

**Administrative Leave Use in the
State Personnel System**

Department of Personnel & Administration

**Performance Audit
January 2011**



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January 18, 2011

Members of the Legislative Audit Committee:

This report contains the results of a performance audit of the Department of Personnel & Administration and administrative leave granted to employees in the state personnel system by state agencies and institutions of higher education. The audit was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all departments, institutions, and agencies of state government. The report presents our findings, conclusions, and recommendations, and the responses of the Departments of Personnel & Administration, Corrections, and Human Services.

Sally Symanski



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Administrative Leave

Purpose and Scope

In Colorado, state employees are either classified or nonclassified employees. Classified employees are within the state personnel system, are overseen by the Department of Personnel & Administration (Department), and serve in most state agencies. Specifically, under the Colorado Constitution the Executive Director of the Department serves as the State Personnel Director and, along with the State Personnel Board, promulgates State Personnel Rules governing employment, compensation, leave, benefits, performance, separation from employment, dispute resolution, and fair labor standards for classified employees. Nonclassified employees are those employees not within the state personnel system and are overseen by their respective state agencies or institutions of higher education. These employees are not subject to the rules established by the State Personnel Director or State Personnel Board; instead, each agency or institution is responsible for establishing policies related to the terms and conditions of nonclassified employment. Nonclassified employees include employees in the Judicial Department, most Legislative Branch agencies, and the General Assembly. Within the Executive Branch, nonclassified employees include attorneys at law serving as assistant attorneys general; faculty, student workers, and some high-level administrators at institutions of higher education; and certain positions within the Governor's Office and at each state agency.

As of June 30, 2010, Colorado employed about 32,800 classified full-time equivalent (FTE) employees and about 32,500 nonclassified FTE. Both classified and nonclassified employees may be granted administrative leave, which is leave from a job assignment during which an employee's pay and benefits remain intact. However, only classified employees are subject to State Personnel Rules in addition to the policies established by their respective agencies. According to State Personnel Rule 5-19:

Administrative leave may be used to grant paid time when the appointing authority wishes to release [classified] employees from their official duties for the good of the [S]tate. In determining what is for the good of the [S]tate, an appointing authority must consider prudent use of taxpayer and personal services dollars and the business needs of the department.

This report provides the results of our performance audit of administrative leave granted to **classified** state employees by state agencies and institutions of higher education and compliance with applicable statutes, rules, and procedures. Additionally, the audit evaluated the Department's oversight of administrative leave used by classified employees. The audit was conducted in response to a legislative request. During the audit, we collected administrative leave timekeeping data for all classified state employees from 22 Executive Branch state agencies and a sample of three institutions of higher education. See Appendix A for a complete list of the agencies and institutions reviewed during this audit.

In order to obtain a broader perspective on the use of administrative leave in the State, we collected data for nonclassified employees at these same agencies and institutions and report this information in Appendix B. Since our audit focused on the use of administrative leave within the state classified personnel system, data on nonclassified employees are provided for context only. These data were not used as the basis of any conclusions or recommendations in this report.

We also reviewed the Department's database that tracks administrative leave cases extending beyond 20 consecutive working days (extended administrative leave cases) for classified state employees. We conducted site visits and reviewed case files of these extended administrative leave cases at a sample of six agencies and institutions. We spoke with Department management and staff and interviewed human resources administrators and staff at the 22 state agencies and three institutions of higher education mentioned above. For the purposes of this report, the Governor's Office of Information Technology and Colorado Historical Society are counted as separate state agencies because they have their own timekeeping systems and the Department considers them separate for data tracking purposes; however, both agencies reside within larger agencies or departments. This audit did not review the use of any other types of leave benefits (e.g., annual, sick, or holiday) granted to state employees.

Audit work was performed from July through November 2010 and conducted in accordance with generally accepted government auditing standards. 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 the evidence obtained provides a reasonable basis for our findings, conclusions, and recommendations, based on our audit objectives. We thank the Department and the state agencies and institutions of higher education we contacted for their assistance during the audit.

Overview of Administrative Leave

According to Article XII, Section 14 of the Colorado Constitution, the State Personnel Director, who is the Executive Director of the Department, is “responsible for the administration of the personnel system of the [S]tate.” The state personnel system is composed of all appointive public officers and employees of the State, except for those employees specifically exempted by the Constitution. As noted previously, employees within the state personnel system are referred to as classified employees, while employees who are exempt from the state personnel system are referred to as nonclassified employees. As stated, this audit focused on administrative leave granted to classified employees in state government.

State agencies and institutions of higher education with classified employees must adhere to the policies and procedures established specifically for the state personnel system in the Constitution, statutes, and State Personnel Rules. The State Personnel Rules are made up of rules promulgated by both the State Personnel Board and the State Personnel Director, which are referred to as Director’s Administrative Procedures. Throughout this report, references to the State Personnel Rules include the Director’s Administrative Procedures. Statute [Sections 24-50-104(1)(a)(II) and (1)(g), C.R.S.] grants the State Personnel Director authority over total compensation for classified employees in the state personnel system, including rulemaking authority. According to statute, total compensation is defined to include leave benefits. As discussed previously, nonclassified employees are not subject to the State Personnel Rules; instead they are subject to the policies and procedures established by their agency or institution, including those procedures that may exist related to administrative leave.

The State Personnel Director has delegated the day-to-day administration and management of the total compensation program to the Total Compensation Section (Section) within the Department’s Division of Human Resources (Division). The Section is responsible for overseeing benefits, leave, and compensation for classified employees within the state personnel system and currently has 16.5 FTE. The Section has allocated part of one FTE to oversee leave benefits, such as annual, sick, holiday, and administrative leave. Further, statute [Section 24-50-101(3)(d), C.R.S.] delegates responsibility for the day-to-day management and administration of the state personnel system, including leave benefits, to agency executive directors and institution heads.

Administrative Leave Authoritative Guidance

There are numerous statutes and rules related to administrative leave for classified employees. According to statute and State Personnel Rules, state agencies and institutions of higher education are required to grant administrative leave to classified state employees in certain instances. For example, statute [Sections 24-50-401(4) and 1-6-122, C.R.S.] and State Personnel Rules require that appointing authorities (e.g., executive directors, facility directors, and institution heads) grant administrative leave to classified employees for voting or participating as an election judge in a general election. In addition, State Personnel Rules require agencies and institutions to grant administrative leave to classified employees donating an organ, bone, or tissue for transplant and serving as certified disaster service volunteers during a local emergency. Further, in 2009 the General Assembly passed and the Governor signed into law House Bill 09-1057, which requires employers in the state to provide leave, paid or unpaid, to employees who wish to participate in certain school meetings or conferences for their child. Agencies and institutions have the discretion to provide this leave to state employees in the form of administrative leave or unpaid leave.

In addition to those instances where agencies and institutions are required to grant administrative leave to classified employees, there are other instances where granting administrative leave is at the discretion of the appointing authority. State Personnel Rule 5-19 allows administrative leave to “be used to grant paid time when the appointing authority wishes to release [classified] employees from their official duties for the good of the [S]tate.” However, the rule also states that appointing authorities are to consider prudent use of taxpayer and personal services dollars and the business needs of their agency or institution when granting administrative leave. State Personnel Rules and Department Technical Assistance provide some examples of acceptable *discretionary* use of administrative leave that agencies and institutions may grant to classified employees. These include, but are not limited to:

- When an agency or institution is investigating alleged employee misconduct.
- Weather-related office closures and delays.
- When an employee participates in school or community volunteer activities.
- Employee incentives and rewards.
- When an employee voluntarily attends a course at an educational institution that applies to the employee’s work but is not a requirement of the job.
- Providing an employee who has been called to military active duty with the difference between the employee’s military gross pay and current state gross salary.

- When an employee participates in official activities as an elected officer of an employee organization that exists to address issues of concern between state employees and the State.
- Counseling sessions that an employee attends through the Colorado State Employee Assistance Program.
- When an employee interviews and/or participates in exams for an open position with the State.

Some agencies and institutions formalize the discretionary uses of administrative leave in their internal written policies and procedures.

State Personnel Rule 5-19(A) requires that agencies and institutions report any administrative leave for a classified employee that exceeds 20 consecutive working days to both the agency executive director or institution head and the State Personnel Director.

Administrative Leave Use in the State

State Personnel Rule 5-3 requires that state agencies and institutions of higher education keep accurate leave records and be prepared to report any type of leave used by classified employees when requested by the State Personnel Director. Agencies and institutions are not required to report administrative leave used by nonclassified employees to the State Personnel Director. Since the State does not have a centralized time and leave management system, agencies and institutions use a variety of methods to track leave, including electronic systems, paper leave slips, and manual entry spreadsheets. We obtained self-reported electronic data from each of the 22 Executive Branch state agencies and a sample of three institutions of higher education showing the administrative leave granted to all classified and nonclassified state employees at these agencies and institutions (see Appendix A for a complete list of agencies and institutions). In Fiscal Year 2010, 9,353 of the 31,322 (30 percent) classified employees at the 22 state agencies and three institutions we reviewed were granted administrative leave totaling about 140,490 hours, or an average of about 15 hours per classified employee who received leave. These 140,490 hours of administrative leave represented about 0.2 percent of the total hours paid (work time and paid leave) to classified employees in Fiscal Year 2010 for the agencies and institutions we reviewed. Most of the agencies and institutions we reviewed track the reasons administrative leave was granted and were able to provide the reasons for about 93,760 of the 140,490 hours (67 percent). For the 140,490 hours of administrative leave granted to classified employees:

- 33 percent (about 45,790 hours) was for investigations into alleged employee misconduct;
- 15 percent (about 21,170 hours) was for weather closures and delays;

- 10 percent (about 14,590 hours) was for state employee recognition;
- 2 percent (about 3,440 hours) was for employees to participate in school or community volunteer activities;
- 1 percent (about 1,110 hours) was for employees to participate in interviews or exams for a state position;
- 1 percent (about 970 hours) was for employees to participate in activities for an employee organization; and
- 5 percent (about 6,690 hours) was granted for a variety of other reasons, including examples such as office power outages, employee counseling through the Colorado State Employee Assistance Program, extended bereavement, and to allow an employee to vote in an election.
- For the remaining 33 percent (about 46,730 hours), the reason for the leave was not provided by the agency or institution.

We provide further information on administrative leave use by reason in Appendices C and D.

The following table shows the number of administrative leave hours granted to classified state employees and the total salary paid for that leave during Fiscal Year 2010, as reported by the 22 agencies and three institutions we reviewed. See Appendix A for a breakdown of classified employees' administrative leave use by agency and institution.

Administrative Leave and Salary Paid for Classified Employees as Reported by 22 State Agencies and Three Institutions of Higher Education¹ Fiscal Year 2010	
Total Number of Classified State Employees	31,322
Number of Classified State Employees Granted Administrative Leave ²	9,353
Number of Hours of Administrative Leave Granted to Classified State Employees ²	140,490
Salary Paid to Classified State Employees for Administrative Leave ²	\$3,704,000
Source: Office of the State Auditor analysis of self-reported timekeeping data provided by the Department of Personnel & Administration, state agencies, and Colorado State University-Fort Collins, the University of Colorado-Boulder, and the University of Colorado-Denver.	
¹ Includes each of the 22 Executive Branch agencies and Colorado State University-Fort Collins, the University of Colorado-Boulder, and the University of Colorado-Denver.	
² The Department of Public Safety tracks all leave on paper maintained in each employee's personnel file. No electronic leave data or estimates for the entire Department were available. However, the Department tracks administrative leave associated with investigations related to employees separately and this information is reported in the table.	

Summary of Findings

The findings and recommendations in this report relate to the Department's authority over administrative leave used by **classified** state employees. We conducted detailed testing on administrative leave use by classified employees at each state agency and a sample of three institutions of higher education throughout the State. In general, we found that the agencies and institutions we reviewed complied with statutes and rules related to administrative leave use for classified employees. No specific instances of administrative leave abuse came to our attention during our review. However, we did identify instances where some agencies and institutions did not consistently apply State Personnel Rules and Department guidance for general administrative leave use for classified employees. Additionally, we identified five agencies that did not consistently report to the Department their administrative leave cases involving classified employees that extended beyond 20 working days. We also found extended administrative leave cases at two agencies that were not properly reported to their executive directors. Finally, we found that the Department could better manage the data it receives from agencies and institutions to help improve compliance with state rules and requirements regarding extended administrative leave cases for classified employees. These issues are discussed below.

General Use of Administrative Leave

According to the State Personnel System Act [Section 24-50-101(3)(c), C.R.S.], the State Personnel Director is responsible for providing "necessary directives and oversight for the management of the state personnel system," which includes management of administrative leave use by classified employees in the State. As discussed previously, according to State Personnel Rule 5-19, administrative leave is to be used to release classified state employees from their official duties for the good of the State. This rule and Department Technical Assistance provide direction to state agencies and institutions of higher education as to the acceptable uses of administrative leave. We analyzed self-reported administrative leave timekeeping data from 19 agencies and one institution that were able to provide us with the specific reasons that their classified employees were granted administrative leave. We compared the reasons employees at these agencies and institutions used administrative leave against State Personnel Rules and Department guidance and found that more than one-half of the agencies and institutions we tested are not consistently complying with rules and guidance for general use of administrative leave.

While we did not identify instances of abuse of administrative leave in our review of the timekeeping data provided by the agencies and institutions, we did identify 2,731 hours among five agencies and one institution where we questioned the use

of administrative leave in Fiscal Year 2010. We grouped these questionable uses of administrative leave into two categories: (1) hours that were nonwork time and should have been recorded as a different type of leave, and (2) hours that were work time and should not have been recorded as leave. In addition, we identified 967 administrative leave hours for employee organization activities that were recorded at eight agencies. Employee organizations exist to address issues of concern between state employees and the State. We were unable to determine whether the time for employee organizations should have been recorded as work time, annual leave, or administrative leave. These issues are explained further below.

Nonwork time. The State Personnel Rules mandate how state classified employees are to use the various types of leave available to them. For example, annual leave is to be used for an employee's personal leave. Sick leave is to be used when an employee cannot work for health reasons or must care for a dependent's health needs. When an employee has no remaining annual or sick leave, unpaid leave may be granted. Additionally, jury leave is to be used when an employee serves as a juror. Generally, any hours that an employee should record as some type of leave are considered nonwork time. We identified 16 employees at three agencies who incorrectly recorded, and the agencies approved, a total of 112 nonwork hours to administrative leave in Fiscal Year 2010. According to the reasons for the absences listed in the agencies' timekeeping data, 108 of the 112 hours should have been recorded as annual or sick leave rather than administrative leave, while the remaining four hours should have been recorded as jury leave. Employee leave balances are overstated for the employees who incorrectly recorded the 108 hours as administrative leave rather than annual or sick leave. This means that the employees' available leave balances are greater than they should be, since their nonwork time was not recorded appropriately as annual or sick leave.

Work time. According to State Personnel Rule 5-19, activities performed in an official employment capacity, including job-related trainings and meetings and job-related testimony in court or at a government hearing, should be recorded as work time, not administrative leave. We identified 190 classified employees at five agencies and one institution who incorrectly recorded, and the agencies and institution approved, a total of 2,619 hours as administrative leave that instead should have been recorded as work time in Fiscal Year 2010. These hours included time for job-related meetings, trainings, hearings, and settlement conferences. Generally, state employees who are required to be paid overtime compensation (nonexempt employees) under the Fair Labor Standards Act (FLSA), paid leave is not counted when calculating overtime pay. Therefore, when nonexempt employees incorrectly record time spent on job-related duties as administrative leave rather than work time, the employees may be underpaid if that time would have resulted in overtime.

Employee organization time. Department Technical Assistance outlines three ways that agencies and institutions are to record classified employee time spent on employee organization activities, depending on the circumstances. First, according to Department Technical Assistance, agencies and institutions may grant administrative leave for a state employee to participate in official activities as an elected officer of an employee organization; this is the only time it is appropriate for employees to record administrative leave for time spent participating in an employee organization. Second, Department Technical Assistance specifies that an elected employee representative's participation in an official partnership meeting with management should be recorded as work time, not administrative leave. Partnership meetings are meant to provide management and the elected employee representatives an opportunity to discuss and negotiate issues of concern between state employees and the State. Third, all other state employee attendance and participation in employee organization meetings should take place outside of regular work hours or be recorded against the employee's annual leave balance. We identified 36 employees at eight agencies who had recorded, and the agencies approved, a total of 967 hours to administrative leave for time spent participating in employee organization meetings in Fiscal Year 2010. However, the records provided were not adequate to determine if these hours were recorded by elected officers of an employee organization for time spent participating in official activities, because the timekeeping data we reviewed did not include sufficient detail to make this determination. If these hours were for time spent by elected employee representatives at partnership meetings with management, the time should have been recorded as work time. If this was the case and these employees were nonexempt and eligible for overtime, these employees may have been underpaid if the time spent at official partnership meetings would have resulted in overtime. Conversely, if these hours were not for either official activities of elected officers of employee organizations or for elected employee representatives' participation in an official partnership meeting with management, the time should have been charged against the employees' annual leave balances. If neither was the case, this would mean that the employees' annual leave balances were overstated.

Agencies and institutions must ensure that state employees are tracking and charging their leave and work time consistently and appropriately in order to ensure compliance with FLSA requirements. Due to the risk that employee leave balances may be overstated and nonexempt employees may have been underpaid for overtime worked, we have turned these exceptions over to the Department and the agencies and institution to help ensure that agencies correct employee annual leave balances, as necessary, and nonexempt employees are compensated appropriately for overtime worked, if applicable.

There are a number of steps that the Department can take to help increase agencies' and institutions' awareness of and compliance with state administrative leave statutes, rules, and policies. First, the Department should continue to use its

communication tools, such as email, forums, training, and the Department's website, to create greater state agency and institution awareness of human resources regulations on the appropriate uses of administrative leave. Department Technical Assistance specifies that administrative leave is not meant to be a substitute for tracking time away from an employee's regular duty station for work activities such as on-the-job training, off-site work meetings, and work-related conferences and training; these activities should instead be recorded as work time. However, agency and institution practices did not consistently comply with Technical Assistance. For example, some agency human resource administrators reported that it was their understanding that only "work-related trainings and meetings" directly related to an employee's immediate job duties in the workplace should be considered work time and all other trainings and meetings should be recorded as administrative leave.

Second, the Department should develop mechanisms to help ensure that agencies and institutions comply with rules on administrative leave for classified state employees. As discussed previously, the state agencies and institutions we reviewed were able to provide the reasons for administrative leave for only about 67 percent of the administrative leave hours granted in Fiscal Year 2010. The Department should encourage agencies and institutions to track and report administrative leave in a consistent manner across state government, including the specific reason for each use of administrative leave, regardless of the timekeeping system used. Currently there are seven agencies that utilize various versions of the same timekeeping system (Kronos), while the other 18 agencies and institutions we reviewed each use different, unique systems. The Department also could request data annually from agencies and institutions on the reasons administrative leave was granted in the previous year and identify and follow up with agencies and institutions with compliance issues.

Third, the Department should work with agencies and institutions to ensure that their internal policies related to classified employee use of administrative leave are consistent with State Personnel Rules and Department Technical Assistance. We found that nine of the total 25 agencies and institutions we reviewed had written internal policies that were not consistent with State Personnel Rules and Department Technical Assistance regarding the appropriate use of administrative leave. For example, some agency policies stated that administrative leave may be granted for employees to participate in hearing or settlement conferences, which State Personnel Rule 5-19 specifically requires to be recorded as work time. The Department also should require each agency and institution to attest in writing that it has aligned its internal policies with State Personnel Rules and Department guidance.

Finally, the Department should work with the 10 agencies and one institution where we identified concerns with administrative leave use to help ensure that employee leave balances and overtime pay discrepancies are corrected, as

appropriate, for the exceptions noted previously. The Department should also require that the agencies and institution submit a written attestation stating that they have corrected the employee leave balances and overtime compensation, where appropriate.

Recommendation No. 1:

The Department of Personnel & Administration should implement mechanisms to help ensure that state agencies and institutions of higher education comply with statutes, rules, and guidance related to classified employees' administrative leave use by:

- a. Providing continued communication to agencies and institutions through trainings, emails, the Department website, and/or forums for human resource administrators to raise awareness on allowable uses of administrative leave.
- b. Encouraging agencies and institutions to track and report a consistent level of detail related to administrative leave in timekeeping systems, including the reason for granting administrative leave, and requesting annual reports on administrative leave use. The Department should review these reports to identify and follow up with agencies and institutions with compliance issues.
- c. Working with agencies and institutions to ensure that their internal administrative leave policies are consistent with State Personnel Rules and Department Technical Assistance. All agencies and institutions should be required to attest in writing that their policies are in compliance with rules and guidance.
- d. Working with the 10 agencies and one institution where the audit identified concerns with the use of administrative leave to ensure that employee leave balances and overtime pay discrepancies are corrected, as appropriate, for the exceptions noted. The Department also should require the agencies and institution to attest in writing that they have corrected the employee leave balances and overtime compensation where necessary.

Department of Personnel & Administration Response:

Agree. Implementation date: June 2011.

The Department believes that the most effective mechanism to ensure statewide compliance with statutes, rules, and guidance related to all leave use would be an automated time and leave management system. In the absence of such a system, the Department will try to ensure consistency within its resource limitations. Specifically, the Department will continue to communicate the appropriate uses of administrative leave to departments and institutions through training, emails, the Division of Human Resources website, human resource forums, and communications with department and institutions heads. The Department also will develop standards for departments and institutions to track administrative leave detail and require submittal of annual reports to the Department on the usage of all administrative leave and follow up on any compliance issues.

The Department will continue to work with departments and institutions to ensure that administrative leave policies are in compliance with State Personnel Rules and Technical Assistance and implement an attestation process. The Department will review the specific concerns identified by the State Auditor and address any issues with the 10 individual departments and one institution. This will include requiring submission of written attestations that all corrections have been made, including adjusting any leave balances or overtime compensation.

Reporting of Extended Administrative Leave Cases to the Department

State Personnel Rule 5-19(A) requires state agencies and institutions of higher education to report any administrative leave cases for classified employees that exceed 20 consecutive working days to the agency executive director or institution head and the State Personnel Director. Most of the extended administrative leave cases we reviewed were related to an agency's or an institution's formal investigation into alleged employee misconduct. Administrative leave is an important tool for agencies and institutions to use in situations of alleged employee misconduct because this practice protects both the employee and the State. This allows the agency or institution adequate time to thoroughly investigate the allegations before making a decision that could result in termination or other disciplinary action. The classified employee is given due

process and an opportunity to respond to the allegations, while the State is protected against potential harmful actions by the employee being investigated. In addition, placing a classified employee on administrative leave in order to conduct an investigation into alleged misconduct prior to issuing a decision can help mitigate the risk to the State of potential litigation due to wrongful termination.

The Department promulgated the reporting requirement rule in 2001 after the media and members of the General Assembly raised concerns about a classified state employee who was on administrative leave for more than 14 months. Additionally, in 2006 the Department implemented a Technical Assistance guide that provides instructions to agencies and institutions on the types of information that should be reported for administrative leave cases exceeding 20 consecutive working days. According to the Technical Assistance, agencies and institutions should report to the Department the employee's name, the reason for the leave, the outcome of the leave, and the total number of leave days granted. This information should be reported within 15 days of exceeding the 20th consecutive working day of administrative leave and again within 15 days of the conclusion of the administrative leave. According to the Department, staff enter the reported information into a spreadsheet to track and manage extended administrative leave in the State. In Fiscal Year 2010 Department staff entered and tracked information for 75 extended administrative leave cases from 10 agencies and institutions. The average length of time for these 75 extended cases was 45 days.

We reviewed Fiscal Year 2010 timekeeping data from 22 state agencies and three institutions of higher education. While we did not identify abuse of extended administrative leave, we found that some agencies and institutions did not comply with the State Personnel Rules' requirement that all administrative leave for classified employees exceeding 20 consecutive working days be reported to the Department. Specifically, we found that five agencies did not report a total of 39 extended administrative leave cases to the Department, as required by State Personnel Rules. The amount of administrative leave granted in these 39 cases ranged from 21 to 83 days.

In addition, we reviewed a sample of 70 files for extended administrative leave cases at the six agencies and institutions that had the highest number of reported extended administrative leave cases during Fiscal Years 2009 and 2010. These cases related to investigations of alleged employee misconduct and ranged from 16 days to 208 days of administrative leave. We reviewed the data reported by the agencies and institutions to determine if the cases were being actively investigated; however, we did not attempt to assess the validity of the allegations, which is management's responsibility. We found that each case file contained adequate documentation demonstrating that the agency or institution was conducting an ongoing investigation during the course of the administrative leave period. However, we found that for 39 of the 70 cases (56 percent), the agencies

or institutions did not timely or accurately report the start and/or end dates of the administrative leave to the Department, as directed in the Department's Technical Assistance. Specifically, for 28 of the 70 cases (40 percent) reviewed, the agencies or institutions either did not report the start and/or end dates of the cases to the Department or reported them late, after the 15-day timeframe provided in the Technical Assistance. For 14 of the 70 cases (20 percent) reviewed, the agencies reported inaccurate start and/or end dates to the Department. Some cases we reviewed had both untimely and inaccurate data.

If the Department is not notified of extended administrative leave in a timely and accurate manner, it is unable to identify potential issues and promote better leave practices among state agencies and institutions of higher education. The Department should take steps to help ensure that agencies and institutions are held accountable for the use of extended administrative leave and that they comply with extended administrative leave reporting requirements. Specifically, the Department should improve agencies' and institutions' awareness of the requirement that administrative leave exceeding 20 consecutive working days be reported to the Department. As discussed in Recommendation No. 1, Department staff use email, forums, training, and the Department's website to communicate regulations and best practices to human resource administrators in state government. The Department should use these mechanisms to help ensure that agencies and institutions are aware of the extended administrative leave reporting requirement.

Additionally, the Department should incorporate guidelines for reporting extended administrative leave cases into the State Personnel Rules in order to make the guidance binding. Currently the 15-day reporting timeframe and the information that should be reported (i.e., employee name, reason for leave, outcome of leave, and total days on leave) are set out only in the Department's Technical Assistance, which agencies and institutions are not required to follow. The Department also should annually send back to each agency and institution a report showing the extended administrative leave data that the agency or institution submitted to the Department during the past year. The Department should require each agency executive director or institution head to correct any discrepancies between the Department report and the agency's or institution's data and attest in writing that all extended administrative leave cases were reported as required by State Personnel Rules.

Finally, the Department should consider submitting an additional summarized report annually to the agency executive directors and institutions heads that includes the number of extended administrative leave cases at all agencies and institutions and the number of administrative leave days granted for all cases. These summary reports would provide an additional accountability mechanism over the use of extended administrative leave by allowing an agency or institution to compare its leave use to that of other state agencies and institutions.

Recommendation No. 2:

The Department of Personnel & Administration should help ensure that state agencies and institutions of higher education are held accountable for classified employees' use of extended administrative leave and that the agencies and institutions comply with extended administrative leave reporting requirements by:

- a. Providing continued training and communication to agencies and institutions through emails, trainings, the Department website, and/or forums to increase awareness of reporting requirements.
- b. Revising the State Personnel Rules to require agencies and institutions to follow the reporting procedures laid out in the Department's Technical Assistance.
- c. Annually sending to each agency and institution a report showing the extended administrative leave data that the agency or institution submitted to the Department during the past year. The Department should require agency executive directors and institution heads to correct any discrepancies between the Department's report and agency or institution data and attest in writing that all extended administrative leave cases were reported to the Department, as required.
- d. Considering submitting an additional summarized report annually to agency executive directors and institution heads on extended administrative leave cases that includes each state agency and institution, the total number of cases reported to the Department, and the number of days of administrative leave granted.

Department of Personnel & Administration Response:

Agree. Implementation date: December 2011.

The Department will continue to provide communication through training, emails, the Division of Human Resources' website, human resource forums, and communications with executive directors on the reporting requirements for administrative leave. The Department will include appropriate rule changes in the next State Personnel Director's rulemaking to improve compliance with Technical Assistance. The Department will provide detailed reports to departments and institutions of extended administrative leave submitted to the Department and work with them to rectify any discrepancies identified. In addition, the Department will

require department and institution heads annually to attest, in writing, that all extended administrative leave cases have been reported accurately and completely as required by rule. The Department will consider an annual summarized report as recommended.

Reporting of Extended Administrative Leave Cases Internally

As discussed previously, State Personnel Rule 5-19(A) requires state agencies and institutions of higher education to report any administrative leave granted to classified state employees that exceeds 20 consecutive working days to both the agency executive director or institution of higher education head and the State Personnel Director.

As discussed in Recommendation No. 2, our review of Fiscal Year 2010 administrative leave timekeeping data for 22 state agencies and three institutions of higher education identified 39 extended administrative leave cases that were not reported to the Department of Personnel & Administration, as required. Upon further review of these 39 cases, we also found that 17 of the cases at the Department of Human Services and six of the cases at the Department of Corrections were not reported to the respective agency's executive director, as required by both the State Personnel Rules and the agencies' own internal policies. The Department of Human Services' internal policy mirrors reporting requirements in State Personnel Rules. The Department of Corrections' internal policy requires that administrative leave for periods in excess of 20 days be approved by the executive director before exceeding 20 days. According to both agencies, the appointing authorities who granted the extended administrative leave in these 23 cases were not aware of the requirement to report these cases to their respective executive director and the State Personnel Director.

Without the oversight of either the Department of Personnel & Administration or the respective executive director, the risk associated with possible abuse of administrative leave increases. Therefore, it is important that human resource administrators at the Departments of Human Services and Corrections provide appointing authorities and supervisors with adequate guidance to raise awareness of the reporting requirements for extended administrative leave cases. The Departments of Human Services and Corrections also should consider implementing mechanisms to monitor extended administrative leave cases, such as performing periodic internal reviews of administrative leave timekeeping data.

Recommendation No. 3:

The Departments of Human Services and Corrections should ensure that appointing authorities are aware of and comply with internal requirements to report classified employees' extended administrative leave cases to their respective executive directors. The Departments also should consider implementing internal mechanisms for monitoring the use of extended administrative leave, such as performing periodic internal reviews of administrative leave timekeeping data.

Department of Human Services Response:

Agree. Implementation date: January 2011.

The Department of Human Services (DHS) has provided written direction and approved forms to its appointing authorities regarding the reporting requirements for extended administrative leave. Meetings were held in Denver and Pueblo, and guidance documents were distributed to all department appointing authorities around the state prior to January 14, 2011. DHS also has implemented a monthly internal reporting mechanism, using a standardized timekeeping report that is provided to the Executive Director and deputy executive directors for monitoring the use of extended administrative leave.

Department of Corrections Response:

Agree. Implementation date: June 2011.

The Department of Corrections (DOC) has implemented a program to appropriately track and notify all parties of the respective timelines relating to employees being placed on paid administrative leave. This process includes tracking the initial letter that places the employee on paid administrative leave, notifying the payroll department of the employee's being placed on administrative leave, tracking employees through an internal database, and notifying the respective appointing authority of his or her need to request an approval in advance from DOC's Executive Director for the employee to remain on administrative leave. This process should allow for enough time to notify the Executive Directors of both DOC and the Department of Personnel & Administration and have the extension letter prepared pursuant to State Personnel Rule 5-19(A).

DOC has created a series of template letters to provide guidance and uniformity in how it notifies staff, appointing authorities, and the

Executive Director of staff being placed on paid administrative leave. The Office of Human Resources has implemented an internal process to review and rectify calculations on a monthly basis of administrative leave in the timekeeping system and data submitted to the Department of Personnel & Administration. The Office of Human Resources has implemented checks and balances to ensure that (1) all paid administrative leave is granted pursuant to the State Personnel Rules, (2) the affected employee is notified appropriately, (3) the time is internally tracked pursuant to the State Personnel Rules, and (4) finally, the Department of Personnel & Administration is notified within the required timelines.

DOC has issued a letter to all appointing authorities outlining the entire administrative leave process from placement on administrative leave to its conclusion. The Office of Human Resources also will provide periodic follow-up training to appointing authorities and their staff to ensure that administrative leave is granted and administered appropriately. Finally, for an appointing authority who continually does not adhere to the established administrative leave guidelines, the appropriate DOC division director will issue a violation letter to that appointing authority.

Data Management

The Department relies on self-reported state agency and institution of higher education data to track extended administrative leave. As mentioned previously, State Personnel Rules require agencies and institutions to report all extended administrative leave cases exceeding 20 consecutive working days to the State Personnel Director. The Department's Technical Assistance provides that agencies and institutions are to report to the Department the employee's name, reason for the leave, outcome of the leave, and total number of leave days granted. According to the Department, when it receives these reports, staff enter the data into a spreadsheet that the Department uses to track extended administrative leave usage by agencies and institutions. Therefore, it is important that staff enter accurate and complete data into the spreadsheet. The U.S. Government Accountability Office (GAO) defines data accuracy as the extent to which recorded data reflect the actual underlying information. The GAO defines data completeness as the extent to which relevant records are present and the fields in each record are populated appropriately. In this case, the Department's spreadsheet should reflect the information contained in agency and institution reports.

We reviewed the 203 extended administrative leave cases the Department had entered into its tracking spreadsheet for Fiscal Years 2007 through 2010. Overall, we found that the Department cannot adequately ensure that the data it records to

track agency and institution use of extended administrative leave are complete and accurate. Specifically, we found that 142 of the 203 cases (70 percent) in the Department's spreadsheet contained errors, incomplete information, or both. These issues are discussed in the bullets below.

- **Errors.** We found that for 98 of the 203 cases (48 percent), the Department's tracking spreadsheet contained some type of an error in the data. For example, the Department had miscalculated the total number of days of administrative leave granted for 53 of the cases. In addition, two of the cases had duplicate entries and 18 had a data entry error, such as incorrect date entry or errors in the total number of days reported by the agency or institution. These errors occurred because of three issues with the Department's management of the data. First, the Department has not defined what constitutes a "working day" for reporting administrative leave that exceeds 20 consecutive working days. As a result, there are inconsistencies in the way the Department and agencies and institutions count the total number of administrative leave days granted. For example, when calculating the total number of administrative leave days granted the Department counts all holidays and furlough days as "working days," while some agencies and institutions do not count holidays and furlough days. Second, Department staff calculate the total number of days of administrative leave granted by agencies and institutions through a manual process using a calendar, which increases the risk of errors, rather than using automated functions in the spreadsheet. According to the Department, its software program did not have an automated function for this purpose until recently. Third, the Department does not perform any internal review of the data entry or verify its accuracy with the agency or institution that submitted the information.
- **Incomplete information from agencies and institutions.** We found that 66 of the 203 cases (33 percent) that the Department entered into its spreadsheet were missing information, including start or end dates for the administrative leave, the total number of administrative leave days, the reason for the leave, and the outcome of the leave. In April 2010, the Department created procedures regarding data entry and for following up on the reports submitted by agencies and institutions that contained errors or incomplete information. However, since developing those procedures, the Department has not consistently followed up with agencies or institutions that have not provided complete information.

Additionally, in our review of timekeeping data from 22 state agencies and three institutions of higher education, we identified 14 extended administrative leave cases that appear to have been reported to the Department but were not entered into the Department's tracking spreadsheet. For these 14 cases, the reporting agency or institution provided us documentation showing that the case had been

reported to the Department, but for 12 of the 14 cases the Department reported that it had not received the documentation. This further emphasizes the need for the Department to obtain confirmation from agencies and institutions regarding the accuracy and completeness of the Department's data.

Without accurate and complete data on extended administrative leave cases, the Department is unable to adequately track administrative leave usage by classified employees at state agencies and institutions of higher education. To help ensure that it has such information, the Department should strengthen its current procedures and implement new procedures related to data entry and tracking of extended cases. This should include defining how agencies and institutions should count 20 consecutive working days when reporting extended administrative leave cases and ensuring that agencies and institutions count only paid days, such as holidays, and not unpaid days, such as furlough days. The procedures also should include using an automated formula to calculate the number of administrative leave days and communicating to agencies and institutions how to count the 20 consecutive working days to ensure consistent reporting of the total number of administrative leave days that were granted. As we discussed in Recommendation No. 2, the Department also should provide annual reports to agencies and institutions and ask them to attest to the accuracy and completeness of the Department's data. Finally, the Department should follow its internal procedures for following up on agency and institution reports that contain errors or are incomplete.

Recommendation No. 4:

The Department of Personnel & Administration should ensure that it has complete and accurate data to adequately manage extended administrative leave cases by:

- a. Strengthening and implementing procedures for data entry and tracking of extended administrative leave cases, including establishing a standard definition of "working day" to include only paid days, communicating the definition to agencies and institutions, and implementing an automated method of calculating the number of administrative leave days based on a formula.
- b. Providing annual reports to agencies and institutions and asking them to attest to the accuracy and completeness of the Department's data for the agency or institution.
- c. Following the established internal procedures for following up on errors and missing data in reports submitted by agencies and institutions.

Department of Personnel & Administration Response:

Agree. Implementation date: July 2011.

The Department will strengthen the implemented procedures for data entry and tracking of extended leave cases, including improved follow up with departments on any errors and missing data. The Department will provide revised technical guidance to the human resources community that includes how to count paid days for purposes of the consecutive 20 working days. Updated guidance will be available on the Division of Human Resources' website. The Department also has implemented an automated methodology for calculating and verifying the number of reported days. As stated in the response to Recommendation No. 2, the Department will provide detailed reports to departments and institutions of extended administrative leave submitted to the Department and work with them to rectify any discrepancies identified. In addition, the Department will require department and institution heads to attest annually, in writing, that all extended administrative leave cases have been reported accurately and completely as required by rule.

Appendices

Appendix A

Administrative Leave Granted by Executive Branch State Agencies and Three Institutions of Higher Education Classified Employees Fiscal Year 2010						
State Agency/ Institution of Higher Education	Total Classified Employees	Employees Receiving Admin. Leave	Hours for Extended Admin. Leave Cases	Total Admin. Leave Hours Granted ¹	Average Hours Per Employee Receiving Admin. Leave	Total Salary Paid During Admin. Leave
Corrections	6,240	1,042	19,340	41,020	39	\$1,122,300
Human Services	5,420	985	10,780	26,200	27	\$574,300
Public Health and Environment	1,290	989	2,340	13,780	14	\$455,600
University of Colorado-Boulder	2,480	1,353	2,120	13,440	10	\$327,000
Revenue	1,410	605	980	6,330	10	\$186,100
Personnel & Administration	370	359	0	6,600	18	\$166,300
Colorado State University-Fort Collins ²	2,210	2,207	0	7,700	3	\$159,800
Natural Resources	2,560	155	600	3,040	20	\$97,000
University of Colorado-Denver	1,300	200	440	3,900	20	\$87,800
Public Safety ³	1,360	11	3,100	3,100	282	\$86,300
Transportation	3,070	338	190	3,200	9	\$85,200
Health Care Policy and Financing	330	135	0	1,930	14	\$69,000
Military and Veterans Affairs	130	111	0	2,080	19	\$51,700
Regulatory Agencies	550	126	240	1,320	10	\$45,600
Local Affairs	170	144	0	1,530	11	\$44,900
Law	160	150	0	1,560	10	\$41,900
Labor and Employment	1,360	199	0	1,340	7	\$36,600

Appendix A (continued)

**Administrative Leave Granted by Executive Branch State Agencies and Three Institutions of Higher Education
Classified Employees
Fiscal Year 2010**

State Agency/ Institution of Higher Education	Total Classified Employees	Employees Receiving Admin. Leave	Hours for Extended Admin. Leave Cases	Total Admin. Leave Hours Granted¹	Average Hours Per Employee Receiving Admin. Leave	Total Salary Paid During Admin. Leave
State	120	119	0	1,060	9	\$28,900
Agriculture	330	8	0	310	39	\$10,600
Governor's Office of Information Technology ⁴	190	72	0	220	3	\$8,000
Education	240	31	180	310	10	\$7,400
Treasury	20	4	220	290	73	\$7,200
Colorado Historical Society ⁴	10	10	0	230	23	\$4,500
Governor's Office	2	0	0	0	0	\$0
Higher Education ⁵	0	0	0	0	0	\$0
TOTAL	31,322	9,353	40,530	140,490	15	\$3,704,000

Source: Office of the State Auditor analysis of self-reported timekeeping data provided by the Department of Personnel & Administration, state agencies, Colorado State University-Fort Collins, the University of Colorado-Boulder, and the University of Colorado-Denver.

¹The total number of administrative leave hours granted includes hours that were incorrectly recorded as administrative leave, as described in Recommendation No. 1.

²Colorado State University-Fort Collins' hours are based on estimates by University staff. In October 2009 all working University employees were granted three hours of administrative leave for a snow delay. The University did not track the administrative leave hours that individual employees used that day and, therefore, this total includes an estimate for the snow delay hours.

³The Department of Public Safety tracks all leave on paper maintained in each employee's personnel file. No electronic leave data or estimates for the entire Department were available. However, administrative leave associated with investigations related to employees is tracked separately and reported in the table.

⁴The Colorado Historical Society is under the Department of Higher Education, and the Governor's Office of Information Technology is under the Governor's Office; however, these agencies are reported separately because both use leave tracking systems that differ from the tracking systems used by their respective departments.

⁵With the exception of those reported separately under the Colorado Historical Society, the Department of Higher Education did not have any classified employees in Fiscal Year 2010.

Appendix B

Administrative Leave Granted by Executive Branch State Agencies and Three Institutions of Higher Education Nonclassified Employees¹ Fiscal Year 2010					
State Agency/ Institution of Higher Education	Total Nonclassified Employees	Employees Receiving Admin. Leave	Total Admin. Leave Hours Granted	Average Hours Per Employee Receiving Admin. Leave	Total Salary Paid During Admin. Leave
Law	240	216	1,970	9	\$76,000
Colorado Historical Society ²	110	99	2,740	28	\$63,400
University of Colorado-Boulder	4,780	196	1,240	6	\$51,900
Education	460	25	220	9	\$8,600
Higher Education	30	1	80	80	\$4,900
University of Colorado-Denver	7,050	6	160	27	\$4,100
Governor's Office	210	5	50	10	\$1,400
State	2	2	16	8	\$800
Governor's Office of Information Technology ²	15	1	10	10	\$500
Public Health and Environment	2	1	8	8	\$500
Local Affairs	10	1	6	6	\$300
Colorado State University-Fort Collins	4,370	0	0	0	\$0
Other State Agencies ³	110	0	0	0	\$0
TOTAL	17,389	553	6,500	12	\$212,400

Source: Office of the State Auditor analysis of self-reported timekeeping data provided by the Department of Personnel & Administration, state agencies, Colorado State University-Fort Collins, the University of Colorado-Boulder, and the University of Colorado-Denver.

¹ Agencies and institutions did not report any extended administrative leave for nonclassified employees in Fiscal Year 2010. Because nonclassified employees are not subject to the State Personnel Rules, agencies and institutions are not required to report extended administrative leave to the Department of Personnel & Administration.

² The Colorado Historical Society is under the Department of Higher Education, and the Governor's Office of Information Technology is under the Governor's Office; however, these agencies are reported separately here because both use leave tracking systems that differ from the tracking systems used by their respective departments.

³ In addition to Colorado State University-Fort Collins, agencies that reported no administrative leave was granted to nonclassified employees include the Departments of Agriculture, Corrections, Health Care Policy and Financing, Human Services, Labor and Employment, Military and Veterans Affairs, Natural Resources, Personnel & Administration, Public Safety, Regulatory Agencies, Revenue, Transportation, and Treasury.

Appendix C

Administrative Leave Hours by Reason Classified Employees Fiscal Year 2010				
Reason for Leave	Agency Admin. Leave Hours	Institution Admin. Leave Hours	Total Hours	Percent of Total
Investigations	45,480	310	45,790	33%
Weather-Related ¹	9,400	11,770	21,170	15%
Employee Recognition	14,590	0	14,590	10%
Other ²	6,500	190	6,690	5%
Volunteer or School Activity	2,890	550	3,440	2%
State Interview or Test	1,070	40	1,110	1%
Employee Organization	970	0	970	1%
Reason Not Reported	34,540	12,190	46,730	33%
TOTAL	115,440	25,050	140,490	100%
<p>Source: Office of the State Auditor analysis of self-reported timekeeping data provided by the Department of Personnel & Administration, state agencies, and Colorado State University-Fort Collins, the University of Colorado-Boulder, and the University of Colorado-Denver.</p> <p>¹Weather-related hours are estimated for agencies and institutions that did not provide the specific reason for every administrative leave use. Weather-related hours were estimated on the dates when a large number of staff were on administrative leave.</p> <p>²Examples of other reasons for administrative leave include office power outages, employee counseling through the Colorado State Employee Assistance Program, extended bereavement, and to allow an employee to vote in an election.</p>				

Appendix D

Administrative Leave Hours by Reason Nonclassified Employees Fiscal Year 2010				
Reason for Leave	Agency Admin. Leave Hours	Institution Admin. Leave Hours	Total Hours	Percent of Total
Employee Recognition	1,510	0	1,510	23%
Weather-Related ¹	900	580	1,480	23%
Other ²	540	0	540	8%
Volunteer or School Activity	50	0	50	1%
Reason Not Reported	2,100	820	2,920	45%
TOTAL	5,100	1,400	6,500	100%
<p>Source: Office of the State Auditor analysis of self-reported timekeeping data provided by the Department of Personnel & Administration, state agencies, and Colorado State University-Fort Collins, the University of Colorado-Boulder, and the University of Colorado-Denver.</p> <p>¹Weather-related hours are estimated for agencies and institutions that did not provide the specific reason for every administrative leave use. Weather-related hours were estimated on the dates when a large number of staff were on administrative leave.</p> <p>²Examples of other reasons for administrative leave include office power outages and to allow an employee to serve as an election judge.</p>				

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