Follow-Up Audit of County Hiring Practices

Submitted by
Office of the County Auditor
County of Kauaʻi
State of Hawaiʻi

Report No. 18-01
PREFACE

This follow-up performance audit of the County of Kaua‘i’s Hiring Practices was designed to examine the County’s implementation of recommendations made in 2015 regarding hiring practices. Spire Hawaii LLP (“Spire” or “we”) conducted this follow-up audit, as well as the 2015 audit, for the Office of the County Auditor.

We would like to thank all who contributed data to this report, especially the County Department of Human Resources, the Department of Public Works, and the Department of Parks and Recreation.
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EXECUTIVE SUMMARY

This report presents the results of a follow-up audit of the County of Kaua‘i’s implementation of recommendations made in 2015 regarding hiring practices. Follow-up audits provide the necessary oversight of the County’s progress toward implementing audit recommendations, which are intended to improve government accountability and efficiency.

A performance audit of the County’s hiring practices from January 1, 2009, to December 31, 2013 was conducted in 2015 (“Hiring Audit”). The audit was designed to answer the following questions:

• Is the County in compliance with applicable rules and regulations related to the hiring of civil service and exempt personnel?

• Does the County have sufficient controls in place to ensure fair, uniform, and transparent selection of the best qualified employee for the position?

The audit resulted in three findings and eight recommendations, which described the County’s path to developing compliant, clear, and well-communicated policies, processes, and procedures governing the recruitment and hiring process. On behalf of the County, the Department of Personnel Services, now known as the Department of Human Resources (“DHR”), agreed to the findings and recommendations.

We found that after almost three years, the conditions described in the findings have not substantially changed because the County has not fully implemented five of the eight recommendations. Although the County, through the initiative of DHR, has centralized recordkeeping and reassessed certain hiring processes, it has not comprehensively reviewed and modified compliance with best practices and legal and collective bargaining requirements as described in recommendations 1., 2., 4., and 7. As a result, the County still lacks the comprehensive policies, procedures, and monitoring necessary to ensure compliance with Hawai‘i Revised Statutes (“HRS”) and County requirements when hiring and conducting promotions, transfers, and reallocations.

1 The audit report was entitled Audit of County Hiring Practices, Report No. 15-01. This report can be found through the following link: http://www.kauai.gov/Government/County-Council/Office-of-the-County-Auditor/Reports.
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Additional actions are needed to fully implement the prior recommendations. To ensure the County’s efforts to comply with requirements governing the hiring process, it should fully address the remaining five recommendations from the 2015 Hiring Audit. The auditee’s response, included as Attachment 1, was considered in finalizing this report and is discussed in greater detail on page 19.
CHAPTER 1

Introduction

Follow-up audits monitor the County’s implementation of audit recommendations. Audit recommendations, if followed, are intended to result in accountability and transparency, reduced costs, increased revenues, strengthened controls and safeguards, and improved services. These benefits can only be realized if audit recommendations are in fact implemented. Monitoring the County’s implementation enables the public and policymakers to stay informed of the County’s progress and to understand what is needed for full implementation.

Audit Methodology

The Hiring Audit examined County policies, procedures, and practices during recruiting and hiring, and found the County did not consistently adhere to HRS and County policies when hiring and conducting promotions, transfers, and reallocations. This follow-up audit reviewed the changes made by the County to address the findings and recommendations and whether the changes addressed the audit findings.

We issued a written survey to DHR to ascertain whether the audit recommendations were implemented. Because of the limited scope of the follow-up audit, we narrowed our testing to personnel activity from January 1, 2017 to December 31, 2017, in the largest departments, the Department of Public Works (“DPW”) and Department of Parks and Recreation (“Parks”). We issued questionnaires to DPW and Parks regarding civil service hires, exempt hires, exempt hires for personal service contracts, temporary hires, reallocations, and transfers. We sampled civil service hires and reallocations and utilized substantively the same procedures from the Hiring Audit to test for compliance and the implementation of internal controls.

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2 The Water, Police and Fire Departments were not included in the Hiring Audit or this follow-up audit.
3 The documents and reports were listed on pages 9 to 11 of Report No. 15-01.
For the purposes of evaluating achievement, we used the following definitions:

IMPLEMENTED – where the department or agency provided sufficient and appropriate evidence to support all elements of the recommendation.

PARTIALLY IMPLEMENTED – where some evidence was provided but not all elements of the recommendation were addressed.

NOT IMPLEMENTED – where evidence did not support meaningful movement towards implementation and/or where no evidence was provided.

We conducted this follow-up audit in accordance with generally accepted government auditing standards and the County Audit Manual, where practicable. Divergence from GAGAS and the County Audit Manual was required in the audit review process, because the County Auditor position is currently vacant. Information deemed confidential under the State open records law (HRS Chapter 92F) was omitted from this report. The determination of whether information was confidential was based on Office of Information Practices (OIP) Guideline No. 3, effective September 7, 2011 and OIP memorandum dated May 1, 2002, “OIP Guidance Regarding Disclosure of Agency Records and Information to Auditors.” Under the guidance of these documents, the following were omitted as confidential: employee social security numbers and actual base rates of pay and gross salaries for employees covered by or included in bargaining units as defined in the State collective bargaining law (HRS Chapter 76).
CHAPTER 2

Audit Findings and Recommendations

Finding 1. DHR Has Improved Its Processes but Has Not Completed Comprehensive Recruitment Policies.

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This finding pointed out that the County did not consistently adhere to HRS and County policies when hiring and conducting promotions, transfers, and reallocations because it lacked compliant, clear, and well-communicated policies, processes and procedures, and effective monitoring of compliance.

In response, DHR states that it ensures continued compliance and internal controls by tracking bills during the legislative session and by participating in collective bargaining negotiations and arbitrations. DHR states policy reviews and changes take place during weekly staff meetings and monthly recruitment divisional meetings. Minutes are taken at the meetings, the status of past follow-up topics are discussed, and future follow-up tasks are identified. DHR provides a list of the changes it has implemented in response to the audit:
• Changed testing admissions procedures (need for admission ticket, use of phone, etc.)
  o Prior to this change, candidates who did not bring a physical copy of their admission ticket would be denied immediately. This was potentially seen as unfair for candidates who had travelled to Kaua‘i for the interview. Now, candidates are allowed to show the admission ticket on their phone if they don’t have the hard copy.

• Clarified “progressively responsible” positions – ensure consistency in review
  o The term “progressively responsible” has historically been used to describe minimum qualifications for candidates. For example, “a candidate’s work history has shown progressively responsible duties.” DHR is in the process of specifically defining experience in its Classification specifications. For example, pegging experience to specific years of supervision would reduce some of the subjectivity of reviewers determining what experience qualifies as “progressively responsible.”

• Reviewed all Section 3 hires weekly to ensure compliance
  o A Section 3 hire is a special second hire on an existing position number. These are utilized in special, unique situations such as succession planning, person out with an injury or on leave, etc.
  o DHR now reviews all Section 3 hires on a weekly basis to make sure the positions are filled appropriately. For example, they monitor if the injured person is returning to work, etc., to ensure these special hires do not overstay their intended hiring.

• Reviewed interview form to check for discrepancies and ensure correct selection based on suitability and relatively equal standards
  o DHR now reviews the interview forms completed by the departments to ensure the correct selection was made based on suitability and relatively equal standards. This includes adding information regarding total interview points available so the five percent “relatively equal rule” can be assessed.

• Reviewed interview form to ensure diversification of interview panel
  o DHR also reviews interview forms to ensure diversification of interview panel (e.g., ensuring a mix of gender and ethnicities are on the panel).
• Created chart for comparable levels across bargaining units (“BU”) – Standardization for Return to Work applicants
  
  o DHR created a chart for comparable levels across BUs to ensure Return to Work applicants are properly placed when returning from an injury and are not in line for an effective promotion because they returned to work in a different BU.

• Clarified use of internal vs. intra-department recruitments
  
  o DHR clarified the definitions of internal, intra, and inter-department recruitments, and ultimately decided “internal” meant the same as “intra.”

• Created one location to receive job applications to eliminate confusion between internal/external applicants
  
  o Previously, there were separate locations for application submission based on whether the applicant were internal or external users. Users were sometimes disqualified for submitting applications in the wrong location. To prevent such technicalities from undermining the recruitment process, DHR changed the system so only one location receives applications.

DHR is to be commended for making these changes, which improve consistency and compliance. In doing so, they have made significant progress toward developing a more structured and compliant recruitment system.

However, challenges remain. We found no evidence that County policies, processes, and procedures have been systematically reviewed and revised to ensure compliance with legal and collective bargaining requirements concerning recruitment and hiring. For example, while DHR did issue the NeoGov Insight Policy in 2015, a comprehensive County Recruitment Manual remains in draft form since 2014. The DHR Director said she hopes to have it issued this year.

Further, in reviewing DHR meeting minutes, it appears that while DHR tackles a number of issues on a weekly basis, the focus appears to be more on “putting out fires” rather than completing comprehensive policies. For example, the Rules of the Director have not been updated since 2015 and still reference the Department of Personnel Services. The Internal Departmental Competitive Recruitment Policy dated November 29, 2011 has not been updated, even though DHR has since eliminated the use of the term “internal” when doing intra-departmental hiring.
Weaknesses in policies and procedures and the County’s centralized approach to recruitment and hiring may be the source of potential risk including lawsuits against the County caused by improper hiring. The County should consider deploying resources to engage in a transparent process to comprehensively review and document personnel policies and procedures to ensure decisions are legally compliant, adequately documented, and transparent. A merit-based hiring and promotions system is necessary for efficient government operations. Consistent and compliant recruitment and hiring will maintain and strengthen the merit system. DHR is required to administer a civil service system that is based on the merit principle pursuant to HRS Chapter 76.

As such, because DHR has begun to reassess its procedures but has not yet completed revisions to its internal policies, we concluded that recommendation 1 was partially implemented and recommendation 2 was not implemented.

Best practices for maintaining internal controls in recruiting and hiring involve 1) a process to build and maintain knowledge of relevant employment laws through regular legal and regulatory reviews, 2) legally compliant policies and procedures, and 3) a solid training program for management and staff on policies and procedures and legal obligations of employers. The County’s review process for hiring, as described by DHR, falls short because it is internal to DHR, reactive and not systematic, and may overlook changes, especially in federal law and best practices. Additionally, while DHR did conduct training over the use of NeoGov, there is no evidence of systematic training of employees involved in the hiring process.

To address these shortfalls, DHR could consider developing additional written or “how to” guidelines for each step of the hiring process. These could include standard operating procedures for each step, exceptions, and documentation requirements for key decisions. In the process of developing the guidelines, deficiencies in the existing policies or processes could be identified and addressed. When the guidelines are developed, they could be used in a training program, so DHR and departmental staff are well-informed of the applicable requirements. Additional written guidelines and training will contribute to transparency. If policy and process requirements are widely discussed, non-DHR employees can understand the reasons for the requirements and changes. In addition, DHR should continue to familiarize themselves with HRS Chapter 76 and provide training (potentially through a contract with an expert in the field) on civil service law for themselves as well as other County departments.

Recommendation 3 stated that DHR should monitor the appointing authority to ensure all procedures are sufficiently followed. During the 2015 Hiring Audit, we found DHR monitoring was lacking, creating risk of non-compliance and inconsistency. For that reason, we recommended increased DHR monitoring as an internal control over the departments’ recruitment and personnel activities.
According to its response, DHR said it took the following steps after the 2015 Hiring Audit was completed:

- Conducted a training for departmental liaisons on the expanded use of the NeoGov online recruiting system
- Funneled all initial recruitment and hiring decisions through NeoGov for all civil service and exempt hires to allow for documented approvals by department heads, the DHR staff and director, and the Mayor
- Required the Applicant Interview and Evaluation Summary form to be completed and attached to the NeoGov record when processing an applicant for hire
- Instituted an additional hire approval step so DHR recruitment staff reviews the Applicant Interview Evaluation Summary Sheet to ensure all applicants on the eligible list are contacted for an interview and the selected applicant either had the highest interview score or was relatively equal to the applicant with the highest interview score
- Required attachment of the Request for Services Exempt from Civil Service form to the NeoGov record to complete the full documentation of the hire record
- Assumed responsibility for completing all reference checks, except for KPD hires
- Assumed responsibility for reviewing and preparing the Personnel Action Form for hire processing, including appropriate salary level if outside the collective bargaining agreement starting rate
- Assumed responsibility for contacting the selected applicant with a conditional offer of employment and schedules all necessary pre-employment requirements including drug tests, physicals, background checks (except KPD employees)

The changes made by DHR to utilize the NeoGov system to improve documentation in personnel processes and improve pre-employment compliance are the reasons we found recommendation 3 to be implemented.

DHR should continue to work with the departments to ensure that the new changes made by DHR do not go beyond monitoring. The hiring process should not be structured so that a single unit, either the hiring department or DHR, takes so much control that it loses independence, and the ability to monitor. In other words, DHR should not centralize too much authority in itself, and instead serve the important role of monitoring decisionmakers so they comply with civil service and other legal requirements.

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4 We clarified with the DHR Director that although DHR stated that it assumed responsibility for reviewing and preparing the Personnel Action Form, DHR still confers with the appointing authority and receives approval from department heads prior to the finalization of personnel actions.
Finding 2. Documentation of Personnel Actions Has Improved but Opportunities for Improvement Still Exist.

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In response to this audit finding, DHR cites the following improvements:

- Recruitment and hiring documentation is now filed through the NeoGov recruiting software, which allows for approvals to be documented electronically
- All employee files related to employment and pay and benefits are now centrally maintained at DHR in a single, secure file
- All past and current employee forms and documents are maintained as part of an employee’s record
- Personnel files are kept for 30 years after an employee’s separation date while other HR files are kept for seven years

We validated these remedial steps by testing supporting documentation for civil service hiring and reallocation procedures, noting all requested information was present. As such, we have concluded that recommendations 5 and 6 have been implemented.

However, as further discussed in recommendation 8, documentation related to the justification for certain reallocations to excluded managerial (“EM”) positions could be improved in DHR’s files. For this reason, we could not give full credit to the County for implementing recommendation 4.
DHR states it has consulted with the County Attorney but is still waiting for a comprehensive document retention and maintenance policy that complies with federal, state, and county requirements. In the meantime, DHR is utilizing the State of Hawaii Department of Accounting and General Services’ document retention guidelines. As such, we found that recommendation 7 was partially implemented as the County policy is yet to be finalized.

**Finding 3. Lack of Adequate Documentation Proving Policies and Legal Requirements Have Been Followed Regarding Excluded Managerial Positions Creates Risk for the County.**

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DHR responds that:

- The County’s compensation plan is updated on an annual basis
- All current job classes are reviewed at this time to ensure all new classifications have been included and abolished classes have been deleted
- In addition, positions designated as “Unskilled” are reviewed to ensure these positions remain in this category
- When new job classifications are established, a designation of “Skilled” or “Unskilled” is completed on the “Notice of Final Action” form that is routed to all jurisdictions
- All positions, including exempt positions must complete a County of Kaua’i exempt application form. Exempt hire selections now go through the NeoGov approval process with policies and procedures contained in the NeoGov Insight Policy 2015
- The County Charter minimum qualifications for department heads are vetted by DHR and are the only requirements
- In other jurisdictions, exempt hires are not screened for minimum qualifications unless specified by Charter or other authority
- The County requires all exempt hires to submit a job application form documenting their education, skills, and experience
- Exempt hires go through the same post-offer pre-employment screenings as do civil service employees
These are positive steps in improving the audit trail for personnel actions but do not go far enough to address audit recommendation 8. During fieldwork testing, we noted four positions that were reallocated from regular civil service positions to EM positions. EM positions are governed by HRS 89C *Public Officers and Employees Excluded from Collective Bargaining*. The purpose of HRS 89C is to grant appropriate authorities the necessary flexibility to adjust the wages, hours, benefits, and other terms and conditions of employment for the respective excluded public officers and employees.

The intent of HRS Chapter 89C was to ensure individuals who held these EM positions would have treatment comparable to bargaining unit employees when it came to adjusting their wages, hours, benefits, or other terms and conditions of employment. However, despite the fact that they do not have bargaining unit representation, EM positions have become desirable in many cases because of higher salary levels and a less rigorous process for setting job qualifications and pay.

We identified two fundamental problems with the EM position process:

1. The lack of comprehensive policies and procedures over documentation of the EM process make it a potential avenue for abuse. For example, the existing classification and pricing policies do not provide clear standards or benchmarks that would aid in clearly identifying and deciding whether and when to change a position from a BU civil service position to an EM civil service position. In addition, the lack of comprehensive policies surrounding EM positions creates the risk that they could be used to place pre-identified employees in favorable positions, and makes it difficult to prove without question that the selection process for the EM positions comply with merit principles. This increases County risk.

2. This potential for abuse is heightened because DHR does not maintain adequate documentation over the reallocations it has performed. DHR states it determines the EM level to reallocate positions based on State-wide classification guidelines but it does not include any further documentation, correspondence, or other justification within the position files.

When asked about individual reallocations to EM positions in our testing sample, the DHR Director was able to recall the particular circumstances for each action. The DHR Director knew the name of the employee and generally what happened with the position, including prior position descriptions and classifications.
However, the DHR Director stated there is no documentation kept within employee files because it is a position action and not an employee action, and it is unlikely there is any other documentation regarding the decision to reallocate positions to EM. While there may be some email correspondence, the DHR Director said the decision-making process is often done verbally. Reallocations are approved by the respective department head, the Mayor, and the DHR Director.  

We recommend that appropriate documentation is maintained over the decision-making and review process involving EM positions, as relying on oral history is poor practice and is difficult, if not impossible, to substantiate. This practice once again puts the County at risk for discrimination and equal employment opportunity complaints or lawsuits.

During testing, we noted the reasons for the reallocation requests were lacking for all but one of the four EM reallocations in our sample. For example:

1. One of the reallocations involved a change from a SR-26 Principal Project Manager position in DPW to an EM-05 Executive Assistant to the Mayor in April 2017. There is insufficient documentation to support the new position title, because the position appears to be for a secondary deputy in DPW. See Appendix 1 for the job descriptions of the SR-26 and EM-05 positions.

2. Another reallocation in January 2017 changed a SR-24 to an EM-03 with a 27 percent salary increase. The DHR Director explained that the prior incumbent held the position at an EM-03 but the new hire did not meet the minimum qualifications related to the administrative experience of an EM-03, so the position was changed to a SR-24. Once the new hire met the administrative experience requirements of an EM-03 (by performing at the administrative level provided by the SR-24 position), the position was reallocated back to an EM-03. The Record of Classification Request and Action form only provided the following reason for the request: “Reallocation position.” See Appendix 2 for the job descriptions of the SR-24 and EM-05 positions.

3. A third reallocation in July 2017 changed a SR-24 to an EM-03 with a 10 percent salary increase. The Record of Classification Request and Action form only provided the following reason for the request: “Changes in duties/responsibilities.” See Appendix 3 for the job descriptions of the SR-24 and EM-03 positions.

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We noted that each of the four EM reallocations was approved by the relevant department head, the Mayor, and DHR Director. However, the details of the approval process are unclear, as we noted that for two of the EM reallocations, the DHR Director approved the reallocation one or two minutes after the Mayor’s approval. The Mayor approved a separate EM reallocation requisition at 3:45 a.m.
This recommendation states that to decrease County risk, DHR should ensure “sufficient controls and procedures are in place for all types of personnel actions, in particular for those that allow civil service requirements to be bypassed.” Without clear, complete documentation and substantiation of personnel actions, DHR will have difficulty defending itself from suspicions of wrongdoing in the recruitment process. Put another way, without appropriate documentation of personnel actions, it is difficult to prove wrongdoing hasn’t occurred.

The reallocation process in example 2 above appears to be for the purpose of allowing the employee to gain the necessary administrative experience. Documentation to establish a valid purpose for the reallocation could avoid the action being seen as preferential treatment by the DHR and the respective department head, subjecting the County to criticism or risk.

A requirement to maintain clear and complete documentation for all personnel actions creates an internal control environment that prevents the circumvention of procedures and discourages abuse of authority. While DHR has begun to make changes to its recruitment processes, we recommend DHR implement stronger documentation requirements to ensure personnel and position records are complete and all personnel actions are appropriately justified.

In addition, we inquired about the County’s Vacancy Review Committee (“VRC”) which was formed in 2014 by the Mayor to evaluate and review all vacant positions as a result of both anticipated and non-anticipated attrition, with the goals of:

1. Reducing the size of government, where appropriate;
2. Re-describing vacant positions to create efficiencies; and
3. Serving as a sounding board to explore organizational, personnel, and technological alternatives.

The VRC was composed of the DHR Director, the Assistant Chief Procurement Officer (“ACPO”), a Civil Service Commissioner, the Director of Finance, and the Managing Director as an ex-officio member who would break ties in voting.

The VRC met 13 times in fiscal year (“FY”) 2015, 24 times in FY 2016, seven times in FY 2017, and once so far in FY 2018. During the height of the VRC’s activity, the VRC reported to have made changes to positions that resulted in approximately $1,168,000 in financial savings. According to the DHR Director, the ACPO would review requisitions to fill various vacant positions, and confer with the Mayor to decide whether to convene the VRC. The DHR Director stated that the VRC rarely meets anymore, but the ACPO still does an initial review of requisitions and with the Mayor’s consultation, decides whether to convene the VRC.
While this process created an additional step in the hiring process, it also enabled a small group of administrators to exert control over position vacancies and personnel decisions opening the County up to risk and possible lawsuits.

While we did not analyze the VRC’s decisions, the underlying risk is ensuring that the VRC is composed of administrators who will provide objective insight on the vacancy decisions by appropriately balancing the needs of the departments with the desire to reduce personnel costs.

The DHR failed to recognize that the membership of the VRC created a situation where the County could be faced with significant liability. The fact that a member of the Civil Service Commission, the DHR Director, the ACPO, and Director of Finance served and participated on the VRC is of great concern.

When a civil service employee of the County feels that a violation occurred with regard to their rights as an employee, they are entitled pursuant to HRS Chapter 76, to file an Internal Complaint. This Internal Complaint process involves the respective department head (which could be one of the members of the VRC) as well as the DHR Director. If the Internal Complaint is not resolved to the satisfaction of the employee, the employee can appeal to the Civil Service Commission. The Civil Service Commission also hears and decides on matters from the general public who have applied for vacant positions, etc.

Since some individuals that sit on the VRC hold key positions in the personnel system of the County (such as the DHR Director, department head and Civil Service Commission member), they could be seen as having a conflict, as they could have possibly decided on a matter (on the VRC) and then in their official other capacities, would have to decide on the same matter again.

The County should reevaluate the use and composition of the VRC to ensure personnel actions are free from actual, potential or perceived conflicts of interest.6

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6 The County of Hawai‘i disbanded a comparable version of the VRC, the Staffing Review Committee, because of the “perceived or actual hiring practices that promoted preferential treatment to certain identified applicants.” County of Hawai‘i’s Department of Human Resources Hiring Practices, Report No. 2017-03, September 7, 2017. We did not review the VRC actions and therefore cannot state whether preferential treatment was an issue. However, the County of Hawai‘i’s experience identifies an additional source of risk from utilizing such committees.
AUDITEE RESPONSE

The County Administration, as auditee, was provided an opportunity to respond to our findings and recommendations. The Administration’s response is included as Attachment 1.

The Administration generally disagreed with our findings, and raised concerns about the overall integrity, fairness and intent of the audit process. Not only do its points indicate a basic misunderstanding of the audit scope, process and findings, it is counter-productive to addressing the risks raised in the report.

The Administration’s primary points of contention are related to the findings over EM reallocations and the VRC. We address the Administration’s concerns over the EM reallocations first.

The Administration questioned why EM reallocations were included in the follow-up audit because they are not a hiring practice and were not a finding from the Hiring Audit. The Administration attempts to paint a picture that EM reallocations were scoped into the report only after findings over unskilled labor or exempt positions could not be found. This is simply not true.

The original audit covered civil service hires, exempt hires, transfers and reallocations [emphasis added]. Reallocations were reviewed, because they involve hiring and employee placement as required by collective bargaining laws and County policies. As stated in the 2015 Hiring Audit Report, reallocations involving vacant positions require a recruitment process (hiring) for the newly reallocated position. Additionally, if the position is already filled, DPS reassesses whether the incumbent meets the minimum requirements of the updated position.\(^7\)

Inclusion of reallocations in the follow-up audit was stated in the kickoff meeting with DHR on January 11, 2018, and reiterated in an email on January 16, 2018, which transmitted the Follow-Up Audit Questionnaires to DPW and Parks. Further, on February 14, 2018, the DHR Director was sent an Excel document identifying the positions to be sampled and the information to be reviewed in the sampling. No objections to the inclusion of reallocations were noted after these communications, during fieldwork when we discussed the sampled EM reallocations in detail, or in the exit teleconference on April 18, 2018. The first objection was received in an email from DHR Director on May 3, 2018, upon receipt of the draft report.

\(^7\) Hiring Audit Report, page 7.
Further, the original audit was designed to answer the following questions:

- Is the County in compliance with applicable rules and regulations related to the hiring of civil service and exempt personnel? And,
- Does the County have sufficient controls in place to ensure fair, uniform and transparent selection of the best qualified employee for the position?

Under these questions, all categories of County employees in the audited departments were within the audit scope, including EM employees. The purpose of the follow-up audit was to determine whether the findings of the original audit still exist, and the extent to which audit recommendations were implemented. To this end, the same process used in the original audit covering civil service hires, exempt hires, exempt personal service hires, temporary hires, and reallocations was used to identify and test compliance.8

The contested finding in the follow-up audit concerning EM employees is aligned with the findings in the original audit. In the original audit, we found that:

- Finding 2: The amount of supporting documentation maintained by DPS is inconsistent and could expose the County to the risk of non-compliance with bargaining unit agreements, internal policy and HRS. (Audit Report, page 4)

In the follow-up audit, we determined that the risk still existed, because there was little documentation to ensure compliance, and the Administration agreed that the documentation should be kept in the position file. The Administration points out that there are policies and procedures and that any documentation would be kept in the position file, not the personnel file. We agree and have updated language in the report.

The Administration spends most of its efforts disputing the inclusion of EM reallocations in this follow-up audit, but does not address or dispute the overall finding that the lack of documentation over the EM reallocation process poses a risk to the County.

The classification and pricing policies over EM positions require that one of the following criteria is met for EM positions:

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8 The difference in employee coverage between the original and follow up audits was that the original audit covered employees in all departments (excluding the police, fire, and water departments), the follow-up audit was limited to employees of the two largest departments, DPW and Parks. In addition, transfers were not reviewed, as they would have been covered in either the civil service hiring or exempt transaction counts.
• Is a division head or an assistant division head;
• Is at or near the top of an ongoing, complex agency or major program and formulates or determines policy for that agency or program;
• Directs the work of a major program or agency or a major subdivision thereof with considerable discretion to determine means, methods and personnel by which the agency or program policy is to be carried out;
• Is a central agency position involved in the preparation for and conduct of negotiations or has a major role in the administration of agreements or in personnel administration or meets and confers with union representatives as required under HRS §89-9(c), provided that, such role is not routine or clerical in nature and requires the exercise of independent judgment.

While these criteria provide a framework to identify EM positions, they are nonetheless open to broad interpretation and subjectivity. This is the crux of our finding that proper documentation of compliance with these criteria justifying EM reallocations is needed to reduce risk to the County.

This may be a potentially significant issue since there are over 25 EM positions in the County in Fiscal Year 2018, without even including the Water, Police and Fire departments.

Regarding the VRC, the Administration takes the position that the VRC is not a part of the hiring process because its intent was to:

1. Eliminate vacant positions for possible cost savings;
2. Possibly re-describe remaining positions to absorb the duties of the eliminated position;
3. Re-describe a vacant position to a new position that was needed by the Department and therefore eliminate the need to create a new position; or,
4. Fill the position as described due to the needs of the Department.

However, this is a very narrow view. The VRC was convened when Departments submitted requisitions to fill the vacant positions. In order to realize any cost savings, that means that a position was eliminated, re-described, or transferred to a different department upon receiving the request to fill. Eliminating vacant positions, or even re-describing vacant positions, may take away promotional opportunities for current civil servants. Further, re-describing positions to absorb the duties of the eliminated position could, and quite possibly would, put an undue burden on existing civil servants. These situations would create an opportunity for existing civil servants to grieve. This is consistent with the statements in the audit report about risk, conflicts and lawsuits.
While we did not investigate whether any of the eliminations of vacant positions resulted in a reorganization that would have required Union consultation, any such occurrence would pose additional risk to the County.

Finally, DHR takes issue with items that were discussed in the April 18, 2018 exit meeting and revised prior to the draft report. For example, at the exit meeting, we stated that recommendation number 3 was partially implemented. However, upon receiving clarification over DHR’s initial response that they had properly conferred with the appointing authority and received approval from department heads prior to the finalization of personnel actions, we changed the finding to implemented. Likewise, we revised our initial assessment of the VRC upon receiving clarification from DHR over the review process of requisitions. It is unclear why the Administration felt the need to include these discussions in their response when they were already changed in the draft report.

Also, the Administration takes issue that it was not commended for providing us with all the information we requested for testing, showing significant improvement over the 64 instances of missing information from the original audit. Recommendations 5 and 6 were determined to be fully implemented, so again, it is unclear why this was a “serious concern” of the Administration.

In summary, we incorporated DHR’s comments when supported by adequate evidence. Although DHR disputes our characterization of their progress implementing the recommendations of the 2015 Hiring Audit, there is no substantial challenge to the main findings of this audit; that the lack of systematic and comprehensive policies, procedures, and documentation may increase risk for the County. We encourage the Administration to continue its implementation efforts to address all audit findings.
DEPARTMENT OF PERSONNEL SERVICES
COUNTY OF KAULAI

PRINCIPAL PROJECT MANAGER
SR-26, BU-13

Duties Summary:

Serves as principal manager over capital construction, renovation or maintenance projects for an assigned department; directs, administers and coordinates work performed for major projects; and performs other related duties as required.

Distinguishing Characteristics:

The Principal Project Manager is distinguished by its responsibility to plan, monitor, budget, schedule and coordinate highly complex and/or sensitive capital projects, longer in duration and more costly to complete than those managed by the lower level.

Examples of Duties: (The following are examples of duties and are not necessarily descriptive of any one position in this class. The omission of specific duties statements does not preclude management from assigning such duties if such duties are a logical assignment for the position.)

- Performs contract administration on engineering, planning and/or construction contracts for renovation, maintenance and other County projects from inception, design, award, construction and through the warranty period;
- Directs and may evaluate assigned professional and paraprofessional technical staff;
- Provides direction, guidance and assistance to employees, contractors and work groups;
- Coordinates daily work activities;
- Organizes, prioritizes and assigns work;
- Monitors status of work in progress and inspects completed work;
- Ensures compliance with Federal, State and County codes;
- Assists with development of project scopes, budgets and schedules and implementation of such;
- Monitors expenditures to ensure compliance with approved budget;
• Provides technical advice, information and assistance with issues related to assigned projects;

• Prepares reports, analyses and records;

• Assists with development and implementation of departmental policies and procedures;

• Coordinates process for bidding and contracting of services;

• Prepares Requests for Proposal (RFPs);

• Prepares bid packages;

• Conducts pre-bid and pre-construction meetings;

• Issues addendums to clarify questionable issues;

• Participates in negotiations of scope of services and fees for service agreements;

• Makes recommendation for selection of vendors and awarding of contracts;

• Compiles contract language, including specifications package;

• Coordinates acquisition and/or maintenance of required permitting;

• Researches code requirements and coordinates efforts between multiple departments and/or consultants; and

• Operates a motor vehicle, personal computer and other equipment as necessary, including use of computer applications.

Minimum Qualification Requirements for the Class:

Training and Experience: A combination of education and experience substantially equivalent to graduation from an accredited college or university with a baccalaureate degree in project management, engineering, construction administration or a related field; supplemented by four (4) years of experience that demonstrated competency in project management, budget administration, contract administration, and responsible experience in the specific area of assignment.

License Requirement: Possession of a valid motor vehicle operator's license (Hawai‘i Type 3 or equivalent).

Knowledge of: project management principles, techniques and tools; cost
benefits analysis, planning and budgeting techniques; engineering principles and practices; public administration and management principles, including general administration, human resources management and fiscal management and accounting; Federal, State, and local regulatory codes related to activities and operations of the assigned area; contract negotiations and administration; current technology and trends in the profession.

Ability to: coordinate, manage and track multiple project activities on several projects concurrently; utilize computer-based project management tools; manage multi-disciplinary project teams; assign, monitor, supervise and evaluate staff work performed; anticipate and evaluate project risks, identify mitigating factors, and resolve problems; communicate effectively both orally and in writing; establish and maintain effective working relations and communications with others; analyze and project consequences of decisions and/or recommendations.

Health and Physical Condition Requirements:

Persons seeking appointment to positions in this class must meet the health and physical condition standards deemed necessary and proper for performance of the duties.

This is an amendment to the specification for the class, PRINCIPAL PROJECT MANAGER, which was approved on December 1, 2009, amended on December 30, 2009 and effective on December 29, 2009, and is to be substituted for that specification.

APPROVED: NOV 19 2013

(Date)

THOMAS T. TAKATSUKI
Acting Director of Personnel Services
Duties Summary:

Provides top-level staff and executive assistance to the Mayor in matters affecting the County; renders executive direction and control over functions and programs as assigned by the Mayor; and performs other related duties as required.

Distinguishing Characteristics:

This class is distinguished by its responsibility for providing top-level staff and executive assistance to the Mayor and for rendering executive direction and control over functions and programs as assigned by the Mayor.

Examples of Duties: (The following are examples of duties and are not necessarily descriptive of any one position in this class. The omission of specific duties statements does not preclude management from assigning such duties if such duties are a logical assignment for the position.)

- Reviews materials, reports, policies, resolutions, records and other communications relating to the general administrative matters and makes recommendations for their disposition based upon the knowledge of the policies of the Mayor;

- Advises the Mayor by providing pertinent information or pointing out workable solutions;

- Reviews and recommends reduction or addition of specific programs based upon the knowledge of the Administration's goals;

- Conducts administrative investigations and management, legislative or other highly specialized studies and makes appropriate reports and recommendations;

- Prepares administrative directives and memoranda in behalf of the Mayor;

- Prepares testimonies, reports and testifies before legislative committees;

- Obtains information and progress reports of assigned departmental programs and activities from executive agencies of the County, State and Federal governments as required;
Executive Assistant to the Mayor

- Serves on various administrative committees as assigned by the Mayor and represents the Mayor before civic, community and other public groups to explain county programs and goals;

- Supervises the functions and activities as assigned by the Mayor;

- Prepares public statements, press releases and speeches for the Mayor;

- Prepares drafts, analyses and comments on proposed bills and other reports for the legislature or the Council;

- Reviews legal decisions, opinions, rules and of the County Attorney and keeps the Mayor informed of their significance and effect in administrative and legislative matters;

- Coordinates the activities between the Administration, Council and departments of the County and with other governmental jurisdictions and their departments as assigned by the Mayor; and

- Supervises assigned employees.

Minimum Qualification Requirements for the Class:

**Training and Experience:** A combination of education and experience substantially equivalent to graduation from an accredited college or university with a baccalaureate degree in the field of public or business administration, economics or a related field and six (6) years of responsible administrative experience in government or in private business.

**Knowledge of:** governmental organization and functions; principles and practices of public administration, organization and management; principles and practices of public relations; research methods and techniques; administrative analyses; governmental finance administration and budgeting; report writing; public speaking, statutes and ordinances relating to government functions and operations; pertinent Federal laws and regulations.

**Ability to:** conduct studies on and prepare top-level management recommendations relating to operations, organizations, administrative standards, finance administration and budgeting; obtain, analyze and evaluate facts; prepare reports; make sound management decisions; coordinate varied and complex work programs; analyze legal decisions, interpretations and directives; deal tactfully and effectively with other governmental officials and the public.
Health and Physical Condition Requirements:

Persons seeking appointment to positions in this class must meet the health and physical condition standards deemed necessary and proper for performance of the duties.

This is an amendment to the specification for the class EXECUTIVE ASSISTANT TO THE MAYOR, which was approved on November 29, 1999, and is to be substituted for that specification.

APPROVED: NOV 14 2013

(Date)

THOMAS T. TAKATSUKI

Acting Director of Personnel Services
DEPARTMENT OF PERSONNEL SERVICES
COUNTY OF KAULAI
PARK MAINTENANCE OPERATIONS CHIEF
SR-24, BU-13

Duties Summary:

Develops plans, schedules, coordinates, and directs the general maintenance and beautification operations and work activities for all County park facilities and other County grounds and landscaped areas through subordinate supervisors; and performs other related duties as required.

Distinguishing Characteristics:

This class is distinguished by its responsibility for the most difficult and complex types of park grounds maintenance and beautification operational activities for the County of Kauai, including planning and scheduling of projects involving large scale mowing, resodding, rebuilding of playing fields, and chemical treatment and field testing of grasses and plants.

Examples of Duties: (The following are examples of duties and are not necessarily descriptive of any one position in this class. The omission of specific duties statements does not preclude management from assigning such duties if such duties are a logical assignment for the position.)

- Develops and directs program operations and procedures for improvement and maintenance of parks, playground, recreational, and County grounds and landscaped areas;

- Oversees and directs, through subordinate supervisors, landscaping and beautification work activities involving park facilities such as construction of fences, sprinkler systems, and projects for play areas, grassed areas, medial strips and triangles, and other grounds and landscaped areas;

- Formulates work policies and procedures for personnel, facilities, equipment operation, and chemical treatment processes and standards;

- Oversees and directs field testing of grasses and plants for use in parks and recreation areas and the scheduling of large scale mowing, resodding, rebuilding of playing fields, and chemical treatment activities;

- Determines priorities and schedules for capital improvement projects (CIPs);

- Plans schedules, and coordinates with other departmental divisions and organizations for the repair and maintenance of grounds, through landscaping, soil improvement, general care, and beautification of grounds, facilities, and
Supervises, plans and coordinates an ongoing safety and preventive maintenance program to prevent accidents and ensure proper use and care of equipment and tools through training and supervision;

Perform a variety of general administrative and community relations assignments;

Evaluates staffing and equipment needs for park areas, and provides justification and specifications with recommendations for staffing and equipment;

Prepares operating budgets relating to parks maintenance and improvement activities by preparing budget estimates for district operations;

Participates in development of park facilities by attending pre-planning meetings with staff planners and engineers, reviewing preliminary plans and development designs;

Reviews designs, plans, and specifications of structures to determine maintenance requirements and plan accordingly;

Develops guidelines and sets schedules for preventive maintenance program;

Develops new methods and techniques for grounds and facility maintenance;

Prepare activity reports; establishes and maintains effective relations with the public and community groups;

 Receives and takes corrective action or makes appropriate recommendations and resolves complaints on park maintenance;

Attends meetings with community groups and organizations and informs the public of maintenance programs and activities serving as liaison between management and park districts in matters relating to the beautification and maintenance of parks and recreational areas of the County; and

Coordinates the use of temporary work forces such as prison workforce, Alu Like, student hires, and other temporary employees as needed.

Minimum Qualification Requirements for the Class:

Training and Experience: A combination of education and experience substantially equivalent to graduation from an accredited college or university with a baccalaureate degree in agriculture, horticulture, public administration, or a related field and four (4) years of supervisory experience demonstrating technical competence in soil and turf management, chemical treatment, and landscaping in the care, maintenance,
and beautification of parks or landscaped areas.

License Requirement: Possession of a valid motor vehicle operator's license (Hawai'i Type 3 or equivalent).

Knowledge of: the principles and practices of supervision and administration; principles and practices, tools, and techniques of grounds maintenance; methods and techniques of re-sodding and rebuilding large fields; basic principles and methods of eradication and control of plant pests and diseases; grounds maintenance tools and equipment; budget preparation; public relations; occupational hazards and safety practices.

Ability to: plan, supervise, and coordinate various functions of beautification and park's maintenance programs; evaluate operations and activities; prepare and justify budget estimates; initiate and maintain effective relationship with the public; give clear and concise oral and written instructions; prepare reports and correspondence.

Health and Physical Condition Requirements:

Persons seeking appointment to positions in this class must meet the health and physical condition standards deemed necessary and proper for performance of the duties.

This an amendment of to the specification for the class, PARK MAINTENANCE OPERATIONS CHIEF, which was titled BEAUTIFICATION AND PARKS MAINTENANCE CHIEF and approved on March 1, 1997, retitled to PARK MAINTENANCE CHIEF, renumbered on February 27, 2007 and is to be substituted for that specification.

APPROVED: DEC 09 2013  
THOMAS T. TAKATSUKI  
Acting Director of Personnel Services
DEPARTMENT OF PERSONNEL SERVICES
COUNTY OF KAUA'I

PARK MAINTENANCE ADMINISTRATOR 15A2159

Duties Summary:

Plans, organizes and directs activities involving the construction, maintenance, repair and improvement of parks, playgrounds, recreational facilities and civic complexes within the County of Kaua'i; plans, organizes and directs a program involving the beautification of parks, playgrounds, recreational and landscaped areas of the County; and performs other related duties as required.

Distinguishing Characteristics:

This class is distinguished by its responsibility for planning, directing and coordinating activities relating to the construction, maintenance, repair, improvement and beautification of public parks and recreational areas and facilities.

Examples of Duties:

Plans, directs and coordinates work involving the construction, maintenance, repair and improvement of parks, playgrounds and recreational areas; directs the development, operation, maintenance and improvement of sports and civic complexes, community park areas and other park and recreation equipment and structures; participates in determining long-range objectives and programs for the department and directs the execution of approved programs and projects; checks designs, plans and specifications of structures in relation to the maintenance requirements of such structures; inspects ongoing construction of buildings, sprinkler systems, fences and other structures for compliance to plans and specifications; plans, directs and coordinates the County beautification program to landscape and beautify all County properties; reviews and approves plans for landscaping, soil improvement and the general care and beautification of grounds and premises of existing parks and recreational areas; formulates procedures for the enforcement of park rules and regulations and for the protection of parks and
recreational areas; formulates policies relating to operational procedures, personnel, facilities and equipment; authorizes and approves requisitions and purchases of materials, equipment and supplies; plans and coordinates purchasing, repair and maintenance services for tools and equipment; interviews and selects program personnel; represents the Director at meetings, conferences and inspections pertaining to the maintenance of parks and recreation areas and facilities; prepares and administers the budget; prepares reports and correspondence; resolves complaints by the public; organizes and conducts orientation and training programs.

Minimum Qualification Requirements for the Class:

**Training and Experience:** A combination of education and experience substantially equivalent to graduation from an accredited college or university with a baccalaureate degree in business administration, public administration, horticulture or a related field and two (2) years of administrative experience in construction and/or maintenance activities.

**Knowledge of:** principles and practices of supervision and public park administration; local community parks and recreation standards, needs and problems; the layout and construction of parks, playgrounds and recreational areas; basic principles of landscaping; basic methods, equipment and materials used in construction trades; occupational hazards and safety practices; principles of budget preparation; public relations; report writing.

**Ability to:** formulate long-range objectives; plan, assign, schedule, review and coordinate the work of a large number of employees; prepare and justify budget estimates; interpret and explain laws, policies, procedures, rules and regulations; read and understand the basic features of engineering and architectural plans, designs and specifications; supervise the use of herbicides, insecticides and fertilizers; initiate and maintain an effective public relations program; speak effectively before community groups; give clear and concise oral and written instructions; prepare correspondence and reports; deal tactfully and effectively with the public.
Health and Physical Condition Requirements:

Persons seeking appointment to positions in this class must meet the health and physical condition standards deemed necessary and proper for performance of the duties.

** This is the first specification approved for the new class PARK MAINTENANCE ADMINISTRATOR. **

APPROVED: JUN 16 2010
Date

MALCOLM C. FERNANDEZ
Director of Personnel Services
DEPARTMENT OF PERSONNEL SERVICES
COUNTY OF KAUAI

FACILITIES MAINTENANCE COORDINATOR
SR-24, BU-13

2.304

Duties Summary:

Plans, directs, and coordinates the repair, renovation, and maintenance of County buildings, equipment, and facilities; coordinates the custodial services program; manages and oversees maintenance and custodial staff through subordinate supervisors; and performs other related duties as required.

Distinguishing Characteristics:

This class is distinguished by its responsibility for preparing plans, specifications, and proposals to construct, renovate, and repair County buildings, equipment, and facilities, as well as planning, coordinating and overseeing maintenance and custodial services. Programs often include the management of a wide variety of trades specialties involved in designated capital improvement projects.

Examples of Duties:

- Plans, directs, and coordinates the work of subordinates in a wide variety of trades for the construction, renovation, repair, and maintenance, including custodial services for public buildings, related facilities, and equipment;

- Reviews, develops, and establishes policies, plans, and procedures for the management and control of facilities maintenance;

- Coordinates work activities for maintenance and custodial services programs;

- Develops and executes a preventive maintenance and quality control program;

- Recommends changes in priorities and re-adjusts work priorities to include daily emergency requests;

- Prepares estimates of costs, time, and manpower, monitoring the accuracy of estimates;

- Prepares the annual budget with justifications for the section;

- Prepares specifications, proposals, and requisitions for equipment, tools, and building, plumbing, and electrical materials;

- Inspects work projects to monitor progress and to determine conformance to
plans, schedules, and anticipated costs;

- Analyzes and evaluates operation and maintenance functions and implements or recommends new or improved practices;

- Studies personnel requirements and recommends solutions to maximize operational efficiency;

- Receives and resolves complaints relating to the building and equipment maintenance program;

- Prepares budgets for contractual work;

- Develops, prepares, and negotiates architectural and engineering contracts for design services;

- May identify, develop, and prepare plans, specifications, and proposals for all service contracts necessary to maintain County facilities and equipment and for designated capital improvement projects;

- Manages contracts to assure compliance with plans, specifications, and County procedures;

- Insures proper application of collective bargaining agreements to section personnel;

- Organizes, directs, and monitors training and safety programs for maintenance personnel; and

- Performs other related duties as required.

Minimum Qualification Requirements for the Class:

Training and Experience: A combination of education and experience substantially equivalent to graduation from an accredited college or university with a baccalaureate degree in architecture, civil engineering, structural engineering or a related field and three (3) years of responsible supervisory experience in a variety of construction and/or maintenance and repair of commercial, industrial or public buildings or structures.

License Requirement: Possession of a valid motor vehicle operator's license (Hawai'i Type 3 or equivalent).

Knowledge of: principles and practices of supervision and administration; practices, methods, tools, materials and equipment used in the various trades; principles and practices of architecture or engineering; general knowledge of applicable building, electrical, fire, zoning, and related State and Federal codes and regulations; budget preparation;
Facilities Maintenance Coordinator

departmental polices and procedures; occupational hazards and safety principles and practices.

**Ability to:** plan, organize, direct, and coordinate maintenance and custodial activities, including the performance of building and equipment maintenance, alteration, and repair; plan and assign maintenance operations; mobilize personnel and equipment; read and understand plans, specifications, and work orders, planning the method of accomplishing repairs or replacements; inspect and evaluate maintenance workmanship and production; estimate costs and quantities of labor, materials and equipment requirements for work program; develop and formulate policies and procedures; prepare operational reports, budget forecasts, and program expenditure plans, establish and maintain effective working relationships with others.

**Health and Physical Condition Requirements:**

Persons seeking appointment to positions in this class must meet the health and physical condition standards deemed necessary and proper for performance of the duties.

This is an amendment to the specification for the class, FACILITIES MAINTENANCE COORDINATOR, which was approved on August 7, 1995, and is to be substituted for that specification.

APPROVED: SEP 16 2013

(Date)

THOMAS T. TAKATSUKI
Acting Director of Personnel Services
DEPARTMENT OF HUMAN RESOURCES
COUNTY OF KAUA'I

FACILITIES MAINTENANCE ADMINISTRATOR
EM-03

Duties Summary:

Plans, organizes and directs all activities involving the construction, repair and maintenance of buildings and facilities for the County of Kaua‘i; oversees the custodial services program; and performs other related duties as required.

Distinguishing Characteristics:

This class is distinguished by its responsibility for the overall management of the Facilities Maintenance Division by planning and directing the activities related to the construction, maintenance and repair of the County buildings, equipment and facilities, as well as the custodial services program.

Examples of Duties: (The following are examples of duties and are not necessarily descriptive of any one position in this class. The omission of specific duties statements does not preclude management from assigning such duties if such duties are a logical assignment for the position.)

- Plans, organizes, directs, and administers the facilities maintenance program for the public buildings and facilities within the County;
- Plans and directs work, through subordinate supervisors, that involves the construction, renovation, repair, and maintenance, including custodial services for County buildings, equipment, and facilities;
- Formulates policies relating to operational procedures, personnel, facilities and equipment for the division;
- Participates in the review and approval of awards, inspections, and final payments of construction and service contracts;
- Prepares sketches, reviews plans and specifications and make estimates on new constructions, renovations, and repairs;
- Plans, directs and coordinates the preventive maintenance and quality control program;
- Inspects facilities for existing conditions and plans for the maintenance and/or improvement;
- Participates in determining the long-range objectives relating to County facilities;
FACILITIES MAINTENANCE
ADMINISTRATOR

- Writes contract specifications, recommends contractor's bid for awards, and coordinates bidding process;
- Establishes assignment priorities and completion dates for various alterations maintenance, or repair projects based on workload and staffing resources;
- Prepares and administers the annual budget of the division; justifies budget needs and maintains fiscal responsibility for budget throughout the year;
- Plans and coordinates purchasing, repair and maintenance services for tools and equipment;
- Authorizes and approves requisitions and purchases of materials, equipment and supplies;
- Recommends all personnel actions including hiring, promotion, reallocations, disciplinary actions, and terminations;
- Organizes, directs and monitors training and safety programs for the division;
- Attends meetings with community groups and organizations and informs the public of maintenance programs and activities serving as liaison between management and the community in matters relating to the maintenance and repair of county facilities;
- Interviews and recommends selection of personnel for the division;
- Prepares reports and correspondence;
- Investigates, responds, and resolves complaints by the public;
- Performs other related duties as required.

Minimum Qualification Requirements for the Class:

Training and Experience: A combination of education and experience substantially equivalent to graduation from an accredited college or university with a baccalaureate degree in business administration, public administration or a related field and two (2) years of administrative experience in building construction and maintenance activities.

Knowledge of: principles and practices of administration and management; principles and practices of building construction and maintenance; laws, codes, ordinances and regulations governing building construction and maintenance work; basic methods, equipment and materials used in the various trades; budget preparation; public relations; report writing.
Ability to: plan, assign and direct the work of others; develop operating standard and procedures; interpret and explain laws, policies, procedures, rules and regulations; prepare and justify budget estimates; read and understand the basic features of engineering and architectural plans, designs and specifications; prepare clear and concise reports and correspondence; deal effectively with other governmental agencies and the public.

Health and Physical Condition Requirements:

Persons seeking appointment to positions in this class must meet the health and physical condition standards deemed necessary and proper for performance of the duties.

This is the first specification approved for the new class FACILITIES MAINTENANCE ADMINISTRATOR effective July 1, 2017.

APPROVED: August 31, 2017  
(Date)  
JANINE M.Z. RAPOZO  
Director of Human Resources
May 24, 2018

Mr. Tyler Kimura, Partner
Spire Hawaii, LLP
700 Bishop Street, Suite 2001
Honolulu HI 96813

Re: Hiring Practices Follow-up Audit

Thank you for allowing the Kaua‘i County administration to respond to the draft audit report. The Department of Human Resources (DHR) worked with you in good faith to provide all of the necessary information that you requested. The DHR pointed out some glaring errors with you during the exit meeting on April 18, 2018 and therefore requested further discussions prior to the draft report being released. Unfortunately, this did not occur even though all three (3) DHR staff heard your commitment to this additional review.

The administration was led to believe that the goal of this audit was to improve our County’s hiring processes by reviewing whether or not the DHR had implemented any of the recommendations from the initial audit that was completed in 2015. Unfortunately, rather than addressing all of the initial recommendations, new findings were part of the draft audit and some of the original findings which were implemented or questioned by the DHR were ignored.

During the exit conference call, both you and Matt Kagawa were unable to answer many of the DHR’s questions or provide guidance to the DHR on best practices on some of your findings that were requested. Without these answers, the DHR did not feel that some of the findings were necessarily risks that should be recorded.

Our administration was looking forward to reviewing your guidance on established best practices, and it is truly unfortunate that we now are questioning the intent, fairness, and overall integrity of this follow-up audit.

This cover letter shall be incorporated as part of the Auditee’s response (attached) to the final Hiring Practices Follow-up Audit.

Sincerely,

Bernard P. Carvalho Jr.
Mayor

An Equal Opportunity Employer
cc: Wallace G. Rezentes Jr., Managing Director
Janine M.Z. Rapozo, Director of Human Resources
Mel Rapozo, Chair, County Council
Ross Kagawa, Vice-Chair, County Council
Arthur Brun, Councilmember
Mason K. Chock, Councilmember
Arryl Kaneshiro, Councilmember
Derek S.K. Kawakami, Councilmember
JoAnn A. Yukimura, Councilmember
Auditee’s Response:

Before we begin responding to each finding, the Kaua’i County Administration would like to call attention to several serious concerns regarding this “follow-up” audit.

• First, the auditor’s report begins with a Preface that states, “This follow-up performance audit of the County of Kaua’i’s Hiring Practices was designed to examine the County’s implementation of recommendations made in 2015.” Therefore, we were anticipating that this “follow-up” audit would revisit the 2015 findings and determine whether the DHR made the necessary strides to its internal processes and procedures to ensure that the County’s hiring practices were fair and consistent.

The initial 2015 audit focused on “prevalent and pervasive issues” being “a lack of documentation”. During the exit meeting, conducted through a conference call on April 18, 2018, HR Manager III Jill Niitani asked the Auditors whether there were any findings/omissions from the documents reviewed during this follow up audit. Mr. Kagawa noted that all of the documents were present. As such, Ms. Niitani asked if this important fact would be recognized in the follow up audit draft since it was such a significant finding in the initial audit. Mr. Kagawa noted that all documents requested were available and agreed that this would be included in the final draft audit report. Unfortunately, there is no mention that during this follow up audit, instead of sixty-four (64) instances of missing documentation that were reported in the initial audit, all documentation was available for all personnel actions that were reviewed. The fact that this was not included as a key finding (a.k.a., success) is quite suspect as to the intent of this audit.

• Secondly, in the initial 2015 audit, the auditors recommended that the DHR monitor the appointing authority to ensure all procedures are sufficiently followed pertaining to hiring and other related personnel actions. While the auditors credited the DHR with implementing this finding, the initial finding that was discussed during the April 18, 2018 exit meeting conference call was the following: DHR has assumed responsibility for certain hiring and recruiting functions formerly performed by the departments. The internal control problem remains however. Instead of a lack of monitoring of the departments, there is now a lack of monitoring of DHR’s actions to ensure compliance (i.e. just as there was no monitoring of the departments, there is no monitoring of DHR).

As such, the DHR was confused as the auditors were now contradicting their own recommendation. The auditors were asked if they were aware of a best practice that would allow for the DHR to be monitored. There was no response provided by the auditors. Clearly, the auditors were unable to provide recommendations to the department. Instead, Mr. Kagawa stated that the problem would be that the DHR would now be able to hire a person without the hiring department’s ability to check if the correct salary and other personnel transactions were accurate. Realizing the inaccuracies of his statement, the DHR asked Mr. Kagawa and Mr. Kimura if the payroll action form (PAF) that is completed by the department and the payroll certification form that must be signed by the department head were not sufficient ways for checks and balances to occur with hiring actions. Mr. Kagawa agreed that it was sufficient, yet this finding was still included in the final draft report.
Thirdly, the audit report scrutinizes the County’s Vacancy Review Committee (VRC). The perception made regarding the VRC display the auditors’ complete lack of understanding with regards to critical components of the DHR. During the exit meeting conference call with the DHR, the VRC was discussed with the auditors due to their assessment that, “While the creation of the Vacancy Review Committee created an additional control to review the hiring process, it also allowed a procurement officer to substantially control the decision making ability over HR matters.” During the call, the intent of the VRC was discussed with the auditors.

When compared to the County of Hawaii Staffing Review Committee (SRC), the DHR explained to the auditors that the Big Island’s committee was very different from the VRC. The County of Kauai’s VRC reviewed VACANT positions to recommend to me whether the position should be filled or re-described to best meet the needs of the department or the County as a whole. The review is done for “vacant” positions—there is no hiring recommendations made by the VRC. On the other hand, the Big Island’s SRC:

- determined the method of recruitment (i.e., internal recruitment, external recruitment, etc.);
- determined the selection process (SRC to conduct selection or the department can conduct); and
- confirmed the selection process (approved person selected and date of hire through SRC representative signature).

The VRC does not participate in any of the above, is a precursor to even posting a position and can only recommendations to me about options for a vacant position. The intent of the VRC is to review if there were possible cost savings measures to either eliminate a vacant position and possibly re-describe remaining positions to absorb the duties of the eliminated position, re-describe a vacant position to a position that is needed by the department and therefore eliminate the need to create a new position, or fill the position as described due to the needs of the department. Therefore, the auditors conclusion that the membership of the VRC puts the County at risk due to possible conflicts due to complaints that may be filed by employees, and comparing it to the Big Island’s SRC shows the overall lack of understanding and/or disregard by the auditors in the intent of the VRC, which was fully vetted and supported by the County Council. While this was fully explained to the auditors during the exit meeting, the VRC is still erroneously discussed in the draft report.

Fourthly, the footnote on page 15 of the audit report is rather disturbing and unclear as to what is trying to be insinuated by the auditors. It states, “…the DHR Director approved the reallocation one or two minutes after the Mayor’s approval. The Mayor approved a separate EM reallocation requisition at 3:45 a.m.” The auditors did not pose any questions regarding this concern during the exit interview with the DHR, so we were quite surprised that they included this as part of the report. The Neogov system automatically generates an email to the next approver in the chain to ensure that an approver is aware that the requisition is in his/her queue for completion. It is not unusual for the DHR Director to immediately approve a requisition after I complete my approval.

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since an email is sent as a reminder that the requisition is ready for her approval. It is also not unusual for me to approve requisitions or work on other items at 3:45 a.m. My day is not limited to a set schedule and I often work well into the morning hours to get work done. I am disturbed that my efforts and dedication appear to be in question.

• Lastly, the initial 2015 audit stated that the DHR was “allowed to designate certain positions as ‘unskilled labor’ which permits the appointing authority to bypass the interview process during recruitment.” The auditors noted that there were “insufficient approval and monitoring controls surrounding the assignment of this designation, which potentially allows the interview process to be circumvented for all county positions.” If you review the initial audit, the finding was related to the department’s unskilled labor registration lists and the determination as to which positions were deemed “unskilled”. Based on this recommendation, the department revised internal procedures to ensure that all new classes that are created are designated as “skilled” or “unskilled” to ensure proper maintenance of the labor registration list.

In this follow-up audit, the DHR was questioned about exempt hires and subsequently explained to the auditors the difference between civil service and exempt employees. The auditors then commenced on a new trail with regards to Excluded Managerial (EM) positions. This is quite confusing as reallocations are classification issues and not hiring issues. No different from the classification of included bargaining unit (BU) positions, EM positions have a similar rigorous process for setting job qualifications and pay (see attached). There are written policies regarding clear standards or benchmarks that would aid in identifying and deciding whether and when to change a position from a BU to an EM.

The auditors’ contention that the DHR does not maintain documentation over the reallocations it has performed is not accurate. The auditors agreed that the documentation was present but the substance of the document needed to include more information and filed together. The DHR explained to the auditors that while the information was not necessarily on the reallocation documents, staff often work intimately with departments through emails and verbal conversations that are not recorded on the reallocation document. The DHR agreed that all of this information should be kept with the position file. However, unlike what the auditors recommend, these “position” files should not be part of an employee’s personnel file-the payroll certification that reallocates the incumbent to the position would be in an employee’s personnel file-not the position information.
<table>
<thead>
<tr>
<th>Finding #</th>
<th>Recommendation from 2015 Audit</th>
<th>Status (per “Follow-up” Audit)</th>
<th>Auditee’s Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 – 1</td>
<td>DHR should reassess current procedures and controls to ensure compliance with the HRS and County policy to establish fair and consistent hiring, promotions, transfers and reallocations.</td>
<td>PARTIALLY IMPLEMENTED</td>
<td>DISAGREE. The DHR has reassessed current procedures and controls to ensure fair and consistent hiring processes. This is recognized in the report as the auditors do credit the department with many changes that have improved consistency and compliance.</td>
</tr>
<tr>
<td>#1 – 2</td>
<td>Internal policies should be reviewed for best practices, clearly written, regularly communicated to DHR staff, and held to the same standard of authority as HRS.</td>
<td>NOT IMPLEMENTED</td>
<td>DISAGREE. We believe that this recommendation has been partially implemented. The DHR has reviewed internal policies and believes its processes and procedures, which are regularly discussed and communicated internally, are held to the same standard of authority as HRS. The DHR has been working on reviewing all of the department’s current policies, but does understand that revisions and the creation of additional policies will be needed. As previously stated, however, there have been numerous changes that have been made and are communicated to DHR staff on a regular basis including weekly staff meetings and monthly divisional meetings. The DHR will continue to work on reviewing, developing and finalizing various recruitment policies.</td>
</tr>
<tr>
<td>#1 – 3</td>
<td>DHR should monitor the appointing authority to ensure all procedures are sufficiently followed.</td>
<td>IMPLEMENTED</td>
<td>AGREE.</td>
</tr>
<tr>
<td>#2 – 4</td>
<td>DHR should maintain an audit trail of sufficient documentation to support all personnel activity during an employee’s career with the County.</td>
<td>PARTIALLY IMPLEMENTED</td>
<td>DISAGREE. As reported by Mr. Kagawa, unlike the 2015 audit, this follow-up audit failed to identify any missing documentation of the related hiring actions that the DHR was asked to provide. With regards to the documentation for certain reallocations, the Director spoke with the auditors and it was agreed that while the documentation was present, additional information that may have occurred through verbal or email communication with HR staff and the departments should be memorialized with the position reallocation file for backup purposes. That being said, it is unclear as to why reallocations are being scrutinized as it was not a finding in the initial audit nor is it a hiring practice. In addition, with regards to reallocations, the auditors fail to realize that the reallocation from an incumbent from an “SR” (salary rating) to an “EM” (excluded managerial) does not exempt the incumbent from civil service. The draft report speaks of “regular civil service” to EM which does not make sense as the incumbent is still a civil servant. The EM designation represents the pricing of the position based on assigned duties and not the method by which the incumbent is being hired.</td>
</tr>
<tr>
<td>#2 – 5</td>
<td>All documents should be aggregated and maintained in a single, secured file for each employee.</td>
<td>IMPLEMENTED</td>
<td>AGREE.</td>
</tr>
<tr>
<td>#2 – 6</td>
<td>The files should be kept on hand for record-keeping purposes and not be replaced with updated versions or discarded after an employee terminates.</td>
<td>IMPLEMENTED</td>
<td>AGREE.</td>
</tr>
<tr>
<td>#2 – 7</td>
<td>DHRS should consult with the County Attorney to implement a comprehensive policy that ensures compliance with document retention and maintenance requirements at the federal, state, and county levels.</td>
<td>PARTIALLY IMPLEMENTED</td>
<td></td>
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</table>

PARTIALLY AGREE. While the DHR agrees with the recommendation, the department cannot agree with the Auditor’s finding that this was only partially implemented. The DHR did consult with the County Attorney’s office to implement a comprehensive policy that ensures compliance with document retention and maintenance requirements at the federal, state, and county levels. While the County Attorney’s office has yet to finalize a County policy on document retention, the DHR informed the auditors that in the interim, the department is utilizing the State’s document retention policy. Additionally, it is unclear as to whether the auditors are aware of existing rules and regulations by which the DHR (e.g., HRS 46–43, Resolution 2008–39), as well as other departments and agencies within the County, must adhere to.

<table>
<thead>
<tr>
<th>#3 – 8</th>
<th>DHR should ensure sufficient controls and procedures are in place for all types of personnel actions, in particular for those that allow civil service requirements to be bypassed as these subjects the County to the greatest amount of risk.</th>
<th>NOT IMPLEMENTED</th>
</tr>
</thead>
</table>

DISAGREE. The auditors initially asked the DHR to complete a survey to determine if recommendations were implemented. With regards to this recommendation, the following response was provided to the auditors:

- Implemented. HRS Chapter 76 requires the Director to create a recruitment and examination system for civil service employees based on the merit system. Conversely, the statute does not require merit-based hiring or similar procedures for exempt employees. It would appear logical that that is the reason for the exemption from civil service.

- The Kauai County Charter provides for minimum qualification requirements for department heads which are vetted through the HR Department. Unlike the City, that’s as far as the Kauai County Charter goes.

- In checking with other jurisdictions, exempt hires are not screened for minimum qualifications unless specified by Charter or other authority.

- That being said, Kauai County requires all exempt hires to submit a job application form documenting their education, skills and experience.

- In addition, exempt hires go through the same post-offer pre-employment screenings as do civil service employees. For example, regardless of exempt hire status, those involving safety-sensitive positions are required to go through drug testing and possibly background checks based on the position, as would civil service hires.

With regards to the testing (page 14):

1. The record of Classification Request and Action form would not be in an employee file since the reallocation took place while the position was vacant. As such, the successful applicant was hired AFTER the position was already reallocated and therefore, the individual was NOT an incumbent when the reallocation action was completed.

2. Reallocation positions downward for recruitment purposes occurs quite frequently and in this case, occurred due to the difficulty in filling the position. It is not unusual for an incumbent to gain skills and be assigned more complex work as experience is gained and would therefore warrant a reallocation based on career progression. The statement that “waiting for someone to be promoted could be seen as preferential treatment” is inaccurate as a reallocation is NOT a promotion that would be open to others. The incumbent was recognized for performing at a higher level and thus, his new position duties placed him into a new classification—he was NOT promoted.
In conclusion, it was the Administration’s understanding that the purpose of this follow-up performance audit of the County of Kauai’s Hiring Practices was designed to examine the County’s implementation of recommendations made in 2015 regarding hiring practices. This is what is stated in the Preface of the draft audit and what the DHR fully expected. While we acknowledge that policies have not been updated and/or implemented, the department has made great strides in their short existence as a fully functioning Human Resources Department yet was minimally recognized for these efforts.

The auditors’ lack of understanding of the civil service hiring process and the classification of positions, excluded or otherwise leads to inaccurate information and presents the DHR in a negative light.

We were hopeful that the DHR would be recognized for all of their efforts in trying to implement the recommendations from the 2015 audit. Instead, it appeared that the auditors were quick to look for additional findings such as the classification of excluded positions and the existence of the Vacancy Review Committee-two items that are not even related to hiring. We are grateful, however, that despite the lack of recognition for their efforts, this audit validated that the DHR’s current hiring procedures and processes are sufficient given the auditors’ confirmation that there were no findings/omissions from the documents requested and reviewed.
A4.303 EXCLUDED MANAGERIAL COMPENSATION PLAN

A4.303-1 General

Section 76-13.5, Hawaii Revised Statutes, authorizes the Director of Personnel Services to maintain a separate compensation plan for managerial white collar positions. For purposes of this plan, no position shall be designated as "managerial" unless and until it is excluded from collective bargaining coverage under Chapter 89, Hawaii Revised Statutes.

A4.303-2 Criteria for Position Coverage Under Excluded Managerial Compensation Plan

The following criteria were adopted by the Conference of Personnel Directors:

White collar positions under Chapter 89, HRS, are categorized under the respective position classification plans of the State, Judiciary, Hawaii Health Systems Corporation and the counties. Positions excluded from Chapter 89 are designated by categories listed in Section 89-6(f), and the final determination on the applicability of Section 89-6(f) to specific positions and employees is made by the Hawaii Labor Relations Board (HLRB).

"Top-level managerial and administrative personnel" is an exclusion category listed in Section 89-6(f), and applicable criteria have been enunciated and amplified by HLRB. Whether an excluded white collar position is "managerial" nonetheless depends primarily on the facts of duties and responsibilities assigned.

With reference to Chapter 89, HLRB criteria, and common usage, the term "managerial" is used in the commonly accepted sense of policy formulation and implementation for an agency or department, program or division, or major branch or section, with clear evidence of considerable discretion in resource utilization.
Coverage as "excluded managerial" includes those who:

1) are excluded from collective bargaining;

2) are presently in classes assigned to salary range 24 or higher, and

3) meet one of the following criteria:
   - is a division head or an assistant division head;
   - is at or near the top of an ongoing, complex agency or major program and formulates or determines policy for that agency or program;
   - directs the work of a major program or agency or a major subdivision thereof with considerable discretion to determine means, methods and personnel by which the agency or program policy is to be carried out;
   - is a central agency position involved in the preparation for and conduct of negotiations or has a major role in the administration of agreements or in personnel administration or meets and confers with union representatives as required under HRS § 89-9(c), provided that, such role is not routine or clerical in nature and requires the exercise of independent judgement.

A4.303-3 Application of Criteria

Criteria applies to managerial employees in the civil service system excluded from collective bargaining in the State, Judiciary, HHSC, and the counties who would otherwise be in BU 4, 9, 10, 11, 12, 13.

No excluded position assigned to a salary range below SR 24 is determined to be managerial. Positions designated managerial are found at salary ranges 24 to SC 3.

Designation process is an on-going one to be initiated by the department or the DPS, requiring appropriate documentation, review, and determination.
A4.303-4  Alignment of Classes in the Excluded Managerial Compensation Plan

A4.303-4.1  Policy

It is the policy of the Department of Personnel Services to establish and maintain reasonable and appropriate salary range relationships among classes within the compensation plan for excluded managerial white collar positions. Methods and procedures are consistent with that goal, and include periodic review of the plan for recommended changes or adjustments in salary range.

The Director of Personnel Services is authorized to take all necessary steps to implement the foregoing policy subject to such approvals as required by procedures.

A4.303-4.2  Method

A4.303-4.2a  Evaluation Factors

The assignment of classes to salary ranges is consistent with the nature and scope of responsibilities, and the complexity of functions of these classes. Similarities and differences are analyzed in ranking classes from low to high, and evaluations are based on a consideration of at least the following factors:

1)  Character of Work - Nature, and impact or consequence, of the program or functions for which the class is responsible; role of the class (i.e. staff or line); echelon or reporting level of the class, and degree of authority and responsibility vested for program accomplishment.

2)  Complexity of Work - Nature, size and complexity of the organization for which the class provides leadership, or to which staff services are provided; nature and scope of substantive relationships within and outside the organization served; knowledge and skill requirements.

A4.303-4.2b  Bench mark Classes
Certain classes, referred to as benchmark classes, are selected to serve as key reference points in confirming the correctness of the evaluation, by means of the factors listed above, of other classes. Benchmark classes are selected on the basis of the following criteria:

1) Common to all or most jurisdictions.

2) Class concepts are typical of governmental entities and well-understood by job analysts, and evaluations are well-accepted and documented.

3) Represent a sufficient array of line and staff classes of work to provide an adequate frame of reference in confirming evaluations.

A4.303-4.3 Procedures

A4.303-4.3a General

The Director of Personnel Services is responsible for informing employees and operating agencies of the County of Kauai of the policies and procedures expressed herein, and actions affecting them thereby.

Standard forms as prescribed by the Director are utilized in all pricing review proceedings.

Pricing actions affecting classes in the EMCP may be approved by the Mayor as authorized by Section 89C, Hawaii Revised Statutes.

A4.303-4.3b Pricing of New Class

To establish and price a new class in the EMCP, the Department of Personnel Services circulates a notice of intention, including the basis of its evaluation, and a copy of the proposed class specification, to other affected jurisdictions for review and comment. Comments of other jurisdictions are considered in adopting a new class.

Any affected employee, the director of a department with affected positions, their designated representative, or an employee organization acting on behalf of its
membership who disagrees with the pricing, may request an administrative review of the action. The request shall be in writing, within 20 calendar days from the date of notice, addressed to the Director of Personnel Services, 4444 Rice Street, Suite 140, Lihue, Hawaii 96766.

The administrative review is conducted at such time and place as considered appropriate, and the requestor(s) may appear at such meeting to make further presentation. Findings and conclusions are reported to the Mayor, as chief executive, for approval.

Adjustments recommended by the Director of Personnel Services and approved by the Mayor are effective retroactive to the date of the new class action. The Director informs affected parties of the approved actions and pertinent rationale.