

EXECUTIVE DIGEST

BUREAU OF TECHNICAL REVIEW AND EMPLOYEE RELATIONS

INTRODUCTION

This report, issued in July 2001, contains the results of our performance audit* of the Bureau of Technical Review and Employee Relations, Department of Civil Service (DCS).

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency* .

BACKGROUND

DCS was established by the Executive Organization Act of 1965. DCS is under the jurisdiction of the Civil Service Commission, which consists of four nonsalaried members appointed by the Governor. Article XI, Section 5 of the State Constitution specifies the Commission's responsibilities. These responsibilities have been translated into the *Rules of the Civil Service Commission*.

The Bureau of Technical Review and Employee Relations includes the Office of Compliance; Personal Services Review; Hearings, Employee Relations, and Mediation; and the Office of Technical Appeals.

The Office of Compliance performs audit procedures to monitor and review agency* human resource office activities relative to personnel and payroll transactions involving classified employees*. It also investigates complaints regarding these activities.

Personal Services Review administers the rules and regulations on disbursements for contractual personal services*, approves or disapproves agency requests to disburse funds for personal services*, and provides monthly and annual reports on these activities to the Legislature.

Hearings, Employee Relations, and Mediation provides neutral dispute resolution services for many different aspects of labor and management relations.

The Office of Technical Appeals responds to appeals regarding classification, selection, and requests to approve disbursements for personal services. Technical appeals* can be filed by appointing authorities*, employees, applicants, and bargaining unit representatives.

For the fiscal year ended September 30, 1999, Bureau expenditures totaled approximately \$2.1 million. As of July 31, 2000, DCS had 22 employees assigned to the Bureau.

**AUDIT OBJECTIVES
AND CONCLUSIONS**

Audit Objective: To assess the effectiveness and efficiency of the audit procedures performed by the Office of Compliance.

Conclusion: We concluded that the audit procedures performed by the Office of Compliance were generally effective and efficient. However, we noted reportable

conditions* related to written policies and procedures; documentation of monitoring methodology; review of compensation transactions; review of gross pay adjustment transactions; monitoring of hour accruals, balances, and adjustments; and outstanding audit notices* (Findings 1 through 6).

Audit Objective: To assess the effectiveness and efficiency of the Bureau's administration and monitoring of requests for contractual personal services*.

Conclusion: We concluded that the Bureau's administration and monitoring of requests for contractual personal services were generally effective and efficient. However, we noted reportable conditions related to controls to ensure consistency of reviews and the auditing of disbursements for personal services (Findings 7 and 8).

Audit Objective: To assess the effectiveness and efficiency of the Bureau's administration of hearings, employee relations, and mediations.

Conclusion: We concluded that the Bureau's administration of hearings, employee relations, and mediations was generally effective and efficient.

Audit Objective: To assess the effectiveness and efficiency of the Bureau's administration of technical appeals.

Conclusion: We concluded that the Bureau's administration of technical appeals was generally effective and efficient.

AUDIT SCOPE AND
METHODOLOGY

Our audit scope was to examine the program and other records of the Bureau of Technical Review and Employee Relations. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit procedures included an examination of records and activities primarily for the period October 1, 1998 through July 31, 2000.

To accomplish our audit objectives, we reviewed the Bureau's organizational structure. We also reviewed internal control* over various activities administered within the Bureau.

We tested the Office of Compliance's audit procedures for its Statewide monitoring and review of compensation, selection, and gross pay adjustment transactions. We examined the Office of Compliance's process for contacting the agencies and resolving transactions identified as inaccurate, inappropriate, or not in compliance with rules and regulations.

We evaluated Personal Services Review's efforts to monitor agency requests for contractual personal services for compliance with applicable rules and regulations. We also evaluated Hearings, Employee Relations, and Mediation decisions and the Office of Technical Appeals decisions to determine whether the decisions were processed in a timely manner.

AGENCY RESPONSES

Our audit report includes 8 findings and 8 corresponding recommendations. DCS's preliminary response indicated that it generally agrees with our findings and has implemented or will implement most of our recommendations.