

DEPARTMENT OF ADMINISTRATIVE SERVICES
HR AUDIT FINAL REPORT
2008 WORK OUT OF CLASS/LEADWORK AUDIT



HR Audit Program

January 21, 2009

Human Resource Services Division

SUMMARY

The HR Audit Team reviewed work-out-of-class (WOC) and leadwork assignments made by state agencies during 2007. We found 50 Executive Branch agencies made 2,378 WOC and leadwork assignments in 2007. We reviewed a sample of these assignments to see if agencies correctly applied Human Resource Services Division (HRSD) policy or collective bargaining agreement (CBA) provisions.

We asked agencies to provide documents for each WOC and leadwork assignment in the sample. We received documents for 98.1 percent of the sampled assignments. We reviewed these documents to see if employees received the correct payment under HRSD Pay Practices Policy or the CBA. We also reviewed the documents to see if the assignment was properly documented as required by policy or CBA.

Of those we received, we found 92.8 percent of the employees assigned to WOC received the correct amount, and 92.4 percent of the assignments had the proper documents. We also found 100 percent of the employees assigned leadwork duties received the correct amount, and 91.8 percent had the required documents.

REFERENCES

ORS 240.215, 240.217, 240.235, 240.240, 240.245, and 240.250 discuss classification and compensation plans and the application of the chapter to classified, unclassified, management, and exempt service.

ORS 240.321 (2) – Collective bargaining, effect of collective bargaining agreements on personnel rules, grievance procedures states in part that represented employees have all aspects of their wages, hours and other terms and conditions of employment determined by collective bargaining agreements.

HRSD State Policy 20.005.10 – Pay Practices states the requirements and conditions for work-out-of-class and leadwork assignments.

HRSD State Policy 20.005.10 – Pay Practices, Performance Standards states that 100% of pay decisions shall be consistent with pay policies and set forth and maintained in writing, and 100% of employees receiving work-out-of-class pay must be within the standards.

Collective Bargaining Agreements provide for work-out-of-class and leadwork pay practices. These may vary from the HRSD policies and are controlling for employees who are members of a bargaining unit.

AUDIT SCOPE

This audit reviewed a sample of WOC and leadwork assignments. We first identified all WOC and leadwork assignments made by agencies subject to ORS 240 during the 2007 calendar year. We then identified a random sample of 330 assignments. This sample included at least one WOC and one leadwork from each agency, if an agency had both. We reviewed each selected WOC and leadwork assignment to see if the assignment met the requirements in HRSD State Policy 20.005.10, or for represented employees, the applicable CBA. We also verified the agency had the supporting documents for the assignment.

There were 50 agencies included in the audit. Thirty-three agencies had both WOC and leadwork assignments reviewed, 14 had only WOC assignments reviewed, and three had only leadwork assignments reviewed in the audit.

AUDIT METHODOLOGY

We used data from the Position and Personnel Database (PPDB) in this audit. The data identified a random sample of 330 WOC and leadwork assignments made by state agencies from January 1, 2007 through December 31, 2007. We then used the following criteria:

1. We identified the WOC and leadwork assignments made by each agency.
2. We sent letters to these agencies asking for documentation of their WOC and leadwork assignments in 2007.
3. We reviewed the documents and information provided for each WOC and leadwork assignment to see if it met the criteria in the policy or CBA. We also confirmed the agency documented the assignment as required by the policy or CBA.
4. After we completed our review, we sent our preliminary findings to each agency. These letters reported findings on the WOC and leadwork assignments. Agencies then gave us additional information and documents in response to the findings.
5. We reviewed the agency responses and then sent final findings to each agency. These letters included details about the WOC and leadwork assignments reviewed. We recommended actions each agency should take to correct any deficiencies in the payments or documentation.

SUMMARY OF FINDINGS

We reviewed 323 of the 330 selected assignments; 225 WOC and 98 leadwork. Six employee personnel records could not be located. We also found one assignment miscoded as leadwork and removed it from the audit.

Overall, 293 WOC and leadwork assignments (90.7 percent) complied with the payment and document standards in policy or CBA.

WOC

- We found 209 of the 225 WOC assignments reviewed (92.8 percent) were paid the correct amount under HRSD policy or CBA criteria.
- We found 207 of the 225 WOC assignments reviewed (92 percent) had the required documents under HRSD policy or CBA. Ninety-eight of the 113 assignments (86.7 percent) that are subject to

policy were properly documented, and 92 of the 94 assignments (97.8 percent) subject to CBA were properly documented.

- We found that WOC assignments paid a specific amount had a higher error rate (7.7 percent) than those paid a percentage amount (1.4 percent). We identified these errors in our preliminary findings. Agencies took action to correct most of them. If corrected, the errors were not reflected in the final findings letters.

Leadwork

- We found 98 leadwork assignments (100 percent) were paid the correct differential amount according to the applicable policy or CBA criteria.
- We found 90 leadwork assignments (91.8 percent) met the applicable policy or CBA criteria for leadwork assignments. All 8 of the leadwork assignments subject to policy met the policy requirements, and 82 of the 90 LWD assignments (91.1 percent) subject to CBA met the provisions of the applicable CBA.

CONCLUSIONS AND RECOMMENDATIONS

1. Conclusion: Most of the WOC and leadwork assignments made in 2007 complied with the criteria in HRSD policy or CBA.

Recommendation: Agencies should continue to make WOC and leadwork assignments that meet the criteria in HRSD policy or CBA.

2. Conclusion: Most agencies use documents as required by HRSD policy or CBA for the sampled WOC and leadwork assignments. However, we found a number of assignments were not properly documented.

Recommendation: Agencies not using a form to document WOC and leadwork assignments should create and use a form to document these assignments. As a best practice, agencies with represented employees should use the document standards in HRSD State Policy 20.005.10 for WOC and leadwork assignments.

3. Conclusion: WOC assignments that paid a specific amount had a higher error rate than those which were paid a percentage amount. Salary adjustments during the WOC assignment were more likely to result in errors.

Recommendation: Agencies should ensure WOC payments are carefully reviewed when paying a specific amount and not a percentage. Following a set process and using a form should help reduce errors.

This audit was conducted by staff of the HR Audits Unit of the Human Resource Services Division (HRSD) in the Department of Administrative Services (DAS) in accordance with the requirements of ORS 240.311 (1) and HRSD Statewide Policy 10.025.01.