

State of Colorado



Bill Ritter, Jr.
Governor

Rich Gonzales
Executive Director

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January 4, 2010

Sally Symanski, CPA
Office of the State Auditor
200 East 14th Avenue
Denver, Colorado 80203

Dear Ms. Symanski,

The Department submits the following status of recommendations from the 2009 Department of Personnel & Administration and the State Personnel Board Performance Audit Report.

- a. **Recommendation #1:** Assist state agencies and higher education institutions in implementing effective workforce planning tools by providing training and online technical assistance on implementing metrics related to hiring and succession planning.

December 2009 Status: Not implemented.

The Department developed and piloted a mentoring program for use in succession planning. Over 100 pairs of mentors and mentees from many agencies (e.g., DPA, DOC, OIT, CDLE, CDPHE, etc.) are participating in a cooperative effort with Colorado State University (CSU) and Northern Illinois University (NIU). Two complete mentoring cycles were run with the second cycle just ending in November. CSU and NIU will be providing a final report in the spring of 2010. At that time the State will have available a mentoring program tailored to the needs of the State.

A 360 degree feedback planning tool was also created with the help of four pilot agencies (DPA, DOC, CDPHE, CSM). Working in conjunction with CSU, on-line training and rating systems were created to accommodate the varied needs of all state agencies that will be using the 360 tool in their succession planning efforts. The pilot was completed at the end of 2008 and the tool is currently available for statewide use on a voluntary basis. There are minimal set-up fees associated with use of the tool.

Although the Department recognizes that workforce and succession planning are an important part of effective workforce management, no further work is being done in these areas. As part of the Department's budget balancing efforts, programs and functions not specifically addressed in the State Personnel System Act were eliminated, including the three positions and associated employees assigned to workforce and succession planning. The tools and training developed prior to the program being eliminated are available through self-service on the DPA website but no staff resources are available to provide further support.

Recommendation #2: Improve the human resources auditing function by:

- a. Determining the overall purpose and statutory intent of the function;
- b. Developing and implementing procedures for conducting human resources audits;
- c. Evaluating how to dedicate more consistent staff resources to the audit function;
- d. Training staff who conduct audits; and,
- e. Considering how technology could improve auditing efforts.

December 2009 Status: In progress.

After years of limited success in establishing a formal audit program, the Department has determined that the formal auditing function should remain under the authority of the State Auditor. The Department is proposing legislation for the 2010 session to modify CRS 24-50-101(3)(d) and remove the "post-audit" language from the statute. The Department plans to continue its role as a provider of consultant services under CRS 24-50-101(3)(c). The current less formal approach of identifying issues through a variety of transactional sources (data systems, appeals, grievances, consulting encounters), determining the cause, collaborating with agencies for solutions, and creating training and reference resources to address similar issues across the system has been timely and effective in finding and addressing many issues before they've become a liability risk to the State. The limited success of the formal audit program is due to a number of factors including ongoing staffing issues, competing internal priorities, urgency of consulting interactions, and access and availability of audited agencies.

Recommendation #3: Ensure the Division has sufficient, reliable human resources data to effectively manage the state personnel system by:

- a. Performing a business process analysis of the State's payroll and personnel data systems; and,
- b. Working with the Governor's Office of Information Technology to identify solutions for consolidating and integrating these systems.

December 2009 Status: In progress.

The Department has been working with the Governor's Office of Information Technology (OIT) to identify data needs and improve HR data systems. In 2008 a representative from the Governor's Office of Information Technology, the State Controller, and the Director of the Division of Human Resources and Oracle Insight completed an inventory and assessment of the

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statewide financial, procurement, and human resource systems and identified opportunities for improvement. Five departments (CDHS, DORA, CDLE, DPA and DNR) were interviewed as a cross-section of state government and between \$5.7 to \$17 million in annual productivity improvement and expense reduction was identified in the initial assessment for those five departments alone. One of the conclusions was that the State would benefit from hiring a consultant to conduct a full operational assessment and justification for making the investment in a statewide ERP system.

Although conversations are continuing, no additional progress has been made given the current budgetary environment. Until a full operational assessment can be completed, the Department has established a process by which data from multiple payroll and personnel data systems is collected, compiled, and stored for current and historical analysis. Any data requests, including open records requests, related to the State's work force are addressed using this compiled data source.

Sincerely,



Rich Gonzales
Executive Director

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cc: Jennifer Okes, Executive Deputy Director, Department of Personnel & Administration
Tom Montoya, Acting Director, Division of Human Resources
Laurie Benallo, Workforce Planning & Development Manager, Division of Human Resources
Karen Fassler, Total Compensation Manager, Division of Human Resources
Tanya Olsen, Controller, Department of Personnel & Administration

State of Colorado



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December 28, 2009

Sally Symanski, CPA
Office of the State Auditor
200 E. 14th Ave.
Denver, Colorado 80203

Re: State Personnel Board Audit Implementation Report Regarding the May 2009
Performance Audit

Dear Ms. Symanski:

The State Personnel Board is providing the following Audit Implementation Report Regarding the May 2009 Performance Audit of its operations by the State Auditor's Office:

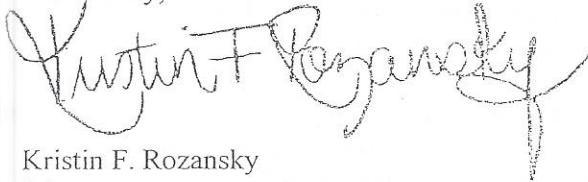
1. **Recommendation 4:** Implemented. In August 2009 the Board held a rulemaking which resulted in a change to Board Rule 8-50 (C), 4 CCR 801. The new rule allows respondent agencies five days to respond to the information sheets filed by complainant employees during the discretionary appeals process. This change also allows for continued compliance with §24-50-123(3), C.R.S. which mandates review of discretionary appeals by the Board within ninety days. In addition, during hearings on the May 2009 Performance Audit by the Legislative Audit Committee (the "LAC"), the LAC voted to sponsor legislation which would extend the ninety day deadline for the discretionary review process to one hundred and twenty days. Board staff testified during these hearings that if such legislation passed, a proposed rule would be placed before the Board which would change the response time by respondent agencies from five days to ten days and would also allow for a subsequent reply to be filed by complainant employees.
2. **Recommendation 5:** In progress. In collaboration with the Office of Administrative Courts and under the guidance of the Governor's Office of Information Technology, the Board has assessed its system needs for managing its caseload, including setting reminders of statutory deadlines, issuing orders, retrieving data and preparing reports for stakeholders. In June 2009, a Request for Information was issued by the Office of Administrative Courts for a comprehensive court management system. Unfortunately, the Decision for such a system was denied by the Office of State Planning & Budget due to the current budget issues being experienced by the state. Therefore, the Board is analyzing the Office of Administrative Courts' ("OAC") current case management system, Legal Files, which is one component of a comprehensive court management system. In addition, both the Board and OAC are analyzing the RFI submitted by the Legal Files vendor to determine whether the case management portion would meet the two groups' needs and

be available within current financial constraints. Finally, the Board staff is utilizing Outlook to handle track deadlines and tasks.

3. **Recommendation 6:** Implemented. In November 2009, General Counsel for the Board provided training and an extensive memo to the Board on conflicts of interest, including how to resolve conflicts, when and how to recuse from conflicts and forms for disclosing conflicts and certifying as to a review of the training materials and an understanding of those materials. Board members and Board staff, on or before December 31, 2009 and annually thereafter, beginning in June 2010, must certify s/he has reviewed the memo provided during the November 2009 training. In addition, s/he must disclose, in writing, any conflicts of interest both annually and at the time those conflicts arise.
4. **Recommendation 7:** Implemented. In July 2009, with the assistance of the Governor's Office of Information Technology, the Board's website was modified to simplify access to its resources. Each of the six links on its home page contains both a title and a listing of everything to be found under the link. Under the General Information link it states "General information about Board members and staff, Board forms, FAQs and descriptions of Board processes, including appeals, grievances, settlement, training and representing yourself." In addition, the appeal form has been revised to include a set of instructions to assist in the completion of those forms, as well as links to resources.

If you should have any questions, please feel free to contact me at 303.866.5044.

Yours truly,

A handwritten signature in dark ink, appearing to read "Kristin F. Rozansky". The signature is fluid and cursive, with a large, stylized initial "K".

Kristin F. Rozansky
Director