

## **AUDIT PLAN**

### **Direct Appointment Audit – 2009**

#### **AUDIT PURPOSE AND SCOPE**

This audit is an annual review of state agencies' use and documentation of direct appointments. This audit will determine if required documents are maintained and direct appointments are made consistent with Oregon Administrative Rule (OAR), Human Resource Services Division (HRSD) State Policy, or collective bargaining agreement (CBA). This audit will also review previous direct appointment audits to identify performance trends and determine if agencies made specific corrective actions.

#### **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 Audit Unit shall identify corrective actions based on audit findings, and follow up with state agencies to ensure they 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 2007-2009 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 if there is no appropriate list available and establishing a list could cause an undue delay in filling the position, or affirmative action appointments."

#### **AUDIT ELEMENTS AND METHODOLOGY**

Overall Methodology – The HRSD HR Systems and Services 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 2008 calendar year. This will be the source data used to identify direct appointments and request documents from agencies for the following elements.

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

Methodology – The auditors will identify all direct appointments made during the 2008 calendar year and request documents for each appointment from the agencies.

Element Risk Assessment\* = 2 (Public Perception)

2. Element – Ensure state agencies maintain the documents 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 auditors will examine the documents provided by agencies for each direct appointment and determine if the required documents were completed.

Element Risk Assessment\* = 2 (Public Perception)

3. Element - Ensure state agencies have implemented corrective actions identified in the 2008 Direct Appointment Audit Final Findings letters.

Methodology - The auditors will identify corrective actions from the agencies' 2008 Final Findings letters. The auditors will determine if additional information is needed from the agency or if data on PPDB can be used. The auditors will request any needed documents from agencies, and will review the documents and/or PPDB data to determine if the agency took the corrective action(s).

Element Risk Assessment\* = 2 (Public Perception)

4. Element – Identify direct appointment performance trends of agencies.

Methodology – The auditors will review prior direct appointment audits to identify performance trends and determine if additional agency action is needed.

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:

- |                                      |                                  |
|--------------------------------------|----------------------------------|
| ▪ Agency Name                        | ▪ Employee Service Type          |
| ▪ Agency Number                      | ▪ Position Service Type          |
| ▪ RDC Code                           | ▪ Employee Representation Code   |
| ▪ Personnel Action Code              | ▪ Position Representation Code   |
| ▪ Appointment Method Code            | ▪ Employee Classification Number |
| ▪ Appointment Date or Effective Date | ▪ Position Classification Number |
| ▪ Certificate Number                 | ▪ Employee Salary Range          |
| ▪ Employee Name                      | ▪ Position Salary Range          |
| ▪ Employee Identification Number     | ▪ County/City Code               |
| ▪ Position Number                    |                                  |

**\*ELEMENT RISK ASSESSMENT:**

1	Potential for <b>significant</b> 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 <b>moderate</b> 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 <b>relatively low</b> 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.