

AUDIT PLAN

Direct Appointment Audit – 2008

AUDIT PURPOSE AND SCOPE

This audit will be an annual review of state agencies' use and documentation of direct appointments. The audit will include whether direct appointments are being made consistent with established Oregon Administrative Rule (OAR), Human Resource Services Division (HRSD) State Policy, and/or applicable collective bargaining agreement (CBA). The audit will also verify that agencies are maintaining the required documentation. As a separate but related part, this audit will also incorporate a follow-up review of the 2007 Direct Appointment Audit to review whether agencies made the corrective actions outlined in the Final Findings letters issued to them.

REFERENCES

ORS 240.306 Methods of Selecting Employees for Service – lists the criteria, procedures and duties of state agencies when recruiting, selecting and promoting employees.

OAR 105-040-0050 Direct Appointment – provides state agencies with an alternate method to the open competitive process when making appointments to classified unrepresented and management service positions, and initial appointments to all classified positions.

HRSD State Policy 10.025.01 Audit of Human Resource Management Practices - provides that the HRSD HR Audits Unit shall identify corrective actions needed based on audit findings, and follow up with state agencies to ensure that corrective actions have been completed.

HRSD State Policy 40.055.01 Appointment to the Unclassified Executive Service – delegates authority/discretion to agency heads to make appointments to the unclassified executive service provided certain criteria are met. Further provides that agencies need to obtain approval from the Director of the Department of Administrative Services when the appointment does not meet the specified criteria.

Collective Bargaining Agreements – many CBAs have provisions relating to filling vacancies. For example, the 2005 -2007 SEIU Master Contract, Article 45, Section 2(h) states: "The employer may use noncompetitive selection and appointment for unskilled or semi-skilled positions, or where job-related ranking measures are not practical or appropriate, or it there is no appropriate list available and establishing a list could cause and undue delay in filling the position, or affirmative action appointments." (The 2007-2009 SEIU Master Contract contains the same provision.)

AUDIT ELEMENTS AND METHODOLOGY

Overall Methodology – The HRSD HR Systems Section will provide the HR Audit staff with data from the Position and Personnel DataBase (PPDB) for all appointments to positions subject to Oregon Revised Statutes (ORS) 240 made during the preceding calendar year (2007). The data will provide the basis to determine what, if any, further action will be taken to review the use or documentation of direct appointments based on the methodology specified in each of the following elements.

1. Element – Ensure that state agencies' use of direct appointments is consistent with the criteria contained within OAR 105-040-0050 – Direct Appointment, HRSD State Policy 40.055.01 – Appointment to Unclassified Executive Service or applicable CBA.

Methodology – The HR Audits Unit will identify all direct appointments for each agency made during the preceding calendar year. The Audits staff will request documentation for each appointment from each subject agency.

Element Risk Assessment* = 2 (Public Perception)

2. Element – Ensure state agencies are maintaining the appropriate documentation as required under OAR 105-040-0050 (3) – Direct Appointment and HRSD State Policy 40.055.01 – Appointment to the Unclassified Executive Service (1)(c).

Methodology – The HR Audits Unit will examine the documentation from each agency for each direct appointment. The documentation provided will be reviewed to determine if the required documentation has been maintained for that appointment.

Element Risk Assessment* = 2 (Public Perception)

3. Element - Ensure that state agencies have implemented corrective actions identified by the HR Audits Unit that were outlined in the 2007 Direct Appointment Audit Final Findings letters to them, as set forth in HRSD State Policy 10.025.01 - Audit of Human Resource Management Practices (1)(a)(H).

Methodology - The Audits Unit will select corrective actions from the Final Findings letters issued to agencies involved in the 2007 Direct Appointment Audit. The HR Audits Unit will review the selected corrective actions to determine whether they can be reviewed with only PPDB information, or whether documentation is needed from an agency. The HR Audits Unit will request any needed documentation from agencies, and will review the documentation and/or PPDB information to determine whether the agency took the corrective action(s) identified.

Element Risk Assessment* = 2 (Public Perception)

SYSTEM DATA SOURCES

- ✓ Report produced from data on the Position and Personnel DataBase (PPDB). For each agency, it will include the following data fields:

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|--------------------------------------|----------------------------------|
| - Agency Number | - Certificate Number |
| - RDC Code | - Employee Name |
| - Authorization Number | - Employee Service Type |
| - Position Number | - Employee Representation Code |
| - Position Service Type | - Employee Classification Number |
| - Position Representation Code | - Employee Salary Range |
| - Position Classification Number | - Employee EEO Code |
| - Position Salary Range | - County / City Code |
| - Personnel Action Code | - Ethnicity |
| - Appointment Method Code | - Gender |
| - Appointment Date or Effective Date | - Age |

*ELEMENT RISK ASSESSMENT (ERA)

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1	Potential for significant monetary impact resulting from penalties or legal action or loss of productivity. There could also be the potential for a significant adverse impact on the health, welfare and/or safety of those served, or the public's perception of state government resulting from inappropriate expenditures and/or poor stewardship of public funds.
2	Potential for moderate monetary impact resulting from penalties or legal action or loss of productivity. There could also be the potential for a moderate adverse impact on the health, welfare and/or safety of those served, or the public's perception of state government resulting from inappropriate expenditures and/or poor stewardship of public funds.
3	Potential for relatively low monetary impact resulting from penalties or legal action or loss of productivity. The practice does not constitute a best management practice and may cause minor disruptions and inconveniences to others or the workflow.

For more information on Element Risk Assessments, please go to the HR Audit Program webpage at: www.hr.das.state.or.us/hrsd/audit.