

**HR AUDIT PLAN**  
**Classification Study Audit – Payroll Technician**

**July 9, 2009**

**AUDIT PURPOSE AND SCOPE**

The purpose of this audit is to review agencies' allocations to the new Payroll Technician classification, as well as those positions remaining in the Accounting Technician 1-3 class series. The audit will also review the Fair Labor Standards Act (FLSA) status and service type designations for each position.

**REFERENCES**

**ORS 240.215** outlines the responsibilities of the Human Resource Services Division (HRSD) and agencies to use and maintain a statewide classification plan. This statute provides authority for the HR Audit Program to perform post-audit reviews of agencies' allocations to classifications.

**ORS 240.195; 240.200; 240.205; 240.210; 240.212; and 243.650** define the categories of state service.

**HRSD State Policy 30.000.01 Position Management** states in relevant part: "State agencies shall manage work assignments within the budgeted position classification levels. Accordingly, an appointing authority shall:

- (1)(a) Develop and maintain a complete and current position description for each position which accurately describes the duties, authorities and responsibilities assigned by management; (b) Allocate each position to the available classification that best depicts the assigned duties, authority and responsibilities and maintain written documentation of allocation decision rationale; (c) Determine and maintain accurate statutory assignment or representation identifications of each position to include....."
- 1(b)(A) specifies the elements of the required written documentation.

**HRSD State Policy 20.005.20 Fair Labor Standards Act** states in relevant part: "The state shall comply with provisions of the Fair Labor Standards Act (FLSA) and Oregon Wage and Hour Laws...."

(1)(a) The appointing authority shall determine the status of each employee, either exempt or non-exempt from overtime, using Department of Labor (DOL) and Bureau of Labor and Industries (BOLI) guidelines, and keep accurate records of FLSA status, work week and overtime...."

**Collective Bargaining Agreements** in general provide the state shall notify the union of intended class studies. The union may review and comment on changes, and offer proposals. The union may also recommend class studies to be done by the state.

**AUDIT METHODOLOGY AND ELEMENTS**

Overall Methodology – The HRSD–Classification and Compensations Section provides to the HR Audit staff a database of positions currently allocated to the Accounting Technician class series and those positions being allocated to the proposed Payroll Technician classification. A copy of the current position description and organization chart for all positions being reviewed, as well as a written justification for positions allocated to the Payroll Technician class will be requested from the agencies.

1. Element – Ensure each position is allocated to the appropriate classification within the study.

Element Risk Assessment\* = 1 (Significant Monetary/Adverse Impact)

Methodology - Examine each position description and written justification provided by the agency

for the selected position(s). Ensure the classification selected by the agency appropriately represents the duties, authorities and responsibilities assigned in the position description.

2. Element – Ensure each position is designated appropriately under the FLSA.

Element Risk Assessment\* = 1 (Significant Monetary/Adverse Impact)

Methodology - Examine each position description and written justification provided by the agency for the selected position(s). Ensure the position duties, authorities and responsibilities meet the definition for the FLSA designation of exempt or non-exempt assigned to the position on the position description. Review FLSA designation in the Position and Personnel DataBase (PPDB) and identify any needed changes.

3. Element – Ensure each position is designated to the appropriate category of state service.

Element Risk Assessment\* = 1 (Significant Monetary/Adverse Impact)

Methodology - Examine each position description and written justification provided by the agency for the selected position(s). Ensure the position duties, authorities and responsibilities meet the definition for the type of service assigned to the position and/or employee on the position description. Review service designation in the PPDB and identify any needed changes.

4. Element – Ensure each position description is current and complete.

Element Risk Assessment\* = 2 (Moderate Monetary/Adverse Impact)

Methodology - Examine each position description provided by the agency for the selected position(s). Ensure the position description is current and includes the required information in each of the sections. The position description must be signed and dated by an appointing authority at a minimum.

5. Element – Ensure written documentation includes the required components.

Element Risk Assessment\* = 2 (Moderate Monetary/Adverse Impact)

Methodology - Examine documentation provided by the agency for the selected position(s). Ensure the documentation includes 1) an accurate, current written position description, 2) an up-to-date organization chart, and 3) a clear narrative justification for the allocation based on relevant classification specifications.

## SYSTEM DATA SOURCES

- ✓ An HR audit database/report will be produced using data in the Classification Allocation database. This database contains each position currently allocated to the Accounting Technician 1-3 class series, as well as those to be allocated to the Payroll Technician classification and all relevant data from the PPDB for each position. The database/report will include the following data fields:

- |  |                                   |
|--|-----------------------------------|
| - Agency number                          | - Allocation Classification Title |
| - Employee name                          | - Position FLSA Designation       |
| - Authorization Number                   | - Employee FLSA Designation       |
| - Position number                        | - Position Overtime Eligibility   |
| - Current Position Classification Number | - Employee Overtime Eligibility   |
| - Current Position Classification Title  | - Position Service Type           |

- Allocation Classification Number

- Employee Service Type

### ELEMENT RISK ASSESSMENT (ERA)

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 or programs. Corrective actions and follow-up actions may include further analysis of the audit subject and/or agency human resource management practice application.
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 or programs. Corrective actions and follow-up actions may include further analysis of audit subject and/or agency human resource management practice application.
3	Potential for <b>relatively low or no</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. Corrective actions are in the form of <b>recommendations for future practices</b> or for agency to receive training in the human resource management area where deficiency is observed and may include further analysis of audit subject and/or agency human resource management practice application.