These accounting employees who are cross-trained in payroll may not support the Human Resources function at any time.
2. Sort and distribute payroll checks.

C. Payroll

1. Process all payroll information in accordance with applicable facility procedures.
2. Make changes to the payroll system in accordance with applicable facility procedures. Ensure all payroll documents are properly signed and dated by the appropriate department head/facility director and an authorized representative of the Human Resources Department.

D. CEO


Ensure CFO and HRD have designed an appropriate division of duties complementing the intent of this policy.

E. CFO

Due to inherent limitations of the HRMS system, if an employee has “Facility Payroll” or “Facility HR” access in HRMS, they are able to access **both** the Human Resources and Payroll function menus of the system. This causes a segregation of duties issue between the two departments (which should stay completely separate). Therefore, this privileged access must be mitigated by the performance of the following control procedure: The CFO (or delegate with appropriate authority who is separate from HR and Payroll) performs a comparison of the Rate Change Report (BR200) and New Hire/Termination Report (BR101) to the corresponding PCNs at least monthly. This control helps ensure fictitious employees are not added, and also that pay rates are not altered without authorization.

F. Auditing and Monitoring

Audit Services will audit compliance to this policy as part of its full scope audit process.

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G. Enforcement

All employees whose responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy. Failure to comply with this policy will be subject to appropriate performance management pursuant to all applicable policies and procedures, up to and including termination. Such performance management may also include modification of compensation, including any merit or discretionary compensation awards, as allowed by applicable law.