



# A Classification Compliance Review Report on the State's Auditor and Accounts Examiner Positions

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State Auditor

October 12, 2007

Members of the Legislative Audit Committee:

The State Auditor's Office's State Classification Team reviewed 1,830 auditor and accounts examiner positions and other positions performing similar work at 29 agencies and found that 1,714 (94 percent) of these positions were classified correctly. Agencies took appropriate action in resolving misclassified positions and reported that they will spend approximately \$81,000 to properly classify the misclassified positions.

Agencies took action to appropriately classify positions identified as misclassified.

To address the 116 employee positions that were misclassified, agencies chose to:

- Reclassify 36 positions (31.0 percent) into different job classification series (for example, a position was misclassified as an accountant position instead of as an auditor position).
- Reclassify 32 positions (27.5 percent) within the same job classification series but at a higher salary group.
- Reclassify 1 position (1.0 percent) within the same job classification series but at a lower salary group. The reclassification, however, did not result in a salary decrease.
- Change the job duties of 47 positions (40.5 percent) so they could remain in their current job classification titles and be properly classified.

See Part 2 of the attachment of this letter for additional details on how agencies addressed position misclassifications.

Summary of Positions Reviewed		
Job Classification Series	Number of Positions Reviewed	Number of Positions Misclassified
Auditor	1,073	32
Accounts Examiner	735	67
Other Job Classification Titles Performing Similar Work	22	17
Total	1,830	116

Definitions
<p><b>Job Classification</b> - 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.</p> <p><b>Job Classification Series</b> - A hierarchical structure of jobs arranged into job classification titles involving work of the same nature but requiring different levels of responsibility.</p> <p><b>Salary Group</b> - 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.</p> <p><b>Reclassification</b> - The act of changing a position from one job classification to another job classification to better reflect the level or type of work being performed.</p>

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Agencies will spend approximately \$81,000 to properly classify positions.

In many cases, agencies were able to reclassify positions without changing the salaries. Agencies reported they will make reclassifications resulting in 23 positions receiving salary increases ranging from \$660 to \$8,491 annually. No salaries were decreased as a result of this review.

The average salaries for both the auditors and accounts examiners were above the average state employee salary.

Auditor positions had an average salary of \$50,428 and accounts examiners had an average salary of \$38,484; both of these averages were higher than the fiscal year 2007 average state employee salary of \$36,124. (See Part 3 of the attachment of this letter for additional details on salaries by agency.)

If you have any questions, please contact Ralph McClendon, Audit Manager, or me at (512) 936-9500.

Sincerely,

John Keel, CPA  
State Auditor

Attachment

**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.



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# Attachment

Part 1

## Positions Reviewed

Table 1 presents a summary of the 1,830 auditor and accounts examiner positions reviewed at 29 agencies. The table includes a summary of employee positions reviewed at each agency by job classification series, as well as the number of positions that were misclassified. The “Other Classification Titles” column includes positions that agencies identified as performing auditor and accounts examiner work, but were classified in other job classification series (for example, accountant or manager).

Table 1

Summary of Employee Positions Reviewed						
Agency No.	Agency	Auditors	Accounts Examiners	Other Classification Titles	Number of Employee Positions Reviewed	Number of Employee Positions Misclassified
301	Office of the Governor	7	0	1	8	0
302	Office of the Attorney General	46	1	0	47	0
304	Office of the Comptroller of Public Accounts	486	379	0	865	18
305	General Land Office	18	12	0	30	2
320	Workforce Commission	41	270	0	311	51
323	Teacher Retirement System	6	0	1	7	0
327	Employees Retirement System	3	0	0	3	0
357	Office of Rural Community Affairs	7	0	0	7	0
401	Adjutant General's Department	4	0	0	4	2
405	Department of Public Safety	9	0	13	22	12
454	Department of Insurance	50	0	0	50	5
455	Railroad Commission	8	0	0	8	0
458	Alcoholic Beverage Commission	51	49	0	100	1
473	Public Utility Commission	2	0	0	2	0

Summary of Employee Positions Reviewed						
Agency No.	Agency	Auditors	Accounts Examiners	Other Classification Titles	Number of Employee Positions Reviewed	Number of Employee Positions Misclassified
476	Racing Commission	8	0	0	8	0
529	Health and Human Services Commission	103	0	0	103	4
530	Department of Family and Protective Services	9	0	0	9	0
537	Department of State Health Services	13	0	0	13	0
538	Department of Assistive and Rehabilitative Services	6	0	0	6	0
539	Department of Aging and Disability Services	10	0	0	10	1
551	Department of Agriculture	1	0	0	1	0
582	Commission on Environmental Quality	26	0	0	26	1
601	Department of Transportation	56	1	0	57	6
665	Juvenile Probation Commission	2	0	0	2	0
694	Youth Commission	3	0	0	3	0
696	Department of Criminal Justice	56	0	7	63	10
701	Texas Education Agency	36	3	0	39	3
802	Parks and Wildlife Department	5	20	0	25	0
809	Preservation Board	1	0	0	1	0
Totals		1,073	735	22	1,830	116

## *Analysis of Misclassified Positions*

Tables 2 through 5 identify by agency the employee positions that were misclassified and how the agency addressed the misclassifications. To address misclassifications, agencies chose to:

- Reclassify 36 positions into a different job classification series (see Table 2).
- Reclassify 32 positions within the same job classifications series, but at a higher salary group (see Table 3).
- Reclassify 1 position within the same job classification series, but at a lower salary group (see Table 4).
- Change the job duties of 47 positions so they could remain in their current job classification titles and be properly classified (see Table 5).

To protect the confidentiality of the employees whose positions were misclassified, each employee was assigned an employee number.

Table 2 lists the 36 employee positions that agencies reclassified into a different job classification series. Reclassification is the act of changing a position from one job classification to another job classification to better reflect the level or type of work being performed. It does not refer to a change in an employee's duty assignment.

Table 2

Positions Reclassified into Different Job Classification Series				
Agency No.	Agency	Employee Number <sup>a</sup>	Current Job Classification Title	Job Classification Title After Reclassification
304	Office of the Comptroller of Public Accounts	849	Accounts Examiner I	Administrative Assistant II
		966	Accounts Examiner III	Administrative Assistant III
		980	Accounts Examiner III	Administrative Assistant IV
		988	Accounts Examiner III	Administrative Assistant III
		989	Accounts Examiner III	Administrative Assistant III
		990	Accounts Examiner I	Administrative Assistant II
		1043	Accounts Examiner IV	Administrative Assistant III
		1045	Accounts Examiner III	Administrative Assistant III
		1049	Accounts Examiner III	Systems Support Specialist III
		1058	Accounts Examiner I	Administrative Assistant II
405	Department of Public Safety	16	Auditor II	Program Supervisor I
		24	Accountant III	Auditor II
		25	Accountant III	Auditor II

Positions Reclassified into Different Job Classification Series

Agency No.	Agency	Employee Number <sup>a</sup>	Current Job Classification Title	Job Classification Title After Reclassification
		26	Accountant III	Auditor II
		27	Accountant III	Auditor II
		28	Accountant III	Auditor II
		29	Accountant III	Auditor II
		30	Accountant III	Auditor II
		31	Accountant III	Auditor II
		34	Accountant III	Auditor II
		35	Accountant III	Auditor II
		36	Accountant III	Auditor II
601	Department of Transportation	114	Accounts Examiner II	Contract Technician III
696	Department of Criminal Justice	12	Manager III	Auditor V
		18	Manager III	Auditor V
		20	Auditor III	Program Supervisor II
		21	Auditor III	Program Supervisor II
		34	Director II	Auditor VI
		65	Program Specialist III	Program Supervisor II
		70	Program Specialist III	Program Supervisor II
		74	Auditor III	Program Supervisor II
		83	Program Specialist III	Program Supervisor II
		85	Auditor II	Program Specialist I
701	Texas Education Agency	77	Accounts Examiner II	Customer Service Representative IV
		78	Accounts Examiner II	Customer Service Representative IV
		79	Accounts Examiner III	Program Specialist I

<sup>a</sup> To protect the confidentiality of the employees whose positions were misclassified, each employee was assigned an employee number. The employee numbers in this report have no meaning outside the context of this review.

Table 3 lists the 32 employee positions that agencies reclassified within the same job classification series, but at a higher salary group.

Table 3

Positions Reclassified within Their Same Job Classification Series with a Higher Salary Group				
Agency No.	Agency	Employee Number <sup>a</sup>	Current Job Classification Title	Job Classification Title After Reclassification
304	Office of the Comptroller of Public Accounts	10	Accounts Examiner II	Accounts Examiner IV
		478	Auditor III	Auditor IV
		596	Accounts Examiner II	Accounts Examiner IV
		664	Accounts Examiner III	Accounts Examiner IV
		807	Accounts Examiner III	Accounts Examiner IV
		931	Accounts Examiner III	Accounts Examiner IV
		945	Accounts Examiner III	Accounts Examiner IV
305	General Land Office	33	Auditor III	Auditor IV
		34	Auditor III	Auditor IV
320	Workforce Commission	27	Auditor III	Auditor IV
		123	Auditor III	Auditor IV
		146	Auditor III	Auditor IV
		253	Auditor III	Auditor IV
		348	Auditor III	Auditor IV
		349	Auditor III	Auditor IV
454	Department of Insurance	62	Auditor III	Auditor IV
		68	Auditor II	Auditor IV
		77	Auditor III	Auditor IV
		94	Auditor II	Auditor IV
		99	Auditor II	Auditor IV
458	Alcoholic Beverage Commission	237	Accounts Examiner III	Accounts Examiner IV
529	Health and Human Services Commission	43	Auditor III	Auditor IV
		45	Auditor III	Auditor IV
		97	Auditor III	Auditor IV
		103	Auditor III	Auditor IV
539	Department of Aging and Disability Services	3	Auditor III	Auditor IV
582	Commission on Environmental Quality	52	Auditor II	Auditor III
601	Department of Transportation	60	Auditor II	Auditor IV
		78	Auditor III	Auditor IV
		89	Auditor III	Auditor IV
		103	Auditor III	Auditor IV
		117	Auditor III	Auditor IV

<sup>a</sup> To protect the confidentiality of the employees whose positions were misclassified, each employee was assigned an employee number. The employee numbers in this report have no meaning outside the context of this review.



Table 4 lists the one position that was reclassified within the same job classification series, but at a lower salary group. The reclassification, however, did not result in a salary decrease.

Table 4

Positions Reclassified within Their Same Job Classification Series with a Lower Salary Group				
Agency No.	Agency	Employee Number <sup>a</sup>	Current Job Classification Title	Job Classification Title After Reclassification
304	Office of the Comptroller of Public Accounts	769	Accounts Examiner IV	Accounts Examiner III

<sup>a</sup> To protect the confidentiality of the employees whose positions were misclassified, each employee was assigned an employee number. The employee numbers in this report have no meaning outside the context of this review.

Table 5 lists the 47 positions for which job duties were changed so they could remain in their current job classification titles and be properly classified.

Table 5

Positions That Had Their Job Duties Changed			
Agency No.	Agency	Employee Number <sup>a</sup>	Current Job Classification
320	Workforce Commission	9	Accounts Examiner IV
		30	Accounts Examiner IV
		32	Accounts Examiner IV
		35	Accounts Examiner IV
		40	Accounts Examiner IV
		46	Accounts Examiner IV
		49	Accounts Examiner IV
		52	Accounts Examiner III
		56	Accounts Examiner IV
		69	Accounts Examiner IV
		78	Accounts Examiner IV
		84	Accounts Examiner IV
		87	Accounts Examiner IV
		88	Accounts Examiner IV
		93	Accounts Examiner IV
		101	Accounts Examiner IV
		105	Accounts Examiner IV
108	Accounts Examiner IV		
118	Accounts Examiner IV		
126	Accounts Examiner III		
140	Accounts Examiner IV		
144	Accounts Examiner IV		
148	Accounts Examiner IV		

Positions That Had Their Job Duties Changed

Agency No.	Agency	Employee Number <sup>a</sup>	Current Job Classification
		149	Accounts Examiner IV
		171	Accounts Examiner IV
		181	Accounts Examiner IV
		194	Accounts Examiner III
		198	Accounts Examiner IV
		216	Accounts Examiner IV
		218	Accounts Examiner IV
		226	Accounts Examiner IV
		228	Accounts Examiner IV
		232	Accounts Examiner III
		238	Accounts Examiner IV
		273	Accounts Examiner IV
		276	Accounts Examiner IV
		286	Accounts Examiner IV
		309	Accounts Examiner IV
		310	Accounts Examiner IV
		323	Accounts Examiner IV
		326	Accounts Examiner IV
		327	Accounts Examiner IV
		336	Accounts Examiner IV
		337	Accounts Examiner IV
		355	Accounts Examiner II
401	Adjutant General's Department	7	Auditor II
		9	Auditor II

<sup>a</sup> To protect the confidentiality of the employees whose positions were misclassified, each employee was assigned an employee number. The employee numbers in this report have no meaning outside the context of this review.

## *Minimum, Maximum, and Average Salary by Agency and Job Classification Series*

Table 6 lists the minimum, maximum, and average salary by agency and job classification series for employees within this review. Employees who were included in recent agency compliance reviews conducted by the State Auditor's Office were not within the scope of this review (see Part 5 of this attachment for a list of recent classification compliance reviews).

Table 6

Minimum, Maximum, and Average Salary by Agency and Job Classification Series					
Agency Number	Agency	Job Classification Series	Minimum Salary	Maximum Salary	Average Salary
301	Office of the Governor	Auditor	\$39,990	\$62,451	\$46,694
302	Office of the Attorney General	Accounts Examiner	\$36,819	\$36,819	\$36,819
		Auditor	\$47,240	\$86,780	\$53,674
304	Office of the Comptroller of Public Accounts	Accounts Examiner	\$26,710	\$62,851	\$40,548
		Auditor	\$33,396	\$77,374	\$51,918
305	General Land Office	Accounts Examiner	\$34,731	\$51,518	\$43,757
		Auditor	\$33,995	\$76,805	\$56,520
320	Workforce Commission	Accounts Examiner	\$27,464	\$50,171	\$37,482
		Auditor	\$34,608	\$78,000	\$49,832
323	Teacher Retirement System	Auditor	\$57,523	\$92,880	\$75,845
327	Employees Retirement System	Auditor	\$61,599	\$77,376	\$68,068
357	Office of Rural Community Affairs	Auditor	\$49,920	\$60,507	\$56,228
401	Adjutant General's Department	Auditor	\$39,300	\$62,356	\$47,788
405	Department of Public Safety	Auditor	\$31,345	\$48,698	\$35,815
454	Department of Insurance	Auditor	\$31,345	\$69,208	\$42,476
455	Railroad Commission	Auditor	\$35,340	\$57,624	\$45,748
458	Alcoholic Beverage Commission	Accounts Examiner	\$26,401	\$47,096	\$31,742
		Auditor	\$35,337	\$56,980	\$41,650
473	Public Utility Commission	Auditor	\$59,987	\$68,904	\$64,446
476	Racing Commission	Auditor	\$35,337	\$47,586	\$40,239
529	Health and Human Services Commission	Auditor	\$39,990	\$85,470	\$52,438
530	Department of Family and Protective Services	Auditor	\$45,222	\$90,923	\$57,545
537	Department of State Health Services	Auditor	\$35,337	\$82,590	\$50,746
538	Department of Assistive and Rehabilitative Services	Auditor	\$53,150	\$90,105	\$77,090
539	Department of Aging and Disability Services	Auditor	\$35,337	\$68,717	\$50,917
551	Department of Agriculture	Auditor	\$82,500	\$82,500	\$82,500
582	Commission on Environmental Quality	Auditor	\$35,337	\$73,001	\$49,740

Minimum, Maximum, and Average Salary by Agency and Job Classification Series					
Agency Number	Agency	Job Classification Series	Minimum Salary	Maximum Salary	Average Salary
601	Department of Transportation	Auditor	\$35,799	\$81,024	\$52,452
665	Juvenile Probation Commission	Auditor	\$45,222	\$51,867	\$48,545
694	Youth Commission	Auditor	\$40,628	\$63,204	\$48,153
696	Department of Criminal Justice	Auditor	\$31,345	\$77,979	\$38,036
701	Texas Education Agency	Auditor	\$46,579	\$81,849	\$55,786
802	Department of Parks and Wildlife	Accounts Examiner	\$26,401	\$32,599	\$27,382
		Auditor	\$31,345	\$51,937	\$43,791
809	Preservation Board	Auditor	\$64,169	\$64,169	\$64,169
Totals for All Agencies		Accounts Examiner	\$26,401	\$62,851	\$38,484
		Auditor	\$31,345	\$92,880	\$50,428

Source: Classification Compliance Audit System.

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

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### **Objective**

The objective of this classification compliance review was to determine whether agencies are conforming to the State's Position Classification Plan by ensuring proper classification of positions.

### **Scope**

The scope of this review included employees classified within the auditor and accounts examiner job classification series, as well as other positions identified as performing similar work but classified in other job classification series at state agencies.

### **Methodology**

In determining whether positions were appropriately classified, the State Auditor's Office's State Classification Team reviewed the following:

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

The State Classification Team uses the classification method of job evaluation when reviewing positions and determining proper classifications. These classification determinations are primarily based on the comparison of duties and responsibilities being performed with the state job description for each position.

When determining proper classification, the State Classification Team does not focus on specific differences between one level and the next in a job classification series (for example, an Auditor I position compared with an Auditor II position). Instead, the team considers whether an employee is appropriately classified within broad responsibility levels, such as staff auditors (Auditor I, Auditor II, and Auditor III positions) or senior auditors (Auditor IV, Auditor V, and Auditor VI positions).

The State Classification Team has an automated job evaluation process. A database was populated with information regarding the employees whose positions were being reviewed. Staff members in the agencies' human resources departments 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. After the State Classification Team's review and analysis, the automated job evaluation system made an initial determination of whether the positions were appropriately classified. Agencies were given the opportunity to review and address potential misclassifications.

To address each potential misclassification, agencies could reclassify an employee to a job classification title consistent with the work performed, change an employee's duties to conform to the assigned job classification title, or provide justification to explain why an employee was appropriately classified.

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

The State Classification Team would like to commend the Office of the Comptroller of Public Accounts and the Workforce Commission, which had the vast majority of positions within the scope of this audit and completed all surveys and responses in a timely manner.

### **Project Information**

Fieldwork was conducted from July 2007 through September 2007. On September 1, 2007, a new Information Technology Auditor job classification series was added to the State's Position Classification Plan. Agencies should review auditor positions to determine whether the new classification series would be more appropriate for selected positions.

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

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

- Sharon Schneider, PHR (Project Manager)
- Juliette Torres, CCP, PHR
- J. Scott Killingsworth, CIA, CGFM (Quality Control Reviewer)
- Ralph McClendon, CCP, CISA, CISSP (Audit Manager)

## Recent State Auditor's Office Work

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Recent SAO Work		
Number	Product Name	Release Date
07-711	A Classification Compliance Review Report on the Water Development Board	August 2007
07-710	A Classification Compliance Review Report on the Department of Housing and Community Affairs	June 2007
07-703	A Classification Compliance Review Report on the Building and Procurement Commission	October 2006
06-407	An Audit Report on Workforce Management at the Texas Lottery Commission	July 2006