

## MINUTES

### Legislative Post Audit Committee February 2, 2007

The meeting was called to order by Chair Mast at 12:00 p.m. in Room 519-S of the Statehouse. Committee members present:

Representative Peggy Mast, Chair  
Representative Tom Burroughs  
Representative John Grange  
Representative Virgil Peck

Senator Nick Jordan, Vice-Chair  
Senator Anthony Hensley

#### Approval of Minutes

Senator Jordan moved to approve the minutes of the January 26, 2007, meeting. Representative Grange seconded the motion; motion carried.

#### Completed Performance Audits

*Department of Commerce: Personnel Practices Related to Employees in the Divisions of Business and Workforce Development.* This audit was presented by Laurel Murdie, Principal Auditor. In all, 217 of the 300 people transferred from the Department of Labor still are working for the Department of Commerce. Of the 83 transferred employees who've since left the agency, most voluntarily resigned, retired, or transferred to another State agency. Most replacements for those employees came from outside the Department, had less experience related to workforce development, slightly better education levels, and were hired at the same or lower salaries. Since the transfer, at least 23 fewer direct-service positions are now filled, and a number of higher-level positions have been created and filled. Although a number of current employees expressed concerns about leaving direct-service positions unfilled, Department officials said such changes have been necessary to reflect different agency needs following the reorganization. For most personnel actions staff reviewed, the Department followed statutes, regulations, and best practices. However, the auditors found some problems related to conducting annual performance evaluations, retroactively paying employees, getting approval before downgrading information technology positions, and using reallocated positions to promote employees without competition. When surveyed, Department employees generally rated the Department's performance appraisal process and general workplace policies and practices fairly high, but they rated the fairness of the hiring and promotion process much lower. As a group, employees transferred from the Department of Labor tended to have more negative assessments of the Department's personnel practices. Ms. Murdie answered members' questions.

Patty Clark, Deputy Secretary of Commerce, distributed and presented prepared remarks and answered members' questions. Rae Anne Davis, Deputy Secretary, also answered members' questions. Others present to answer questions: Steve Kelly, Acting

Secretary; George Vega, Director of Personnel Services; Keith Myers, Direct Services, Workforce Development; David Brennan, Skills Enhancement, Workforce Development; Jeff Montague, Human Resources Director, Department of Commerce; Robert North, Legal Counsel, Department of Commerce; and Caleb Asher, Public Information Officer, Department of Commerce.

Representative Grange moved the report be accepted. Representative Peck seconded the motion; motion passed. The report will be distributed to the House Commerce and Labor and Senate Commerce Committees; the Joint Committee on Economic Development, and the Joint Committee on Administrative Rules and Regulations.

### **Date of Next Meeting**

The Chair set the next meeting for Friday, February 9, 12:00 Noon - 1:00 p.m in Room 423-S. The meeting adjourned at 1:17 p.m.

*(All handouts and other documents referred to in these minutes are on file with Legislative Post Audit.)*