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State Auditor

## A Classification Compliance Review Report on the Water Development Board

August 31, 2007

Members of the Legislative Audit Committee:

A total of 211 (85 percent) of the 247 employee positions reviewed at the Water Development Board (Board) were appropriately classified within the State's Classification Plan. The Board has taken appropriate actions to address the 36 employee positions that were misclassified.

The Board has policies and procedures to review and monitor its classification of positions. These policies and procedures include a formal job classification policy and a process to review jobs through job audits. To strengthen its policy, the Board should develop and implement a process to review current job classifications on an annual basis. This process could be accomplished by:

- Reviewing job classifications as a part of conducting employee performance appraisals.
- Reviewing job classifications when jobs are posted and job descriptions are created.

Revising the Board's current policy will help ensure the Board complies with the State's Classification Plan.

Of the 247 employee positions reviewed, 211 (85 percent) were classified appropriately.

The 247 employee positions reviewed covered 10 occupational categories and 32 job classification series. To address the 36 employee positions that were misclassified, the Board chose to:

- Reclassify 29 employee positions to other job classification series (see Table 2 in the attachment to this letter for additional details).
- Reclassify seven employee positions within their same classification series (see Table 3 in the attachment to this letter for additional details).

### Background Information

The Board has several core business functions. It:

- Supports the development of regional water plans and incorporates the regional plans into the statewide water plan.
- Provides loans and grants for water projects throughout the state.
- Conducts water studies of the occurrence, quantity, quality, and availability of the state's surface water and groundwater.
- Maintains a data repository of information on the state's natural resources called Texas Natural Resources Information System and manages the Strategic Mapping Initiative.

The Board participated in a recent statewide classification compliance review: *A Classification Compliance Review Report on the State's Attorney, Assistant Attorney General, and General Counsel Positions*, State Auditor's Office Report No. 07-709, March 2007. Employees within the scope of that review were not included in this review.

### Definitions

**Job Classification** - An individual job within a job classification series. Each job classification has a corresponding salary group assignment appropriate for the type and level of work being performed.

**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.

**Occupational Category** - A broad series of job families also known as job classification series characterized by the nature of the work performed.

**Salary Group** - A specified level within a salary schedule made up of a salary range with a minimum and maximum salary rate. Assignment of salary groups is based on the type and level of work being performed.

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

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None of the reclassifications the Board made as a result of this review resulted in salary changes for employees.

Many Program Specialists at the Board perform duties related to geographic information systems and water planning and research.

The most common job classification series at the Board is the Program Specialist position. Fifty-three positions (21 percent of all positions) were classified in this series. As a result of this review, 20 of these positions were reclassified to job classifications that are more specific to the respective occupations. Many of the Board's Program Specialists perform duties related to geographic information systems and water planning and research. Because of this, the Board, along with the State Auditor's Office's State Classification Team, will review these positions during fiscal year 2008 to determine whether it would be appropriate to recommend the addition of new job classification series such as Geographic Information Specialist or Water Development Specialist to the State's Classification Plan. Adding new job classification series could enable the Board to classify positions more accurately.

**Recommendation:** The Board should review job classifications annually.

The Board should update its classification policy to ensure that it reviews job classifications annually in a manner that is consistent with Texas Government Code, Section 654.0155. This may include asking supervisors to review employees' job duties, as well as employees' functional job descriptions, during employees' annual performance evaluations. Reviewing positions annually would help to ensure that positions are classified accurately and, therefore, that employee salaries align with their actual responsibilities.

**Importance of Proper Classification  
of Employee Positions**

Appropriate job classifications are important in determining salary rates that are competitive for the nature of the work performed. Misclassified positions may result in an agency underpaying or overpaying employees for the nature of work being performed.

We appreciate the Board's cooperation during this review, and its responses are included in the attachment to this letter. If you have any questions, please contact Nicole Guerrero, Audit Manager, or me at (512) 936-9500.

Sincerely,

John Keel, CPA  
State Auditor

Attachment

cc: Members of the Water Development Board  
Mr. E.G. Rod Pittman, Chairman  
Mr. Jack Hunt, Vice Chairman  
Mr. Dario Vidal Guerra, Jr.  
Mr. James E. Herring  
Mr. Thomas Weir Labatt III  
Mr. William W. Meadows  
Mr. J. Kevin Ward, Executive Administrator, Water Development Board



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# Attachment

Part 1

## Positions Reviewed

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Table 1 presents the occupational categories and job classification series reviewed at the Water Development Board (Board), as well as the number of positions that were misclassified.

Table 1

Summary of Employee Positions Reviewed		
Occupational Category/ Job Classification Series	Number of Employee Positions Reviewed	Number of Employee Positions Misclassified
<b>Accounting, Auditing, and Finance</b>		
Accountant	9	0
Auditor	1	0
Budget Analyst	3	0
Financial Analyst	6	0
Financial Examiner	6	2
Trader	2	0
<b>Total Accounting, Auditing, and Finance</b>	<b>27</b>	<b>2</b>
<b>Administrative Support</b>		
Administrative Assistant	13	0
Executive Assistant	10	0
<b>Total Administrative Support</b>	<b>23</b>	<b>0</b>
<b>Engineering and Design</b>		
Engineer	22	1
Engineering Specialist	15	0
Engineering Technicians	1	0
<b>Total Engineer and Design</b>	<b>38</b>	<b>1</b>
<b>Human Resources</b>		
Human Resources Specialist	2	1
<b>Total Human Resources</b>	<b>2</b>	<b>1</b>

Summary of Employee Positions Reviewed		
Occupational Category/ Job Classification Series	Number of Employee Positions Reviewed	Number of Employee Positions Misclassified
<b>Information Technology</b>		
Data Base Administrator	1	0
Network Specialist	1	0
Programmer	2	0
System Support Specialist	1	1
Systems Analyst	17	2
Web Administrator	2	0
<b>Total Information Technology</b>	<b>24</b>	<b>3</b>
<b>Legal</b>		
General Counsel	1	0
Attorney	5	0
<b>Total Legal <sup>a</sup></b>	<b>6</b>	<b>0</b>
<b>Natural Resources</b>		
Earth Science Technician	2	0
Geologist	5	0
Hydrologist	14	0
Natural Resources Specialist	10	1
<b>Total Natural Resources</b>	<b>31</b>	<b>1</b>
<b>Planning, Research, and Statistics</b>		
Planning Assistant/Planner	12	1
Research Specialist	4	1
<b>Total Planning, Research, and Statistics</b>	<b>16</b>	<b>2</b>
<b>Procedures and Information</b>		
Government Relations Specialist	3	0
<b>Total Procedures and Information</b>	<b>3</b>	<b>0</b>
<b>Program Management</b>		
Director	14	0
Manager	5	0
Program Specialist	53	21
Staff Services Officer	3	1
<b>Total Program Management</b>	<b>75</b>	<b>22</b>

Summary of Employee Positions Reviewed		
Occupational Category/ Job Classification Series	Number of Employee Positions Reviewed	Number of Employee Positions Misclassified
<b>Property Management and Purchasing</b>		
Contract Administration Manager	1	0
Contract Specialist	5	3
Purchaser	2	1
<b>Total Property Management/Purchasing</b>	<b>8</b>	<b>4</b>
<b>Totals for All Positions Reviewed</b>	<b>247</b>	<b>36</b>
<sup>a</sup> Includes only employees who were not included in a previous classification compliance audit covering legal positions (see <i>A Classification Compliance Review Report on the State's Attorney, Assistant Attorney General, and General Counsel Positions</i> , State Auditor's Office Report No. 07-709, March 2007).		

## *Analysis of Misclassified Positions*

Tables 2 and 3 identify the employee positions that were misclassified and how the Board addressed the misclassifications. To protect the confidentiality of the employees whose positions were misclassified, each employee was assigned a position number.

Table 2 lists the 29 employee positions reclassified into a different job classification series.

Table 2

Positions Reclassified into Different Job Classification Series		
Position Number	Current Job Classification Title	Job Classification Title After Reclassification
78	Contract Specialist II	Administrative Assistant IV
213	Contract Specialist III	Administrative Assistant IV
70	Financial Examiner VI	Financial Analyst IV
209	Financial Examiner VI	Financial Analyst IV
14	Human Resource Specialist V	Marketing Specialist IV
13	Program Specialist I	System Analyst II
27	Program Specialist I	Planner II
41	Program Specialist I	Hydrologist I
161	Program Specialist I	Hydrologist I
40	Program Specialist II	Contract Specialist II
188	Program Specialist II	Planner III
246	Program Specialist II	Planner III
17	Program Specialist V	Planner IV
22	Program Specialist V	Accountant VII
48	Program Specialist V	Hydrologist III
80	Program Specialist V	Hydrologist III
1	Program Specialist VI	Management Analyst III
10	Program Specialist VI	Management Analyst III
65	Program Specialist VI	Investment Analyst II

Positions Reclassified into Different Job Classification Series		
Position Number	Current Job Classification Title	Job Classification Title After Reclassification
74	Program Specialist VI	Budget Analyst V
160	Program Specialist VI	Accountant VII
190	Program Specialist VI	Geoscientist IV
251	Program Specialist VI	Contract Administration Manager I
198	Program Specialist VII	Hydrologist V
239	Program Specialist VII	Financial Analyst IV
116	Purchaser IV	Contract Specialist II
57	Staff Services Officer IV	Marketing Specialist IV
203	Systems Analyst II	Program Specialist IV
212	Systems Support Specialist III	Program Specialist I

Table 3 lists the seven employee positions the Board reclassified within the same job classification series.

Table 3

Positions Reclassified Within Their Same Job Classification Series		
Position Number	Current Job Classification Title	Job Classification Title After Reclassification
92	Contract Specialist IV	Contract Specialist III
219	Engineer IV	Engineer V
89	Natural Resources Specialist III	Natural Resources Specialist IV
63	Planner III	Planner II
184	Program Specialist III	Program Specialist IV
173	Research Specialist V	Research Specialist III
88	Systems Analyst I	System Analyst II



# Appendix

Appendix

## **Objective, Scope, and Methodology**

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### **Objective**

The objective of this classification compliance review was to determine whether the Water Development Board (Board) conforms to the State's Classification Plan in ensuring proper classification of positions.

### **Scope**

The scope of this review included all classified employees employed by the Board.

### **Methodology**

In determining whether positions were appropriately classified, the following were reviewed:

- State job descriptions.
- Surveys completed by employees and verified by their supervisors.
- Internal salary relationships.

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

When determining proper classification, the Classification Team does not focus on specific differences between one level and the next level in a job classification series (for example, Accountant I versus Accountant II). Instead, the Classification Team considers whether an employee is appropriately classified within broad responsibility levels, such as Staff Accountant versus Senior Accountant.

The Classification Team has an automated job evaluation process. The Classification Team populated a database with information regarding the employees whose positions were reviewed. Staff in the Board's human resources department verified the information in the database to ensure that all positions were included. Employees 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 the automated job evaluation system, which made an initial determination of whether the positions were appropriately classified. The Board then had the opportunity to review and address potential misclassifications.

The Classification Team made follow-up calls and sent clarification e-mails to determine and validate proper classification of positions and to gather additional information to resolve discrepancies.

This project was a review; therefore, the information in this report was not subjected to all the tests and confirmations that would be performed in an audit. However, the information in this report was subject to certain quality control procedures to ensure accuracy and compliance with the generally accepted compensation practices.

### **Project Information**

This review was conducted under the requirements of Texas Government Code, Section 654.036 (3).

The following employees of the State Auditor's Office prepared this report:

- Stacey Robbins McClure, MBA, PHR (Project Manager)
- Christine Bailey, CCP, GRP
- Leslie Ashton, CPA (Quality Control Reviewer)
- Nicole M. Guerrero, MBA, CGAP (Audit Manager)

## *Management's Responses*

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*The Texas Water Development Board agrees with the SAO's recommendation and intends to revise its policy to include that a Classification Compliance Audit will be performed by HR annually. HR will work closely with managers and supervisors to create and develop accurate and detailed job descriptions that reflect job duties in conjunction with the Agency's job classification listing. This will be a detailed process that entails interviewing, job shadowing, auditing positions and scheduled training classes. In addition, a Classification/Compensation Manual will be created outlining the classification compliance audit process in both hard copy and in electronic format to serve as a management tool to supervisors.*