



# DIVISION OF HUMAN RESOURCES AND STATE PERSONNEL BOARD

## Performance Audit, May 2013 Report Highlights



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### PURPOSE

Assess the management and oversight of the State's personnel system provided by the Department of Personnel & Administration's (the Department) Division of Human Resources (the Division) and the State Personnel Board (the Board).

### BACKGROUND

- The state personnel system is the civil service system of state classified employees.
- State agencies with classified employees must adhere to the requirements guiding the state personnel system in the State's Constitution, statutes, and personnel rules.
- The Division oversees the state personnel system and agencies' compliance with statewide human resources requirements.
- The Board promulgates rules for the state personnel system and adjudicates employment disputes.

### OUR RECOMMENDATIONS

The Department should:

- Improve data integrity and oversight over the performance review process for classified employees.
- Monitor and enforce agency compliance with laws and requirements guiding the human resources function.
- Improve workforce planning and management systems, training, and metrics.
- Improve tracking of Personnel Director's appeals to ensure they are handled timely.

The Board should:

- Improve its case management system and processes to ensure cases are resolved efficiently and timely.
- Establish safeguards to manage potential conflicts of interest, including written policies, annual disclosures, and training.

The Department and Board agreed with these recommendations.

### AUDIT CONCERN

**The Department's Division of Human Resources and the State Personnel Board need to improve their systems and processes for overseeing Colorado's state personnel system.**

### KEY FACTS AND FINDINGS

- The Division's system used to track state employees' performance did not have reliable data needed to monitor agencies' compliance with performance review requirements. For 12 out of 14 employees sampled, the system was inaccurate and did not reflect hard-copy files at agencies. Our review also found that between 4 percent and 8 percent of classified employees had no record of receiving a performance review in 2011 and/or 2012, as required by statute.
- The Division focuses on providing agencies human resources consulting services; it does not proactively monitor to ensure agencies comply with statutes, rules, and directives. A risk-based approach would allow the Division to monitor given its limited staff.
- Most of the State's key databases used to track workforce data continue to have unreliable data and the Division has not developed human resources metrics or trained agencies on using metrics. We also raised these concerns in our 2009 audit.
- The Division has not maintained complete or accurate electronic appeals data. We could not determine whether 201 of the 370 appeals (54 percent) from Fiscal Years 2011 and 2012 were issued by the Division within 90 days as required by statute. We identified three cases for which the Division did not issue a decision within 90-days so the agency action was automatically upheld.
- Although the Board has implemented a new case management system, the system and Board practices need improvement. For example, for 7 out of 175 cases (4 percent) in Fiscal Year 2012, key data, such as dates or records of hearings being held, were either not recorded in the system correctly or not recorded in the system at all. The Board also lacked adequate procedures for retrieving and using its case management data.
- The Board has not implemented safeguards to help prevent conflicts of interest, including a consistent process for disclosing conflicts, written conflicts of interest policies or procedures, or regular trainings or reminders on conflicts of interest. We also raised this concern in our 2009 audit.