



A Classification Compliance Audit Report on

Information Technology Positions at Natural Resources Agencies

February 2019

Report No. 19-706



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Overall Conclusion

A total of 335 (78.8 percent) of the 425 employees tested were classified correctly in accordance with the State's Position Classification Plan. Employees¹ tested included those performing information technology work at the following eight natural resources agencies (Article VI of the General Appropriations Act, 85th Legislature):

- Animal Health Commission.
- Commission on Environmental Quality.
- Department of Agriculture.
- General Land Office.
- Parks and Wildlife Department.
- Railroad Commission.
- Soil and Water Conservation Board.
- Water Development Board.

The agencies have taken or asserted they will take appropriate action to address the 90 misclassifications by:

- Reclassifying 49 employees (54.4 percent) into a different job classification series. For example, to correct one misclassification, an agency reclassified a systems analyst to a programmer.
- Reclassifying 38 employees (42.2 percent) within the same job classification series but at a higher salary group.
- Reclassifying 1 employee (1.1 percent) within the same job classification series but at a lower salary group.

Position Classification Plan Definitions

Occupational Category - A broad series of job families characterized by the nature of work performed. For fiscal year 2018, the Position Classification Plan covered 27 occupational categories (for example, Social Services and Information Technology).

Job Classification Series - A hierarchical structure of jobs arranged into job classification titles involving work of the same nature but requiring different levels of responsibility.

Job Classification Title - An individual job within a job classification series. Each job classification title has a corresponding salary group assignment appropriate for the type and level of work being performed (for example, Programmer III).

Reclassification - The act of changing an employee from one job classification to another job classification that better reflects the level or type of work being performed.

¹ Includes employees in a job classification series located in the Information Technology occupational category within the State's Position Classification Plan. Also included in this audit were employees who were identified by their respective agencies as performing information technology-related work but were in a job classification series located in another occupational category.

- Changing the job duties of 2 employees (2.2 percent)² so the employees could remain in their current job classification titles and be properly classified.

The Commission on Environmental Quality, the Parks and Wildlife Department, and the Soil and Water Conservation Board reported they will spend a total of \$45,490 annually to properly classify 14 of the 90 misclassified employees. There was no cost associated with addressing the remaining misclassified employees for all agencies. The agencies reported that no employee received a salary decrease as a result of this audit.

Table 1 on the next page presents a summary of the findings in this report and the related issue ratings. (See Appendix 2 for more information about the issue rating classifications and descriptions.)

The agencies self-reported the classification information on which this audit focused. However, auditors performed certain quality control procedures to help ensure the accuracy of the information used.

² Percentages do not sum to 100.0 due to rounding.

Table 1

Summary of Chapters/Subchapters and Related Issue Ratings		
Chapter/ Subchapter	Title	Issue Rating ^a
1	Information Technology at State Agencies	Not Rated
2-A	Analysis of Misclassified Employees at the Animal Health Commission	Low
2-B	Analysis of Misclassified Employees at the Commission on Environmental Quality	Medium
2-C	Analysis of Misclassified Employees at the Department of Agriculture	Low
2-D	Analysis of Misclassified Employees at the General Land Office	Low
2-E	Analysis of Misclassified Employees at the Parks and Wildlife Department	High
2-F	Analysis of Misclassified Employees at the Railroad Commission	Low
2-G	Analysis of Misclassified Employees at the Soil and Water Conservation Board	Low
2-H	Analysis of Misclassified Employees at the Water Development Board	Low

^a A subchapter is rated **Priority** if the issues identified present risks or effects that if not addressed could critically affect the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern and reduce risks to the audited entity.

A subchapter is rated **High** if the issues identified present risks or effects that if not addressed could substantially affect the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern and reduce risks to the audited entity.

A subchapter is rated **Medium** if the issues identified present risks or effects that if not addressed could moderately affect the audited entity's ability to effectively administer the program(s)/function(s) audited. Action is needed to address the noted concern and reduce risks to a more desirable level.

A subchapter is rated **Low** if the audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks or effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

Summary of Management's Response

At the end of Subchapters 2-B, 2-D, and 2-E, the State Auditor's Office made recommendations to the Commission on Environmental Quality, the General Land Office, and the Parks and Wildlife Department management to address the misclassifications identified during this audit.

The Commission on Environmental Quality, the General Land Office, and the Parks and Wildlife Department agreed with the recommendations.

Audit Objective and Scope

The objective of this classification compliance audit was to determine whether agencies are properly classifying employees in conformance with the State's Position Classification Plan. In determining whether an employee position is properly classified, the State Classification Team reviews the position as a whole, including the duties and responsibilities and the percentage of time duties are performed. Classification determinations are made based on the most appropriate

job classification title within the State’s Position Classification Plan that best describes the majority of duties being performed.

The scope³ of this audit included 425 employees within the Information Technology occupational category or performing information technology-related work at the 8 natural resources agencies (Article VI of the General Appropriations Act, 85th Legislature) as of September 1, 2018. The agencies audited were the Animal Health Commission, the Commission on Environmental Quality, the Department of Agriculture, the General Land Office, the Parks and Wildlife Department, the Railroad Commission, the Soil and Water Conservation Board, and the Water Development Board.

³ The scope may exclude employees who were on extended leave, were promoted, or who left the agency during audit fieldwork.

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Detailed Results

Chapter 1

Information Technology at State Agencies

Job Outlook

According to the U.S. Bureau of Labor Statistics, employment in information technology occupations is projected to grow 13 percent from 2016 to 2026, faster than the average for all occupations. That growth is attributed, in part, to a greater emphasis on cloud computing, the collection and storage of big data, and information security, which is causing jobs such as information security analysts to grow by a projected 28 percent during that same time period.

Source: <https://www.bls.gov/ooh/computer-and-information-technology/home.htm>.

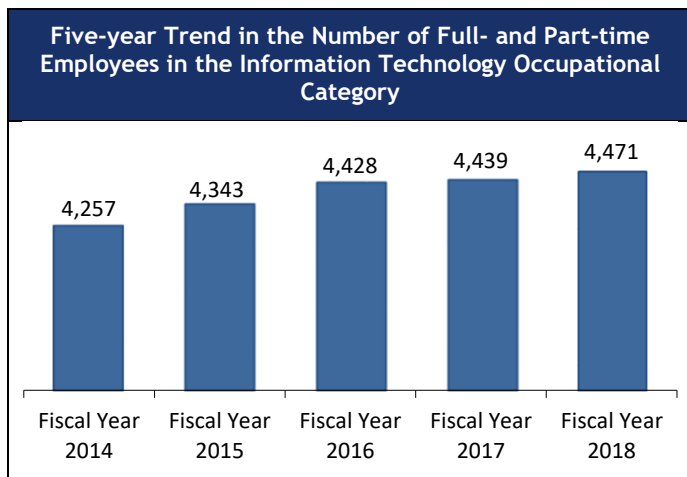
Information technology careers at state agencies cover a broad range of jobs. Employees who work in the information technology field perform duties such as computer programming, database administration, software development, preventing and detecting cybersecurity threats, analyzing and maintaining computer systems, and designing and maintaining Web sites. Employees performing this type of work may be classified in the programmer, data base administrator, information technology security analyst, and Web administrator job classification series. Those types of jobs and others in the information technology field may grow faster than other jobs at state agencies (see text box).

Increase in Information Technology Employees at State Agencies. In fiscal year 2018, the State employed 4,471 full-time and part-time classified employees in a job classification series within the Information Technology occupational category. The number of employees in this occupational category increased by 5.0 percent since fiscal year 2014. In fiscal year 2018, of the 4,471 full-

time and part-time classified employees included in this occupational category, 9.7 percent⁴ were employed at natural resources agencies (Article VI of the General Appropriations Act, 85th Legislature). Figure 1 shows the five-year trend of employees classified in the Information Technology occupational category.

In fiscal year 2018, the two job classification series with the greatest number of employees in the Information Technology occupational category were Systems Analyst and Programmer. Those 2 job classification series comprised 55.7 percent (2,492) of the total number of full-time and part-time classified employees in information technology positions at state agencies.

Figure 1



Sources: Uniform Statewide Payroll/Personnel System, Human Resource Information System, and Standardized Payroll/Personnel Reporting System.

⁴ The percentage is based on the number of employees in fiscal year 2018, which is not the same as the number of employees within the audit scope. The difference is attributed to various factors such as employee turnover and employees on extended leave.

Analysis of Employees Classified in the Information Technology Occupational Category at Natural Resources Agencies

A total of 335 (78.8 percent) of the 425 employees tested at the 8 natural resources agencies (Article VI of the General Appropriations Act, 85th Legislature) were correctly classified in accordance with the State’s Position Classification Plan. Specifically, of the 425 employees tested:

- 417 employees were in a job classification series that fell within the Information Technology occupational category.
- 8 employees were identified by their respective agencies as performing information technology-related work but were in a job classification series located within another occupational category.

Importance of Appropriate Job Classification

Appropriate job classification is important in determining salary rates that are competitive for the work performed. If employees are classified in positions at too high of a level for the work they perform, agencies may be paying the employees more than their job duties warrant. This can create internal pay inequities within the agency. If employees are classified in positions at too low of a level for the work they perform, employees could be underpaid. This could result in higher turnover, which could be costly for the agencies in terms of hiring and training new staff or through lost productivity.

Table 2 summarizes by agency the number of misclassifications identified during this audit.

Table 2

Summary of Employees Tested by Agency			
Agency Name	Number of Employees Tested	Number of Misclassified Employees	Percent of Misclassified Employees ^a
Animal Health Commission	12	1	8.3%
Commission on Environmental Quality	160	26	16.3%
Department of Agriculture	25	5	20.0%
General Land Office	50	7	14.0%
Parks and Wildlife Department	88	31	35.2%
Railroad Commission	58	15	25.9%
Soil and Water Conservation Board	3	1	33.3%
Water Development Board	29	4	13.8%
Totals	425	90	21.2%

^a The percent of misclassified employees may appear skewed for agencies that have fewer than 50 employees within the audit scope.

Agencies have taken or asserted they will take action to address misclassifications.

To address the misclassifications of the 90 employees, agencies chose to:

- Reclassify 49 employees (54.4 percent) into a different job classification series. For example, to correct one misclassification, an agency reclassified a systems analyst to a programmer.
- Reclassify 38 employees (42.2 percent) within the same job classification series but at a higher salary group.
- Reclassify 1 employee (1.1 percent) within the same job classification series but at a lower salary group.⁵
- Change the job duties of 2 employees (2.2 percent)⁶ so the employees could remain in their current job classification title and be properly classified.

Determining Appropriate Job Classification

When determining proper job classification for the purpose of this audit, the State Auditor's Office did not focus on specific differences between one level and the next in a job classification series (for example, Programmer I compared to Programmer II). Rather, the focus is on whether an employee is appropriately classified within broad responsibility levels, such as Staff Programmer (Programmer I, Programmer II, and Programmer III) compared to Senior Programmer (Programmer IV, Programmer V, and Programmer VI).

Table 3 on the next page lists the job classification series included in this audit. The table also summarizes the number of misclassified employees in each job classification series within the Information Technology occupational category, as well as employees identified by their respective agencies as performing information technology-related work but were in a job classification series located in another occupational category.

⁵ The agency reported that the employee did not receive a salary decrease as a result of this audit.

⁶ Percentages do not sum to 100.0 due to rounding.

Table 3

Job Classification Series Audited		
Job Classification Series	Number of Employees Tested	Number of Misclassified Employees
Business Analyst	21	6
Business Continuity Coordinator	1	1
Computer Operations Specialist	13	0
Cybersecurity Analyst	1	0
Data Base Administrator	15	3
Data Entry Operator	3	1
Geographic Information Specialist	32	10
Information Technology Auditor	5	4
Information Security Officer	1	0
Information Technology Security Analyst	10	3
Network Specialist	35	4
Programmer	91	10
Systems Administrator	25	2
Systems Analyst	106	30
Systems Support Specialist	24	4
Telecommunications Specialist	9	2
Web Administrator	25	4
Other ^a	8	6
Totals	425	90
^a Includes Human Resources Specialist, Information Specialist, Manager, and Program Specialist job classification series, which are in occupational categories other than Information Technology.		

Salaries will increase for 14 employees. The Commission on Environmental Quality, the Parks and Wildlife Department, and the Soil and Water Conservation Board reported they will spend a total of \$45,490 annually to properly classify 14 of the 90 misclassified employees. Increases range from \$277 to \$7,920 annually. However, in most cases, agencies were able to properly classify employees through reclassification or a restructuring of job duties without changing their salaries.

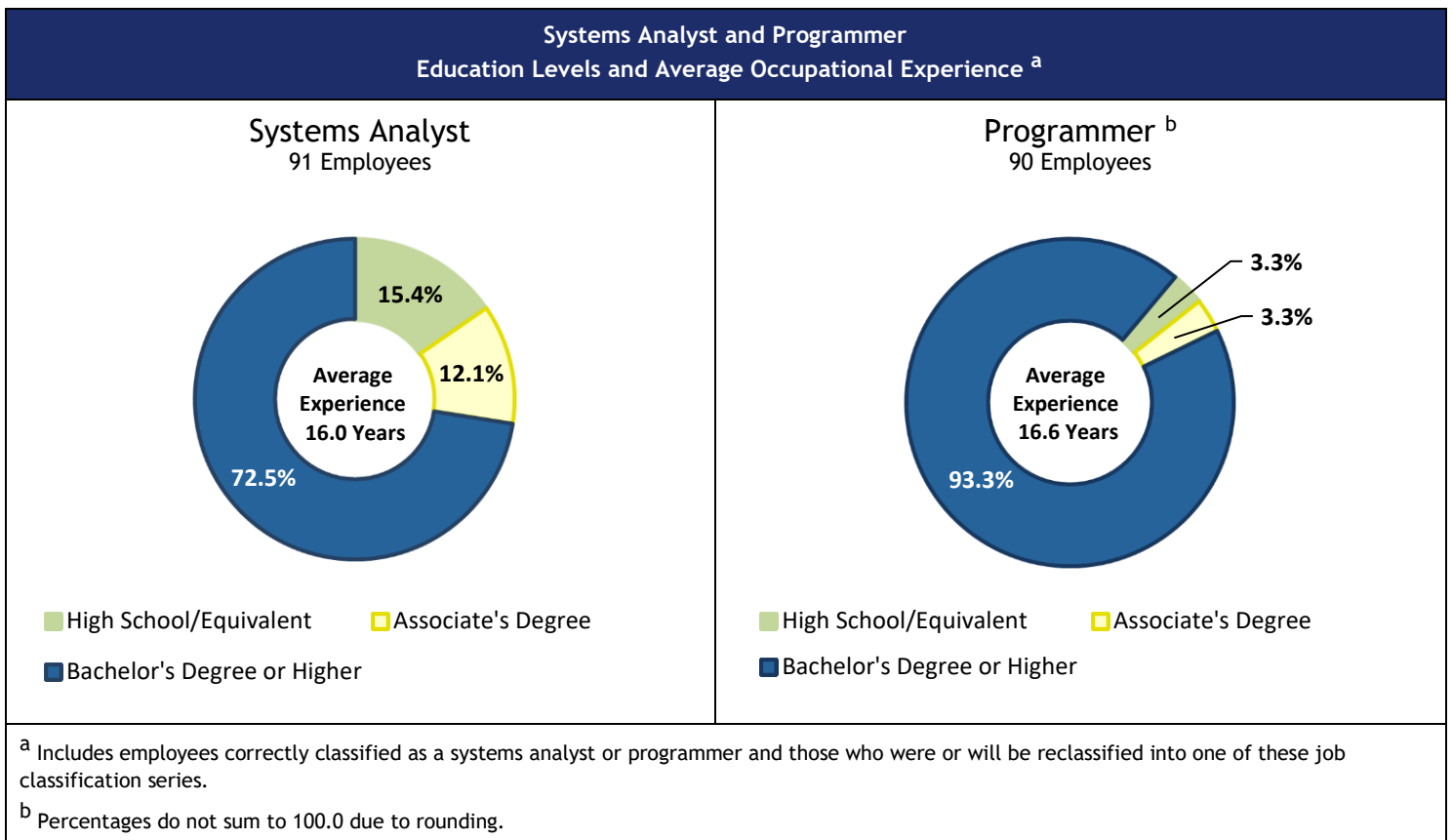
This chapter contains detailed information for each agency within the scope of this audit.

Information Technology experience and education levels vary. Experience and education levels vary across agencies for the 414 employees⁷ within the scope of this audit who were performing information technology work and were or will be classified in a job classification series located in the Information Technology occupational category. Specifically:

- Employees had an average of 16.1 years of occupational experience.
- The majority (68.8 percent) had a bachelor’s degree or higher level degree.

The two job classification series with the most employees were the Systems Analyst and Programmer job classification series. Approximately 75 percent of those employees had more than 10 years of occupational experience, and most had a bachelor’s degree or higher. Figure 2 provides additional information on the average years of experience and education levels as reported by employees.

Figure 2



Source: Classification Compliance Audit System, State Auditor’s Office.

⁷ Excludes 11 employees who were or will be classified into a job classification series that is not within the Information Technology occupational category.

Analysis of Misclassified Employees at the Animal Health Commission

**Chapter 2-A
Rating:
Low ⁸**

Eleven (91.7 percent) of the 12 employees tested at the Animal Health Commission (Commission) were correctly classified.

Table 4 shows the number of those employees by job classification series, as well as the number of misclassified employees.

Table 4

Summary of Employees Tested by Job Classification Series at the Commission		
Job Classification Series	Number of Employees Tested	Number of Misclassified Employees
Data Base Administrator	1	0
Data Entry Operator	1	0
Geographic Information Specialist	1	0
Network Specialist	1	0
Programmer	4	1
Systems Administrator	3	0
Web Administrator	1	0
Totals	12	1

The Commission took appropriate action to address the misclassified employee and reclassified that employee into a different job classification series. There was no cost associated with reclassifying the employee.

⁸ The risk related to the issues discussed in Chapter 2-A is rated as Low because the audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks or effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

Analysis of Misclassified Employees at the Commission on Environmental Quality

**Chapter 2-B
Rating:**

Medium ⁹

A total of 134 (83.8 percent) of the 160 employees tested at the Commission on Environmental Quality (Commission) were correctly classified. However, of the 26 misclassified employees, auditors noted the following:

- The majority (69.2 percent) of misclassified employees were in an incorrect job classification series, including five employees who were also in the incorrect occupational category. For example, one employee will be reclassified from a Systems Support Specialist to an Administrative Assistant. The Administrative Assistant job classification series is in the Administrative Support occupational category and not the Information Technology occupational category.
- 23.1 percent of misclassified employees will require a salary increase to bring their salary up to the minimum of the new salary range.

Table 5 on the next page shows the number of employees by job classification series, as well as the number of employees that were misclassified.

⁹ The risk related to the issues discussed in Chapter 2-B is rated as Medium because the issues identified present risks or effects that if not addressed could moderately affect the audited entity's ability to effectively administer program(s)/function(s) audited. Action is needed to address the noted concern and reduce risks to a more desirable level.

Table 5

Summary of Employees Tested by Job Classification Series at the Commission		
Job Classification Series	Number of Employees Tested	Number of Misclassified Employees
Business Analyst	1	0
Business Continuity Coordinator	1	1
Computer Operations Specialist	13	0
Data Base Administrator	6	0
Geographic Information Specialist	4	0
Human Resources Specialist ^a	1	1
Information Technology Auditor	3	3
Network Specialist	16	1
Programmer	28	3
Program Specialist ^a	2	2
Systems Administrator	10	1
Systems Analyst	49	9
Systems Support Specialist	10	2
Telecommunications Specialist	4	1
Web Administrator	12	2
Totals	160	26
^a Job classification series is not located in the Information Technology occupational category. Employees tested were identified by the agency as performing information technology-related work; therefore, they were included in this audit.		

The Commission asserted that it will take appropriate action to address the 26 misclassified employees. Specifically, the Commission will:

- Reclassify 8 employees within the same job classification series but at a higher salary group.
- Reclassify 18 employees into a different job classification series.

As a result of the reclassifications, 6 employees will receive an annual salary increase ranging from \$277 to \$6,073 for a total annual cost of \$16,232. There was no cost associated with reclassifying the other 20 employees.

Recommendation

To comply with the State's Position Classification Plan, the Commission should complete all reclassifications and salary adjustments for the employees identified during this audit as misclassified.

Management's Response

The Texas Commission on Environmental Quality (TCEQ) agrees with the recommendations of the State Auditor. We will notify the 26 employees identified as misclassified during this classification compliance audit and work with their management to reclassify them, as recommended. No employee will receive a decrease in salary in the process. Please note that the Director, Human Resources and Staff Services Division is TCEQ's representative responsible for ensuring that these reclassifications are made. These actions will be effective March 1, 2019.

Analysis of Misclassified Employees at the Department of Agriculture

**Chapter 2-C
Rating:
Low ¹⁰**

Twenty (80.0 percent) of the 25 employees tested at the Department of Agriculture (Department) were correctly classified. Table 6 shows the number of those employees by job classification series, as well as the number of misclassified employees.

Table 6

Summary of Employees Tested by Job Classification Series at the Department		
Job Classification Series	Number of Employees Tested	Number of Misclassified Employees
Data Base Administrator	1	1
Information Technology Security Analyst	1	0
Network Specialist	2	0
Programmer	10	2
Systems Administrator	3	0
Systems Analyst	7	2
Systems Support Specialist	1	0
Totals	25	5

The Department took appropriate action to address the five misclassified employees. Specifically, the Department:

- Reclassified three employees within the same job classification series but at a higher salary group.
- Reclassified one employee within the same job classification series but at a lower salary group; however, this employee did not receive a reduction in salary.
- Reclassified one employee into a different job classification series.

There was no cost associated with reclassifying the employees.

¹⁰ The risk related to the issues discussed in Chapter 2-C is rated as Low because the audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks or effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

Analysis of Misclassified Employees at the General Land Office

**Chapter 2-D
Rating:
Low ¹¹**

Forty-three (86.0 percent) of the 50 employees tested at the General Land Office (Office) were correctly classified. Table 7 shows the number of those employees by job classification series, as well as the number of misclassified employees.

Table 7

Summary of Employees Tested by Job Classification Series at the Office		
Job Classification Series	Number of Employees Tested	Number of Misclassified Employees
Business Analyst	5	2
Cybersecurity Analyst	1	0
Data Base Administrator	2	0
Geographic Information Specialist	6	0
Information Security Officer	1	0
Information Technology Auditor	1	0
Information Technology Security Analyst	3	0
Network Specialist	5	0
Programmer	15	2
Systems Analyst	5	3
Systems Support Specialist	5	0
Web Administrator	1	0
Totals	50	7

The Office asserted it will take appropriate action to address the seven misclassified employees. Specifically, the Office will:

- Reclassify five employees within the same job classification series but at a higher salary group.
- Reclassify two employees into a different job classification series.

The Office asserted that there will be no cost associated with reclassifying the employees.

¹¹ The risk related to the issues discussed in Chapter 2-D is rated as Low because the audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks or effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

Recommendation

To comply with the State's Position Classification Plan, the Office should complete all reclassifications for employees identified during this audit as misclassified.

Management's Response

The General Land Office (GLO) agrees with the recommendations of the State Auditor's Office to reclassify employees identified as misclassified during this audit and notified the employees. Seven employees will be reclassified. Two employees have been reclassified into a different job classification series. Five employees have been reclassified with the same job classification series but at a higher salary group. No employee will receive a decrease in salary because of this audit. The reclassification actions were effective on February 1, 2019.

- *Person Responsible: Deputy Director, Human Resources*
- *Completion Date: February 1, 2019*

Analysis of Misclassified Employees at the Parks and Wildlife Department

Chapter 2-E
Rating:
High ¹²

Fifty-seven (64.8 percent) of the 88 employees tested at the Parks and Wildlife Department (Department) were correctly classified. However, of the 31 misclassified employees, auditors noted the following:

- The majority (67.7 percent) of misclassified employees were in an incorrect job classification series, including five employees who were also in an incorrect occupational category. For example, one employee will be reclassified from a Systems Analyst to a Manager. The Manager job classification series is in the Program Management occupational category and not the Information Technology occupational category.
- 19.4 percent of misclassified employees will require a salary increase to bring their salary up to the minimum of the new salary range.

Table 8 on the next page shows the number of employees by job classification series, as well as the number of misclassified employees.

¹² The risk related to the issues discussed in Chapter 2-E is rated as High because the issues identified present risks or effects that if not addressed could substantially affect the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern and reduce risks to the audited entity.

Table 8

Summary of Employees Tested by Job Classification Series at the Department		
Job Classification Series	Number of Employees Tested	Number of Misclassified Employees
Business Analyst	4	2
Data Base Administrator	2	1
Data Entry Operator	2	1
Geographic Information Specialist	8	0
Human Resources Specialist ^a	1	1
Information Specialist ^a	1	0
Information Technology Auditor	1	1
Information Technology Security Analyst	3	3
Manager ^a	1	0
Network Specialist	9	3
Program Specialist ^a	2	2
Programmer	13	1
Systems Administrator	2	0
Systems Analyst	25	11
Systems Support Specialist	2	2
Telecommunications Specialist	5	1
Web Administrator	7	2
Totals	88	31
^a Job classification series is not located in the Information Technology occupational category. Employees tested were identified by the agency as performing information technology-related work; therefore, they were included in this audit.		

The Department asserted that it will take appropriate action to address the 31 misclassified employees. Specifically, the Department will:

- Reclassify 8 employees within the same job classification series but at a higher salary group.
- Reclassify 21 employees into a different job classification series.
- Change the job duties of 2 employees so that they can remain classified in their current job classification title.

As a result of the reclassifications, the Department asserted that 7 employees will receive an annual salary increase ranging from \$1,212 to \$7,920 for a total annual cost of \$26,763.

Recommendation

To comply with the State's Position Classification Plan, the Department should complete all reclassifications, salary adjustments, and job restructuring for the employees identified during this audit as misclassified.

Management's Response

This audit aids our agency in ensuring that our employees are correctly classified and adequately compensated. In areas such as Information Technology our employees are often required to be much more versatile and function in generalists type classifications versus specialist roles to ensure full operational coverage for the agency. The SAO audit served to validate the reclassifications already initiated for 4 of 7 positions needing salary increases.

TPWD agrees with the audit report and will comply with the recommendations made by doing the following no later than April 1, 2019:

- *8 positions in the correct pay range will be classified in a higher pay grade (i.e.: classified as a B 22 but should be a B 24).*
- *2 positions will have full job descriptions restructured.*
- *21 positions will be reclassified into a different job classification series.*

Analysis of Misclassified Employees at the Railroad Commission**Chapter 2-F
Rating:**Low ¹³

Forty-three (74.1 percent) of the 58 employees tested at the Railroad Commission (Commission) were correctly classified. Table 9 shows the number of those employees by job classification series, as well as the number of misclassified employees.

Table 9

Summary of Employees Tested by Job Classification Series at the Commission		
Job Classification Series	Number of Employees Tested	Number of Misclassified Employees
Business Analyst	10	2
Data Base Administrator	2	1
Geographic Information Specialist	10	9
Information Technology Security Analyst	2	0
Programmer	14	1
Systems Administrator	5	1
Systems Analyst	8	1
Systems Support Specialist	6	0
Web Administrator	1	0
Totals	58	15

The Commission took appropriate action to address the 15 misclassified employees. Specifically, the Commission:

- Reclassified 13 employees into the same job classification series but at a higher salary group.
- Reclassified 2 employees into a different job classification series.

There was no cost associated with reclassifying the employees.

¹³ The risk related to the issues discussed in Chapter 2-F is rated as Low because the audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks or effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

Analysis of Misclassified Employees at the Soil and Water Conservation Board

**Chapter 2-G
Rating:
Low ¹⁴**

Two (66.7 percent) of the 3 employees tested at the Soil and Water Conservation Board (Board) were correctly classified. Table 10 shows the number of those employees by job classification series, as well as the number of misclassified employees.

Table 10

Summary of Employees Tested by Job Classification Series at the Board		
Job Classification Series	Number of Employees Tested	Number of Misclassified Employees
Geographic Information Specialist	1	1
Network Specialist	2	0
Totals	3	1

The Board took appropriate action to address the misclassified employee and reclassified that employee within the same job classification series but at a higher salary group. The employee's annual salary increased by \$2,495 as a result of the reclassification.

¹⁴ The risk related to the issues discussed in Chapter 2-G is rated as Low because the audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks or effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

Analysis of Misclassified Employees at the Water Development Board

**Chapter 2-H
Rating:
Low ¹⁵**

Twenty-five (86.2 percent) of the 29 employees tested at the Water Development Board (Board) were correctly classified. Table 11 shows the number of those employees by job classification series, as well as the number of misclassified employees.

Table 11

Summary of Employees Tested by Job Classification Series at the Board		
Job Classification Series	Number of Employees Tested	Number of Misclassified Employees
Business Analyst	1	0
Data Base Administrator	1	0
Geographic Information Specialist	2	0
Information Technology Security Analyst	1	0
Programmer	7	0
Systems Administrator	2	0
Systems Analyst	12	4
Web Administrator	3	0
Totals	29	4

The Board took appropriate action to address the four misclassified employees and reclassified those employees into a different job classification series. There was no cost associated with reclassifying the employees.

¹⁵ The risk related to the issues discussed in Chapter 2-H is rated as Low because the audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks or effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

Appendices

Appendix 1

Objective, Scope, and Methodology

Objective

The objective of this classification compliance audit was to determine whether agencies are properly classifying employees in conformance with the State’s Position Classification Plan. In determining whether an employee position is properly classified, the State Classification Team reviews the position as a whole, including the duties and responsibilities and the percentage of time duties are performed. Classification determinations are made based on the most appropriate classification within the State’s Position Classification Plan that best describes the majority of duties being performed.

Scope

The scope¹⁶ of this audit included 425 employees within the Information Technology occupational category or performing information technology-related work at the 8 natural resources agencies (Article VI of the General Appropriations Act, 85th Legislature) as of September 1, 2018. The agencies audited were the Animal Health Commission, the Commission on Environmental Quality, the Department of Agriculture, the General Land Office, the Parks and Wildlife Department, the Railroad Commission, the Soil and Water Conservation Board, and the Water Development Board.

Methodology

The audit methodology included collecting information and documentation, reviewing and analyzing surveys completed by employees at the eight agencies and verified by their supervisors, and conducting interviews with management at the eight agencies.

The State Auditor’s Office’s State Classification Team evaluates jobs on a “whole job” basis to determine proper job classifications. The determinations are primarily based on a comparison of duties and responsibilities of the majority of work being performed against the state job description.

When determining proper classification, the State Classification Team does not focus on specific differences between one level and the next level in a

¹⁶ The scope may exclude employees who were on extended leave, were promoted, or who left the agency during audit fieldwork.

job classification series (for example, Programmer I compared to Programmer II). Instead, the State Classification Team considers whether an employee is appropriately classified within broad responsibility levels, such as Staff Programmer (Programmer I, Programmer II, and Programmer III positions) compared to Senior Programmer (Programmer IV, Programmer V, and Programmer VI positions).

The State Classification Team used an automated job evaluation process. The State Classification Team populated a database with information regarding the employees whose positions were tested. Staff at the eight agencies verified the information to ensure that all employees within the audit scope were included. Employees at those agencies were then asked to complete online surveys describing the work they perform and the percentage of time they spend performing their duties. Supervisors were asked to review and verify employees' survey responses.

Completed survey results were entered into an automated job evaluation system, which made an initial determination of whether the employees were appropriately classified. The State Classification Team reviewed all surveys to determine and validate the proper classification of employees. The State Classification Team made follow-up calls or sent clarification emails to gather additional information to determine the proper classification of employees. Each agency then had the opportunity to review and address potential misclassifications.

Data Reliability and Completeness

Auditors determined that the data in the Classification Compliance Audit System was reliable for the purposes of this audit.

Information collected and reviewed included the following:

- Surveys completed by employees and verified by their supervisors.
- Correspondence from the human resources offices and supervisors at the eight agencies.

Procedures and tests conducted included the following:

- Performed follow-up calls and sent emails to the eight agencies to validate proper classification of employees and to gather additional information to resolve discrepancies.

Criteria used included the following:

- Texas Government Code, Chapter 654.
- State job descriptions.

Project Information

Audit fieldwork was conducted from September 2018 through January 2019. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The following members of the State Auditor's staff performed the audit:

- Sharon Schneider, CCP, PHR, SHRM-CP (Project Manager)
- Kathy-Ann Moe, MBA (Assistant Project Manager)
- Judy Millar, CCP
- Juan R. Sanchez, MPA
- Lara Tai, PHR, SHRM-CP
- Michelle Ann Duncan Feller, CPA, CIA (Quality Control Reviewer)
- Courtney Ambres-Wade, CFE, CGAP (Audit Manager)

Issue Rating Classifications and Descriptions

Auditors used professional judgement and rated the audit findings identified in this report. Those issue ratings are summarized in the report chapters/sub-chapters. The issue ratings were determined based on the degree of risk or effect of the findings in relation to the audit objective(s).

In determining the ratings of audit findings, auditors considered factors such as financial impact; potential failure to meet program/function objectives; noncompliance with state statute(s), rules, regulations, and other requirements or criteria; and the inadequacy of the design and/or operating effectiveness of internal controls. In addition, evidence of potential fraud, waste, or abuse; significant control environment issues; and little to no corrective action for issues previously identified could increase the ratings for audit findings. Auditors also identified and considered other factors when appropriate.

Table 12 provides a description of the issue ratings presented in this report.

Table 12

Summary of Issue Ratings	
Issue Rating	Description of Rating
Low	The audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited <u>or</u> the issues identified do not present significant risks or effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.
Medium	Issues identified present risks or effects that if not addressed could <u>moderately affect</u> the audited entity's ability to effectively administer the program(s)/function(s) audited. Action is needed to address the noted concern(s) and reduce risks to a more desirable level.
High	Issues identified present risks or effects that if not addressed could <u>substantially affect</u> the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.
Priority	Issues identified present risks or effects that if not addressed could <u>critically affect</u> the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.

Related State Auditor's Office Work

Related State Auditor's Office Work		
Number	Product Name	Release Date
18-701	A Classification Compliance Audit Report on Information Technology Positions at Selected Education Agencies	October 2017

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The Honorable Dennis Bonnen, Speaker of the House, Joint Chair

The Honorable Jane Nelson, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable John Zerwas, House Appropriations Committee

The Honorable Dustin Burrows, House Ways and Means Committee

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The Honorable Greg Abbott, Governor

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