

# POST AUDIT DIVISION

## POST AUDITS SUBCOMMITTEE MEMBERS

SENATE MEMBERS  
President, Mitch Carmichael  
Ed Gaunch  
Roman Prezioso

HOUSE MEMBERS  
Tim Armstead, Speaker  
Timothy Miley  
Eric E. Nelson Jr.



OCTOBER 15, 2017  
LEGISLATIVE AUDIT LETTER

GENERALLY ACCEPTED GOVERNMENT  
AUDITING STANDARDS STATEMENT

## WV OASIS DIVISION OF PERSONNEL ISSUES

### POST AUDIT STAFF CONTRIBUTORS

Denny Rhodes ..... Director  
Justin Robinson ..... Audit Manager

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

POST AUDIT DIVISION  
Director, Denny Rhodes

JOINT COMMITTEE ON  
GOVERNMENT & FINANCE

*Note: On Monday, February 6, 2017, the Legislative Manager/Legislative Auditor's wife, Elizabeth Summit, began employment as the Governor's Deputy Chief Counsel. Most or all the actions discussed and work performed in this report occurred after this date. However, the Governor's Deputy Chief Counsel was not involved in the subject matter of this report, nor did the audit team have any communications with her regarding the report. As Deputy Chief Counsel, the Legislative Auditor's wife is not in a policy making position within the Executive Branch. Therefore, the Post Audit Division does not believe there are any threats to independence with regard to this report as defined in A3.06.a and A3.06.b of the Generally Accepted Government Auditing Standards. Furthermore, the Legislative Auditor has instructed the Director of the Post Audit Division to document and discuss any issues he believes are a threat to the division's independence with the President of the Senate and the Speaker of the House due to Ms. Summit's position.*

OFFICE OF THE  
LEGISLATIVE AUDITOR  
Legislative Manager & Legislative Auditor, Aaron Allred



# WEST VIRGINIA LEGISLATIVE AUDITOR'S OFFICE

*Post Audit Division*

1900 Kanawha Blvd. East, Room W-329  
Charleston, WV 25305-0610  
(304) 347-4880



Denny Rhodes  
Director

October 15, 2017

The Honorable Mitch Carmichael, President  
West Virginia State Senate  
Post Audits Sub-Committee, Co-Chair  
Room 229 M, Building 1  
State Capitol Complex  
Charleston, WV 25305

The Honorable Tim Armstead, Speaker  
West Virginia House of Delegates  
Post Audits Sub-Committee, Co-Chair  
Room 228 M, Building 1  
State Capitol Complex  
Charleston, WV 25305

Mr. President and Mr. Speaker:

The Legislative Auditor is continuing its review of the wvOASIS project and has several items concerning this project we would like to bring to the attention of the Post Audits Subcommittee. Recently, our office contacted the Department of Administration's Division of Personnel to inquire about any issues or concerns they have regarding the wvOASIS system. As wvOASIS is currently configured, the Division of Personnel has identified nine areas in which the State's Human Resource Module has lost functionality as compared to previous legacy systems. These areas identified by the Division of Personnel increases the state's risk in adhering to relevant laws, rules, and regulations; and may also have detrimental effects on state employees and the state budget. **Also, the Division of Personnel reported the need to hire three additional staff at a cost of approximately \$97,000 to process transactions for all of the classified service due to inefficiencies with the system.** The Division of Personnel has reported the following issues and concerns which they have discussed with wvOASIS staff, but are issues that wvOASIS staff have not been inclined to address:

1. When the wvOASIS system rejects a transaction, supporting documents, attachments, and comments are deleted from the system and cannot be retrieved. Subsequent transactions submitted to correct this rejection does not allow access to the discarded information in order to review why the transaction was initially rejected.
2. In the Human Resources Module of wvOASIS, when an employee transfers to another agency and the transfer has been processed in wvOASIS, **the prior agency can no**

- longer access the employee's work history documentation, nor can it enter any outstanding payroll transactions.** Further, the wvOASIS system will not notify the agency that is losing the employee that the transfer has been approved until after the transaction is complete, meaning if there are outstanding transactions the agency is not notified until after the employee transfer out document is ready to be approved.
3. The wvOASIS system does not prohibit an employee from exceeding the 80-hour Family Sick Leave allotment in a given year, nor does it track the use of Family Sick Leave in the Kronos timekeeping system.
  4. Workflow in wvOASIS does not automatically flow to the appropriate units within the Division of Personnel and must be manually assigned. This is time consuming due to the large volume of transactions and makes prioritizing those transactions difficult.
  5. The wvOASIS system lacks "hard stops" or edits to limit users from selecting criteria that are not applicable to the transaction they are processing. This allows users to enter information that is not applicable or appropriate which causes rejections of those transactions, making it unnecessarily time consuming to have to reprocess those transactions.
  6. wvOASIS has not responded to the Division of Personnel's request to assist with guidance on how to address employees working at multiple state agencies within the wvOASIS system, and little guidance is currently available concerning this issue.
  7. wvOASIS staff has provided no training to the Division of Personnel on how to run reports from the wvOASIS system.
  8. **The wvOASIS system allows for the payment of sick and annual leave in the same work period where an employee works additional hours resulting in an overtime pay,** which is a violation of Division of Personnel Legislative Rule Title 143, Series 1, Section 14.7 which states:

*Sick and/or annual leave requested in the same workweek in which additional hours are worked shall be reduced and credited back to the employee's accrued balances to reduce or avoid payment for hours in excess of the agency work schedule.*

Further, **the wvOASIS system allows the additional non-work hours from annual and sick leave to be paid at a premium overtime compensation rate of one and one-half times the employee's hourly rate.**

9. Kronos creates issues for employees who are allowed an hour lunch, with half of the hour being paid and half of the hour being unpaid. The issue is that this requires weekly monitoring to ensure that time is properly credited for any leave taken before or after the lunch hour. This is due to Kronos recognizing that employees are eligible for a lunch hour after six hours into the scheduled workday, and any variation to the schedule can result in incorrect leave charges that can be to the detriment or benefit of an employee.

As these issues have highlighted, there are still many concerns regarding the use of the wvOASIS system that need to be addressed to ensure the accuracy and timeliness of transactions processed in the system. Three issues reported by the Division of Personnel are of particular concern. The first issue reported creates a situation where wvOASIS is discarding important information regarding a rejected transaction that does not allow an agency to determine why the transaction was rejected. This would obviously create an issue for the agency having to determine what was included in the original transaction, if the employee who prepared it can recall the information, and creates inefficiencies in the re-processing of a transaction. Secondly, issue #8 potentially allows state employees to be paid wages not due to them, at a rate of one and one-half times their hourly rate. Lastly, and possibly the most concerning issue, the Division of Personnel had to hire three new employees to process transactions in wvOASIS at a cost of approximately \$97,000. Inefficiencies such as these create additional unforeseen costs associated with the transition to wvOASIS that are at times difficult to identify and quantify. This is not the only time representatives from state agencies has reported to the Legislative Auditor that they have needed to hire additional staff to process transactions in wvOASIS. The Department of Education also reported the need to hire an additional staff member to assist in processing payroll and managing employee time in the Kronos timekeeping system.

At this time, we recommend the wvOASIS staff work with the Division of Personnel to correct these issues and to ensure the system is configured to prevent errors and inefficiencies that already appear to be costly to the State. The Legislative Auditor will remain in contact with the Division of Personnel to determine if any actions have been made by wvOASIS staff to correct these issues. Representatives of both wvOASIS and the Division of Personnel should report back to the Post Audits Subcommittee during the December interim meetings to provide an update on the status of these issues. Further, given the Division of Personnel's need to hire three additional staff to process transactions, as well as the Department of Education having to hire one additional staff to assist in processing payroll, the Post Audit Division will survey all state agencies to determine if any other additional staff had to be hired as a result of the transition to the wvOASIS system. We will report back to the Post Audits Subcommittee at a later date to provide an update on the results of this survey.

Sincerely,



Denny Rhodes

- c. Mike Hall, Chief of Staff, Office of the Governor
- Brian Abraham, General Counsel, Office of the Governor
- John B. McCuskey, State Auditor, State Auditor's Office
- John Perdue, Treasurer, West Virginia State Treasurer's Office
- John A. Myers, Cabinet Secretary, Department of Administration
- Kent Hartsog, Special Assistant to the Auditor, WWSAO



STATE OF WEST VIRGINIA  
DEPARTMENT OF ADMINISTRATION

JIM JUSTICE  
GOVERNOR

JOHN A. MYERS  
CABINET SECRETARY

September 22, 2017

Denny Rhodes  
West Virginia Legislative Auditor's Office  
Post Audit Division  
Building 1, Room E119  
1900 Kanawha Blvd East  
Charleston, WV 25305

Joint Committee

SEP 23 2017

Post Audit Committee

Dear Mr. Rhodes:

This letter is in response to your request from September 12, 2017, regarding wvOASIS and Kronos. The answers have been provided below.

- 1. Has the Division of Personnel encountered any instances of conflict during the transition to wvOASIS that go against or violate DOP policies and procedures or state or federal law? If so, please provide these issues.**

Though certain transactions in the system are not the best fit for the classified service and may cause confusion for covered agencies, the actual personnel action is compliant with DOP law, rule, and policy (e.g., transfer from exempt to classified coverage is a transaction in the system but this is not permitted under the classified service so it is considered an original appointment from a register in our Administrative Rule).

- 2. Also, with regard to any above listed difficulties experienced with the transition, please provide all correspondence to and from wvOASIS related to each issue.**

Since we did not have instances that violated policies or laws, we do not have correspondence pertaining to this request.

- 3. What was the Division of Personnel's involvement in determining changes to state employees' FLSA classification under the wvOASIS biweekly pay system which, according to wvOASIS staff, resulted in many employees being reclassified from exempt to non-exempt employees under the biweekly pay system?**

DOP was not involved in the FLSA classification under the biweekly system.

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**4. Finally, are there any outstanding issues or other concerns the DOP has but not yet addressed with wvOASIS and/or KRONOS? If so, please elaborate.**

DOP has discussed the following concerns with wvOASIS, but they are issues that wvOASIS is not inclined to address. These functionalities were available in the Human Resource Information System (HRIS) that preceded the wvOASIS system. The items identified below greatly hinder productivity and increases the time it takes to accomplish these tasks.

- One of the biggest issues pertains to documents, attachments, and comments being discarded when a transaction is rejected. This information cannot be retrieved once discarded. If subsequent transactions are submitted or grievances are filed, agencies are unable to access the information to review the new transaction or information necessary to explain why the transaction was rejected initially.
- In wvOASIS HRM, once an employee's transfer to another agency is completed, the prior agency can no longer access the employee's work history documentation at their agency or enter any outstanding payroll transactions, i.e. leaves of absence, military leave, leave returns, or any other type of document for their former employee.
  - The wvOASIS transfer of employee approval process is set up to not notify the agency who is losing the employee until the transaction is completed.
  - If there are outstanding transactions, in most cases the agency will not know until the transfer out document is ready for the approval of the agency losing the employee.
- wvOASIS does not prohibit an employee from exceeding the annual 80-hour family sick leave allotment.
- Lack of automatic workflow for transactions to be sent directly to appropriate units within DOP. Transactions must be manually assigned. This is time consuming due to the large volume of transactions and makes prioritizing transactions difficult.
- No "hard stops" or edits where agencies could only select from certain criteria. This allows agencies to enter information that is not appropriate and cause rejections due to the absence of checks and balances.
- There is very little guidance on how to address individuals employed at multiple state agencies. wvOASIS has not responded to DOP's requests to assist with guidance.

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- Reports are available in the wvOASIS system but there has been no training on how to run them.
- The system permits employees to be paid for sick and annual leave taken during a workweek when additional hours are worked. The system also permits the additional non-work hours to be paid at premium overtime compensation rate.
- One-hour lunch periods, .5 hour paid plus .5 hour unpaid, require weekly monitoring to ensure that time is credited correctly for leave taken. If the employee takes leave around the scheduled lunch, the system may require a manual adjustment or workaround to ensure that the leave amount is accurate. Kronos recognizes that the employee is eligible for lunch at six hours into the scheduled workday and beyond. Any variation to the schedule can result in an incorrect leave charge that may be to the detriment or benefit of the employee.

If you have any questions or need additional information, please contact me at 304-558-4331.

Sincerely,



John A. Myers

JM/cjn