

# State of Colorado



**John W. Hickenlooper**  
*Governor*

**Kathy Nesbitt**  
*Executive Director*

**Jennifer Okes**  
*Deputy Executive Director*

## DPA

Department of Personnel  
& Administration

Executive Office  
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November 23, 2011

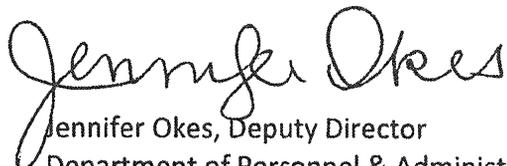
Monica Bowers, Deputy State Auditor  
Office of the State Auditor  
200 East 14<sup>th</sup> Avenue  
Denver, CO 80203

Dear Ms. Bowers:

Attached you will find the Department's updated status report regarding the Administrative Leave Performance Audit. We believe the DPA's implementation of the audit recommendations have improved the tracking of and compliance with rules related to administrative leave use.

We look forward to meeting with the Legislative Audit Committee next month to answer any outstanding questions in this area.

Sincerely,

  
Jennifer Okes, Deputy Director  
Department of Personnel & Administration

## **AUDIT RECOMMENDATION STATUS REPORT**

**AUDIT NAME:** Administrative Leave Use in the State Personnel System

**AUDIT NUMBER:** 2123

**DEPARTMENT/AGENCY/ENTITY:** Department of Personnel & Administration

**DATE:** November 17, 2011

### **SUMMARY INFORMATION**

*Please complete the highlighted areas in the table below with summary information for all audit recommendations. **For multi-part recommendations, list each part of the recommendation SEPARATELY.** (For example, if Recommendation 1 has three parts, list each part separately in the table.)*

<b>Recommendation Number</b> <i>(e.g., 1a, 1b, 2, etc.)</i>	<b>Agency's Response</b> <i>(i.e., agree, partially agree, disagree)</i>	<b>Original Implementation Date</b> <i>(as listed in the audit report)</i>	<b>Implementation Status</b> <i>(Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable)</i>  Please refer to the attached sheet for definitions of each implementation status option.	<b>Revised Implementation Date</b> <i>(Complete only if agency is revising the original implementation date)</i>
1a-d	Agree	June 2011	Implemented/Ongoing	
2a-d	Agree	December 2011	Parts a, c, d: Implemented/Ongoing; Part b: Partially Implemented	
4a-c	Agree	July 2011	Implemented	

## **DETAIL OF IMPLEMENTATION STATUS**

**Recommendation #:** 1a-d

**Agency Addressed:** Department of Personnel & Administration

**Recommendation Text in Audit Report:**

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.

**Agency's Response:** Agree

**Agency's Written Response in Audit Report:**

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.

**Agency's Current Comments on Implementation Status of Recommendation:**

Implementation Status: Implemented/Ongoing

The Department has updated the technical guidance on Extended Administrative Leave Reporting and the Administrative Leave portion of the Time Off technical guidance to delineate what types of leave should be tracked, that departments must be prepared to report all types of administrative leave when requested by the director, and the addition of an attestation process. In addition, an article summarizing these changes was published in *The Advisor*, a publication for state risk management and human resources professionals. The Department has contacted the 10 individual departments to ensure compliance and any appropriate corrections or adjustments have been made; the Department is still working with the one institution.

**Recommendation #:** 2a-d

**Agency Addressed:** Department of Personnel & Administration

**Original Recommendation in Audit Report:**

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.

**Agency's Response:** Agree

**Agency's Written Response in Audit Report:**

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.

**Agency's Comments on Implementation Status of Recommendation:**

Implementation Status: a., c., and d. Implemented

The Department continues to provide communication, education, and consultation to departments on the reporting requirements for administrative leave. In September 2011, the Department submitted reports to each department asking for verification that all extended administrative leave over 20 days had been reported accurately. This process allowed for departments to make changes as necessary to ensure all administrative leave over 20 days has been reported accurately and provide an attestation. The Department is verifying data received from this process and still considering an annual summarized report.

Implementation Status: b. Partially Implemented

The Department is currently undertaking a comprehensive review of all rules within the authority of the Department and will evaluate the need for potential rule changes in this area as part of this process.

**Recommendation #:** 4a-c

**Agency Addressed:** Department of Personnel & Administration

**Original Recommendation in Audit Report:**

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.

**Agency’s Response:** Agree

**Agency’s Written Response in Audit Report:**

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.

**Agency’s Comments on Implementation Status of Recommendation:**

Implementation Status: Implemented

The Department has clarified the implemented procedures for data entry and tracking of extended leave cases, and how to count paid days for purposes of the consecutive 20 working days through updated technical guidance. Updated technical guidance is available on the Division of Human Resources' website. In addition, the Department has improved follow up with departments on any errors and missing data. The Department has implemented an automated methodology for calculating and verifying the number of reported days and submitted reports to each department to attest and verify that all extended administrative leave over 20 days has been reported accurately (September 2011).

# STATE OF COLORADO



**Colorado Department of Human Services**

*people who help people*

EXECUTIVE DIRECTOR  
Reggie Bicha

1575 Sherman Street  
Denver, Colorado 80203-1714  
Phone 303-866-5700  
[www.cdhs.state.co.us](http://www.cdhs.state.co.us)



John W. Hickenlooper  
Governor

Reggie Bicha  
Executive Director

November 4, 2011

Monica Bowers  
Deputy State Auditor  
Office of the State Auditor  
200 East 14th Avenue  
Denver, CO 80203

Dear Ms. Bowers:

The Colorado Department of Human Services (CDHS) received your request dated September 22, 2011 to report on our implementation status of audit recommendations for the *Administrative Leave Use in the State Personnel System* performance audit. CDHS received one recommendation as part of that audit, which was implemented in January 2011. The attached status report template contains a description of the implementation status for that recommendation.

If you have specific questions related to this status report update, please contact Brad Mallon at (303) 866-4700 or [brad.mallon@state.co.us](mailto:brad.mallon@state.co.us). In addition, please let me know if a representative from CDHS should plan to attend the hearing in December when the status report is presented to the Legislative Audit Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Reggie Bicha". The signature is fluid and cursive.

Reggie Bicha  
Executive Director

Enclosure

cc: Reginald Jefferson, Director, Office of Administrative Solutions  
Jay Morein, Director, Office of Performance & Strategic Outcomes  
Brad Mallon, Director, Employment Affairs  
Charissa Hammer, Director, Audit Division  
Mette Boes, Internal Audit Manager

## AUDIT RECOMMENDATION STATUS REPORT

**AUDIT NAME:** Administrative Leave Use in the State Personnel System

**AUDIT NUMBER:** 2123

**DEPARTMENT/AGENCY/ENTITY:** Department of Human Services

**DATE:** October 28, 2011

### SUMMARY INFORMATION

*Please complete the highlighted areas in the table below with summary information for all audit recommendations. **For multi-part recommendations, list each part of the recommendation SEPARATELY.** (For example, if Recommendation 1 has three parts, list each part separately in the table.)*

<b>Recommendation Number</b> <i>(e.g., 1a, 1b, 2, etc.)</i>	<b>Agency's Response</b> <i>(i.e., agree, partially agree, disagree)</i>	<b>Original Implementation Date</b> <i>(as listed in the audit report)</i>	<b>Implementation Status</b> <i>(Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable)</i>  Please refer to the attached sheet for definitions of each implementation status option.	<b>Revised Implementation Date</b> <i>(Complete only if agency is revising the original implementation date)</i>
3	Agree	January 2011	<b>Implemented</b>	

## DETAIL OF IMPLEMENTATION STATUS

### Recommendation #: 3

Agency Addressed: Department of Human Services

### Recommendation Text in Audit Report:

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.

Agency's Response: Agree

### Agency's Written Response in Audit Report:

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.

### Agency's Current Comments on Implementation Status of Recommendation:

Implementation Status: Implemented (*Implemented, Implemented/Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*)

*Agency should provide a brief narrative explaining the actions taken to implement each recommendation and the actual or planned implementation date. If applicable, include the impact of other factors (e.g., state/federal legislation, regulations, agency reorganization, etc.) on the implementation of the recommendations.*

CDHS delivered training on the reporting requirements for administrative leave to all appointing authorities in January 2011 and we circulate a monthly report that tracks administrative leave usage on an ongoing basis.

# STATE OF COLORADO

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## COLORADO DEPARTMENT OF CORRECTIONS

Office of the Executive Director  
2862 South Circle Drive  
Colorado Springs, CO 80906-4195  
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John W. Hickenlooper  
Governor

Tom Clements  
Executive Director

November 2, 2011

Monica Bowers  
Deputy State Auditor  
Office of the State Auditor  
200 East 14<sup>th</sup> Ave.  
Denver, Colorado 80203

Dear Ms Bowers:

In response to concerns expressed by the Legislative Audit Committee regarding the use of administration leave, the Department has adopted and implemented processes based on the performance audit recommendations by the State Auditor's Office.

Please find the enclosed responses from the Department regarding the implementation status from the performance audit's recommendations. The Department's responses include a narrative response as requested, along with implementation status.

Thank you for your assistance in this matter. Should you have any questions, please do not hesitate to contact Rick Thompkins, Office of Human Resources, at (719) 226-4476 or by e-mail at [rick.thompkins@doc.state.co.us](mailto:rick.thompkins@doc.state.co.us).

Sincerely,

Tom Clements  
Executive Director  
Colorado Department of Corrections

cc: Karl Spiecker, Director of Finance and Administration  
Rick Thompkins, Associate Director, Office of Human Resources

Enc: Completed Audit Recommendation Status Report

## AUDIT RECOMMENDATION STATUS REPORT

**AUDIT NAME:** Administrative Leave Use in the State Personnel System

**AUDIT NUMBER:** 2123

**DEPARTMENT/AGENCY/ENTITY:** Department of Corrections

**DATE:** November 1, 2011

### SUMMARY INFORMATION

*Please complete the highlighted areas in the table below with summary information for all audit recommendations. For multi-part recommendations, list each part of the recommendation SEPARATELY. (For example, if Recommendation 1 has three parts, list each part separately in the table.)*

<b>Recommendation Number</b> <i>(e.g., 1a, 1b, 2, etc.)</i>	<b>Agency's Response</b> <i>(i.e., agree, partially agree, disagree)</i>	<b>Original Implementation Date</b> <i>(as listed in the audit report)</i>	<b>Implementation Status</b> <i>(Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable)</i>  Please refer to the attached sheet for definitions of each implementation status option.	<b>Revised Implementation Date</b> <i>(Complete only if agency is revising the original implementation date)</i>
3	Agree	June 2011	Implemented and ongoing	N/A

## **DETAIL OF IMPLEMENTATION STATUS**

### **Recommendation #: 3**

**Agency Addressed:** Department of Corrections

### **Recommendation Text in Audit Report:**

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.

**Agency's Response:** Agree

### **Agency's Written Response in Audit Report:**

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.

**Agency's Current Comments on Implementation Status of Recommendation:**

Implementation Status: *Implemented and ongoing.*

*Annually, the Office of Human Resources (OHR) will send out a notice of administrative leave guidelines to the appointing authorities to reiterate the administrative leave process. This process was implemented on March 29, 2011 when the Office of Human Resources sent a memo to all appointing authorities notifying them of rules, policies and guidelines regarding the use of administrative leave. The Office of Human Resources also hosts an annual conference for all appointing authorities and their support staff and utilizes this time, as well, to inform appointing authorities and their support staff about administrative leave reporting and processes. The annual conference was held on October 12<sup>th</sup> & 13<sup>th</sup> of 2011. The process has been implemented, but will be ongoing based on the constant change of appointing authorities.*

*Effective June of 2011, the Payroll Department began providing a monthly report containing all cases of administrative leave to the Office of Human Resources. The Office of Human Resources compares this monthly payroll report to their administrative leave database to make sure all cases of administrative leave that have exceeded 20 consecutive working days have been approved by the appropriate Division Director and have been reported to DPA and DOC's Executive Director.*