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## A Classification Compliance Audit Report on the Texas Department of Insurance

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May 1996

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# Key Points Of Report

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### Overall Conclusion

The Texas Department of Insurance (Department) has a 94 percent rate of compliance with the Position Classification Plan (Plan) based on the sample of positions selected for review. A high rate of compliance is crucial in ensuring state employees are properly compensated in relation to the Plan itself, as well as other state employees.

### Key Facts And Findings

- Twenty-three out of the sample of 359 positions reviewed were misclassified.
- There were 11 positions reporting to supervisors in the same salary group, thus creating disparities between compensation levels and levels of responsibility.
- There were 18 employees misclassified within the Insurance Technician and Insurance Specialist class series.

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## Office of the State Auditor

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*This review of a sample of 359 full-time classified positions was conducted in accordance with the Position Classification Act, Texas Government Code, Chapter 654.*

## Overview

Twenty-three positions out of the sample of 359 full-time classified positions reviewed at the Texas Department of Insurance (Department) were found to be misclassified. To correct misclassified positions, the Department can either classify the positions according to our recommendations or restructure them. In addition, there were 11 instances in which inappropriate reporting relationships were found and 18 instances in which the Insurance Technician and Insurance Specialist class series were improperly used.

The Executive Director should ensure that any improper reporting relationships are remedied and that the Insurance Technician and Insurance Specialist class series are used to describe only those positions they were designed to describe or take the appropriate steps to redefine the position descriptions as appropriate.

The sample selected for review included all full-time classified employees within three program areas of the agency: Administrative Operations, Consumer Protection, and Legal Services.

Recommendations			
	*Position Number	Class Number	Title
Present: Recommended:	3	0055-06 0006-05	Clerk III Switchboard Operator/Receptionist
Present: Recommended:	5	0138-09	Administrative Secretary Accounting Clerk series
Present: Recommended:	17	0205-08	Data Entry Operator III ADP Record Control Clerk series
Present: Recommended:	26	0231-12 0257-12	ADP Supervisor I Systems Support Specialist II
Present: Recommended:	47	0252-20 0264-20	Programmer Analyst II Systems Analyst III
Present: Recommended:	60	0259-14 0277-16	Systems Support Specialist III Data Base Administrator I
Present: Recommended:	64	0260-16 0254-16	Systems Analyst I Systems Support Specialist IV
Present: Recommended:	66	0262-18 0278-18	Systems Analyst II Data Base Administrator II
Present: Recommended:	67	0262-18 0288-18	Systems Analyst II Network Manager II
Present: Recommended:	72	0264-20 0289-20	Systems Analyst III Network Manager III
Present: Recommended:	78	0266-21 0270-21	Systems Analyst IV Systems Programmer III
Present: Recommended:	146	1502-11 1954-12	Administrative Technician II Purchaser I
Present: Recommended:	151	1503-13 1712-13	Administrative Technician III Human Resources Mgmt. Assistant II

## Overview

Recommendations			
	*Position Number	Class Number	Title
Present: Recommended:	154	1503-13	Administrative Technician III Purchaser series
Present: Recommended:	163	1503-13 1915-12	Administrative Technician III Warehouse Superintendent
Present: Recommended:	168	1504-15 1731-15	Administrative Technician IV Human Resources Mgmt. Officer I
Present: Recommended:	169	1504-15	Administrative Technician IV Accountant series
Present: Recommended:	181	1550-16 1563-17	Staff Services Officer I Program Administrator I
Present: Recommended:	182	1550-16 1504-15	Staff Services Officer I Administrative Technician IV
Present: Recommended:	183	1550-16 1563-17	Staff Services Officer I Program Administrator I
Present: Recommended:	185	1551-18 1564-18	Staff Services Officer II Program Administrator II
Present: Recommended:	186	1551-18 1564-18	Staff Services Officer I Program Administrator II
Present: Recommended:	244	2842-14	Insurance Specialist II Administrative Technician series

\*In order to protect the confidentiality of those employees whose positions were reviewed, each incumbent was assigned a position number. A listing of each employee and his or her assigned number has been provided to the Texas Department of Insurance for reference.

Section 1:

## Twenty-Three Positions Are Misclassified

Section 1-A:

### Position Number 3 is Misclassified

Position Number 3, Clerk III (0055-06), should be a Switchboard Operator/Receptionist (0006-05). This incumbent operates the Department's switchboard; prepares applications for mailing out; alphabetizes time cards, insurance forms, and application forms; prepares time summary sheets for distribution; provides agency information to callers and visitors; and creates folders for new employees.

This incumbent should be classified as a Switchboard Operator/Receptionist because the majority of the employee's time (80 percent) is spent answering the Department's switchboard. The remaining 20 percent of the employee's functions are clerical and/or administrative in nature.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-B:

### Position Number 5 is Misclassified

Position Number 5, Administrative Secretary (0138-09), should be classified within the Accounting Clerk class series [Accounting Clerk I (1001-04), Accounting Clerk II (1002-06), Accounting Clerk III (1003-08), and Accounting Clerk IV (1004-10)]. The duties of this position include processing vouchers by entering data into the DIR and USAS accounting systems, organizing travel voucher packages, assembling airline tickets and itineraries, posting journal entries, and filing vouchers and financial reports.

This position should not be classified as an Administrative Secretary because the position's duties are not secretarial in nature. Rather, the Accounting Clerk series best describes the clerical accounting duties being performed.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-C:

### Position Number 17 is Misclassified

Position Number 17, Data Entry Operator III (0205-08), should be classified within the ADP Record Control Clerk series [ADP Record Control Clerk I (0244-05), ADP Record Control Clerk II (0245-07), and ADP Record Control Clerk III (0246-09)]. This

incumbent is responsible for examining documents for correctness of coding, form, and content; reviewing data output for accuracy and correctness; coding data on source documents; maintaining records of document control; and submitting special data run requests.

This incumbent should be classified within the ADP Record Control Clerk series because the series is used for those positions which are responsible for examining documents for correctness of coding, format, and content; checking data output for accuracy and form; coding data; maintaining records on control functions; and submitting computer production jobs for processing.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-D:

**Position Number 26 is Misclassified**

Position Number 26, ADP Supervisor I (0231-12), should be a Property Coordinator (1929-09). This position is responsible for coding inventory parts and maintaining inventory control; issuing, receiving, and reordering hardware parts; updating and maintaining databases for network-attached hardware, purchases, and hardware repairs; issuing computers; and developing and maintaining procedures.

Although currently an ADP Supervisor I, the incumbent's supervisor has noted that this position is being reclassified to a Systems Support Specialist II; however, neither one of these two classes accurately describes the duties of this position. Rather, the employee should be classified as a Property Coordinator because this class is used to classify those positions which are responsible for performing complex property inventory and control work, which makes up 80 percent of the employee's functions.

Management's Response:

*Recommend position be reclassified to a Systems Support Specialist II (0257-12). The section has been reorganized to combine hardware support and network staff. This position has more responsibilities than tasks outlined in the Property Coordinator job description. Current job duties are directed toward support of equipment and systems, as well as control of inventory.*

Auditor's Follow-up Comment:

The State Classification Office concurs with the Texas Department of Insurance that the Systems Support Specialist II class (0257-12) is more appropriate for the duties being performed by Position Number 26 following the reorganization of the incumbent's section. This concurrence is based on additional information provided by the Department.

Section 1-E:

### **Position Number 47 is Misclassified**

Position Number 47, Programmer Analyst II (0252-20), should be a Planner III (0518-20). This employee is responsible for developing the agency's data security and disaster recovery programs through the collection and analysis of data required in the development of these programs; interaction with management and users to determine program needs; the development of procedures for program implementation, administration, and enforcement; and the development of policies and preparation of policy manuals.

The position should not be classified as a Programmer Analyst II because the employee is not responsible for analyzing problems in order to determine if an automated data processing solution is practical and economical or for writing, testing, and debugging computer programs. Rather, the Planner III class, which is used for those positions which are responsible for developing plans or programs, developing procedures for implementing the plans or programs, and developing procedures for measuring the progress made on those plans or programs, more appropriately describes the duties of this position.

#### Management's Response:

*Recommend position be reclassified to a Systems Analyst III/0264-20, due to this position requiring specific technical knowledge of computer systems which the state Planner III job description does not have. Some position duties include, but are not limited to:*

- *analyzing and assisting in defining agency disaster recovery responsibilities and procedures;*
- *preparing system flowcharts, logic flowcharts, decision tables, etc.;*
- *requires technical knowledge of software and programs in order to assess the risk to the agency of losing the processing capability in a disaster, and how to design ways to ensure smooth operations for the required information services for the agency.*

#### Auditor's Follow-up Comment:

The State Classification Office concurs with the Texas Department of Insurance that the Systems Analyst III class (0264-20) is more appropriate for the duties being performed by Position Number 47 based on additional information provided by the Department.

Section 1-F:

### **Position Number 60 is Misclassified**

Position Number 60, Systems Support Specialist III (0259-14), should be a Data Base Administrator I (0277-16). This employee analyzes, designs, monitors, modifies, and

maintains database application systems; assists in conducting database migrations and upgrades; and grants, revokes, and monitors database access privileges.

The Data Base Administrator I class should be used because it describes those positions which are responsible for providing assistance in the development, maintenance, and monitoring of integrated database systems.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-G:

**Position Number 64 is Misclassified**

Position Number 64, Systems Analyst I (0260-16), should be a Systems Support Specialist IV (0254-16). The duties of this position include answering the agency's help desk line for questions on hardware, software, network, communications, and mainframe programs and applications; logging help desk calls; researching problems; and creating, maintaining, and deleting user accounts.

This position should be classified as a Systems Support Specialist IV because the incumbent is responsible for supporting the agency's hardware and software applications rather than analyzing agency systems requirements, which is more indicative of the Systems Analyst class series.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-H:

**Position Number 66 is Misclassified**

Position Number 66, Systems Analyst II (0262-18), should be a Data Base Administrator II (0278-18). This employee analyzes, designs, administers, monitors, modifies, and maintains database application systems; troubleshoots database performance problems; assists in conducting database migrations and upgrades; and grants, revokes, and monitors database access privileges.

The Data Base Administrator I class should be used because it describes those positions which are responsible for providing assistance in the development, maintenance, and monitoring of integrated database systems.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-I:

### **Position Number 67 is Misclassified**

Position Number 67, Systems Analyst II (0262-18), should be a Systems Support Specialist IV (0254-16). This position maintains, troubleshoots, and repairs computer hardware equipment; maintains security controls over software; installs network hardware and related equipment; rebuilds print servers; explains hardware limitations to agency staff; develops and maintains procedure manuals and product evaluations; and uses various software applications to arrange, sort, and/or manipulate data.

This position should be classified as a Systems Support Specialist IV because each of the duties outlined are indicative of the Systems Support Specialist class series. The Systems Analyst II class, on the other hand, is used for those positions which are responsible for analyzing agency requirements and administrative practices for possible development or revision.

#### Management's Response:

*Recommend this position be reclassified to a Network Manager II/0288-18, due to a reorganization and combining of functions to include the network support group, effective April 22, 1996.*

*New duties include greater knowledge and use of software management skills through the installation and testing of network hardware and software, and routine maintenance. Hardware support and connectivity skills are also an essential part of this position.*

#### Auditor's Follow-up Comment:

The State Classification Office concurs with the Texas Department of Insurance that the Network Manager III class (0288-18) is more appropriate for the duties being performed by Position Number 67 following a reorganization and combining of functions. This concurrence is based on additional information provided by the Department.

Section 1-J:

### **Position Number 72 is Misclassified**

Position Number 72, Systems Analyst III (0264-20), should be a Systems Support Specialist IV (0254-16). This employee provides telephone support to agency staff with computer-related problems, logging calls and researching problem resolutions. This employee also supervises and trains other help desk staff and assists them in resolving customer problems.

This employee should not be a Systems Analyst III because he/she is not responsible for analyzing agency system requirements. Rather, the employee is supporting the agency's hardware and software applications, and as such, the Systems Support Specialist IV

class should be used. However, it should be noted that this recommendation, in conjunction with our recommendations to reclassify Position Numbers 62 and 64 (which this employee supervises), from Systems Analyst I to Systems Support Specialist IV, would create two reporting relationship problems. To resolve these, the agency may reclassify the supervised positions to a lower level within the Systems Support Specialist class series or change the internal reporting relationships.

Management's Response:

*Recommend a reclassification to a Network Manager III/0289-20, due to a reorganization and change in this position's level of responsibilities, plus additional functions, effective March 25, 1996.*

*Position duties have significantly overlapped with the Network group at a supervisory level, to include coordination of section activities with Network Management staff; scheduling of staff activities related to network management, supervisory determination of who are in Systems Support Specialist job ladder.*

Auditor's Follow-up Comment:

The State Classification Office concurs with the Texas Department of Insurance that the Network Manager III class (0289-20) is more appropriate for the duties being performed by Position Number 67 due to a reorganization and change in the position's scope and level of responsibilities and functions. This concurrence is based on additional information provided by the Department.

Section 1-K:

**Position Number 78 is Misclassified**

Position Number 78, Systems Analyst IV (0266-21), should be a Network Manager III (0289-20). The duties of this position include designing and laying out LAN and mainframe communications for installation and relocation; researching hardware and software technology for the implementation or relocation of networks; laying out software and hardware installation documentation for the standardization of new local area networks; communicating with vendors on product technologies, installation, uses, and maintenance requirements; conducting cost analyses of LAN and data communications installations and relocations; and supervising LAN and data communications installation projects.

This employee should be classified as a Network Manager III because this class is designed for those positions which are responsible for network design, installation, policy development, and training; the monitoring and analysis of existing hardware and software; and the evaluation of potential network enhancements. This class accurately describes the duties of this position.

Management's Response:

*Recommend position be reclassified to a Systems Programmer III/0270-21. Position includes components of a Systems Programmer III, which the Network Manager position doesn't describe.*

*Some of these job components are:*

- *researching, reviewing and evaluating technical developments in system and hardware;*
- *comprehensive planning for implementation of systems software; and,*
- *diagnosis of problems and implementation of changes to hardware and software to resolve problems.*

Auditor's Follow-up Comment:

The State Classification Office concurs with the Texas Department of Insurance that the Systems Programmer III class (0270-21) is more appropriate for the duties being performed by Position Number 78 based on additional information provided by the Department.

Section 1-L:

**Position Number 146 is Misclassified**

Position Number 146, Administrative Technician II (1502-11), should be a Purchaser I (1954-12). The duties of this position include preparing and processing purchase requests; gathering and assigning purchase requests for processing; monitoring the status of requests; preparing and reviewing specifications; reviewing analyses of bids, coding bids, and preparing purchase orders; advising others on purchasing policies and regulations; reviewing requisitions for completeness and compliance with requirements; and distributing bid invitations to vendors.

This employee should be classified as a Purchaser I because the Purchaser class series is used for those positions which are responsible for purchasing goods and services; preparing and reviewing specifications; requisitioning and/or ordering merchandise, supplies, and equipment; reviewing analyses of and coding bids; and distributing bid invitations to vendors. Thus, the occupationally-specific Purchaser I class more accurately describes the duties of this position.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-M:

### **Position Number 151 is Misclassified**

Position Number 151, Administrative Technician III (1503-13), should be a Human Resources Management Assistant II (1712-13). The duties of this position include implementing the agency's recruitment program; coordinating the agency's wellness program; overseeing the agency's summer internship program; executing the agency's mentor program; and preparing various human resource-related reports and spreadsheets. The duties of this position also include assisting in conducting the Department's new employee orientation program and maintaining and ensuring compliance with the agency's Equal Employment Opportunity plan.

The Human Resources Management Assistant II class is used for those positions which are responsible for assisting in the administration of human resource management programs and ensuring compliance with state and federal laws and regulations. Thus, the occupationally-specific Human Resources Management Assistant II class more accurately describes the duties being performed.

#### Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-N:

### **Position Number 154 is Misclassified**

Position Number 154, Administrative Technician III (1503-13), should be classified within the Purchaser class series [Purchaser I (1954-12), Purchaser II (1955-14), Purchaser III (1956-16), and Purchaser IV (1957-18)]. The duties of this position include purchasing items; preparing and reviewing specifications; reviewing and coding bids; distributing bid invitations to vendors; advising agency staff on purchasing policies and regulations; processing purchase requests; maintaining product price lists; and maintaining purchasing records.

This employee should be classified within the Purchaser class series because it is used to describe those positions which are responsible for purchasing goods and services; preparing and reviewing specifications; requisitioning and/or ordering merchandise, supplies, and equipment; reviewing analyses of and coding bids; and distributing bid invitations to vendors. Thus, the occupationally-specific Purchaser class series best describes the duties of this position.

#### Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-O:

### **Position Number 163 is Misclassified**

Position Number 163, Administrative Technician III (1503-13), should be a Stock Clerk III (1903-06). The majority of the incumbent's time is spent issuing supplies, posting the issuance of supplies to the supply inventory system, producing supply usage statements for divisions, responding to telephone supply requests, analyzing supply needs, purchasing supplies, posting purchased inventory items, and stocking shelves with purchased products. The incumbent also serves as the agency's key designator, installing locks and issuing keys as appropriate.

The Stock Clerk III class, used for those positions which are responsible for maintaining proper inventory levels and stock records; purchasing or requisitioning parts, equipment, materials, or supplies; issuing items upon request; and computing supply unit cost and posting charges, more accurately describes the duties of this position.

#### Management's Response:

*Recommend the position be reclassified to a Warehouse Superintendent/1915-12 based on a change of job duties and responsibilities of this position due to streamlining of related functions. The prior functions in the supply room have decreased to two (2) days per week and additional duties have also been added.*

*Additional job duties include, but are not limited to:*

- reviewing stock control records and reports;*
- estimating and meeting future needs of the supply inventory; and,*
- selecting and implementing a data base inventory system to replace the current mainframe system.*

#### Auditor's Follow-up Comment:

The State Classification Office concurs with the Texas Department of Insurance that the Warehouse Superintendent class (1915-12) is more appropriate for the duties being performed by Position Number 78 following a change in the position's duties and responsibilities. This concurrence is based on additional information provided by the Department.

Section 1-P:

### **Position Number 168 is Misclassified**

Position Number 168, Administrative Technician IV (1504-15), should be a Human Resources Management Assistant II (1712-13). This employee is responsible for processing personnel action forms, auditing and tracking employee evaluations, providing administrative support to the Personnel and Benefits Center manager, preparing job postings, processing open records requests, and providing training to employees on human resources and benefits issues.

This employee should be classified as a Human Resources Management Assistant II because the class is used to describe those positions which are responsible for assisting in the administration of a human resources management program and ensuring the program's compliance with state and federal laws and regulations. This occupationally-specific class more accurately describes the duties being performed by this position than the more generic Administrative Technician IV class.

Management's Response:

*Recommend this position be reclassified to a Human Resources Management Officer I/1731-15, due to a realignment of Human Resources functions, effective February 1, 1996.*

*Change in job duties include, but are not limited to:*

- *conducting training for agency staff on employee handbook, Human Resources procedures and benefits issues;*
- *screening applications for minimum qualifications;*
- *preparing a variety of Human Resources reports; i.e., turn around time on processing of personnel actions and distribution of merit increases; and,*
- *counseling employees on a variety of Personnel and Benefits issues.*

Auditor's Follow-up Comment:

The State Classification Office concurs with the Texas Department of Insurance that the Human Resources Management Officer I class (1731-15) is more appropriate for the duties being performed by Position Number 168 due to a realignment of human resources functions. This concurrence is based on additional information provided by the Department.

Section 1-Q:

**Position Number 169 is Misclassified**

Position Number 169, Administrative Technician IV (1504-15), should be classified within the Accountant class series [Accountant I (1161-11), Accountant II (1162-13), and Accountant III (1163-16)]. This incumbent spends the majority of time processing invoices and billings to enable vendors to receive payment for the goods and products ordered by the agency. Specific duties include verifying and/or obtaining vendor identification numbers through USAS, verifying payments, gathering purchase orders and verifying the receipt of goods, locating purchase orders and processing them for payment, numbering and batching vouchers, and totaling the batched vouchers for data entry.

The incumbent should be classified within the Accountant class series because the series is used to describe those positions which are responsible for performing detailed assignments in recording, classifying, examining, and analyzing financial records, documents, or reports. Since the employee's functions involve the processing of

financial documents, the more occupationally-specific Accountant class series should be used.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-R:

**Position Number 181 is Misclassified**

Position Number 181, Staff Services Officer I (1550-16), should be a Program Administrator I (1563-17). This employee functions as the Mail Services Supervisor. Specific duties include supervising and training mail room employees and monitoring the staff's activities, planning and establishing guidelines for agency services, functioning as a liaison with the United States Postal Service in the interpretation of rules and regulations, coordinating and planning agency mailouts with other departments, requisitioning and maintaining services and supplies, and analyzing performance and usage data and preparing appropriate reports.

This employee should not be classified as a Staff Services Officer I because the class is intended for those positions which plan, direct, and coordinate several staff services functions, such as human resources, accounting, budgeting, duplicating, purchasing, training, and material and property management. Since the employee is administering one of the agency's functions, rather than several agency functions, the Program Administrator I class should be used.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-S:

**Position Number 182 is Misclassified**

Position Number 182, Staff Services Officer I (1550-16), should be an Administrative Technician IV (1504-15). The duties of this position include receiving and processing calls regarding complaints and requests on building problems, such as temperature, lighting, custodial services, parking, etc.; issuing parking assignments and tags, monitoring the use of parking spaces, and maintaining parking records on building employees; processing office equipment maintenance requests; issuing identification badges to agency staff; and assisting in providing telephone coverage for Administrative Services.

This employee should not be classified as a Staff Services Officer I because the class is intended for those positions which plan, direct, and coordinate several staff services functions, such as human resources, accounting, budgeting, duplicating, purchasing, training, and material and property management. Rather than directing several of these

large functions, the incumbent is responsible for various coordination, administrative, and technical functions, better supported by the Administrative Technician IV class.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-T:

**Position Number 183 is Misclassified**

Position Number 183, Staff Services Officer I (1550-16), should be a Program Administrator I (1563-17). This employee functions as the Assistant Records Center Manager, planning, directing, and coordinating staff functions; monitoring released files; locating records; preparing reports and file inventories; maintaining and retrieving files; and maintaining records retention procedures and records inventory requirements.

This position should be classified as a Program Administrator I because the employee is responsible for assisting in the management and administration of a particular program area. The Staff Services Officer class series, on the other hand, would best apply to those positions which are responsible for directing several staff services functions.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-U:

**Position Number 185 is Misclassified**

Position Number 185, Staff Services Officer II (1551-18), should be a Program Administrator II (1564-18). This incumbent functions as a Publications Manager, planning, directing, and managing two sections of the Publications Division: Copy Center and Graphic Design. In addition to supervisory functions within these two sections, the employee is responsible for preparing and developing analyses of work processes and developing recommendations for enhancement; preparing special and annual reports; providing training and assistance on division requirements, policies, and procedures; assisting in budget preparation; writing specifications for printing jobs; and reviewing and approving graphics designs.

This employee should not be classified as a Staff Services Officer II because the class is intended for those positions which plan, direct, and coordinate several staff services functions, such as human resources, accounting, budgeting, duplicating, purchasing, training, and material and property management. Since the employee is administering one of the agency's functions (Publications), rather than several agency functions, the Program Administrator II class should be used.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-V:

**Position Number 186 is Misclassified**

Position Number 186, Staff Services Officer I (1551-18), should be a Program Administrator II (1564-18). This employee functions as the Records Center Manager, planning, directing, and coordinating staff functions; administering the facility's safety program; conducting and/or overseeing the inventory of records and preparation and maintenance of the records retention schedule; approving documentation for the transfer of records; initiating and approving the disposal of records; conducting studies and analyses; and preparing reports.

This position should be classified as a Program Administrator II because the employee is responsible for managing a particular program area (Records Center). The Staff Services Officer class series, on the other hand, would best apply to those positions which are responsible for directing several staff services functions, and as such, should not be used.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 1-W:

**Position Number 244 is Misclassified**

Position Number 244, Insurance Specialist II (2842-14), should be classified within the Administrative Technician class series [Administrative Technician I (1501-08), Administrative Technician II (1502-11), Administrative Technician III (1503-13), and Administrative Technician IV (1504-15)]. This incumbent functions as the File Room Manager, supervising and training staff involved in the maintenance and storage of files and records, developing and establishing file room procedures, developing and/or modifying forms and reports for file and record tracking; reviewing the accuracy of database records; reviewing closed case file information for completeness, performing queries, entering data, and responding to referrals made.

This employee should not be classified as an Insurance Specialist II because the duties of the position do not include inspecting work sites, investigating possible violations of the Texas Insurance Code, and monitoring and auditing the activities of insurance companies, which are indicative of the Insurance Specialist class series. The Administrative Technician class series, which can be used to describe those positions which are responsible for supervising and/or training technical and administrative support staff engaged in the activities involved in the execution of an agency program, more accurately describes the duties being performed.

Management's Response:

*Concur. Effective May 31, 1996.*

Section 2:

## Eleven Positions Reported To Supervisors In The Same Salary Group

There were 11 instances in which inappropriate reporting relationships were found. During the course of our review, we observed situations in which employees were being supervised by someone in the same salary group. These situations are considered inappropriate reporting relationships. Supervisory duties indicate a higher level of responsibility, and this should be reflected in the level of compensation (i.e., salary group level). In the following instances, the reporting relationships should be changed to reflect this philosophy.

- Position Number 55, Programmer Analyst III (0253-21), is supervised by another Programmer Analyst III (0253-21).
- Position Number 56, Programmer Analyst III (0253-21), is supervised by a Systems Analyst IV (0266-21).
- Position Number 76, Systems Analyst IV (0266-21), is supervised by a Programmer Analyst III (0253-21).
- Position Number 77, Systems Analyst IV (0266-21), is supervised by another Systems Analyst IV (0266-21).
- Position Number 78, Systems Analyst IV (0266-21), is supervised by a Director of ADP II (0275-21).
- Position Number 82, Systems Programmer III (0270-21), is supervised by a Director of ADP II (0275-21).
- Position Number 83, Systems Programmer III (0270-21), is supervised by another Systems Programmer III (0270-21).
- Position Number 87, Data Base Administrator III (0279-20), is supervised by a Systems Analyst III (0264-20).
- Position Number 88, Data Base Administrator III (0279-20), is supervised by a Systems Analyst III (0264-20).
- Position Number 99, Planner IV (0519-21), is supervised by a Director of Program Planning (0520-21).

- Position Number 100, Planner IV (0519-21), is supervised by a Director of Program Planning (0520-21).

Management's Response:

*In reference to the Information Services positions, fourteen (14) positions were found to have inappropriate reporting relationships resulting from employees at a certain group and step reporting to staff at an identical rating (e.g., Systems Analyst, 0266 reporting to another Systems Analyst 0266).*

*Five (5) of these positions are no longer in inappropriate reporting relationships as their supervisor was promoted to a group higher than they are: positions 43, 46, 48, 50, and 54 (all Programmer Analysts II - 0252) now report to a Programmer Analyst III - 0253.*

*The other nine (9) positions (55, 56, 76, 77, 78, 82, 83, 87 and 88) are paid specific salaries for their technical expertise and to compete with current market salaries for qualified employees. Because there is not yet a senior technical rating that is clearly non-supervisory in nature, the Texas Department of Insurance must continue to use the current job ladders to elevate highly technical staff to salaries commensurate (actually slightly below) with their private sector counterparts. At times this results in employees being paid at or even above their supervisor's salary, depending on seniority and longevity.*

*In reference to Position Number 99 and Position Number 100, regarding the reporting relationship between the Director, Program Planning (State Classification Job #0520) and Planner I (0219). There appears to be a discordance within the State Classification Job Descriptions relating to these two positions.*

*A Director, Program Planning has advanced supervisory and administrative work in directing, planning and research activities. The Planner IV position, as indicated in the Classification Act, may involve the supervision of staff, as well as performing highly advanced planning and research work. Although each position is classified at a Salary Grade 21, it appears that Positions 99 and 100 (Planner IV) are appropriately reporting to the Director, Program Planning, based on the Classification Job Description.*

Auditor's Follow-up Comment:

While our Office understands the Department's concern regarding the compensation of highly trained technical, non-supervisory employees within the Information Systems Division, we still maintain our assertion that employees who supervise other employees should be compensated at a higher level due to an increase in responsibilities. As a result, we are unable to concur with the Department that Position Numbers 55, 56, 76, 77, 78, 82, 83, 87, and 88 should maintain their current inappropriate reporting relationships. Therefore, we suggest that the Department examine possible remedies to

these inequities. For instance, the Department may have each of these high-level technical employees report to an exempt managerial position.

In reference to Position Numbers 99 and 100, our Office agrees that there is a discrepancy within the Position Classification Plan (Plan) regarding the two classes involved. Our Office will be making recommendations to the Legislature regarding these particular classes during the next biennium, and hope to alleviate any and all such inconsistencies within the Plan. Despite these inconsistencies, however, our Office would again recommend that the Department find a way to remedy these inappropriate reporting relationships, possibly with the establishment of reporting relationships through an exempt position.

Section 3:

### **Eighteen Employees Were Misclassified Within The Insurance Technician And Insurance Specialist Class Series**

In reviewing the surveyed positions within the Consumer Protection program area, there were 18 instances found in which employees were misclassified within either the Insurance Technician or Insurance Specialist class series according to the State's current position descriptions for these series (Position Numbers 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 239, 241, 245, 250, 256, and 271). However, since these class series were originally designed specifically for the Department's use, we believe the Department is in the best position to judge whether or not the classifications are being used properly and/or whether changes to the state position descriptions should be made in order to accurately cover the duties being performed.

According to the State's position descriptions, the Insurance Technician class series is used to describe those positions which are responsible for auditing insurance forms and applications, reports, reserve valuations, and policy submittals for accuracy and completeness; processing, preparing, and/or issuing licenses or certificates of authority; furnishing insurance rates; disseminating information on experience rate modifications; and computing unearned premiums on policies. Likewise, the Insurance Specialist class series is used to describe those positions which are responsible for inspecting work sites; investigating possible violations of the Texas Insurance Code; and monitoring and auditing the activities of insurance companies.

As noted previously, the review found 18 instances of misclassifications within these two class series according to the state position descriptions. These positions (all within the Consumer Protection program area) are primarily responsible for taking calls and assisting consumers with insurance-related questions, interpreting rules and regulations and researching answers as necessary; tracking and preparing reports of calls; and distributing publications, brochures, complaint forms, and other informational insurance materials as requested.

In reviewing these positions, two issues relating to their misclassification became apparent. First, the duties of the positions, which primarily involve the interpretation of rules and regulations, did not match those listed in the Insurance Technician or Insurance

Specialist class series since they were not responsible for auditing insurance forms or investigating possible violations of the Texas Insurance Code. Rather, all but two were performing Administrative Technician work in the interpretation of rules and regulations. The other two positions were responsible for coordinating the training and disseminating of information to the other positions for responding to informational calls (Position Number 256, also better classified within the Administrative Technician class series), and for giving insurance presentations and distributing insurance-related publications at outreach events (Position Number 271, more accurately described by the Program Specialist class series). Second, although the position descriptions for the Insurance Technician and Insurance Specialist class series describe different functions and responsibilities, both were used interchangeably to classify employees performing the same functions.

In order to correct these inconsistencies, the Department needs to review the positions in question and determine whether or not they believe either of these two job class series is appropriate for describing the positions at hand. If the Department feels that one of these two class series is appropriate, the necessary steps should be taken to revise the appropriate position descriptions to accommodate the functions being performed. Regardless of the decision made, the Department should take the necessary actions to ensure that these employees are classified consistently and within the proper class series.

Management's Response:

*The Texas Department of Insurance has expanded its role over the years since the Insurance Technician and Insurance Specialist series were created. Due to the expansion of agency goals, the functions of staff assigned to these job classification series have evolved to meet those goals. The agency will review the positions as indicated, and other positions used throughout the agency, to determine if a recommended adjustment to the State Classification Job Descriptions is necessary.*

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Appendix:

## Objective, Scope, and Methodology

The Texas Department of Insurance was selected for review in order to monitor its compliance with the Position Classification Act. The sample chosen consisted of the Department's full-time classified positions within the following program areas: Administrative Operations, Consumer Protection, and Legal Services.

In determining whether a sample of 359 full-time classified positions was appropriately classified, we reviewed the following:

- state job descriptions
- position questionnaires completed by incumbents
- organizational reporting relationships
- internal salary relationships

In addition, we interviewed two incumbents.

This review was conducted in accordance with the Position Classification Act, Texas Government Code, Chapter 654.