



State Civil Service Commission Report of Audit
Compliance with Act 71 of 2018
For the Period
July 1 - December 31, 2021

TABLE OF CONTENTS

BACKGROUND.....2

OBJECTIVES3

SCOPE.....4

METHODOLOGY.....5

CONCLUSIONS.....7

INTERNAL CONTROLS.....9

**APPENDIX: Summary of Classified Service Hiring
Actions.....10**



BACKGROUND

The Office of Administration (OA) serves the Governor and citizens of Pennsylvania by providing policy direction and support to all 38 commonwealth agencies. This support encompasses (among other responsibilities) human resources (HR) to include classified service actions. The classified service refers to employees covered by merit system employment procedures. Classified service actions include internal and external appointments, promotions, transfers, reassignments, demotions, reinstatement, and application of veterans' preference.

Within the OA, the Bureau of Talent Acquisition (BTA) has responsibility for classified service appointments, changes in employment (promotions, transfers, reassignments, voluntary demotions, reinstatements), and application of veterans' preference. The centralized platform and software used by OA to store these HR processes is hosted by NEOGOV, Inc. These HR functions transferred from the State Civil Service Commission (SCSC) to OA due to the implementation of Act 71.

The Pennsylvania state legislature passed Act 71 in 2018 requiring audits of classified service appointments, changes in employment, and application of veterans' preference. The SCSC awarded a contract to Ward Management Group LLC in June 2022 to comply with its audit responsibilities under Act 71.

We reviewed classified service actions that took place from July to December 2021. During this timeframe, nine of the 38 agencies accounted for over 90 percent (4,817) of the classified service actions. Our review was limited to these nine agencies and permanent employees only. Field work was conducted from June 2022 to February 2023.

OBJECTIVES

The overall audit objective was to determine if the OA complied with provisions of Act 71 of 2018 and other regulations, procedures, and guidance related to:

- classified service appointments
- changes in employment including promotion, transfer, reassignment, voluntary demotion, reinstatement and
- application of veterans' preference in employment practices

OBJECTIVE 1: Determine if the OA complied with provisions of Act 71 of 2018 and other guidance related to classified service appointments.

OBJECTIVE 2: Determine if the OA complied with provisions of Act 71 of 2018 and other guidance related to classified service changes in employment (i.e., promotion, transfer, reassignment, voluntary demotion, reinstatement).

OBJECTIVE 3: Determine if the OA complied with provisions of Act 71 of 2018 and other guidance related to the application of veterans' preference for classified service appointments.

SCOPE

The review period covered classified service actions (only) from July 1 to December 31, 2021. The review was limited to permanent employees only. As a result, seasonal and non-permanent employees like liquor store clerks were not included in the sample and therefore not reviewed.

The scope was limited to a review of the top nine state agencies because these agencies accounted for over 90 percent (4,817) of the classified service actions for the period under review. This total included 2,867 external actions, 1,946 internal actions, and 4 internships.

See the Appendix for a summary of classified hiring actions for the review period. Specifically, the nine agencies reviewed were:

- Department of Human Services
- Department of Corrections
- Department of Transportation
- Liquor Control Board
- Local Government
- Department of Labor & Industry
- Department of Environmental Protection
- Executive Offices
- Department of Conservation & Natural Resources

We reviewed a random sample of 356 actions closely representing the overall percentages of classified service actions from each of the nine agencies. For example, the Department of Human Services accounted for approximately 30 percent of the actions and our sample matched that 30 percent. The Department of Corrections accounted for approximately 15 percent of the actions and our sample matched that 15 percent. This process was used for all nine state agencies. See the Appendix for additional information.

METHODOLOGY

We agreed on and communicated to both OA and SCSC management the audit objectives, scope, and methodology. We planned the work and developed an audit plan to specifically address the audit objectives. Anything outside of the stated objectives was considered out of scope and not reviewed. We obtained an understanding of the nature of the programs under audit by interviewing key stakeholders, reviewing relevant criteria and past audit reports, and obtaining training on the NEOGOV HR platform where all the data is stored.

We reviewed Act 71 of 2018 to determine if OA complied with relevant provisions. We obtained an understanding of the internal control environment by testing a sample of hiring actions and interviewing key BTA stakeholders. We designed and performed tests to accomplish the audit objectives. We performed procedures to obtain reasonable assurance of instances of noncompliance with the provisions of laws, regulations, and guidance. In addition, we reviewed other criteria to include the following:

- Office of Administration, Bureau of Talent Acquisition, Merit System Employment Certification Procedures, Updated May 26, 2021
- Merit Service Employment Regulations (OA) 2021
- State Civil Service Commission/OA Interagency Agreement effective December 2018
- SCSC Annual Report 2020-2021
- Office of Administration, Bureau of Talent Acquisition, Merit System Employment Process Guide, March 9, 2020
- Rules of the Civil Service Commission, Title 4, Part IV, Subparts A&B, Amended Effective March 13, 2004, As Published in the Pennsylvania Code
- Governor's OA Audit Related Correspondence
- Chapter 71, Title 51 – Pennsylvania Military and Veterans' Affairs Code

We also reviewed previous audits to include the following:

- Bureau of Audits, Report on OA Act 71 Corrections Hiring & Promotion, March 2022
- Bureau of Audits, Report on OA Act 71, June 2020



- Special Performance Audit of the State Civil Service Commission, Veterans' Preference Program, November 2008

We interviewed stakeholders in BTA, and the SCSC to include applicable BTA managers and staff, the SCSC executive director, commissioners, general counsel, and other relevant stakeholders. We determined the universe of classified service actions (4,817) for the period under review and determined an appropriate sample size (356) for review and testing based on generally accepted government auditing standards.

We reviewed and tested all 356 actions in NEOGOV to determine compliance with Act 71 and related guidance. We discussed observations and conclusions with both OA and SCSC management officials.

CONCLUSIONS

This performance audit was conducted in accordance with generally accepted government auditing standards, and we are independent in accordance with those standards. Those standards require 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on those audit objectives.

This performance audit was conducted to determine if the OA complied with provisions of Act 71 of 2018 and related guidance pertaining to classified service actions. Classified service actions that occurred from July 1, 2021, to December 31, 2021, were reviewed for purposes of this audit. A summary of our methodology and conclusions for each objective follows.

OBJECTIVE 1: Determine if the OA complied with provisions of Act 71 of 2018 and other guidance related to classified service appointments.

Methodology. We met with BTA and SCSC stakeholders to gain an understanding of the relevant criteria and related processes. We reviewed a random sample of 356 hiring actions in NEOGOV. We tested those actions against select criteria in Act 71 and related guidance for compliance with policies related to classified service appointments. We verified the proper use of merit system hiring rules and whether hires met the minimum qualifications required for the positions applied to. We evaluated our testing results and performed additional procedures as deemed necessary. We vetted our procedures and conclusions with management.

Conclusion. Our audit procedures identified no significant deficiencies; therefore, there are no related findings and recommendations.

Management Comments. Management concurs with our conclusion.

OBJECTIVE 2: Determine if the OA complied with provisions of Act 71 of 2018 and other guidance related to classified service changes in employment (i.e., promotion, transfer, reassignment, voluntary demotion, reinstatement).

Methodology. We met with OA and SCSC stakeholders to gain an understanding of the relevant criteria and related processes. We reviewed a random sample of 356 hiring actions in NEOGOV. We tested those actions against select criteria in Act 71 and related guidance for compliance with policies related to classified service promotions, transfers, reassignments, demotions, and reinstatements. We verified the proper use of merit system changes in employment rules and whether hires met the minimum qualifications required. We evaluated the testing results and performed additional procedures as deemed necessary. We vetted our procedures and



conclusions with management.

Conclusion. Our audit procedures identified no significant deficiencies; therefore, there are no related findings and recommendations.

Management Comments. Management concurs with our conclusion.

OBJECTIVE 3: Determine if the OA complied with provisions of Act 71 of 2018 and other guidance related to the application of veterans' preference for classified service appointments.

Methodology. We met with OA and SCSC stakeholders to gain an understanding of the relevant criteria and related processes. We reviewed a random sample of 356 hiring actions in NEOGOV. We tested those actions against select criteria in Act 71 and related guidance for compliance with policies related to veterans' preference. We verified the application of veterans' preference, the proper use of merit system rules, and whether hires met the minimum qualifications required. We evaluated the testing results and performed additional procedures as deemed necessary. We vetted our procedures and conclusions with management.

Conclusion. Our audit procedures identified no significant deficiencies; therefore, there are no related findings and recommendations.

Management Comments. Management concurs with our conclusion.



INTERNAL CONTROLS

In planning and performing our audit, we considered internal controls that are significant within the context of our audit objective and assessed whether such controls had been properly designed and implemented. Based on our assessment of the internal controls, we determined audit procedures for the purpose of reporting on our audit objective, but not to provide assurance on OA's internal controls. No significant control deficiencies came to our attention during the audit.

Appendix

Summary of Classified Service Hiring Actions

Top Nine Agencies Classified Service Actions

Agency Name	Job Type			Overall Total	Percent	Sampled
	External	Internal	Internship			
Department of Conservation & Natural Resources	121	123	0	244	5%	18
Department of Environmental Protection	169	128	0	297	6%	22
Department of Labor & Industry	246	101	4	351	7%	25
Department of Corrections	0	1	0	1		
Department of Environmental Protection	1	0	0	1		
Department of Human Services	2	1	0	3		
Department of Labor & Industry	1	2	0	3		
Executive Offices	122	165	0	287	6%	22
SL Executive Offices	14	1	0	15		
Department of Human Services	1,024	439	0	1,463	30%	107
Liquor Control Board	46	396	0	442	9%	33
Local Government	432	0	0	432	9%	33
SL Liquor Control Board	0	1	0	1		
Department of Transportation	312	223	0	535	11%	40
Department of Corrections	377	365	0	742	15%	56
Overall Total	2,867	1,946	4	4,817	98%	356

Notes:

1. % does not equal 100 due to rounding
2. SL annotates senior leader actions
3. Highlighted agencies included in sample
4. Some agencies shown twice based on hiring action