REPORT OF THE STATE AUDITOR

DEPARTMENT OF PERSONNEL

PERFORMANCE AUDIT AND FINANCIAL AUDIT FOR FISCAL YEAR 1988

MARCH, 1989

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State Auditor

Legislative Services Building
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Denver, Colorado 80203

March 10, 1989

Members of The Legislative Audit Committee:

This report contains the results of a performance and financial audit of the Department of Personnel. The performance audit is conducted pursuant to Section 24-50-103.5, C.R.S., which requires an audit of the Department every four years. The financial audit was conducted in accordance with Section 2-3-103, C.R.S., which states that it is the duty of the State Auditor to conduct post audits of all financial transactions and accounts kept for all departments.

The report presents our findings, conclusions, and recommendations, and the responses of the Department of Personnel and Personnel Board.

STATE OF COLORADO
OFFICE OF STATE AUDITOR
TIMOTHY M. O'BRIEN
State Auditor

REPORT SUMMARY

DEPARTMENT OF PERSONNEL PERFORMANCE AND FINANCIAL AUDIT DECEMBER 1988

This performance audit of the Department of Personnel was conducted under Section 24-50-103.5, C.R.S., which requires the State Auditor to review the Department of Personnel every four years. The financial audit was conducted in accordance with Section 2-3-103, C.R.S., which states that it is the duty of the State Auditor to conduct postaudits of all financial transactions and accounts kept for all departments.

The audit was conducted according to generally accepted governmental auditing standards for economy, efficiency, and program results.

PURPOSE AND SCOPE OF THE AUDIT

The purpose of this audit was to determine how well the Department of Personnel and the Personnel Board were carrying out the duties and functions set forth by statutes and the Constitution and to give an opinion on the Department's financial statements for Fiscal Year 1987-88.

Our review focused on the following issues:

- The Computer Systems Division's operations.
- The system's providing of a well-qualified work force after fair and open competition as required by statute.
- The Department's monitoring of decentralized agencies' personnel activities.
- The classification system's need for update.
- The Personnel Board's appeals process.
- The Department's financial statements and accounting practices.

The audit did not include on-site review of decentralized agencies' personnel activities, productivity studies of Department of Personnel staff, or an evaluation of a centralized versus decentralized system of personnel management.

The data for this report was collected between June and December 1988.

For further information on this report, contact the Auditor's Office at (303) 866-2051.

OVERVIEW

Colorado's Constitution and statutes require the Director of the Department of Personnel to oversee agencies' management of the state personnel system. The Director's oversight is particularly important since Colorado has a decentralized personnel system in which agencies have been given the authority to perform many of their own personnel functions.

Since our 1984 performance audit, the Department has improved its oversight of agency personnel practices in some respects. However, the need to increase their monitoring and oversight activities is a theme throughout this report.

COMPUTER SYSTEMS DIVISION

On March 29, 1984, the Governor signed an Executive Order stating that the Personnel Data System (PDS) was to be interfaced to the new Colorado Personnel Payroll System (CPPS). This interface would provide comprehensive personnel and payroll information to be used by the Governor, the Legislature, and state agencies.

In our opinion, the Department did not adhere to systems development methodology when designing the interface. **We recommend that the Department of Personnel work with the Department of Administration to:**

- **Appoint one person, independent of both Departments, as a project manager who is responsible and accountable for the success of the project. The project manager should include all users in each step of the systems development process.**
- **Define the scope and review the objectives of the project before continuing with the systems development process.**
- **Establish policies and procedures to ensure that cost/benefit analyses are performed and properly documented on this and future projects.**
- **Conduct a post-implementation review of costs and benefits on this project.**
- **Prepare monthly status reports in a timely manner and submit the reports to the management of both Departments. These reports should include a revised project schedule and a comparison of actual costs to budgeted costs.**
- **Establish policies and procedures to ensure that adequate and effective controls exist for the interface system.**

Department of Personnel Response:

Agree. The Departments of Personnel and Administration have appointed a project manager. A post implementation review of cost and benefits will be done at the close of the project. We also recommend that the State establish a policy regarding expectations

concerning adequate and effective security of computer systems, so that all agencies know the standards against which they will be measured.

Department of Administration Response:

The Department of Administration (DOA) generally agrees with the recommendations regarding the interface project. The two Departments have appointed a project manager who is also responsible for the success of the Colorado Financial Reporting System (COFRS) project. The DOA believes that any future projects (including Phases II and III of this interface project) as well as any other changes to the Personnel/Payroll systems, other than implementation of new vendor releases of Payroll System Software, should be made as a part of the implementation process as required in the COFRS system.

Colorado statutes require the Personnel Director to maintain the examination record of every candidate. In response, the Department of Personnel operates and should maintain the Applicant Data System (ADS).

We found that the Computer Systems Division does not perform adequate maintenance on the ADS. During the last three years, an average of only 26 percent of the approved FTE for ADS maintenance was actually used for ADS maintenance. Eight projects, all over one year old, have not yet been assigned to a programmer.

We recommend that the Department of Personnel establish written policies and procedures for ADS maintenance and communicate the status of maintenance projects to the Selection Center. Additionally, the Department should document and complete adequate ADS maintenance in a timely manner by ensuring that FTE approved for ADS maintenance is used for ADS maintenance.

Department of Personnel Response:

Partially Agree. The highest priority in the Department, however, is the interface of personnel and payroll systems. We will indicate in future budget submissions that estimates for ADS maintenance are subject to change.

CARRYING OUT THE PURPOSE OF THE STATE PERSONNEL SYSTEM

Colorado's statutes state that one purpose of the personnel system is to ensure "that a well-qualified work force serves the residents of Colorado." We believe that the system does attract and retain well-qualified employees because managers retained 90 percent of new employees hired during Fiscal Year 1987. However, of the new employees that were retained, supervisors completed evaluations on only 73 percent of them before they were certified. And only 80 percent of all current employees received an evaluation within the last twelve months.

We recommend that the Department of Personnel continue to emphasize the use of its performance evaluation system. The Department should monitor compliance with the requirement for annual performance evaluations by using its Personnel Data System to gather and report information on agency implementation of performance evaluations.

Department of Personnel Response:

Agree.

Another purpose of the state personnel system is to provide for selection after "fair and open competition." We found that the Department does not do a good job of monitoring agency compliance with affirmative action requirements and job announcement procedures. We also found that the Department cannot guarantee that job-related tests are being used to select employees.

We recommend that the Department of Personnel:

- **Increase their oversight of agency affirmative action efforts.**
- **Monitor decentralized agencies' announcement procedures.**
- **Obtain and review a representative sample of state agencies' examinations and report the results of the reviews to agencies and work with the agencies to help them correct their problems.**

Department of Personnel Response:

Agree.

OVERSEEING THE PERSONNEL SYSTEM

The Department needs to improve the monitoring it is currently doing by improving both its reviews of decentralized agencies' personnel operations through the Personnel Management Reviews and its monitoring of agency implementation of appeals panels' orders.

We recommend that the Department of Personnel adequately staff the Personnel Management Review function so that they review each decentralized agency every five years, or more frequently if necessary. We also recommend that the Personnel Management Reviews perform desk audits on a sample of each agency's positions to determine if agency positions appear correctly classified.

Department of Personnel Response:

Partially agree. Because the Department is currently engaged in a major initiative to revise all major areas of the personnel system, it will not be possible to direct additional staff to the PMR effort. We also believe that a system-wide review of specific classes may be an effective way to determine if agency positions are correctly classified.

The Department does not ensure that agencies carry out the orders of panels of personnel experts who hear appeals to the Director on classification and examination issues when the employee wins. The Department needs to identify a central coordinating point and request documentation of implementation of appeals panels' orders.

We recommend that the Department develop additional monitoring and enforcement alternatives, short of revoking decentralization authority, and specify these alternatives in its delegation agreements.

Department of Personnel Response:

Agree.

In addition to improving the oversight the Department is currently doing, we have identified other monitoring activities the Department should be doing.

- Regular on-going review of agency announcement procedures by the Selection Center.
- Regular monitoring and review by the Selection Center of tests developed by decentralized agencies to ensure that they are job-related.
- Increased oversight of agency affirmative action efforts.
- Regular review of agency classification actions by the Classification and Compensation Division.

THE CLASSIFICATION SYSTEM

When we reviewed the State's classification system, we found several problems. The Department is addressing some of these problems. However, there are problems the Department still needs to correct.

We found, as did four studies between 1980 and 1985, that the current classification system should be replaced. Although the Department has developed an action plan, the plan does not contain beginning and ending dates for the project. It also does not include an estimate of the total cost of developing and implementing the new system, including an estimate of the total salary impact, if any.

We recommend the Department develop a specific plan for replacing the classification system and include in the plan beginning and ending dates for the project. The plan should also include an estimate of the total cost of the project, including total salary impact, if any.

Department of Personnel Response:

Agree.

We found, too, that the Department has not done a good job of maintaining the current classification system. The Department's system maintenance reviews are on a ten-year cycle, which is too infrequent to ensure that classes reflect current duties.

We recommend that the Department of Personnel maintain the current system or a new system on at least a five-year cycle.

Department of Personnel Response:

Partially agree. We will develop a maintenance program as part of the new classification system we hope to develop as part of the "New Directions" initiative.

Also, we recommend that the General Assembly ensure that the classification system is maintained by funding the results of occupational studies that cannot be implemented without fiscal impact.

Department of Personnel Response:

Agree. The Department has taken a step toward resolving this problem by advocating the "dollar-for-dollar" implementation of systems maintenance studies which substantially decreases the cost of implementing those studies.

We found that the Department of Personnel is not adequately monitoring the classification activities of the decentralized agencies.

We recommend that the Classification and Compensation Division of the Department review a sample of decentralized agencies' classification actions when problems are apparent. If the Division finds incorrect classifications, they should take appropriate enforcement action to correct the situation.

Department of Personnel Response:

Agree. However, this activity will be undertaken after implementation of the new classification system.

STATE PERSONNEL BOARD

Our review of the Board's operations found that although many improvements have been made since our 1984 performance audit, the Board is not meeting all the statutory deadlines on appeals. Specifically, they are not meeting the 45 day limit for issuing a written decision on the hearing and the 60 day limit for certifying the hearing record as complete.

We recommend that the Personnel Board monitor the workload and deadlines on a regular basis.

Personnel Board Response:

Agree. Procedures for monitoring deadlines were established during the 1984 audit. A net workload increase of 37 percent, coupled with the preparation of a substantial study at the direction of the Legislature, did cause a deterioration of this monitoring system as of Fiscal 1988. In the vast majority of the few missed deadlines for Fiscal 1988, the delay was no more than three days.

ACCOUNTING ISSUES

Our opinion is unqualified on the financial statements of the Department of Personnel for the year ended June 30, 1988, as they relate to the general purpose financial statements of the State of Colorado. Although the accounting function has been improved in the past year, we have made a number of recommendations relating to the need to improve control procedures.

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Party Addressed	Agency Response	Implementation Date
1	20	Appoint one person as project manager of the PDS/CPPS interface to be responsible and accountable for the success of the project.	Department of Personnel	Implemented.	
			Department of Administration	Agree, partially implemented.	
2	21	Define the scope and review the objectives of the PDS/CPPS interface before continuing with systems development process.	Department of Personnel	Implemented.	
			Department of Administration	Partially agree.	
3	23	Establish policies and procedures to ensure that cost/benefit analyses are performed, periodically compare actual costs to budgeted costs, and conduct a post-implementation review of costs and benefits.	Department of Personnel	Agree.	9/89
			Department of Administration	Agree.	
4	24	Prepare monthly status reports in a timely manner and establish policies and procedures to ensure that adequate and effective controls exist for the interface system.	Department of Personnel	Agree.	3/89
			Department of Administration	Agree, partially implemented.	
5	25	Establish and issue guidelines on systems development methodology as soon as possible.	Information Management Commission	Agree.	
6	28	Establish written policies and procedures for ADS maintenance and ensure FTE approved for ADS maintenance is used for ADS maintenance.	Department. of Personnel	Partially agree.	1/90

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Party Addressed	Agency Response	Implementation Date
7	30	Establish written policies and procedures for the Computer Systems Division, prepare annual Division plan, and provide user training.	Department of Personnel	Agree.	1/90
8	31	Provide adequate security of software and systems documentation on site and provide off-site storage for copy of software and systems documentation.	Department of Personnel	Agree.	7/89
9	35	Continue to emphasize use of performance evaluation system and implement 1984 recommendations concerning performance evaluations.	Department of Personnel	Agree.	9/89
10	39	Develop and implement methods of monitoring and enforcing agencies' compliance with Board Rule requiring approval prior to filling vacancy that could correct underrepresentation of ethnic minorities and women.	Department of Personnel	Agree.	
11	40	Obtain and review representative sample of selection examinations and report results of reviews to agencies.	Department of Personnel	Agree.	1/89
12	41	Monitor decentralized agencies' job announcement processes and require violators to take proper future action.	Department of Personnel	Agree.	4/89
13	45	Adequately staff the Personnel Management Review function to review each decentralized agency at least once every five years.	Department of Personnel	Partially agree.	7/90
14	46	Perform desk audits on a sample of decentralized agencies' positions as part of Personnel Management Reviews.	Department of Personnel	Agree.	10/89

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Party Addressed	Agency Response	Implementation Date
15	47	Assign responsibility to a specific individual to coordinate the review of all agency implementations of Personnel Management Review recommendations and appeals panels' orders.	Department of Personnel	Agree.	3/89
16	48	Develop additional monitoring and enforcement alternatives and list them in delegation agreements.	Department of Personnel	Agree.	8/89
17	54	Estimate the cost of maintaining the classification system on at least a five-tear cycle.	Department of Personnel	Partially agree.	6/89
18	54	Fund the results of system maintenance studies that cannot be implemented using the dollar-for-dollar implementation strategy.	General Assembly	Agree.	
19	55	Develop a specific plan for replacing the classification system to include beginning and ending dates for the project and an estimate of the total cost of the project, including total salary impact, if any.	Department of Personnel	Agree.	7/89
20	57	Review a sample of decentralized agencies' classification actions when problems are apparent.	Classification and Compensation Division	Agree.	7/91
21	60	Take additional steps to meet appeals process deadlines.	Personnel Board	Agree.	7/89
22	61	Establish a policy to obtain "conflicts" counsel from Attorney General's Office when needed.	Personnel Board	Partially agree.	
23	64	Develop procedures to ensure that receivable accounts are based upon formal billings.	Department of Personnel	Implemented.	

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Party Addressed	Agency Response	Implementation Date
24	65	Follow up on past-due accounts in accordance with Fiscal Rules.	Department of Personnel	Agree.	7/89
25	65	Establish and maintain a subsidiary chart of accounts receivable.	Department of Personnel	Implemented.	
26	66	Re-evaluate the feasibility of collectin g for training at the time of registration or at the time of first class.	Department of Personnel	Agree.	7/89
27	67	Develop standard written procedures for the collection and processin g of cash collections.	Department of Personnel	Agree	6/89
28	67	Ecourage other state agencies to remit payments by F-document.	Department of Personnel	Implemented.	
29	68	Develop procedures to ensure timely deposits with the State Treasurer in accordance with Fiscal Rules.	Department of Personnel	Implemented.	

DESCRIPTION OF THE DEPARTMENT OF PERSONNEL AND PERSONNEL BOARD

HISTORY

The Department of Personnel has 72 employees who are responsible for carrying out the duties and responsibilities assigned to the Department by the State Constitution and statutes. The Department had a 1987-88 budget of $3.4 million. There are currently about 27,000 state employees governed by the personnel system and its laws and rules. The Executive Director of the Department of Personnel is charged by law with overseeing the system and with providing a comprehensive and uniform system of personnel management and administration.

The State's personnel system was established in 1907. In 1918, a constitutional amendment created a three-member, full-time Civil Service Commission to develop policy, perform judicial review, and conduct compliance monitoring. The Office of the Personnel Director was also formed in 1918 to administer the system under the direction of the Commission.

Constitutional amendments in 1970 replaced the Commission with a part-time, five-member Personnel Board and created a separate Department of Personnel.

DUTIES AND STRUCTURE TODAY

The Department of Personnel is primarily responsible for:

- Administering the personnel system.
- Conducting annual salary and fringe benefit surveys.
- Maintaining the State's classification system.
- Hearing any selection or classification appeals.
- Maintaining an employment record of every employee.
- Providing for evaluation of employee performance.
- Providing postaudit review of decentralized agency operations.
- Assigning appropriate pay grades to classes of work.

These functions are carried out by the Executive Director's office and by the following units:

- Selection Center.
- Classification and Compensation Division.
- Technical and Consulting Services Division.
- Computer Systems Division.

The Personnel Board's functions are:

- To adopt, amend, and repeal rules needed to implement the laws relating to the personnel system.
- To hear and resolve appeals concerning disciplinary actions, grievances and layoffs, including discrimination and "whistle blower" appeals.
- To consider requests for waiving the residency requirement for employment in the state personnel system.

DEPARTMENT OF PERSONNEL BUDGET

	Actual 1986-87	Estimate 1987-88	Appropriation 1988-89
General Funds	$2,928,647	$3,214,666	$3,317,789
Cash Funds	99,554	215,338	221,444
TOTAL	$3,028,201	$3,430,004	$3,539,233

	Actual FTE 1986-87	Estimate FTE 1987-88	Appropriation FTE 1988-89
General	74.8	70.7	70.1
Cash	1.0	3.2	3.2
TOTAL	75.8	73.9	73.3

STATE PERSONNEL BOARD BUDGET

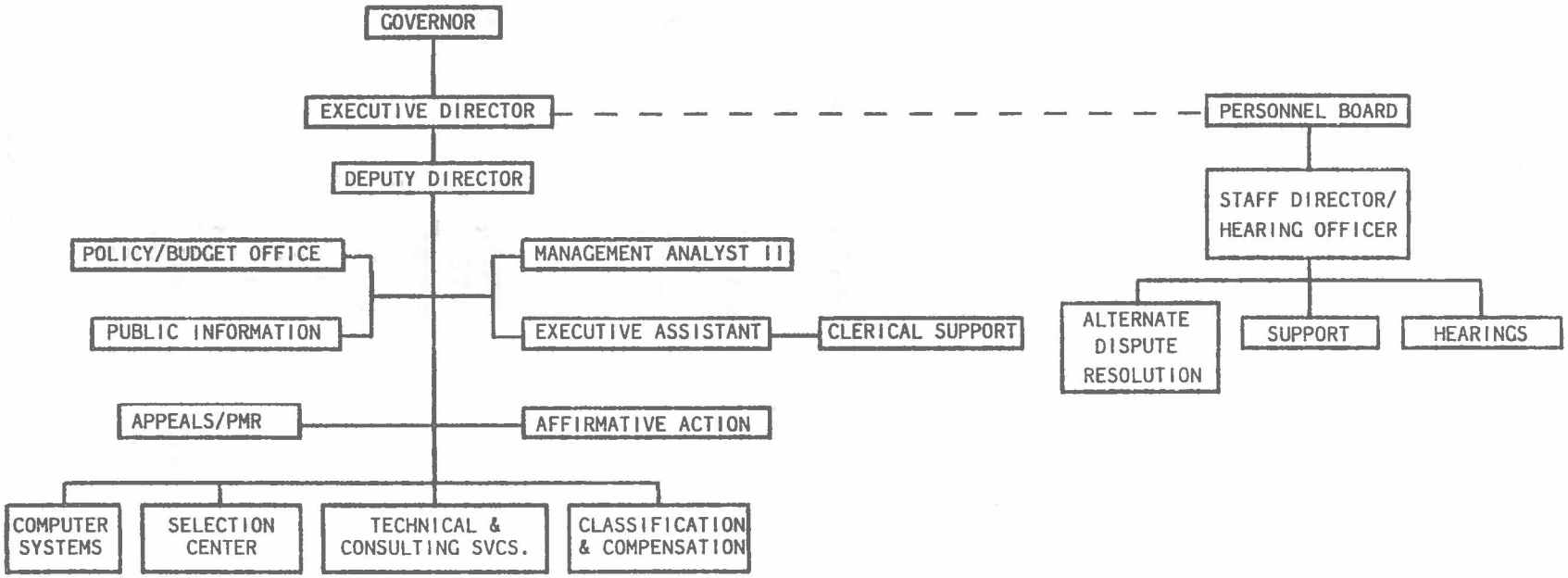
	Actual 1986-87	Estimate 1987-88	Appropriation 1988-89
General Funds	$172,526	$195,686	$198,177
Cash Funds	7,743	17,663	17,924
TOTAL	$180,269	$213,349	$216,101

	Actual FTE 1986-87	Estimate FTE 1987-88	Appropriation FTE 1988-89
General	5.3	5.3	5.3
Cash	0	0	0
TOTAL	5.3	5.3	5.3

SOURCE: Budget Request Document FY 1989 and 1988-89 Long Bill

ORGANIZATION CHART

DEPARTMENT OF PERSONNEL AND PERSONNEL BOARD



COMPUTER SYSTEMS DIVISION

CHAPTER I

INTRODUCTION

Statutes require that the Personnel Director maintain "a personnel data inventory of all employees in the personnel system" and "the examination record of every candidate." In response to this, the Department of Personnel operates the Personnel Data System (PDS) and the Applicant Data System (ADS).

The Personnel Data System has been operating since 1982. It was created to maintain the complete history of approximately 27,000 classified employees from the time they are hired to the time they leave state employment.

The Applicant Data System has been operating since January 1985 and was created to maintain the examination record of every person who applies for a state job.

The Computer Systems Division is responsible for maintaining both systems.

The first attempt to interface the two systems failed.

PERSONNEL AND PAYROLL SYSTEMS TO BE INTERFACED

On March 29, 1984, Governor Lamm signed an Executive Order stating that the Personnel Data System (PDS) was to be interfaced to the new Colorado Personnel Payroll System (CPPS). This interface would provide comprehensive personnel and payroll information to be used by the Governor, the Legislature, and state agencies. The interface has not yet been completed.

State agencies currently perform duplicate data entry of personnel information--once to the PDS and again to the CPPS. The interface would eliminate this duplicate data entry.

The Department of Personnel and the Department of Administration coordinated their efforts to develop an interface to be implemented in July 1987. This first attempt to interface the two systems failed. Management of the two Departments now believe that the interface design was "backwards." This

design called for data entry to the CPPS. The information was then passed to the PDS. When data entry operators tested the system, a high error rate occurred. Only about 10 percent of the transactions got through both systems on the first try.

We believe the interface failed because the Departments did not use a systems development methodology. One of the steps in systems development is to perform feasibility studies. For example, is the project economically feasible? Is the design operationally feasible? Adequate feasibility studies could have identified the fatal flaw in the first design.

In December 1987, both Departments began a second attempt to develop an interface. Representatives from both Departments and from four user agencies formed a group known as the Interface Study Group. Two IBM consultants assisted the group on a volunteer basis.

The Study Group used an IBM methodology for systems development planning that includes the following steps:

- Define management and user requirements.
- Define system objectives.
- Develop a general design of the proposed system.
- Prepare a cost/benefit analysis.
- Develop an implementation plan.

They produced a plan to develop the interface. Since the first design was thought to have been "backwards," the second design switched the point of data entry to the PDS instead of to the CPPS. This new design called for information to pass the PDS edits then be passed to the interface for use in updating the CPPS files. They estimate this interface will cost slightly over $576,000. Both Departments approved the plan in March 1988.

METHODOLOGY NOT ADHERED TO

In our opinion, the systems development methodology had the right steps. However, we found that the Study Group did not adhere to the methodology. Before the plan was approved, the Executive Director of Personnel requested that an EDP audit manager from the State Auditor's Office review the Study Group plan. In a letter to the Director in February 1988, the EDP audit manager pointed out problems with the plan. These problems were not corrected.

We are concerned that this second effort may fail. We observed deficiencies with how the group followed each step. Our audit comments are organized according to the IBM systems methodology steps listed in the previous section.

Define Management and User Requirements

The success of the project depends on identifying and meeting system requirements.

The success of the interface project depends on identifying requirements and then ensuring that the system meets those requirements. Management and users must agree on the system specifications of what will and will not be included.

Because two departments share in the system development, coordination is paramount.

The project is made more challenging in that two departments share the management of the system development. The two departments have different needs. The Department of Personnel is concerned with personnel functions. The Department of Administration is concerned with payroll functions. There is no one person to coordinate all the numerous details and to ensure that all user and management requirements have been identified. We found the following problems:

- The two Departments did not designate one person as a project manager to be responsible and accountable for the overall success of the systems development process. Instead, they designated one person from each Department. These two persons have not effectively coordinated all of the details. A project manager should be independent of both Departments to ensure that the needs of both Departments are met.

- The Study Group did not include all users in the process. Only four agencies sent representatives. There was no attempt to ask for user requirements or approval from the other users. The design includes information needed from higher education institutions. However, the Study Group did not include representatives from higher education institutions.

In spite of the cooperation between the Departments, confusion and misunderstandings exist. There is a lack of agreement concerning when to implement parts of the project. There is also a lack of agreement on how to implement policy. For example, one Department wants to mandate use of the interface. The other Department wants to promote the use of the interface through a "marketing" approach. This lack of agreement may affect the efficiency of the systems development process.

Recommendation No. 1

The Department of Personnel should work with the Department of Administration to appoint one person, independent of both Departments, as a project manager. The project manager should be responsible and accountable for the success of the project. In addition, the project manager should include all users in each step of the systems development process.

Department of Personnel Response:

Implemented. Tom Romero, who is associated with the COFRS Project, has been appointed by the Department of Personnel and the Department of Administration as project manager. This not only will ensure the success of the interface project but also will provide necessary coordination with the COFRS project. Please note that in our opinion user groups have been and will be appropriately involved in the interface project development.

Department of Administration Response:

The project director for the COFRS development and implementation project has been appointed as project manager for this project. Because Phase I of the Interface project does not change the Payroll in any way other than the input screen, the DOA has not considered this project as a normal systems development project. We intend to provide new manuals and data input training to the users during actual implementation of the interface process.

Define Project Objectives

The Departments needed to define the scope of the project.

In order to define the objectives for the interface project, the Departments needed to define the scope of the project. The scope should establish what would be changed, who would and would not be affected, and the operational changes that would be called for both in the Personnel Department and in affected agencies. The Study Group recommended that both Departments implement two policy decisions before beginning the detailed design of the project.

- Develop a system for statewide position control for both classified and non-classified employees. In other words, organize the personnel information by position, instead of by person. This method of

organization would provide a comprehensive data base of information to assist in tracking position costs and preparing budgets.

- Require all agencies and institutions to input all personnel information in an on-line capacity. Now, some higher education institutions use after-the-fact batch input of summary data. This results in inaccurate and untimely information.

The Study Group recommended that if these policies could not be implemented the State should live without a statewide personnel and payroll system. Implementing the two policies would provide a comprehensive data base of information for accounting and budgeting purposes. This comprehensive data base is needed to fully implement the Executive Order issued in 1984.

These policies would affect a significant portion of classified and non-classified employees in higher education institutions. The Department included needed information from higher education institutions in the design but did not include representatives from the institutions in the process.

The two Departments did not follow the recommendation of the Study Group. They have not agreed on how to implement the two policies. The reason given for not implementing the policies is that representatives from higher education stated they did not want to be on the system.

Recommendation No. 2

The Department of Personnel should work with the Department of Administration to define the scope and review the objectives of the project before continuing with the systems development process.

Department of Personnel Response:

Implemented. As soon as issues regarding the interface process were identified by the audit team, the Department took steps immediately to address those issues.

Department of Administration Response:

The DOA believes that Phase I of the project should be completed without delay. The primary purpose of Phase I, Parts 1, 2, and 3 is to reduce the time and cost of data entry. Any delay regarding a redefinition of the scope and/or a review of the objectives beyond those in Phase I would be costly to the users and would breach our agreement with users to implement as soon as possible.

No study was performed to determine if software packages were already available.

Develop a General Design for the Proposed System

In developing a general design, it is helpful to create a model or a flow chart to depict how the system should work. Also during this step, it is necessary to determine if alternative solutions are feasible. Feasibility considerations should include:

- Economic - How much will the proposed system cost? Are there more economical alternatives?
- Technical - Do we have adequate hardware and software? Do we have the expertise to develop the system?
- Operational - What will be the effect of the system on the users? What will be the effect of the users on the system?

When the Department of Administration purchased the CPPS, the package included personnel software. The Study Group did not study the alternative of using this personnel software. In addition, no study was performed to determine if any other vendor software packages were already available which could satisfy management and user requirements.

The Department does not routinely monitor actual costs to budgeted amounts.

Prepare a Cost/Benefit Analysis for the Proposed System

One way to control an agency's investment of resources in a new system is to estimate all costs of developing the proposed system. This includes estimating costs in both dollars and hours. Costs and benefits are initially evaluated as separate components. These components are then compared to each other as part of an economic feasibility study. Once an alternative is selected and the project begins, it is important to monitor and compare actual costs to budgeted costs. After the system is implemented, a post-implementation review is needed to evaluate the total cost of the project.

We found these problems:

- The Department did not perform a post-implementation review for the first interface design that failed. They could not tell us how much they spent on that project in dollars and hours.
- The Department does not have supporting documentation for the initial cost/benefit analysis for this second attempt to interface the systems. Therefore, we could not determine if estimates of dollars and hours were reasonable.
- The Department does not routinely monitor or compare actual costs in dollars and hours to budgeted amounts.

- The Department does not have a policy to conduct a post-implementation review. The Department stated there was no time to do a post-implementation review.

Recommendation No. 3

The Department of Personnel should work with the Department of Administration to:

a. Establish policies and procedures to ensure that cost/benefit analyses are performed and properly documented on this and future projects.

b. Periodically compare actual costs to budgeted costs on this interface project and report this information to management of both Departments.

c. Conduct a post-implementation review of costs and benefits on this project.

Department of Personnel Response:

a. Agree.

b. Implemented.

c. Agree. A post implementation review of cost and benefits will be done at the close of the project.

Department of Administration Response:

The DOA will work with the Department of Personnel and the project manager to provide the necessary cost data as implementation proceeds. A review of the cost/benefits of Phase I should be included in the post-implementation review.

Develop an Implementation Plan

In January 1988, the Study Group prepared a general implementation schedule of major tasks. They intended the schedule to be revised as changes occurred. We found the following deficiencies:

- Although there have been significant changes, we found that the Department has not revised the schedule.

- Monthly status reports are not prepared and issued in a timely manner. The project was approved in March. The first status report was issued in September.

- The American Institute of Certified Public Accountants' audit guide, "The Auditor's Study and Evaluation of Internal Control in EDP Systems," lists controls which should be present in computer systems. Policies and procedures to ensure that these controls are present in the interface have not been established. Controls are needed to preserve the integrity of the information in the system. For example, there is no policy to perform routine reconciliations to ensure that the PDS information matches the information in the CPPS.

Recommendation No. 4

The Department of Personnel should work with the Department of Administration to:

a. Prepare monthly status reports in a timely manner and submit the reports to the management of both Departments. These reports should include a revised project schedule and a comparison of actual costs to budgeted costs.

b. Establish policies and procedures to ensure that adequate and effective controls, such as those recommended by the American Institute of Certified Public Accountants, exist for the interface system.

Department of Personnel Response:

a. Implemented.

b. Agree. We also recommend that the State establish a policy regarding expectations regarding adequate and effective security of computer systems, so that all agencies know the standards against which they will be measured.

Department of Administration Response:

The two Departments have developed a written monthly status report for the project manager and the department management. In addition, a more detailed task schedule has been developed. The DOA will provide the cost-to-date information for that document.

The DOA will implement any policy or procedure recommended by the project manager for this project and for future phases and projects related to the Payroll System and its relationship to Personnel and COFRS system.

INFORMATION MANAGEMENT COMMISSION SHOULD ISSUE GUIDELINES

The Legislature established the Information Management Commission in 1987 and the Governor appointed individuals to serve on a volunteer basis. In May 1988, they issued their goals and objectives. One goal is to "provide oversight and guidance in the use of information systems technology by the State of Colorado and assure continuity in planning and controlling the State's investment in this technology."

The Commission has not issued guidelines for computer systems development. This was recommended in our audit of the Department of Institutions in June 1988. In that audit, we found a major systems development project being conducted with many deficiencies. If guidelines existed, perhaps some of the weaknesses that we found would not have occurred. Our concern is that a pattern of haphazard computer systems development is emerging. We are concerned that the State's resources may not be used in the most economical and efficient manner.

Recommendation No. 5

The Information Management Commission should establish and issue guidelines to state agencies on systems development methodology as soon as possible.

Department of Personnel Response:

Agree.

Information Management Commission Response:

We agree with your recommendation that the Information Management Commission should establish and issue guidelines to state agencies on systems development methodology. This task has been assigned to the Standards, Procedures and Resource sub-committee of the Commission. Bob Greene is chairman of the sub-committee.

However, I would like to indicate in the strongest of terms that the Commission members believe that any properly managed computer systems function should already have established methods for developing computer systems and managing the associated projects. In fact, your audit report on page 15 of the pre-release copy indicated..."In our opinion, the systems development methodology had the right steps. However, we found that the study group did not adhere to the methodology."

Your report further indicated regarding a second effort by this department..."Before the plan was approved, the Executive Director of Personnel requested that an EDP audit manager from the State Auditor's Office review the Study Group plan. In a letter to the Director in February 1988, the EDP audit manager pointed out problems with the plan. These problems were not corrected."

If the department did not adhere to their existing methodology which the auditor indicated "had the right steps" and the department did not take corrective action after the auditor comments in February 1988, then it seems unlikely that the department could be helped by guidelines from the Commission on Information Management.

The principles and practices you have discussed and recommended in your audit regarding the Computer Systems Divisions have existed for the EDP profession for at least twenty years. To follow these principles and practices is good EDP management. Failure to follow them is a management issue which appears to be addressed in your audit.

APPLICANT DATA SYSTEM

The Computer Systems Division does not perform adequate ADS system maintenance.

Colorado statutes require the personnel director to maintain the examination record of every candidate. In response, the Department purchased the Applicant Data System (ADS) at an initial cost of about $225,000. The Selection Center implemented the system in January 1985. It keeps necessary records and produces notices and reports.

System Maintenance Needed

We found that the Computer Systems Division does not perform adequate ADS system maintenance. Adequate maintenance is needed to protect the initial system investment and to keep the system operating efficiently over its useful life. We reviewed the time reports and maintenance records and found the following problems:

- The Computer Systems Division manager submits an annual budget request for FTE to perform ADS maintenance. During the last three years, an average of only 26 percent of the approved FTE was actually used for ADS maintenance.

	Fiscal Years			
	1986	1987	1988	Total
FTE Approved	1.00	1.30	1.50	3.80
FTE Used	0.24	0.26	0.51	1.01
% of Use	24%	20%	34%	26%

- There are no written policies and procedures for ADS maintenance, nor are there any to notify the Selection Center regarding the status of maintenance projects. For example, a programmer completed one project but forgot to move it to production for over seven months. This situation indicates that there was inadequate supervisory review. Written policies and procedures are important administrative controls to ensure that job duties are consistently and efficiently performed in accordance with management requirements.

- In November 1987, the Department paid a consultant $3,000 to provide instructions on how to program each pending ADS maintenance project. The Department does not appear to have used the report. Eight projects, all over one year old, have not yet been assigned to a programmer.

  For example, one project that is approximately two years old is the repair of the ADS exam scoring device. Since the device has not been repaired, the Department spends an estimated $5,500 a year on other test scoring alternatives.

Programmer Turnover Is High

During the last four years, the Computer Systems Division manager assigned four different programmers to work on ADS maintenance. When a new programmer is assigned to work on ADS, the programmer needs some time to become familiar with the system. This high turnover in programmers assigned to the ADS causes delays in completing maintenance projects.

ADS Maintenance Is Low Priority

Staff believe that one reason for the delay in performing ADS maintenance is that additional staff resources are needed for the interface project discussed earlier. We recognize the importance of the interface project. However, we question the decision of neglecting ADS maintenance for four years, especially since FTE have been budgeted for ADS.

Another reason appears to be that staff believe that the ADS program is more complex than other Department systems. The Computer Systems Division staff would rather rewrite the system than maintain it. However, during 1983 and 1984, while contract programmers developed the ADS system on site, the Department had the opportunity to involve an in-house programmer in the process. The Department did not take advantage of this opportunity.

Lack of Maintenance Decreases ADS' Usefulness and Efficiency

The Selection Center recently conducted an ADS user survey. Except for the maintenance problems, the survey revealed overall satisfaction with the ADS. Currently, only five decentralized agencies are on-line ADS users. Selection Center staff believe that lack of adequate maintenance has hindered their efforts to promote more widespread use of the ADS.

A representative for the ADS contract programmers estimated the original useful life of the system to be at least ten years. Using straight-line depreciation, an estimated $135,000 of the initial system cost and 60 percent of the system life remains. The lack of adequate maintenance during the last four years may have shortened the useful life of the system.

We believe the Computer Systems Division should give ADS maintenance a higher priority and correct the deficiencies above.

Recommendation No. 6

The Department of Personnel should:

a. Establish written policies and procedures for the ADS maintenance.

b. Document and complete adequate ADS maintenance in a timely manner.

c. Ensure that FTE approved for ADS maintenance is used for ADS maintenance.

d. Communicate the status of maintenance projects to the Selection Center on a regular basis.

Department of Personnel Response:

a. Agree.

b. Partially agree. The highest priority in the Department at the present time is successful completion of the interface between the personnel and payroll systems. Although we agree that maintenance of the ADS system is necessary, that work must be subject to higher priorities.

c. Partially agree. See response to "b" above. In the future, we will be careful to indicate in our budget submissions that the estimates for ADS maintenance are subject to change if other priorities become more imparative.

d. Agree.

OTHER DIVISION PROBLEMS

We found that both management and security problems in the Computer Systems Division of the Department need to be resolved.

Management Problems Need to be Resolved

We found management problems in the Computer Systems Division. Good management is important all the time but even more important when there is a high turnover in the Executive Director's position. The Department of Personnel has had six Executive Directors or interim Directors since 1980. In order to provide continuity and stability, planning and management at the division level should be a high priority. We found the following problems:

- The Division manager did not prepare a master plan for the Computer Systems Division for Fiscal Years 1988 or 1989. A plan should include short-term and long-term goals and objectives. A plan would organize the resources of the Division and provide a basis for measuring progress.

- The Division does not have written policies and procedures. These are tools to ensure that the work is consistently completed in an efficient manner according to management requirements. The Department believes that written policies and procedures are not a high priority.

- The Division manager does not plan and organize training for system users. Some training is provided but not on a regular basis.

Recommendation No. 7

The Department of Personnel should:

a. Establish written policies and procedures for the Computer Systems Division.

b. Prepare an annual Division plan, approved by the Executive Director, for the use and allocation of computer resources.

c. Plan and provide user training for new systems and when systems change.

Department of Personnel Response:

a. Agree.

b. Agree.

c. Agree. The Department now provides such training but we will review our program to assure that it is thorough and timely.

Security Problems Need to be Resolved

Adequate security is necessary to prevent unauthorized access to software and systems documentation. The American Institute of Certified Public Accountants' audit guide, "The Auditor's Study and Evaluation of Internal Control in EDP Systems," lists controls which should be present in computer systems. One of those controls is that access to program documentation should be limited to those persons who require it in the performance of their duties. We found that:

- There is no lock on the door to prevent and control access to the Computer Systems Division office. The office is on the first floor of the Centennial Building, which is a high traffic area. A coded door lock costing about $100 would control access to the offices.

- There is no off-site storage of a copy of systems documentation. The Division stores the only copy of the PDS systems documentation in their offices. If the documentation were to be stolen or damaged, many hours would be needed to compile another copy. The documentation can be microfilmed for about $300. The

Department should store the microfilm copy at another site to ensure that both copies would not be lost or destroyed.

Recommendation No. 8

The Department of Personnel should establish policies and procedures to:

a. Provide adequate security for software and systems documentation on site.

b. Provide off-site storage for a copy of software and systems documentation.

Department of Personnel Response:

a. Agree.

b. Agree.

CARRYING OUT THE PURPOSE OF THE PERSONNEL SYSTEM

CHAPTER II

INTRODUCTION

Colorado's statutes state that one purpose of the personnel system is to ensure "that a well-qualified work force serves the residents of Colorado." Another purpose is to provide for selection after "fair and open competition." The Colorado Constitution and state statutes give the responsibility for administering the state personnel system to the state personnel director.

We developed tests to determine if the personnel system, through the administration of the Department of Personnel, is meeting these statutory purposes.

1. To determine how the system ensures a well-qualified work force, we looked to see if managers retain new employees the selection process provides and if supervisors regularly evaluate all employees' work.

2. To evaluate the success of the sytem in ensuring that competition for state employment is fair and open, we examined the Department's affirmative action and equal employment activities and job announcement procedures.

The system does attract and retain well-qualified employees, although improvements can be made.

WELL-QUALIFIED WORK FORCE

To determine how effectively the state personnel system ensures a well-qualified work force, we asked:

- Do managers retain new employees the selection process provides?

- Do agency supervisors regularly evaluate all employees' work?

We answered these questions by reviewing a representative sample of newly hired employees' personnel records and by surveying a representative sample of state employees about their experiences with the performance evaluation system.

We found that the system does attract and retain well-qualified employees, although improvements can be made.

New Employees Retained

State agencies hired about 2,400 new employees during Fiscal Year 1987. We reviewed the records of a representative sample of these employees and found that state agencies retained about 90 percent of the new employees by certifying them to classified positions. This certification rate demonstrates that supervisors accept as qualified the new employees provided by the selection process.

Twenty seven percent of new employees did not have their work formally evaluated before being certified.

Evaluation Rate Needs Improvement

However, of the 90 percent of new employees hired in Fiscal Year 1987 that were certified, supervisors completed evaluations on only 73 percent of them. This means that 27 percent of new employees did not have their work formally evaluated before being certified.

Colorado law provides new employees a probationary period lasting no more than twelve months. The probationary period is important because it is the supervisors' opportunity to identify unqualified employees before they are certified. Probationary employees can be dismissed with few appeal rights.

We found that the overall evaluation rate for all current employees is slightly higher. When we asked a representative sample of all current employees if their supervisors evaluated their work, 80 percent told us they received a formal written evaluation during the last twelve months.

Statutes require the Department to create an evaluation system, but it is the supervisors who must implement the system by evaluating their employees annually. Statutes say that supervisors who do not evaluate their subordinates shall not be eligible for a step increase in their pay until the evaluations are done. This provision has had a limited effect, however, because most supervisors are at the top of their pay grades and are not eligible for the annual step increase. Getting supervisors to evaluate their subordinates is a problem that many agencies have not solved.

We recommended in our 1984 performance audit of the personnel system that the Department of Personnel should:

a. Make provisions for its Personnel Data System to gather and report information on agency implementation of performance evaluations.

b. Use the information to monitor compliance with requirements for annual performance evaluations.

c. Make recommendations to the Legislature and the Personnel Board to require appointing authorities to administer disciplinary action against supervisors who fail to annually evaluate their employees.

In 1986, the Personnel Board added rules stipulating that appointing authorities and supervisors may face corrective or disciplinary actions if they fail to conduct performance planning and appraisal in a timely manner. The first two parts of this recommendation (a and b above), however, were not implemented. We believe this recommendation is still appropriate and would help to resolve the problems with compliance with the requirement for annual performance evaluations.

Recommendation No. 9

The Department of Personnel should:

a. Fully implement the recommendations of the State Auditor's 1984 performance audit by:

(1) Making provisions for the Personnel Data System to gather and report information on agency implementation of performance evaluations.

(2) Using the above information to monitor compliance with requirements for annual performance evaluations.

b. Continue to emphasize the use of its performance evaluation system. When it identifies agencies that use the performance evaluation system well, the Department should tell other agencies about the successful methods.

Department of Personnel Response:

a. (1) Implemented.
(2) Agree.

b. Agree.

FAIR COMPETITION

There have been positive gains in the State's equal employment opportunity posture, but improvements could be made.

To evaluate the success of the system in ensuring that competition for state employment opportunities is fair, we examined the Department's affirmative action and equal employment activities.

The Department of Personnel oversees the State's equal employment opportunity efforts and affirmative action remedies in a number of ways. For example:

- The Department has one FTE assigned as the State's affirmative action officer. This person works with agencies to develop affirmative action remedies to correct low representation of ethnic minorities and women in their organizations and to help them develop their affirmative action plans.

- The Department reviews agency affirmative action programs in decentralized agencies as part of its Personnel Management Review (PMR) activities.

- The Department has staff trained to review agency exams used in the selection process to determine if they are job-related.

- The Personnel Board developed, and the Department is to enforce, specific guidelines for agencies to follow when a vacancy occurs in a job group where there is low representation of ethnic minorities and women.

We found that there have been positive gains in the State's equal employment opportunity posture, but improvements could be made.

Annual Affirmative Action Status Reports Submitted

An Executive Order signed by Governor Romer in 1987 stressed that the "State of Colorado should be a model of equal employment opportunity for the public and private sectors." The Order also said:

> The State of Colorado must continue to take positive steps toward the elimination of any discrimination and its vestiges, and assure that all citizens, regardless of race, ethnicity, sex, age, religion, or physical or mental disability have an equal opportunity to compete for and obtain employment with the State of Colorado.

The Order directs the head of each principal department to report annually to the Governor and the Executive Director of the Department of Personnel all efforts to eliminate any underrepresentation of ethnic minorities and women. Also, the Executive Director of the Department of Personnel is to present an annual report to the Governor:

> . . . on effective methods to assure that state employment is free from discrimination including mechanisms intended to achieve equal employment opportunity and specific methods for encouraging employment of persons with disabilities.

For the years 1987 and 1988, the Department of Personnel submitted an affirmative action status report to the Governor, as required. In addition, during the same two years, all but one of the principal departments has reported annually to Governor and the Department. That department--the Department of Health--has since complied by submitting a plan for 1989.

Some Positive Gains Made

Underrepresentation of ethnic minorities and women is still a problem in state government.

In general, there have been positive gains for ethnic minorities and women in the eight equal employment opportunity (EEO) job categories. The EEO job categories are: 1) officials and managers, 2) professionals, 3) technicians, 4) protective services, 5) paraprofessionals, 6) office and clerical, 7) skilled crafts, and 8) service and maintenance. The protected groups are women, Hispanics, Blacks, American Indians, and Asians. Agencies must determine, with the help of the Department of Personnel, the number of ethnic minorities and women underrepresented in each job category and establish affirmative action efforts to correct the underrepresentation.

As the following exhibit shows, since 1986 the greatest gains have been made by women and Hispanics. Blacks and Asians have made gains in some job categories. Despite these strides, underrepresentation of ethnic minorities and women is still a problem in state government.

COMPARISON OF UNDERREPRESENTATION OF ETHNIC MINORITIES AND WOMEN

December 1986 and October 1988

Job Categories	Women			Hispanics			Blacks			American Indians			Asians		
	1986	1988	Change	1986	1988	Change	1986	1988	Change	1986	1988	Change	1986	1988	Change
Officials/Managers	-44	-36	+8	-12	-12	0	-4	-3	+1	-1	-1	0	0	-1	-1
Professionals	-394	-361	+33	-131	-127	+4	-42	-43	-1	-11	-18	-7	-5	-6	-1
Technicians	-292	-283	+9	-128	-129	-1	-23	-25	-2	-3	-3	0	-8	-8	0
Protective Service	-62	-53	+9	-36	-31	+5	-18	-27	-9	-1	-2	-1	-2	-4	-2
Paraprofessionals	-132	-108	+24	-85	-62	+23	-6	-11	-5	-12	-10	+2	-8	-7	+1
Office/Clerical	-30	-64	-34	-119	-82	+37	-28	-47	-19	0	0	0	-5	-10	-5
Skilled Crafts	-80	-29	+51	-200	-148	+52	-15	-8	+7	-2	0	+2	-2	0	+2
Service/Maintenance	-36	-18	+18	-49	-45	+4	-14	-6	+8	-5	-5	0	-4	-7	-3

NOTE: If ethnic minorities and women were adequately represented in state government in proportion to their representation of those qualified and available in the State's workforce, the numbers in the columns above would be 0. A negative number indicates there is underrepresentation.

There have been gains, however. For example under protective service in 1986, women were underrepresented by 62. In 1988, they were underrepresented by only 53. Therefore, women in protective service occupations show a gain of 9.

There have been losses, too. Blacks in protective service were underrepresented in 1986 by 18. In 1988, they were underrepresented by 27. Blacks, therefore have lost representation in protective service occupations.

SOURCE: Department of Personnel, summation of all instances of underutilization identified by agency and job group (a subset of job category), without offset by instances of overutilization within the job category state-

The State Personnel Board, at the request of the Legislature's Legal Services Committee, conducted a study in the Spring of 1988 to determine whether, and to what extent, white males are underrepresented in the state personnel system. The study found that there was only one instance of underrepresentation of white males in one job group at one agency. The Board found that white males make up:

- 41.9 percent of the total state work force.
- 15.9 percent of the five lowest pay grades.
- 82.2 percent of the five highest pay grades.

The Department does not do a good job of monitoring agency compliance with affirmative action requirements.

Inadequate Monitoring by the Department

We found that the Department does not do a good job of monitoring agency compliance with affirmative action requirements in three areas.

First, the Department has failed to adequately monitor compliance with the Board's rules. These rules require agencies to report to the state personnel director every vacancy that presents an opportunity to correct underrepresentation of ethnic minorities and women. Agencies are to obtain approval of their recruitment program for the vacancy prior to announcing it. For this purpose, the Department has developed a form that is to be completed and returned to them. However, the Department of Personnel's affirmative action officer estimates that his office only receives about half of the requests for prior approval in cases where one is warranted. The Department is aware of this non-compliance on the part of some agencies but has taken no corrective action. In most cases, the non-compliance goes undetected until after the agency has completed the selection process.

We believe the Department of Personnel can take a stronger leadership role in the enforcement of affirmative action remedies. For example, the Department's affirmative action officer should work with the Department's Selection Center staff to identify those agency position announcements that present an opportunity to correct underrepresentation of ethnic minorities and women. Personnel rules require that the agency announcing such a vacancy not be allowed to complete the selection process without the Department's approval of their recruitment process.

Recommendation No. 10

The Department of Personnel should develop and implement methods of monitoring and enforcing agency compliance with the requirement that they request prior approval before filling a vacancy which could correct underrepresentation of ethnic minorities and women.

Department of Personnel Response:

Agree.

Second, the Department of Personnel reviews agency affirmative action efforts as part of its Personnel Management Reviews (PMR). We believe these reviews are too infrequent to be beneficial. If the Department maintains its current schedule of PMRs, it will review each agency only once every thirteen years. For additional information on PMRs, see Chapter III.

The Department cannot confirm that state agencies use job-related tests to select employees.

Third, the Department cannot confirm that state agencies use job-related tests to select employees, although statutes require that selection be "on the basis of job-related ability and quality of performance."

The Department requires state agencies to send it copies of all employment examinations. The Department requests these tests so it can include them in its test bank to develop questions for future employment examinations, and so it can review the tests to determine if they are job-related.

The Department's records show that state agencies gave 2,820 examinations during Fiscal Year 1988. However, agencies sent only 39 tests (less than 2 percent) to the Department. The Department reviewed the 39 tests for job-relatedness and found that agencies should modify 8 (20 percent) exams before they use them again. The Department also found that 3 (8 percent) exams should not be given again because the test questions were not sufficiently job-related.

We found, however, that the Department does not report back to the agencies the results of their review of exams. Because of this practice, some agencies may be continuing to use poor tests to select employees. However, since the number of tests sent in for review is small and non-representative, the Department does not know how extensive this problem is.

We recommend that the Department obtain and regularly review a representative sample of agency tests. Reviewing a representative sample of agency tests will help the Department identify what problems agencies have with developing job-related tests. In addition, the Department should tell the agen-

cies the results of its review. We estimate that these changes will add little to the Department's workload.

We recommended in our 1984 audit of the personnel system that the Department of Personnel reinstitute its requirement that agencies submit exam materials to the Department for review. The Department was to review these materials for job-relatedness and report back to the agencies. This recommendation was not implemented.

Recommendation No. 11

The Department of Personnel should:

a. Obtain and review a representative sample of state agency examinations.

b. Report the results of its reviews of examinations to agencies.

c. Work with the agencies to help them correct their problems.

Department of Personnel Response:

a. Agree.

b. Agree.

c. Agree. Implementation of this recommendation is already in progress.

OPEN COMPETITION

The Department has failed to adequately monitor the announcement activities of the decentralized agencies.

We tested whether the state personnel system, through the administration of the Department of Personnel, ensures open competition by evaluating the procedures for announcing job openings. We found that the Department has failed to adequately monitor the announcement activities of the decentralized agencies. Also, the Department has failed to use appropriate enforcement measures to bring agencies into compliance.

Department Not Monitoring Compliance With Announcement Procedures

The Department of Personnel requires that "copies of all announcements must be forwarded to the Selection Center for receipt within two working days prior to the opening date."

The purposes of this requirement are to:

- Allow Selection Center personnel to review the announcements for completeness and accuracy.
- Give them time to post the open competitive announcements on the release date.
- Reduce the chance for duplication of exams, announcements, and eligible lists.

If the Department had copies of all announcements, as required, the Department's affirmative action officer would be able to use them to monitor compliance with Board rules concerning affirmative action recruitment. As mentioned earlier, the affirmative action officer has not been able to determine which agencies are not complying until after the positions have been filled.

During the six-month period of March through September, 1988, 155 job announcements were never submitted to the Department's Selection Center. The Department of Personnel was unaware of the position announcements and the agencies' related recruitment activities until after testing was completed and a list of eligible candidates established. The Department provided us with the data needed to determine that agencies were not complying with the requirement to submit announcements two days prior to the opening date. The Department has not used this data themselves, however, to monitor compliance with this requirement.

Recommendation No. 12

The Department of Personnel's Selection Center staff should begin to routinely monitor decentralized agencies' announcement processes on a regular basis. Violators should be identified and required to take proper future action under the direction of the Department of Personnel.

Department Of Personnel Response:

Agree.

OVERSEEING THE PERSONNEL SYSTEM

Chapter III

INTRODUCTION

Colorado's Constitution and statutes require the Director of the Department of Personnel to oversee agencies' management of the state personnel system. Since our 1984 audit, the Department has improved its oversight of agencies' personnel activities, but it still needs to make more improvements. The Director's oversight is particularly important since Colorado has a decentralized personnel system.

Decentralization primarily affects the personnel system's selection and classification functions. The Director delegates selection authority and/or classification authority to the agencies when they meet two conditions. First, they must request decentralization authority; and second, they must have a personnel administrator or technical staff person trained and certified by the Department of Personnel.

The following exhibit shows the number of agencies having authority to perform selection and/or classification.

NUMBER OF AGENCIES WITH DECENTRALIZED AUTHORITY

Type of Delegation	Number of Agencies
Selection & classification	38
Selection only	1
Classification only	3

SOURCE: Department of Personnel

The Department does the selection and classification functions for 15 agencies.

DEPARTMENT'S OVERSIGHT COULD BE IMPROVED

The Director currently oversees decentralized agencies' compliance with personnel laws, rules, and procedures in two ways: 1) conducting periodic postaudits of agency personnel activities, Personnel Management Reviews (PMR), and 2) hearing appeals of agency selection and classification actions. The Director uses Personnel Management Reviews to periodically review decentralized agencies' selection, classification, performance evaluation, staff development, and affirmative action practices. In addition, statutes require the Director to hear appeals of agencies' selection and classification practices. The Director usually delegates these hearings to appeals panels. We reviewed both the Personnel Management Reviews and the hearing of appeals.

We found that the Department has improved its Personnel Management Reviews. These reviews now select representative samples of agencies' classification actions and performance evaluations. The PMRs have also begun to collect and report human resource management information. This includes information such as employee turnover rates and unemployment insurance claims. The Department is also developing system-wide standards to distinguish major problems from minor ones.

However, the Department needs to improve both its reviews of agencies' personnel operations and its monitoring of agency implementation of appeals panels' orders. We found the following problems:

- The Department's reviews are still too infrequent.
- The Department still does not verify the accuracy of classification documents through desk audits.
- The Department does not ensure that agencies carry out appeals panels' orders.
- The Department has not included monitoring options or the potential for withdrawal of authority in its decentralization agreements with agencies.

PMR Reviews Too Infrequent

At the Department's current rate of review, it will review all agencies only once every 13 years.

At the Department's current rate, it will review all agencies only once every 13 years.

The Department reviewed the personnel activities of 6 of 42 decentralized agencies during 1986 and 1987. The Department's review of these agencies' personnel activities showed that all six agencies had problems with three functions:

- Lack of documentation of classification decisions.

- Lack of documentation for performance appraisals.
- Lack of documentation of affirmative action plans.

Only four of the six agencies have selection authority, but all four had problems documenting how their tests were developed. The prevalence of these problems shows the need for increased oversight.

The 1984 audit report recommended that the Department review each agency every five years. In order to do this, the Department would have to review more than eight agencies a year. The Department has not done this.

During 1986 and 1987 combined, the Department reviewed the personnel activities of six decentralized agencies. In 1988, it completed the review of only one agency and is in the process of reviewing another. The Personnel Management Review section plans to review another two agencies during 1989. At this rate, the Department will review each agency only once every 13 years.

The Department estimates that reviewing 3 1/3 agencies a year--its current rate--requires about 2.0 FTE. Based on this productivity rate, we estimate that the review of about 8 agencies a year would require 4.8 FTE. If the Department is willing to change some priorities, it can use existing staff to do this work. For example, the use of staff from the Selection Center and the Classification and Compensation Division who are experts in selection or classification would strengthen the reviews and provide additional resources.

Recommendation No. 13

The Department of Personnel should adequately staff the Personnel Management Review function so that they review each decentralized agency every five years, or sooner if necessary.

Department of Personnel Response:

Partially Agree. The Department of Personnel is engaged in a major initiative, known as "New Directions," to revise all major areas of the personnel system. Due to the dedication of resources to that initiative, it will not be possible at the present time to direct additional staff from our existing staffing pattern to the PMR effort. However, one part of New Directions is a restructuring of the Personnel Management Review function to make it more efficient and less time consuming. In addition, we hope to explore the possibility of "horizontal" audits of major systems on a system-wide basis, rather than on an agency-by-agency basis.

Review Methods Need Improvement

The Department limits its PMR reviews of classification actions to looking at documents. In our 1984 audit, when we looked behind the documentation to the actual work being done, we found that many positions were misclassified. We reported then that:

- Eighteen percent of positions reviewed in seven agencies were misclassified.
- Thirty-five percent of positions reviewed in one department were misclassified.
- More than half of the classification documents reviewed did not justify the positions' current classifications.

As a result, we recommended that the Department review a sample of each agency's positions to learn the extent of misclassifications. These reviews are called desk audits. A desk audit compares the work actually done to the duties and responsibilities described in the classification documents. The Department has not implemented our 1984 recommendation.

We still believe the Department, as part of its Personnel Management Reviews, should audit a small sample of each agency's positions to determine if the positions appear correctly classified. If the Department determines from the sample that positions appear incorrectly classified, personnel staff in the decentralized agency should determine the extent of incorrectly classified positions by randomly selecting and auditing a representative sample of positions. If this sample indicates significant misclassifications, the agency and Department should perform a comprehensive classification review and reclassify all incorrectly classified positions.

Recommendation No. 14

As a part of its Personnel Management Reviews, the Department should perform desk audits on a sample of each agency's positions to determine if agency positions appear correctly classified. If they are not correctly classified, the Department of Personnel should take appropriate enforcement action to correct the situation.

Department of Personnel Response:

Agree. We also believe that a system-wide review of specific classes may be an effective way to determine if agency positions are correctly classified.

Implementing Appeals Panels' Orders

The Department has not created a system to monitor agencies' implementation of appeals panels' orders. As a result, some agencies fail to make the needed changes.

To determine if an agency has implemented the order of an appeals panel, Department staff telephone agencies to ask if the order has been carried out. When the agencies say they have carried out the orders, staff note that the orders have been implemented. We found that the Department's method is not adequate.

Appeals panels heard 223 selection appeals and 121 classification appeals during Fiscal Year 1988. This is a total of 344 appeals. Agencies won 335 of the appeals. Appellants won nine. We reviewed the appeals the appellants won to see if the agencies carried out the panels' orders. When we asked agencies to document the changes, we found that in three instances the agencies' had delayed implementation of them from two to nine months.

It seems reasonable that in those few cases where the agency has lost, the Department should make special efforts to ensure that the employee's successful appeal is enforced quickly and thoroughly.

Better Monitoring and Enforcement Needed

The Department needs to better organize its monitoring of agencies' implementation of panel orders. We believe it can do this without additional resources. The Department needs to identify a central coordinating point and request documentation of implementation of appeals panels' orders.

Recommendation No. 15

The Department of Personnel should assign responsibility to a specific manager to monitor the review of all agency implementations of appeals panels' orders.

Department of Personnel Response:

Agree.

Need for Options

The Department should be prepared to limit the authority granted to decentralized agencies.

Both the State Auditor's Office and the Joint Budget Committee have said that when decentralized agencies fail to follow personnel rules the Department should be prepared to limit the authority granted to those agencies. In 1984, we recommended that the Department identify what conditions would cause it to revoke decentralization agreements and include those conditions in the agreements. This has not happened.

In 1985, the Legislature added a footnote to the Appropriations Bill to address this problem. This footnote gave the Department the power to move the non-complying agency's personnel staff to the Department of Personnel. The Department has never invoked this authority. They argue that such transfers require legislative approval and consume too much time to solve the immediate problems.

We agree that in many cases this may be true, but we found that the Department has not instituted other less drastic enforcement alternatives short of revocation or transfer of decentralized agency staff. We believe a system of increasingly more severe actions would enhance overall enforcement and compliance. Some alternatives that might be considered are:

- Mandatory retraining of the decentralized agency's personnel staff.
- Reimbursed on-site supervision of the decentralized agency's personnel functions by Department of Personnel staff.
- Corrective or disciplinary action against the decentralized agency's personnel staff and/or management.

Recommendation No. 16

The Department of Personnel should:

a. Specify in its delegation agreements what will happen if agencies fail to adequately perform personnel functions.

b. Develop additional monitoring and enforcement alternatives short of revoking decentralization authority.

Department of Personnel Response:

a. Agree.

b. Agree.

The Department should perform additional monitoring.

Department Needs to Perform More Oversight Activities

In addition to improving the oversight it is currently doing, we have identified other monitoring activities the Department should perform. These include review of agency announcement procedures, better monitoring of tests developed by decentralized agencies to ensure that the tests are job-related, increased oversight of agency affirmative action activities, and additional review of agency classification actions. For a discussion of these added activities, please see Chapters II and IV.

THE CLASSIFICATION SYSTEM

CHAPTER IV

INTRODUCTION

We found several problems with the State's classification system.

A classification system describes the duties of each job in an organization and defines the hierarchical relationship between those jobs. A classification system is not static. Jobs that were performed in years past may not be needed today, and new technology brings with it new types of jobs. As a result, classification systems need to be reviewed, updated, and replaced periodically.

When we reviewed the State's classification system, we found several problems. The Department is addressing four of these problems.

However, since implementation of the current classification system in 1975, eight reports, produced outside the Department of Personnel, found the classification system to be problematic. The Department still needs to address the two major problems noted in these reports. These are:

- The current classification system should be replaced.
- The administration of the system needs to be revised.

DEPARTMENT IS CORRECTING SOME PROBLEMS

The Department is addressing four of the problems with the current classification system. These problems include:

- Lack of funding to implement system maintenance studies.
- Overly restrictive class specifications.
- Limited advancement opportunities for employees.
- Many incorrectly classified positions.

Lack of Funding to Implement System Maintenance Studies

A system maintenance study is a periodic review of classes to determine if job duties described in the class specifications agree with actual job duties. If not, the Department moves the class into the proper, usually higher, pay grade. The Legislature and some agencies have refused to fund the results of these studies.

The Department recently devised a way to correctly place classes in the classification system without increasing the salaries of the positions in the class for the first year. Because of the overlap of salaries in pay grades, the Department moves the positions up in grade but back in step. This "dollar-for-dollar" method of implementing system maintenance studies minimizes any initial increase in salaries.

Overly Restrictive Class Specifications and Limited Advancement Opportunities for Employees

By combining classes that have similar duties, the Department is addressing several problems. Fewer classes will mean that class specifications will contain more broadly described job duties and experience requirements than is currently the case. This will give managers more flexibility in assigning duties and give employees more opportunities for advancement.

Many Incorrectly Classified Positions

Some incorrectly classified positions are the result of managers using the classification system incorrectly to reward top performers by reclassifying their positions. Under the present compensation system, managers cannot reward outstanding employees financially without reclassifying their positions. The Department believes that an incentive pay system used to reward top performers would reduce the incentive to reclassify positions as a way of rewarding employees. The Department is investigating such an incentive system for state employees.

CLASSIFICATION SYSTEM SHOULD BE REPLACED

Colorado's classification system exhibits both indicators signaling it is time to replace it.

We interviewed experts that assist states and private companies in revising and replacing their classification and pay systems. They all agree there are two indicators that signal it is time to replace a classification system:

- A perception that the current classification and pay systems are unfair.
- Lack of maintenance of the current classification system.

We believe Colorado's system exhibits both of these indicators.

State Employees Believe Current System Unfair

A recent study conducted for the Department of Personnel found that 30 percent of state employees believe their pay does not compare favorably with that given people doing similar work within their agency. Over 40 percent believe their pay does not compare favorably with that given people doing similar work in other state agencies.

Also, because of the number of complaints they receive, representatives of the Department of Personnel, the Colorado Association of Public Employees (CAPE), and the American Federation of State, County, and Municipal Employees (AFSCME) believe there is a perception that the system is no longer fair.

Current System Not Well Maintained

The Department has not done a good job of maintaining the current system.

We found, too, that the Department has not done a good job of maintaining the current classification system. To properly maintain a system, each class should be reviewed every three to five years to ensure that all the classes are properly aligned. The Department reviews approximately 160 classes a year, which means they are on a ten-year cycle.

In our 1984 audit we recommended that the Department review each class at least every five years. The Department has not implemented the recommendation.

Because of the importance of maintaining the classification system, we are again making the recommendation that the Department strengthen maintenance of the classification system by reviewing each class's placement in the system relative to every other class on a five-year cycle. According to management experts, this type of review is necessary to keep a classification system up to date.

This recommendation should be implemented whether the Department replaces the classification system or continues to use the current system. We estimate that the Department will have to double the number of classes they review each year to achieve a five-year cycle.

Additionally, the Legislature should reconsider funding the results of these maintenance studies. We stated earlier that the Department has developed a way to move some classes affected by system maintenance studies without fiscal impact. There are, however, two cases where the dollar-for-dollar implementation strategy cannot be used. In these two cases, increased salaries always occur:

- Movement of a position from Step 1 of one grade to Step 1 of a higher grade.

- Movement between odd-numbered and even-numbered grades.

The dollar-for-dollar implementation strategy went into effect on July 1, 1988. Even with the new strategy, 80 out of 158 classes reviewed have not been not been properly placed in the classification system because they result in fiscal impact. The agencies affected believe they cannot accommodate the additional expense, and the Legislature will not fund the salary increases.

To keep the classification system current, the Legislature should reconsider funding these studies. Only when **all** classes are reviewed and placed in the correct order in the classification system is the system being properly maintained.

Recommendation No. 17

The Department of Personnel should maintain the current classification system or a new system on at least a five-year cycle by determining the number of FTE needed to achieve a five-year maintenance cycle.

Department of Personnel Response:

Partially Agree. Part of the New Directions initiative is the development and implementation of a new classification system. We will develop a maintenance program in connection with the development of the new system.

Recommendation No. 18

The General Assembly should ensure that the state classification system is maintained by providing the necessary funding to implement the changes recommended by system maintenance studies that cannot be implemented with the dollar-for-dollar method developed by the Department.

Department of Personnel Response:

Agree. The Department has undertaken a constructive step towards resolving this problem by advocating the "dollar-for-dollar" implementation of systems maintenance studies. This new Board rule and Director's procedure substantially decreases the cost of implementing those studies.

Cost of replacing classification system unknown.

Department Has Action Plan to Replace System

The current Director has asked the Department's Classification and Compensation Division staff to begin working on their own new classification system. In response, the Division developed an action plan.

We found that the Department's plan for replacing the classification system is similar to what other states have done. (Please see Appendix D.) The plan, which the Department estimates will take two to four years to complete, calls for:

- Replacing the current system with a quantitative system of job evaluation.
- Hiring a consultant to verify the soundness of the new system.
- Reviewing classes but not individual positions.
- Evaluating classes' placement in the system by committee and individual.
- Implementing the new system all at once instead of in phases.
- Hearing appeals after implementation.

Our review of the Department's action plan found two deficiencies, however. The Department's plan does not include specific dates for beginning and completing the process. It also does not include an estimate of the total cost of developing and implementing the new system, including an estimate of the total salary impact, if any.

We believe the Department should develop a specific plan to include target dates and dollar estimates for the Fiscal Year 1991 budget request. The Department should provide a copy of the plan to the Legislative Audit Committee by July 1, 1989.

Recommendation No. 19

The Department of Personnel should:

a. Develop a specific plan for replacing the classification system to include dates for beginning and completing the process and an estimate of the total cost of the project, including total salary impact, if any.

b. Include the plan in its Fiscal Year 1991 budget request.

c. Provide a copy of the plan to the Legislative Audit Committee by July 1, 1989.

Department of Personnel Response:

a. Agree.

b. Partially agree. The Department's intent is to design a new classification system and transition which will have minimal fiscal impact on the State payroll. However, we agree that early and frequent communication with the legislature is important to the success of the project. We will identify any costs of implementation as early as possible and communicate them appropriately to the legislature.

c. Agree.

New System Will Resolve Some Problems

Because of the problem of lack of maintenance discussed earlier, many of the classes in the state's current classification system are not aligned properly, and class specifications are out of date. Replacing the system will correct the misalignments and update all class specifications.

Also, the new classification system will be more objective in ranking classes since it will be a quantitative system of job evaluation. Colorado's present system of job evaluation is the more subjective position classification method. Classification decisions based on this method of job evaluation are more difficult to justify and contribute to the appearance of the system's unfairness.

In addition, it is highly probable that there will be fewer classes. With fewer classes, the system will be easier for classifiers to administer. Seven of the states we contacted reduced the number of classes in their system. These reductions averaged slightly over 600 classes. See Appendix D for more detail.

The Department is not adequately monitoring the classification activities of the decentralized agencies.

ADMINISTRATION OF THE CLASSIFICATION SYSTEM SHOULD BE REVISED

In addition to strengthening maintenance of the classification system, we found that the Department of Personnel is not adequately monitoring the classification activities of the decentralized agencies.

Colorado is one of only eight states which has decentralized position classification. The central Department must review decentralized agencies' classification actions to ensure that the classification system is "uniformly applied to all personnel transactions," as specified in the Personnel Board Rules. This review would also ensure that individual positions are assigned to classes based on "a clear evaluation of duties and responsibilities," as required by state statute.

PMR Staff Only Reviews Classification Documents

As mentioned earlier, presently, the Personnel Management Review (PMR) staff reviews only classification documents to see if the job duties listed in the position description are comparable to those listed in the class specification. They do not perform desk audits. We believe the PMR staff should audit a sample of each agency's positions to determine if the positions appear correctly classified. Please see discussion and recommendation in Chapter III.

Classification and Compensation Division Should Perform Additional Reviews

Classifying a position is a judgmental process. The judgements made can be more or less subjective depending on the methods used. The Department's current method for classifying positions is highly subjective, and errors do occur. Therefore, the Classification and Compensation Division of the Department should review a sample of decentralized agencies' classification actions when problems are apparent. These reviews could be conducted across agency lines for a specific class or within an agency for several classes. The need for a review could be triggered by the number of complaints received, the number of appeals filed, the number of classification actions implemented, or other indicators the Department deems appropriate. These reviews would be done in addition to those of the Department's postaudit Personnel Management Reviews.

If the Division finds incorrect classifications, the agency should correct them. Then, depending upon the severity of the problem, the Division might require the agency to submit future classification actions for review before implementation until the Division is satisfied the actions are correct.

Recommendation No. 20

The Classification and Compensation Division of the Department should review a sample of decentralized agencies' classification actions when problems are apparent. If the Division finds incorrect classifications, they should take appropriate enforcement action to correct the situation.

Department of Personnel Response:

Agree. In light of the development of a new classification system, this activity will be undertaken after implementation of the new system.

THE STATE PERSONNEL BOARD

CHAPTER V

INTRODUCTION

The State Personnel Board has five members. Three members are appointed by the Governor, with the consent of the Senate, and two members are elected by classified state employees.

The Personnel Board meets monthly to hear appeals and quarterly to adopt, amend, or repeal personnel rules. The decisions of the Board impact the approximately 27,000 employees in state government.

Since our 1984 audit, the Board has improved in the areas of data collection and recordkeeping. The Board has developed a list of documentation needed for each case file and now uses a logsheet to collect data and record the progress of each case.

The Personnel Board now administers both a mediation program, for resolving grievances, and a settlement program, for resolving appeals without a hearing. During Fiscal Year 1988, there were 30 cases resolved through the mediation program and 66 cases resolved through the settlement process.

We reviewed all cases that were active at any time during the Fiscal 1988, whether at the hearing officer or the Board level. This included 90 cases that were carried over from the previous year.

In Fiscal Year 1988, the Board received 270 requests from employees for hearings involving such matters as disciplinary actions, working conditions, and discrimination. Of these requests, 63 (23 percent) reached hearing. The remaining 207 requests were settled, withdrawn, denied, or continued as backlog cases.

Our review of the Board's operations found that:

- Although the Board did a good job of meeting deadlines for hearing appeals, the Board needs to do a better job of meeting other statutory deadlines on appeals. The Board or hearing officer is re-

quired to issue a decision on the hearing within 45 calendar days of conclusion of the hearing and submission of the hearing briefs. This deadline was not met in 10 of 64 (15.6 percent) applicable cases. Also, the Board must certify the record as full and complete within 60 days of receipt of a list of the specific parts of the transcript a party to the hearing seeks to reverse or modify. This deadline was not met in 3 of 17 (17.6%) applicable cases.

- The Board needs to establish policy to obtain legal counsel for cases in which they lose legal counsel due to a conflict of interest in the Attorney General's Office. The Personnel Board is without legal counsel when the same assistant attorney general or unit in the Attorney General's Office is assigned to represent both the Board and the agency involved in the case. The State Personnel Board did not have legal counsel in 3 out of 21 cases (14 percent) heard during Fiscal Year 1988.

Not meeting deadlines can cause hardship to agency and employees.

STATUTORY DEADLINES FOR BOARD APPEALS NEED TO BE MET

When the deadlines are not met, there is potential for hardship on the involved employee and agency. For example, the employee may not be able to return to work or the agency may not be able to fill the position until the final decision is issued. In addition, the length of time involved in resolving an appeal may serve to discourage individuals from filing appeals.

The Staff Director reports that causes for the deadlines not being met are both clerical errors in maintaining the logsheets and staff workload. The number of incoming cases has increased 16 percent since Fiscal Year 1986, and the number of cases that are administratively denied has decreased by 14 percent in the same timeframe. In addition, in 1988, the Staff Director estimates that Board staff spent 15 percent of its person hours to conduct a study at the request of the General Assembly's Legal Services Committee. The time spent on this unfunded project impacted the Staff Director's ability to monitor the deadlines and the workload.

Recommendation No. 21

The Personnel Board should monitor the workload and the deadlines for each phase of the appeals process on a regular basis. This might involve a review of staffing levels or statutory deadlines to determine if they are realistic.

Personnel Board Response:

Agree. Systems and procedures for monitoring these deadlines were established during the 1984 audit process. A net 37 percent increase in workload, coupled with the preparation of a substantial study at the direction of the Legislature, did cause deterioration of this monitoring system as of Fiscal 1988. However, it should be noted that in the vast majority of missed deadlines, the delay was no more than three days. This should be recognized as indicative of the Board's diligence in monitoring and achieving these deadlines under rather adverse conditions.

The Board staff was studying measures to further simplify appeals resolution in appropriate cases, when interrupted to do the study for the Legislature. Statutory changes are necessary to remove antiquated and unnecessary procedural complexity so that appeals can be resolved in straightforward manner. These changes would relieve workload problems, reduce processing time, and enhance perceptions of fairness to users of the system. Additional staffing/funding is needed to keep up with the increased workload under the present statutory requirements, as well as to develop proposals for statutory change.

LEGAL ADVICE NEEDED BY BOARD AT ALL TIMES

The Attorney General's Office notifies the Board as soon as they are aware of a conflict of interest. "Conflicts" (alternate) counsel can be requested from the Attorney General's Office in these cases. The Board did not request "conflicts" counsel from the Attorney General's Office for three cases during Fiscal Year 1988 because they had not established a policy to deal with this situation.

The Staff Director is an attorney and can advise the Board in some cases. However, the Director is also the Board's Chief Hearing Officer. She should not offer the Board legal advice on the cases for which she was the hearing officer.

Recommendation No. 22

The Personnel Board needs to establish policy to obtain "conflicts" counsel from the Attorney General's Office when needed.

Personnel Board Response:

Partially agree. This policy was established as soon as the issue surfaced in the audit process. However, it cannot be fully implemented within the present appropriation.

SUMMARY OF ACCOUNTING ISSUES

CHAPTER VI

INTRODUCTION

The Department of Personnel is primarily a general funded agency. General Fund revenues were approximately $3.4 million in Fiscal Year ended 1988. Cash funds came to just over $200,000.

The Department spent approximately $2.8 million, or 78 percent of its total budget, for personal services. In addition, operating expenses totalled about $200,000, the State Personnel Board expended about $220,000, the Department's training program expended about $155,000, and the Department spent about $230,000 for computer services at the General Government Computer Center.

IMPROVEMENTS OVER THE RECORDING OF REVENUES AND RELATED RECEIVABLES NEEDED

We tested entries that were recorded as revenues in Fiscal Year 1988. This included receivables of about $15,000 that the Department of Personnel had recorded on their balance sheet at June 30, 1988. We found:

- The recording of receivables was not always based on formal billings.

- Nearly $3,000 of receivables were written off as uncollectible prior to year-end. Of this, about $1,000 was due from organizations outside of the State and about $2,000 from state agencies. These past due amounts had not been turned over to the State Controller for collection.

- Through March 1988, the Department recorded revenues when they were received, rather than when they were earned. This is not in compliance with Generally Accepted Accounting Procedures (GAAP). The problem was corrected in the last quarter of the fiscal year, however, so no recommendation will be made at this time.

Recording of Receivables Not Based on Billings

The recording of receivables was not always based on formal billings. In one instance the Department established receivables based only on a memo from another section. That section had "billed" participants with a memo confirming their registration for training, rather than by sending an invoice or bill. A training course provided to another department was monitored on a purchase order rather than a formal billing. The Department's business office was not aware of these amounts owed by other agencies until well after the fact.

It is important that all receivables be supported by Department of Personnel invoices in order to ensure that the business office is aware of all receivables outstanding.

Recommendation No. 23

The Department of Personnel should develop procedures to ensure that receivable accounts in the Central Accounting System are based upon formal billings.

Department Of Personnel Response:

Implemented.

Only two follow-up notices were sent during the year.

Late Payments Not Pursued Promptly

The Department did not pursue late payments promptly. Only two follow-up notices were sent during the year - one in March and one at year-end.

An adequate billing and receivable system must provide for prompt billings and follow-up of accounts not collected. Fiscal Rules provide that disputes between agencies be referred to the State Controller for resolution within 45 days. There was one charge that remained on the books for the entire fiscal year.

Fiscal Procedures also stipulate that outside receivables be referred to Central Collections after 90 days of inactivity. This did not happen. The Department should take a more aggressive stance on these collections.

Subsidiary Accounts Could Be Used To Monitor Receivables

An effective means of monitoring accounts receivable is the use of subsidiary accounts. This would provide breakdowns on amounts owed by clients, the basis for the charges, and the date on which the charges were incurred. The information would be readily available for disputes that may arise over billings and payments and would show the length of time that amounts are outstanding. Reconciliation of these subsidiary accounts to the Central Accounting System would also identify payments that have been applied to incorrect accounts.

Recommendation No. 24

The Department of Personnel should follow up on past-due accounts promptly. This includes referring disputed amounts with agencies to the State Controller within 45 days and referring outside receivables to Central Collections after 90 days of inactivity.

Department of Personnel Response

Agree. Because the Department loses 25 percent of accounts referred to Central Collections, we will attempt to collect receivables within 90 days.

Recommendation No. 25

The Department of Personnel should establish and maintain a subsidiary ledger of accounts receivable. Effective maintenance includes regular review of the length of time amounts are outstanding and reconciliation to the Central Accounting System.

Department of Personnel Response:

Implemented. The Department has established a subsidiary ledger of accounts receivable, reviews these accounts weekly, and reconciles them to the Central Accounting System monthly.

Payment for Training Could Occur at Time of Registration

An alternative to billing for training would be for the Department to request payment at the time of registration or at the time of the first class. Payment could be submitted with registration forms or amounts could be paid at the time of the first class. This could significantly reduce the need to prepare billings, monitor receivable accounts, and process collections.

Recommendation No. 26

The Department of Personnel should re-evaluate the feasibility of collecting for training at the time of registration or at the time of the first class.

Department of Personnel Response:

Agree. We will re-evaluate this possibility, but we must include in that evaluation analysis of whether such a procedure would discourage trainees from participating in the classes.

COMPLIANCE WITH COLLECTIONS RULES AND PROCEDURES NEEDED

We found that the Department was not complying with Fiscal Rules and Procedures related to collections. Improvements need to be made in the Department's procedures for the collection of cash, and deposits of collections to the State Treasurer need to be more timely.

Improvements Over Cash Collections Needed

The Department does not have formal written procedures for the collection of cash.

We reviewed the Department's internal control procedures and found that the Department does not have formal written procedures for the collection of cash. This resulted in a number of problems. For example, we found that several different series of prenumbered receipts, and one series that was not prenumbered, were used. We found one receipt which had a number that was unique to all others and two instances of cash collections without a receipt.

Although cash collections are minimal at the Department, usually no more than $25, they must establish procedures because of the high risk nature of cash. Effective procedures include the accountability and reconciliation to the general ledger of all receipts issued in the collection of currency. Prenumbered receipts provide this accountability if a periodic reconciliation is made of used and unused receipts. This is difficult to do if there is no control over receipts and if receipts are not issued for all cash collected.

Recommendation No. 27

The Department of Personnel should develop standard, written procedures for the collection and processing of cash collections. This should include accountability, and reconciliation to the general ledger, of all receipts.

Department of Personnel Response:

Agree. The Department is developing standard procedures for collection of cash, which will be implemented by the end of the current fiscal year.

Inter-Agency Vouchers Should Be Collected From Other Agencies

Checks and state warrants rather than inter-agency vouchers were collected from other state agencies as payment for training and other charges. Fiscal Rules state that inter-agency vouchers (F-documents) should be used for inter-agency billings and collections. The Rules also state that the selling agency is to prepare the F-document and send it to Accounts and Control. Processing an F-document is also more efficient. For example, when warrants rather than F-documents are used by the buying agency, the selling agency (Personnel) must then prepare an R-document (deposit slip) to deposit the collections with the State Treasurer. All of the R-documents we tested had warrants from other state agencies. If an F-document is used, it combines both procedures into one step, which speeds up payment and reduces work.

The Department's position is that it is up to the buying agency to remit payments on F-documents, rather than by check or warrant. However, Personnel's billings include the statement, "Make check or money order payable . . . ." We believe that the Department can do more to encourage payment in accordance with established procedures, starting with instructions to agencies to use F-documents to pay for services provided.

Recommendation No. 28

The Department of Personnel should encourage other state agencies to remit payments by F-document, rather than by check or state warrant.

Department of Personnel Response:

Implemented.

Collections Not Deposited Promptly

Collections are not being promptly deposited with the State Treasurer.

We found that collections are not being promptly deposited with the State Treasurer in compliance with Fiscal Rules. Fiscal Rules require agencies to make deposits at least weekly and on the last working day of each month.

We tested 14 R-documents (deposit slips) and found delays as long as two and one-half months between the time funds were collected and when they were deposited with the State Treasurer. The Department prepared deposits approximately every two weeks, and the average amount deposited was about $2,500.

Although deposits were minimal in comparison to other agencies, failure to comply with Fiscal Rules regarding timely deposits has cost the State money in interest earnings lost.

Recommendation No. 29

The Department of Personnel should include, in its development of cash collection procedures, procedures to ensure timely deposits with the State Treasurer in compliance with Fiscal Rules.

Department of Personnel Response:

Implemented. Prior to July 1, 1988, the Department established procedures to ensure timely deposits with the State Treasurer.

STATE OF COLORADO

OFFICE OF STATE AUDITOR
(303) 866-2051

TIMOTHY M. O'BRIEN, C.P.A.
State Auditor

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203

February 10, 1989

Auditor's Report on Financial Statements

Members of the Legislative Audit Committee:

We have audited the accompanying balance sheet of the Department of Personnel as of June 30, 1988, and the related statement of revenues, expenditures and changes in fund balance for the year then ended. These financial statements are the responsibility of the Department of Personnel's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department of Personnel as of June 30, 1988, and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

STATE OF COLORADO
DEPARTMENT OF PERSONNEL
COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1988

	GOVERNMENTAL FUND TYPES	ACCOUNT GROUPS		Totals (Memorandum Only)	
Assets	General	General Fixed Assets	General Long Term Debt	1988	1987
Cash on hand	200			200	200
Accounts Receivable	3,824			3,824	1,198
Accounts Receivable-Other Governments	320			320	
Accounts Receivable-Other Funds	4,474			4,474	
Accounts Receivable-Same Fund	6,400			6,400	2,943
Inventories	2,467			2,467	6,233
Amount to be Provided for Compensated Absences			260,074	260,074	241,063
Buildings and Equipment		292,503		292,503	292,503
Controllers Clearing	21,309			21,309	24,522
Total Assets and Controllers Clearing	38,994	292,503	260,074	591,571	568,662
Liabilities and Fund Equity					
Liabilities					
Vouchers Payable	8,536			8,536	11,736
Accounts Payable	28,178			28,178	20,288
Accounts Payable-to other funds	35			35	3,072
Deferred Revenue	2,245			2,245	
Accrued Compensated Absences			260,074	260,074	241,063
Total Liabilities and Controllers Clearing	38,994	-0-	260,074	299,068	276,159
Fund Equity					
Fund Balance					
Investment in General Fixed Assets		292,503		292,503	292,503
Total Fund Equity	-0-	292,503	-0-	292,503	292,503
Total Liabilities and Fund Equity	38,994	292,503	260,074	591,571	568,662

The accompanying notes are an integral part of this financial statement.

STATE OF COLORADO
DEPARTMENT OF PERSONNEL
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE ALL GOVERNMENTAL FUND TYPES
JUNE 30, 1988

	General Fund Types	Totals (Memorandum Only) 1988	1987
Revenues:			
Allotted General Fund	$3,469,928	$3,469,928	$3,092,719
Management Certification Program	154,633	154,633	58,159
Department of Personnel Training	39,225	39,225	39,710
Receipts from Transcripts	10,731	10,731	7,743
Indirect Cost Recoveries			877
Exam Comm Ctr. Bd. Salaries			3,000
General Revenue (Net)	85	85	39
Total Revenue All Sources	3,674,602	3,674,602	3,202,247
Expenditures			
Department of Personnel			
Personal Services	2,756,858	2,756,858	2,637,057
Operating Expenses	193,552	193,552	140,761
Travel and Subsistence			9,116
Purchase of Services from Computer Center	229,787	229,787	8,412
Legal Services	24,209	24,209	
Legal Services Contingency	6,029	6,029	
Management and Supervisory Certificate Program	154,158	154,158	187,993
Operating Roll-forward	1,362	1,362	
Capital Outlay			5,458
Exam Comm Ctr Bd Salaries			3,000
ADP Capital Outlay			24,788
State Personnel Board			
Personal Services	189,029	189,029	164,463
Operating Expenses	20,109	20,109	13,306
Travel			2,500
Net Expenditures	3,575,093	3,575,093	3,196,854
Excess of Revenue and Other Sources Sources over (under) Expenditures	99,509	99,509	5,393
Less General Fund-Rollforward	96,700	96,700	2,918
Less General Revenue (Net)	85	85	39
Less Excess Revenue Reversions	475	475	
Less General Fund Reversions	2,249	2,249	2,436
Net Increase to Fund Balance	0	0	0
Beginning Fund Balance	0	0	0
End Fund Balance	$0	$0	$0

The accompanying notes are an integral part of this financial statement.

STATE OF COLORADO
DEPARTMENT OF PERSONNEL
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 1988

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Department of Personnel			
Personal Services	$2,832,085	$2,832,085	$0
Operating Expenses	203,597	196,749	6,848
Purchase of Services from Computer Center	251,652	251,652	0
Legal Services	24,209	24,209	0
Legal Services Contingency	6,052	6,052	0
Management and Supervisory Certificate Program	169,744	154,633	15,111
State Personnel Board			
Personal Services	195,501	189,029	6,472
Operating Expenses	20,568	20,109	459
Total Revenues	3,703,408	3,674,518	28,890
Expenditures			
Department of Personnel			
Personal Services	2,832,085	2,756,859	75,226
Operating Expenses	203,597	194,914	8,683
Purchase of Services from Computer Center	251,652	229,787	21,865
Legal Services	24,209	24,209	0
Legal Services Contingency	6,052	6,029	23
Management and Supervisory Certificate Program	169,744	154,158	15,586
State Personnel Board			
Personal Services	195,501	189,029	6,472
Operating Expenses	20,568	20,109	459
Total Expenditures	3,703,408	3,575,094	128,314
Excess of Revenue Over (under) Expenditures	0	99,424	(99,424)
Less General Fund Roll-Forward		96,700	(96,700)
Less General Fund Reversions		475	(475)
Less Excess Revenue Reversions		2,249	(2,249)
Net Increase/Decrease to Fund Balance	0	0	0
Fund Balance, July 1	0	0	0
Fund Balance, June 30	$0	$0	$0

The accompanying notes are an integral part of this financial statement.

STATE OF COLORADO
DEPARTMENT OF PERSONNEL
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 1988

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The accompanying financial statements reflect the financial activities of the Department of Personnel for the State fiscal year ended June 30, 1988. The Department of Personnel is an agency and sub-entity of the State of Colorado. For reporting purposes and in conformance with the National Council of Governmental Accounting Statement #3, pertaining to oversight responsibilities the state of Colorado is the primary reporting entity for state financial activities. Therefore, the Department of Personnel accounts and activities are generally presented in a manner consistent with the presentation of statewide financial activities, which are reported in accordance with generally accepted accounting principles for governmental organizations.

B. FUND STRUCTURE

The accounts of the Department of Personnel are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund entity, revenues, and expenditures. The Department's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accompanying financial statements include one fund type and two account groups. The one fund type is reported as Governmental Fund Types. This is in accordance with the basis of accounting used by the three fund types. The fund type and two account groups are described below.

1. GOVERNMENTAL FUND TYPES

a. General Fund - The General Fund is the general operating fund of the Department. It is used to account for all financial resources except those required to be accounted for in another fund.

2. ACCOUNT GROUPS

a. The General Fixed Asset Account Group

The General Fixed Asset Account Group is a self-behaving set of accounts used to account for fixed assets used in governmental fund type operations.

All fixed assets are valued at cost at the time of purchase or estimated cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. Such assets are recorded when the asset has a value equal to or greater than $500 and an estimated useful life of two years or more. No depreciation has been provided on general fixed assets.

b. General Long Term Debt Account Group

The General Long Term Debt Account Group is used to account for long term liabilities expected to be financed from governmental fund types.

3. TOTAL COLUMNS ON COMBINED STATEMENTS-OVERVIEW

a. Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

For governmental fund types, revenues are recognized when they are measurable and available to finance current expenditures. Expenditures are recognized on the modified accrual basis when:

(1) the amount can be objectively measured,
(2) the goods have been delivered or title has passed to the state,
(3) services have been rendered.

D. BUDGETS AND BUDGETARY ACCOUNTING

1. The financial operations of the Department are controlled by the annual appropriation made by the State Legislature. The appropriation controls the expenditures of the Department predominately by category of expenditure or program. Appropriation may be shifted from one category to another, increased or decreased in the following session of the Legislature by means of a supplemental appropriation. A supplemental appropriation for the Department was passed during fiscal year 1988 to increase the funds in the Operating line item by $8,430. Unexpended General Fund appropriations either revert to the General Fund at fiscal year end or are rolled forward to subsequent fiscal year on approval of the State Controller.

2. Unexpended encumbrances are either cancelled or carried over to the subsequent fiscal year for expenditure.

E. ASSETS, LIABILITIES AND FUND EQUITY

1. Cash on Hand

   a. Cash on hand is the composite amount of three petty cash accounts used for administrative purposes.

2. Accounts Receivable:

   a. Accounts receivable for service provided to citizens are as follows:

1988 Receivable	1987 Receivable
$3,824	$1,198

   b. Accounts receivable for services provided to other agencies in the same fund are as follows:

1988 Receivable	1987 Receivable
$6,400	$4,479

   c. Accounts receivable for services provided to other agencies in other funds are as follows:

1988 Receivable	1987 Receivable
$4,474	$78

The Department does not maintain an allowance for doubtful accounts due to the limited volume of receivables.

d. Inventories:

Consumable inventories are recorded at purchase cost. The method of costing is first in-first out.

e. Deferred Revenue:

Revenues collected for training or cost of transcripts is recorded as deferred until such time as expenditures are made.

II. COMPLIANCE AND ACCOUNTABILITY

A. The Department had no material violations of finance-related legal and contractual provisions.

B. The Department had no deficit fund balance or retained earnings of individual funds.

C. The Department had no excess of expenditures over appropriations in individual funds.

D. Roll-Forward of General Fund Appropriations

The State Controller has the authority to approve the carry over of unexpended appropriations to the subsequent fiscal year under circumstances described in the State Fiscal Rules.

The Department had one roll-forward from fiscal year 1987 to the current year for $2,918 in Operating for printing of the Department of Personnel Compensation Plan. $1,362 was expended with the balance reverting to the General Fund at year end.

The Department had two roll-forwards from fiscal year 1988 to fiscal year 1989. The first is a contract with the Hays Management Consultants for consulting services for recommendations on a pay for performance plan to be implemented in the near future. It is encumbered on C890006 for $75,000. The second is for the purchase of 14 personal computers. It is encumbered on E890034 for $21,700. These are both in the General Fund (1001).

E. Reversion of General Fund Appropriations

Unexpended General Fund appropriations will revert to the State's General Fund balance and will not be available for expenditure in the subsequent fiscal year unless reappropriated by the Legislature or approved for roll-forward by the State Controller.

III. OTHER ACCOUNTING DISCLOSURES

A. Assets

1. Changes in General Fixed Assets

During the fiscal year ending June 30, 1988, the Department deleted no items from its fixed assets and had no purchases of additional items in excess of $500. Therefore the balance of $292,503 in general fixed assets remains unchanged.

B. Liabilities

1. Pension plan obligations

a. All permanent employees (full- and part-time) are covered under the State's pension plan. It is administered by the Public Employees Retirement Association (PERA), which is independent of state government. The Department's contribution to the plan for fiscal year 1988 was 10.2% and the employee contribution was 8% of gross salaries. During the fiscal year 1988 the Department's total contribution was $258,758.41.

2. Claims, judgments and compensated absences

a. The Department has no material claims or judgments against it.

b. Prior to June 30, 1983, the Department followed the common practice of accounting for the costs of employee's compensated absences payable on termination in the period when paid. Effective July 1, 1983, the Department changed its method of accounting for such compensated absences from the cash to the modified accrual method for Governmental Type Funds to comply with the National Council of Governmental Accounting's Statement No. 4. The long-term debt account group includes $260,074 of estimated compensated absence liability for fiscal year 1988.

The employees of the Department may accrue annual and sick leave based on the length of service which is subject to certain limitations on the amount that will be paid on termination.

Year Ended	Annual Leave	Sick Leave	Combined
June 30, 1988	$223,926	$36,148	$260,074
June 30, 1987	(218,603)	(22,460)	(241,063)
Inc/Decrease	$ 5,323	$13,688	$ 19,011

The estimated cost of compensated absence was computed as follows: (annual leave at 100%, sick leave at 25% of actual accrued sick leave X 16%, based on the average number of retiring employees). PERA on the annual leave was computed at 12.2%. The above year end long term obligation of governmental fund will be recorded as an expense of future years when paid and will be funded as expendable financial resources become available through State appropriation (or other fund sources) available in the applicable year.

3. Long-term debt

The department has no long-term debt obligations.

4. Encumbrances Outstanding

Encumbrance accounting is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are not reported as a reservation of fund balances but are considered to be a commitment for the expenditure of available resources in future periods.

However, certain appropriations which have been encumbered are allowed to roll forward into the subsequent period.

C. Miscellaneous General Revenues

These are General Fund revenues such as employee jury duty, witness fees, and compensation benefits, miscellaneous sales, refund of prior year expenditures, etc., which are not appropriated and therefore do not augment the department's spending authority and revert to the General Fund balance at year-end.

D. Controller's Clearing

The balances in Controller's Clearing at June 30, 1988, are the net result of various Departmental transactions affecting cash recorded centrally on the State Controller's Ledger. This is similar to the "Home Office and Branch" accounting concept applied in private industry. A credit balance in the account

represents the net current advance of working capital from the Controller's Ledger i.e. "Home Office" to the Department, i.e. "Branch" within the General Fund of Capital Construction Fund. A debit balance represents a current claim on Controller's cash needed to liquidate the excess of liabilities over assets on the agency ledger (branch).

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
BY LONGBILL LINE ITEM
For the Year Ended June 30, 1988

Appropriated Line Item Title	Page Number	CAS G/L Account(s)	Initial Appropriation	Supplemental Appropriation	Appropriation Allocations In (Out)	Appropriation Increases (Decreases)	Final Adjusted Appropriation	Actual Expenditure	(Over) Under Expended	Appropriation Rollforward	Lapsed Appropriation
(1) DEPARTMENT OF PERSONNEL											
Personal Services	124	5001X	$2,700,985		$131,100		$2,832,085	$2,756,858	$75,227	$75,000	$227
Salary Costs of 1987-88, Salary Survey and Anniversary Increases	124	5965X	100,669		(100,669)		0				0
Operating Expenses	124	5021X	192,249	8,430		2,918	203,597	194,914	8,683		8,683
Purchase of Services from Computer Center	124	5033X	251,652				251,652	229,787	21,865	21,700	165
Legal Services	124	5060X	24,209				24,209	24,209	0		0
Legal Services Contingency	124	5061X	6,052				6,052	6,029	23		23
Management & Supervisory Certificate Program	124	5063X	168,168		1,576		169,744	154,158	15,586		15,586
(2) PERSONNEL BOARD											
Personal Services	124	5036X	178,801		16,700		195,501	189,029	6,472		6,472
Operating Expenses	124	5037X	20,568				20,568	20,109	459		459

STATE OF COLORADO

OFFICE OF STATE AUDITOR
(303) 866-2051

TIMOTHY M. O'BRIEN, C.P.A.
State Auditor

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203

February 10, 1989

Auditor's Report on Internal Control

Members of the Legislative Audit Committee:

We have examined the financial statements of the Department of Personnel for the year ended June 30, 1988. As part of our examination, we made a study and evaluation of the internal control systems of the Department of Personnel to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards, the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office. For the purpose of this report, we have classified the significant internal accounting controls of the Department of Personnel into the following categories:

Accounting Controls

Cycles of Activity

- Revenue/Receipts
- Purchases/Disbursements
- Financial Reporting
- Payroll Disbursements

The management of the Department of Personnel is responsible for establishing and maintaining internal control systems for the Department of Personnel. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system of internal accounting controls are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting controls, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system of future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with procedures may deteriorate.

Our study included all of the applicable control categories listed above.

Our study and evaluation was more limited than would be necessary to express an opinion of the system of internal accounting control taken as a whole or on any of the categories of controls identified above. Accordingly, we do not express an opinion on the system of internal accounting control of the Department of Personnel, taken as a whole or on any of the categories identified in the first paragraph. However, our study and evaluation disclosed no condition that we believe to be a material weakness.

APPENDIX

STATUTE REQUIRING PERFORMANCE AUDIT OF THE DEPARTMENT OF PERSONNEL

C.R.S. 24-50-103.5(2) (a) The legislative audit committee shall cause to be conducted a performance audit of the department and the board. The performance audit shall be completed at least seven months prior to July 1, 1981. In conducting the audit, the legislative audit committee shall take into consideration, but not be limited to considering, the factors listed in paragraph (b) of subsection (3) of this section. Upon completion of the audit report, the legislative audit committee shall hold a public hearing for purposes of review of the report. A copy of the report shall be transmitted to each member of the general assembly by January 1, 1981.

(b) A further performance audit as required in this section shall be completed at least seven months before July 1, 1985, and every four years thereafter.

(3) (a) Committees of reference in each house of the general assembly shall hold public hearings, receiving testimony from the public, the state personnel director, and the chairman of the board, and in such a hearing the department and the board shall have the burden of demonstrating the extent to which a change in the administration, rules and regulations, or operations of the department or the board may increase the efficiency of administration or operation of the department or the board.

(b) In such hearing, the committee shall take into consideration the following factors, among others:

(I) The extent to which the department and the board have operated in the public interest and economy, and the extent to which their operations have been impeded or enhanced by existing statutes, procedures, and any other circumstances, including budgetary, resource, and personnel matters;

(II) The extent to which the department and the board have recommended statutory changes to the general assembly which would benefit the public as opposed to the persons they regulate;

(III) The extent to which the board has adopted rules and regulations, procedures, or practices which enhance or impede the efficiency or economy of state government;

(IV) The efficiency with which formal complaints filed with the department or the board concerning regulation policies, procedures, or practices have been processed to completion by the department or the board and the decisions thereof;

(V) The effectiveness of the department and the board in implementing incentive systems to reward and encourage excellence in public service, particularly in middle and top management levels;

(VI) The effectiveness of the department or the board in filling job vacancies;

(VII) The effectiveness of staffing levels of the department, particularly in view of the decentralization of functions of the department to other departments of state government;

(VIII) The effectiveness of the department and the board as perceived by executive directors of other departments of state government and members of the general assembly;

(IX) The extent to which changes are necessary in the enabling laws of the department or the board to adequately comply with the factors listed in this paragraph (b); and

(X) The extent to which the authority of the department or the board should be or has been restricted by the annual general appropriation bill.

1988 RESPONSES FROM PERSONNEL DEPARTMENT AND PERSONNEL BOARD TO 1984 AUDIT RECOMMENDATIONS

We asked the Director of the Department of Personnel and the Administrator of the Personnel Board for updates to our 1984 recommendations. Their responses follow.

During the course of our audit, we followed up on Recommendations Nos. 1(1), 2, 7(3)(5), 8, 9, 10, 11, 12, and 32. See Chapters I, II, III, and IV for a complete discussion.

We did not follow up on the balance of the recommendations.

RECOMMENDATION NO. 1

The Department of Personnel should:

1. work with agencies to determine under what conditions all or part of delegation agreements will be dissolved and include this in the agreement

2. work with the Legislature to determine a method by which resources can be transferred from decentralized agencies to the Department of Personnel if an agreement is dissolved; this method should be included in the delegation agreement

DEPARTMENT'S RESPONSE:

The decentralization agreements now contain explicit statements regarding failure of an agency to observe the requirements of the agreement. Obviously, not every trivial mistake is cause for revocation of the agreement. It is also very difficult to identify specifically the quantity and quality of malfeasance which would trigger revocation. The Department of Personnel exercises its best professional judgment in determining whether the problem can be corrected through training and remediation, or whether the situation requires revocation of the decentralized agreement.

In pursuing the second portion of this recommendation, the Department held extensive discussions with OSPB and the JBC. In 1985, there was a footnote to the Long Bill stating that failure to meet standards could result in personnel being shifted to the Department of Personnel. Although this was helpful, it did not solve the problem as a practical matter because such a transfer would technically require approval of the Legislature, a time-consuming process that would not address the immediate problem.

There are other sanctions that may be as effective as actual transfer of dollars and people to the Department of Personnel to enforce decentralization agreements. For example, we could require that all personnel work performed by the offending agency be reviewed and approved by the Department. This type of remedy could also be targeted to specific areas in which there are evident problems. This would require ad-

ditional work on the part of our staff, but could be as directly effective as transfer of the employees to the Department.

Please note that in 1986, the Department commenced a training program for all personnelists, known as the "Personnel Certificate Program". Only persons who have passed the examination in this training program are permitted to sign off on classification and selection activities in decentralized agencies. There was substantial resistance to this program initially, but it is now accepted as a fact of life. We believe that it has assisted in ensuring the quality of personnel activities conducted in decentralized agencies.

RECOMMENDATION NO. 2

The Department of Personnel should ensure that the post audit function is adequately staffed to review each decentralized agency every five years, or sooner if necessary.

DEPARTMENT'S RESPONSE:

Implemented in part. We now have 2.5 FTE whose principal assignment is auditing decentralized agencies. However, we still rely on experts within the Department in several of the areas. As you know, [staff] has recently completed a series of interviews with a variety of people regarding the post-audit function in connection with our attempt to reshape and strengthen this area of our operations. We anticipate that the results of this study and extensive staff conversations regarding effective monitoring of decentralization will improve our efforts further in this important area.

RECOMMENDATION NO. 3

The Department of Personnel should identify what information is needed to develop system averages for personnel activities. This data should then be:

1. routinely produced by the Department's information systems

2. used to develop standards by which agency activity can be measured and for which they can be held accountable

3. made available to all agencies that will be judged by these standards

4. analyzed over time to determine if the averages are changing and if trends are emerging

DEPARTMENT'S RESPONSE:

Implemented in part. Statewide averages for certain personnel functions have been developed and are used in the PMR reporting system. This required the development of new computer programs and analysis of the data they generate. However, in connection with [staff's] work, we are attempting to identify even more areas in which standards can be developed and to publicize more widely the accepted standards.

RECOMMENDATION NO. 4

The Department of Personnel should ensure that the post audit process uses randomly selected, statistically valid samples so that inferences can be made to whole agency personnel operations and the personnel system as a whole.

DEPARTMENT'S RESPONSE:

Implemented. The PMR staff has taken training with the Auditor's Office and is now using statistically valid samples in PMR.

RECOMMENDATION NO. 5

The Department of Personnel should renegotiate delegation agreements with each agency. The new agreements should specify:

1. all personnel functions which are decentralized
2. monitoring and post auditing that will be conducted by the Department of Personnel
3. the responsibilities of each party
4. what will happen if agencies fail to adequately perform personnel functions

DEPARTMENT'S RESPONSE:

Implemented.

RECOMMENDATION NO. 6

The Department of Personnel should identify the total number of agencies subject to post audit review and ensure they are audited on a regular cycle.

DEPARTMENT'S RESPONSE:

Implemented.

RECOMMENDATION NO. 7

The Department of Personnel should comply with statutes, board rules and an executive order regarding affirmative action and equal employment opportunity by:

1. regularly providing information needed to analyze the state work force by race, ethnicity and gender

2. requiring agencies to justify to use of "3+3" referrals based on current utilization data and to report the results of those referrals

3. submitting reports required by statute and board rule on progress made toward meeting affirmative action goals

4. reinstituting analysis of applicants for state jobs in order to target recruitment efforts

5. reinstituting analysis of tests to determine if they are discriminating against racial and ethnic minorities and women

DEPARTMENT'S RESPONSE:

Implemented. We note that the Board's new affirmative action rules provide for close monitoring of the program by the Department. Every use of those new rules requires confirmation of underutilization.

RECOMMENDATION NO. 8

The Department of Personnel should reinstitute the reviews required by their procedures bulletin SC-2 ("Procedures for Off-Site Audit of Selection Process"). These are:

1. review of exam materials for content validity assurance and announcement procedures

2. turnaround time and workload analysis

3. summary of recruitment representativeness

4. adverse impact analysis

DEPARTMENT'S RESPONSE:

Parts 1, 2, and 4. Implemented. Part 3. Not implemented due to lack of resources.

RECOMMENDATION NO. 9

The Department of Personnel should:

1. make provisions for the Personnel Data System to gather and report information on agency implementation of performance evaluations

2. use the above information to monitor compliance with requirements for annual performance evaluations

3. make recommendations to the Legislature and the Personnel Board to revise the current statute (C.R.S. 24-50-118(3)) and Board rule 10-1-3(E) to require appointing authorities to administer disciplinary action against supervisors who fail to annually evaluate their employees

DEPARTMENT'S RESPONSE:

Partially implemented. Board rules have been strengthened to allow for corrective and disciplinary actions when performance ratings are not completed. In addition, the Board adopted a rule that allowed a supervisor's pay to be withheld until performance appraisals of subordinates were completed. Unfortunately, the Attorney General's Office opined that such withholding of pay would be illegal. We have not programed PDS to include data on performance appraisals.

RECOMMENDATION NO. 10

The Department of Personnel should:

1. perform desk audits of a randomly selected, statistically valid sample of each decentralized agency's positions to determine the extent of incorrectly classified positions

2. determine what percentage of error is acceptable

3. identify agencies with unacceptable error rates and systematically reclassify positions until an acceptable error rate is attained

DEPARTMENT'S RESPONSE:

Not implemented due to lack of resources.

RECOMMENDATION NO. 11

The Department of Personnel should ensure that post audits of classification include the following:

1. a statistically valid randomly selected sample

2. desk audits of the sample positions, so that the accuracy of classification can be assessed

DEPARTMENT'S RESPONSE:

Not implemented due to lack of resources.

RECOMMENDATION NO. 12

The Department of Personnel should ensure that each class within the state personnel system is reviewed at least every five years by choosing one or more of the options recommended on page 44.

DEPARTMENT'S RESPONSE:

Partially implemented. The Department of Personnel has prioritized all occupational studies, with the "oldest" classes being studied first. We have not yet achieved the five year review cycle suggested by the 1984 audit.

RECOMMENDATION NO. 13

The Legislature should ensure that the state classification system is revised and maintained in accordance with the State Constitution and statutes by providing the necessary funding to implement changes recommended by occupational studies.

DEPARTMENT'S RESPONSE:

Not implemented by the Legislature. The statutory change requiring specific approval by the General Assembly of any occupational studies with a fiscal impact, and the annual inclusion of a footnote prohibiting implementation of occupational studies, continue to be a significant detriment to the effective functioning of the State Personnel System.

In an attempt to address this situation, the Department recommended and the Board adopted a rule that would significantly reduce the immediate fiscal impact of occupational studies. In the past, Board rules required that any change in a pay grade as a result of an occupational study be implemented on a "step for step" basis; namely, if an employee was at step four of grade 67, and the occupational study recommended that employee be moved to grade 70, the employee was placed in grade 70 at step 4. This was the primary cause of the significant fiscal impact of many of the occupational studies. The new Board rule provides that implementation of occupational studies, except in extraordinatory circumstances, will be made on a "dollar for dollar" basis. Thus, an employee whose grade is raised is placed at the step closest to, but not less than, the current salary made by that employee. Although this minimizes the fiscal

impact of occupational studies, it does not eliminate it. However, we believe it is a constructive step toward resolving this long-standing issue.

RECOMMENDATION NO. 14

The Legislature should consider revising C.R.S. 24-50-107 to clarify under what conditions and for what period of time "save pay" should be awarded.

DEPARTMENT'S RESPONSE:

Not implemented.

RECOMMENDATION NO. 15

The State Personnel Board should revise Rule 3-7-2(c) so that it is consistent with C.R.S. 24-50-107 (if amended by the Legislature).

DEPARTMENT'S RESPONSE:

Not implemented.

RECOMMENDATION NO. 16

The Personnel Director should develop administrative procedures formally authorizing delegation of training to other state agencies and clarify what kind of training should be provided by the State Department of Personnel and what kind should be provided by other state agencies.

DEPARTMENT'S RESPONSE:

Implemented in part. All training in the State is now cash funded. The Department of Personnel undertakes training generally applicable across departmental lines--Management Supervisory Training and a variety of topical workshops.

RECOMMENDATION NO. 17

The Department of Personnel should formally delegate training authority to other state agencies through decentralization agreements. These agreements should include the following:

1. the kinds of training to be provided by the agency and the type provided by the State Department of Personnel

2. requirements that decentralized agencies conduct training need assessments, evaluate the effectiveness of training and report training expenditures (for training specific to that agency) to the Legislature (not the Department of Personnel)

DEPARTMENT'S RESPONSE:

Implemented.

RECOMMENDATION NO. 18

The Department of Personnel should ensure that all agencies with decentralized training agreements are adequately trained in needs assessment and evaluation techniques.

DEPARTMENT'S RESPONSE:

Implemented in part. The Department of Personnel provides technical assistance to agencies in conducting needs assessment and evaluation of training.

RECOMMENDATION NO. 19

The Department of Personnel should:

1. conduct needs assessments, provide training, and evaluate the effectiveness of training for all state employees who manage or supervise other state employees (including exempt managers and supervisor[s] of classified employees)

2. provide standardized training and certification to all employees who perform personnel functions in all state agencies. The requirement for training and certification should be included in delegation agreements

DEPARTMENT'S RESPONSE:

Part I. Not implemented due to lack of resources. Part II. Implemented.

RECOMMENDATION NO. 20

The Board should assume full responsibility for preparing its own budget, justifying its request throughout the appropriations process, and explaining its expenditures to the Legislature.

BOARD'S RESPONSE:

Implemented to extent possible under the Administrative Organization Act.

RECOMMENDATION NO. 21

The Board should develop a written agreement describing its responsibility for the budget function. This agreement should be signed by appropriate parties at the Personnel Department and the Personnel Board.

BOARD'S RESPONSE:

Clarifications were made in working relationships after the reorganization of the Board staff in fiscal 1985. A written agreement was not necessary.

RECOMMENDATION NO. 22

If Recommendation No.'s 20 and 21 do not solve the problem, the Board should propose legislation next session which states that the Personnel Board, not the Department is responsible for developing the Board's budget.

BOARD'S RESPONSE:

This recommendation is no longer necessary, because of actions listed at Recommendations 20 and 21.

RECOMMENDATION NO. 23

The Board should propose Legislation to clarify:

1. what penalties, if any, result from the Board's failure to process an appeal within the prescribed time limit

2. whether the Board loses jurisdiction over appeals that are not processed within the time limit

BOARD'S RESPONSE:

Not implemented. With experience in processing appeals under the new statutory provisions, this concern proved less serious than on first impression. If the issue is raised, the appellate procedure is an adequate one for resolving it.

RECOMMENDATION NO. 24

The Personnel Department and the Personnel Board should communicate in a formal fashion and document what they agree on regarding the purpose, methodology, time schedule, and product of the 1984 Task Force on Rules Revision.

BOARD'S RESPONSE:

Fully implemented.

RECOMMENDATION NO. 25

The Department and Personnel Board should ensure that the 1984 Task Force on Rules Revision integrates as much as possible the work of the 1981 task force into the 1984 revisions.

BOARD'S RESPONSE:

Fully implemented.

RECOMMENDATION NO. 26

The Personnel Department should include in a new edition of the Employee Handbook a description of the appeals process and how to use it. The handbook should be distributed by July 1985.

DEPARTMENT'S RESPONSE:

Implemented. A new employee handbook has been developed. The most recent edition was issued in August, 1988 and is available from Central Stores. It contains a chapter entitled, "Your Rights and Privileges," including a section on "appeals and grievances." We also intend to develop in the near future a brochure for employees which will provide a quick overview of the appeals and grievance processes.

RECOMMENDATION NO. 27

The Personnel Board should:

1. set deadlines for hearing officers and typists to complete their appeals work

2. shift existing staff resources or work priorities in such a way to ensure that the appeal typing is accomplished in a timely manner

3. conduct an analysis of typing workload and, if the results so indicate, consider hiring a word processor operator to type appeals letter, decisions, and other Board work

4. collect data that indicates time lapsed in writing decisions and typing them

5. use the data from point "5" as part of the personnel performance evaluations for hearing officers, word processor operators, and their supervisors

6. require that notification to employees about denied hearings be completed within 10 calendar days from receipt or request for hearing

BOARD'S RESPONSE:

Fully implemented.

RECOMMENDATION NO. 28:

The Board should begin collecting additional data, which are listed in appendix, page C-1.

1. Time spent conducting hearing conferences.

2. Dates hearing officers submit draft decision for typing and dates word processing completes typing.

3. Cases in which hearing officers have awarded attorney fees because an appeal was frivolous.

4. The rule or rules that were the basis of the appeal.

5. Length of the process when an appeals case is appealed from the hearing officer to the Personnel Board.

6. Resolution of Appeal by the board, identifying whether the Board reversed or upheld the hearing officer and the appointing authority.

BOARD'S RESPONSE:

1. This data was collected for about two years and has been used in budget preparation. Now such records are maintained only for so long as needed to estimate the cost of transcripts. When time to appeal has expired, the records are discarded.

2. This data was collected for a year. It is no longer necessary.

3. Noted on Hearings/Settlement Logsheet, in combination with other money's awarded, e.g. for back pay. (C.R.S. 24-50-125.5 makes it the responsibility of the agency paying attorney fees, not the Personnel Board, to report to the Legislature. The Board is not aware of a requirement that it report to the Legislature this information.)

4. The Hearings/Settlement Logsheet has a place for this information. New staffing pattern will allow this item to be consistently entered.

5. Fully implemented.

6. Fully implemented.

RECOMMENDATION NO. 29

The Personnel Board should develop a list of documentation needed for each case file, to ensure that data can be collected from each file in a comprehensive, uniform manner.

BOARD'S RESPONSE:

Fully implemented.

RECOMMENDATION NO. 30

The Department of Personnel should communicate with Board staff about appeals data needed to help identify training needs for state employees.

DEPARTMENT'S RESPONSE:

Implemented. Communications between Board staff and the Department have been significantly improved. The department incorporates appeals information received from reviewing all decisions into standard training programs such as the Supervisory Certificate and the Personnel Certificate Programs.

RECOMMENDATION NO. 31

The Personnel Department should plan future training programs, as needed, to correct weaknesses identified from appeals data.

DEPARTMENT'S RESPONSE:

Partially Implemented. See the response to recommendation #30. Uniform training of all state managers targeted specifically at effective use of the personnel system is desperately needed. However, due to a lack of resources, this training is not provided.

RECOMMENDATION NO. 32

The Department of Personnel should:

1. conduct a user needs assessment of the Personnel Data System to determine present and future needs to be served by PDS and develop an implementation plan no later than June 30, 1985 to satisfy those needs

2. set up a program to train new employees and refresher courses for employees using PDS; these courses should be regularly scheduled to ensure an up-to-date, trained staff using PDS at the agencies

3. create a system for keeping PDS users up-to-date on changes to the system; explanations of the changes could be published in existing Department publications (a PDS Users Column), or in a separate publication for PDS users

DEPARTMENT'S RESPONSE:

1. Partially implemented. The user needs assessment and implementation plan were not developed by June 30, 1985. However, as part of the review of the PDS/CPPS interface project in 1987, a user group was consulted extensively in revising plans for the interface. (The EDP audit manager of your office is familiar with the new plan and has made suggestions for the interface.)

2. Implemented. The Department provides training for employees using PDS, both new and old. New employees are brought to Denver for training. Refresher training for existing employees is generally done in the agencies.

3. Implemented. All changes to the PDS system are communicated to users by direct mailing of information to them. In addition, the Advisor is used to inform all personnelists of major developments.

1988 DISPOSITION OF 1985 FINANCIAL AUDIT RECOMMENDATIONS

The prior audit report for the year ended June 30, 1985, included three recommendations. Listed below are the recommendations and their disposition at June 30, 1988.

RECOMMENDATION	DISPOSITION
1. Designate a responsible employee, other than the preparer, to review the computed annual and sick leave balances at fiscal year end.	Implemented.
2. Designate responsible employee(s), other than the payroll and voucher preparers, to review and approve payrolls and vouchers prior to processing.	Implemented.
3. Familiarize and involve additional employee(s) with the accounting process.	Implemented.

COMPARISON OF STATES' PLANS FOR CLASSIFICATION SYSTEM REPLACEMENT

State	Consultant Hired	Number of Classified Employees	Method of Surveying Classes	Method of Evaluating Classes	Salary Survey Conducted	Employees' Salaries Decreased	Salary Increased All At Once/ Over Period of Years	Implementation All at Once/ In Phases	Appeals Resolved Before/After Implementation	Individual Positions Reviewed	Number of Years to Complete	Number of Classes Before Replacement	Number of Classes After Replacement
Colorado	Yes	27,000	Combination -job description -questionnaire -interview -desk audit	Combination -some by committee, some by individual	Yes	Not Determined	Not Determined	All at Once	After	No	Estimated 2 to 4	1600	Unknown
Connecticut	Yes	35,000	Questionnaire, Interview, & Desk Audit	Committee	Union Negotiations	Frozen	Union Negotiations	All at Once	After	No	10	2600	2100
Louisiana	No	59,000	Questionnaire	Committee	Yes	Frozen	All at Once	All at Once	After	Yes	4	2800	4000
Massachusetts	Yes	70,000	Questionnaire & Interview	Computer & verified by Individual	Union Negotiations	Frozen	Union Negotiations	All at Once	After	Yes	5	2450	830
Michigan	Yes	65,000	Job Description & Interview	Individual	Yes (on-going)	Frozen	All at Once	In Phases	After	Yes	7	Information Not Available	Information Not Available
New York	No	170,000	Questionnaire	Computer	Yes	Frozen	All at Once	In Phases	After	No	began 1985 not done	5700	5400
North Dakota	No	10,500	Questionnaire	Committee	Yes	Frozen	All at Once	In Phases	After	Yes	began 1982 not done	1100	970
Oklahoma	Yes	25,000	Questionnaire	Committee	Yes	Frozen	All at Once	All at Once	After	Yes	1	2000	1200
Oregon	Yes	34,000	Questionnaire & Desk Audit	Committee	Yes	Frozen	All at Once	All at Once	After	No	began 1983 not done	1200	1100
Vermont	Yes	6,500	Job Description & Interview	Committee	Yes	Frozen	Over Period of Years	In Phases	Both	Yes	4	1100	1100
Wyoming	Yes	7,300	Questionnaire	Individual	Yes	Frozen	All at Once	All at Once	After	No	2	1600	750

SOURCE: State Auditor's Office Telephone Survey

Distribution

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Executive Director, Department of Personnel (7)

Chairperson, Information Management Commission

State Personnel Board (7)

Honorable Roy R. Romer, Governor

Joint Budget Committee (3)

Office of State Planning and Budgeting (2)

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