

**DEPARTMENT OF ADMINISTRATIVE SERVICES
HR AUDIT PROGRAM
AUDIT FOLLOW-UP REPORT**



**HR Audit Program
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SUMMARY

The HR Audit Program of the Human Resource Services Division issues its follow-up audit report on the Direct Appointment audit completed in July 2002. This audit looked at state agencies' use and documentation of direct appointments for 334 appointments. One hundred forty-six of the audited appointments were made in compliance with OAR 105-040-050 Direct Appointment, HRSD State Policy 40.055.01 Appointment to the Executive Service, or an applicable collective bargaining agreement (CBA) and the documentation included all of the required components.

Letters were sent to agencies with findings in the Direct Appointment audit. The letters requested information and documentation that showed the required corrective actions had been taken to bring the appointments into compliance with state rule and policy.

The follow-up review included looking at 187 appointments that either did not meet all of the requirements under OAR 105-40-050 Direct Appointment or were identified as agency coding errors during the initial audit.

FINDINGS

Original audit finding -- 30 appointments lacked one or more of the required documentation components, but were made in compliance with OAR 105-040-050 Direct Appointment, HRSD State Policy 40.055.01 Appointment to the Executive Service, or applicable collective bargaining agreements (CBA's).

Follow-up finding

- Agencies provided proof that the required documentation was added to the employee file for all 30 appointments.

Original audit finding -- 6 appointments were made using reasons other than those allowed under OAR 105-040-050 Direct Appointment.

Follow-up finding

- Agencies documented the process used for all 6 appointments. In addition, agencies adopted or changed processes used to make appointments. These new or revised processes will ensure future appointments are made in compliance with the applicable rule or policy.

Original audit finding -- 151 appointments were identified as agency coding errors.

Follow-up findings

- Agencies corrected the code used for 146 of the appointments to reflect the appropriate appointment code.
- Agencies provided additional information supporting the original type of appointment for 5 of the appointments.

The follow-up review also included verifying whether the model form included in HRSD State Policy 40.055.01 Appointment to the Executive Service had been revised. Human Resource Services Division, Management and Consultation Unit staff has drafted revisions to the model form. The revised form will be available to agencies, along with other housekeeping changes to the policy, within the next several months.

FUTURE FOLLOW-UP ACTIVITIES

HR Audit Program staff are implementing a process to monitor state agencies' use of direct appointments on a quarterly basis to: 1) determine whether the direct appointment was made in compliance with the OAR, policy, or collective bargaining agreements, if applicable; and 2) ensure complete documentation is on file. The quarterly reviews will also include an analysis of the data to determine how state agencies are performing in relation to the standard. A report on the first quarterly review will be posted on May 1, 2003, for the quarter ending March 2003.