The Auditor of the City and County of Denver is independently elected by the citizens of Denver. He is responsible for examining and evaluating the operations of City agencies and contractors for the purpose of ensuring the proper and efficient use of City resources and providing other audit services and information to City Council, the Mayor, and the public to improve all aspects of Denver’s government.

The Audit Committee is chaired by the Auditor and consists of seven members. The Audit Committee assists the Auditor in his oversight responsibilities regarding the integrity of the City’s finances and operations, including the reliability of the City’s financial statements. The Audit Committee is structured in a manner that ensures the independent oversight of City operations, thereby enhancing citizen confidence and avoiding any appearance of a conflict of interest.

Audit Committee

Timothy M. O’Brien, CPA, Chairman
Rudolfo Payan, Vice Chairman
Jack Blumenthal
Leslie Mitchell
Florine Nath
Charles Scheibe
Ed Scholz

Audit Management

Valerie Walling, CPA, CMC®, Deputy Auditor
Heidi O’Neil, CPA, CGMA, Director of Financial Audits

Audit Staff

Dawn Wiseman, CRMA, Audit Supervisor
Anna Hansen, Lead Auditor
Brad Harwell, Lead Auditor
Marc Hoffman, MBA, Senior Auditor

You can obtain copies of this report by contacting us:

Office of the Auditor
201 West Colfax Avenue, #705
Denver CO, 80202
(720) 913-5000 • Fax (720) 913-5247

Or download and view an electronic copy by visiting our website at: [www.denvergov.org/auditor](http://www.denvergov.org/auditor)

Report number: A2016-011
AUDITOR’S REPORT

We have completed an audit of the Civil Service Commission (CSC). The purpose of the audit was to evaluate a recent change to the disciplinary appeal process to determine the extent to which the new process is more efficient. We also reviewed current succession plans to determine whether operational continuity is at risk due to key staff meeting retirement eligibility requirements.

As described in this report, our audit revealed that the changes to Rule 12 made the CSC’s disciplinary appeal process more efficient in two ways. First, we determined that there was a reduction in the percentage of disciplinary decisions that were appealed during the time period under review. Second, we noted a reduction in the length of time it took for Hearing Officers to review each case. The audit also revealed that the CSC needs a formal succession plan. Through stronger succession planning efforts, the CSC will be able to ensure that the agency is prepared for the eventual departure of key employees. Our report lists several related recommendations.

This performance audit is authorized pursuant to the City and County of Denver Charter, Article V, Part 2, Section 1, General Powers and Duties of Auditor, and was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We extend our appreciation to the Civil Service Commission and the personnel who assisted and cooperated with us during the audit.

Denver Auditor’s Office

Timothy M. O’Brien, CPA
Auditor
Highlights

In 2013, the Civil Service Commission (CSC) revised Rule 12, which establishes the rules and procedures for handling appeals of disciplinary actions issued to members of the Classified Service by the Executive Director of Safety. The changes were made in an effort to increase the efficiency of hearings, which had become very time consuming. Another goal of the revision was to limit the number of Hearing Officer decisions that were subsequently appealed and overturned.

As described in Finding 1, audit work determined that the changes to Rule 12 made the CSC’s disciplinary appeal process more efficient in two ways. First, we determined that there was a reduction in the percentage of disciplinary decisions that were appealed during the time period under review. Second, we noted a reduction in the length of time it took for Hearing Officers to review each case.

Despite this assurance, we did identify concerns regarding the CSC’s succession planning activities. As explained in Finding 2, the CSC does not have a formal succession plan in place despite the fact that more than 50 percent of its workforce is eligible to retire now or within two years. Additionally, out of those eligible for retirement, three hold key positions within the CSC. With impending retirements, the knowledge transfer from key agency positions to successors will be critical for a successful transition process. Certain federal agencies, including the Government Accountability Office and the Office of Personnel Management, have established best practices for government succession planning, which assert that organizations should create and implement formal succession plans to ensure that agency operations continue to be efficient and effective during and after personnel transitions. To ensure retention of institutional knowledge subsequent to the retirement of key employees, the CSC needs to formalize a succession plan. Succession planning will also ensure continuation of the organization’s core business activities.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION &amp; BACKGROUND</td>
<td>1</td>
</tr>
<tr>
<td>SCOPE</td>
<td>9</td>
</tr>
<tr>
<td>OBJECTIVE</td>
<td>9</td>
</tr>
<tr>
<td>METHODOLOGY</td>
<td>9</td>
</tr>
<tr>
<td>FINDING 1</td>
<td>11</td>
</tr>
<tr>
<td>Changes to the Disciplinary Appeal Process Appear to Have Reduced the Number and Duration of Appeals</td>
<td>11</td>
</tr>
<tr>
<td>RECOMMENDATIONS</td>
<td>17</td>
</tr>
<tr>
<td>FINDING 2</td>
<td>18</td>
</tr>
<tr>
<td>The Civil Service Commission Does Not Have a Formal Succession Plan, Yet More Than 50 Percent of Its Employees Are Nearing Retirement</td>
<td>18</td>
</tr>
<tr>
<td>RECOMMENDATIONS</td>
<td>25</td>
</tr>
<tr>
<td>APPENDICES</td>
<td>27</td>
</tr>
<tr>
<td>Appendix A – Entry-Level Police Officer Examination Process</td>
<td>27</td>
</tr>
<tr>
<td>Appendix B – Entry-Level Firefighter Examination Process</td>
<td>28</td>
</tr>
<tr>
<td>Appendix C – Succession Planning and Key Elements for Success</td>
<td>29</td>
</tr>
<tr>
<td>AGENCY RESPONSE</td>
<td>35</td>
</tr>
</tbody>
</table>
INTRODUCTION & BACKGROUND

The Civil Service Commission plays a key administrative role in the hiring and promotion of police officers and firefighters in the City and County of Denver (City), as well as hearing appeals filed by officers and firefighters who at times may be subject to disciplinary action. Employees of the Denver Police Department (DPD) and Denver Fire Department (DFD) are hired, promoted, and disciplined based on their ability to perform the job, or their merit. The tenets of a merit system are crucial to understanding the mission, purpose, and practices of the Civil Service Commission.

Merit versus Patronage Employment in Government

The methods used for hiring and promoting government employees has changed dramatically over time. During the 1800s, as the federal bureaucracy was growing, many employees secured government employment through patronage, a system of rewarding friends and allies in exchange for political support. Under this “spoils system,” employees could be hired for any reason, such as membership of a political party, or fired for any reason, such as publicly disclosing agency wrongdoing. This system largely ignored qualifications and performance.

To do away with patronage and institute a fair system, Congress passed the Pendleton Civil Service Reform Act in 1883, which established that positions should be awarded on the basis of qualifications—established through open, competitive exams—instead of political affiliation or favoritism. The Pendleton Act also created the U.S. Civil Service Commission to administer fair and equitable hiring and promotion of government employees.

The Civil Service Reform Act of 1978 abolished the Civil Service Commission and reassigned its functions to three new agencies: The Office of Personnel Management, the Merit Systems Protection Board, and the Federal Labor Relations Authority. The Act also codified 9 merit system principles and 12 prohibited personnel practices. These principles and prohibitions are widely accepted as the foundation of government hiring practices for civil service employees. For example, the first principle is to recruit, select, and advance employees on merit after fair and open competition. The principles also state that employees should be retained or separated based on their performance. The first prohibition is against illegally discriminating for or against any employee or applicant. Under these principles, patronage no longer exists in government hiring, outside of the limited political appointee positions or other roles that are exempted from the system.

Denver’s Merit System and the Civil Service Commission

Much like that of the federal government, the City has a merit-based personnel system, which was established in 1954. Under the City’s merit system, applicants are given a chance to compete and be hired based upon their knowledge, skills, and abilities, without regard to race, political affiliation, age, gender, sexual orientation, or disability. The City’s Office of Human Resources

(OHR) administers hiring under the merit system, and its activities are overseen by the Career Service Board.

OHR does not, however, handle the City’s hiring and promotion of police officers and firefighters. Due to the unique nature of the work and necessary qualifications, DPD and DFD personnel are recruited and hired by the Civil Service Commission. In fact, the Civil Service Commission pre-dates OHR, having been established in City Charter as an independent agency in 1904. It is one of the oldest merit-based employment systems in the nation that is modeled after the Pendleton Act. According to the Denver City Charter, the Civil Service Commission has a duty to maintain a merit system that provides for equality, diversity, and integrity.2

**Civil Service Commission’s Mission, Purpose, and Governance**

Through its mission statement, the Civil Service Commission (hereinafter “CSC” or “Commission”) asserts that it will seek to certify the best qualified candidates for employment and promotions that represent the diversity of the Denver community. The Commission is responsible for administering the testing process for entry-level and promotional positions within DPD and DFD, policy administration, and hearing disciplinary appeals of classified members.3

The CSC is governed by City Charter and its own rules and regulations, and is overseen by a panel of civilian commissioners known as the Civil Service Commission Board (CSC Board). The CSC Board consists of five commissioners: two appointed by the Mayor, two appointed by City Council, and one nominated by the Mayor and appointed by City Council ordinance or resolution. Each commissioner is appointed for a term of two years.4

In addition to the five CSC Board commissioners, the CSC is comprised of 28 employees—9 Full-Time Equivalent positions (FTEs) and 19 on-call background investigators—as illustrated in Figure 1.5 The nine full-time positions include an Executive Director, a Human Resources Supervisor, Human Resource Professionals and Technician, one Information Technology position, and an Administrative Assistant.

---

2 Denver City Charter § 9.3.1—Civil Service Commission.
3 Classified Service members are Denver police officers and firefighters that are part of a collective bargaining agreement that provides the members the right to bargain collectively with the City and County of Denver regarding labor issues such as compensation.
4 Denver City Charter § 9.3.2—Civil Service Commissioners.
5 Denver’s Career Service Rules define on-call employment as, “One in which the employee works as needed. On call positions may have routine or variable work patterns and are generally filled to accommodate seasonal or short term activities in various city agencies. In contrast, Denver’s Career Service Rules define full-time employment as, “One in which an employee is scheduled to work forty (40) hours per week.”
FIGURE 1. Organizational Chart of the Civil Service Commission

Key Positions within the Civil Service Commission

As the CSC’s organizational chart illustrates, the Executive Director and the Human Resources Supervisor lead and manage their workforce in performing core business operations that align with the agency’s goals and objectives. Another key role is that of the Senior Human Resources Professionals, who assist with academies, testing, and the administration of disciplinary appeals. The following paragraphs explain in greater detail the responsibilities of these three key positions.

- **Executive Director**—The Executive Director of the CSC is responsible for overseeing the administration, operations, and strategic direction of the agency. This position manages and directs the merit system program, including entry-level testing and screening, promotional examinations, and disciplinary appeals. In addition, working with the CSC Board, he develops and interprets Commission policies, rules and regulations, and office policies. Finally, the role is responsible for ensuring compliance with the Commissioners’ guidelines, appropriate City Ordinances, and federal, state, and local regulations.6

- **Human Resources Supervisor**—The CSC Human Resources Supervisor is responsible for staff supervision and performance management, as well as employee and public relations. Specifically, this role is accountable for carrying out the work objectives of the agency’s staff, providing technical expertise, onboarding new staff members, and ensuring that work conforms to standards, regulations, and laws. Finally, the Human Resources Supervisor

---

6 Career Service Authority - Executive Director - Civil Service Commission Job Description
builds and maintains effective relationships to discuss and resolve issues or concerns, to exchange information, and recommend changes to improve the Commission’s functions and services.7

- **Senior Human Resources Professional**—The CSC Senior Human Resources Professional is tasked with specialized assignments, including assisting with setting up police and fire academies, handling disciplinary appeals administration, and assisting with testing procedures.8

### Civil Service Commission Budget Information

Funding for the CSC is derived from the City’s general fund. As illustrated in Table 1, from 2010 through 2016 the CSC’s annual budget has averaged $1.5 million with a low of $1.3 million in 2011 and a high of $1.7 million for 2016. The agency budget includes funding for 9 FTEs and 19 on-call positions.

**TABLE 1.** Civil Service Commission Budget, 2010 – 2016

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Budget</td>
<td>$1.3M</td>
<td>$1.4M</td>
<td>$1.5M</td>
<td>$1.6M</td>
<td>$1.6M</td>
<td>$1.6M</td>
<td>$1.7M</td>
</tr>
</tbody>
</table>

Source: City and County of Denver Budget Books 2011 through 2016.

### Operations of the Civil Service Commission

The CSC is responsible for maintaining Denver’s merit-based system for the Classified Service members by administering the examination process for potential new recruits, the promotional process for established members, and hearing disciplinary appeals for the classified members of DPD and DFD.9 The Commission relies on specific rules that govern these processes.

### Examination Process for Police Officers and Firefighters

It is the job of the CSC to identify the best-qualified applicants and candidates for placement on eligible registers for entrance into police and fire academies.

To apply for consideration, an individual must meet minimum qualifications in the areas of citizenship, residency, age, education, character, and background. With regard to background, the Commission emphasizes to potential applicants that maturity, integrity, and judgment are necessary to become a police officer or firefighter. Specifically, the CSC communicates to applicants that their background will be assessed in the following areas:

- Honesty, integrity, and personal ethics
- Compliance with laws, rules, regulations, and orders
- Dependability, good judgment, self-control, and interpersonal skills
- Respect for others, respect for diversity, and teamwork
- Preparation for the mental and physical demands of the job

---

7 Career Service Authority - Human Resources Supervisor Job Description.
8 Career Service Authority - Senior Human Resources Professional Job Description.
9 A Classified Service member is a police officer or firefighter.
Applicants who meet the minimum qualifications—and believe, through self-review, that they have the appropriate background—enter the examination process, which consists of a series of assessments. The first assessment is a computerized written test, comprising four components: practical skills, interpersonal skills, emotional outlook, and basic educational skills. Upon passing the written test, candidates must undergo a suitability assessment, physical ability test, behavioral questionnaire, background investigation, polygraph exam, and an interview with a psychologist. In 2015, the CSC accepted nearly 2,200 police officer applications for testing resulting in the hiring of 94 new police recruits. In 2014, approximately 1,900 firefighter applications were accepted, and 34 fire recruits were ultimately hired in 2015.

At various times during the examination process, the CSC Executive Director and staff review applicants’ files to assess qualifications and determine suitability for hire. At any point during the examination process, an applicant may be disqualified for failing to meet a minimum qualification. Preference points are also given to those who have certain experience or skills, such as those with certain military experience or those who speak specific languages aside from English. Finally, at the CSC’s meetings held twice each month, the CSC Board reviews applicants’ files, and each cast their vote to determine if a candidate is an appropriate person to certify for employment within DPD or DFD. Figure 2 shows the steps of the examination process for entry level police officers.10

---

10 See Appendix A and B for full descriptions of the DPD and DFD processes, respectively.
Promotion Examination Process

In addition to screening entry-level candidates, the Commission is also responsible for administering the promotional process for classified members of the DPD and DFD. Promotional tests are generally administered every two years. In 2015, CSC administered tests for Fire Lieutenant and Police Sergeant. Commission Rule 6—Promotional Examinations and Requirements—outlines the specific requirements and processes utilized by the CSC regarding all police officers and firefighters who meet the requirements to be considered for promotion.

The promotion process begins with an examination announcement informing Classified Service members of the intention to create an eligible register for promotional appointments, including associated dates and details for each step of the process. Once the examination process is complete, the eligible register for each promotional opportunity will be provided to the Executive Director of Safety. In 2015, there were 62 Fire Department promotions and 15 Police Department promotions.
Disciplinary Appeal Process

The third primary function of the CSC is administering and managing the process for appealing disciplinary decisions made by the Department of Safety. The Department of Safety issues orders of discipline to Classified Service members for policy violations, such as departing from the truth, the use of excessive force, or the improper use of confidential information. In 2015, 59 appealable disciplinary actions were imposed on police officers.

The CSC follows the guidance outlined in Commission Rule 12—Disqualification and Disciplinary Appeals, Hearings, and Procedures—when hearing disciplinary appeals. In March 2013, the CSC revised their approach for reviewing disciplinary appeals, codified in Rule 12. Specifically, the revised version of Rule 12 requires only one Hearing Officer, as opposed to three, to review an appeal, which is heard using an administrative review process instead of a de novo review approach. In 2015, the Commission administratively handled 22 disciplinary hearings, the process for which is explained in greater detail below.

It is important to note that the CSC’s involvement in the disciplinary appeal process occurs after the Department of Safety has completed its investigation and issued the disciplinary action; the Commission is not involved in issuing disciplinary actions or in the preceding investigations after an officer or firefighter is accused of misconduct.

Hearings and CSC Board’s Review—If a Classified Service member takes exception to a disciplinary action issued against him or her, the officer or firefighter has ten days from the date of the discipline order to file a written appeal. At that time, the CSC randomly selects one of three Hearing Officers, who are retained by the Commission as independent contractors, to administer the disciplinary hearing. Aside from written reprimands or the discharge of a probationary member, any disciplinary decision can be appealed. The Hearing Officer reviews the entire file and offers written findings either affirming, reversing, or modifying the disciplinary decision, in whole or in part. A hearing includes a review of the evidence that was used to issue the original determination of discipline and may include calling and cross examination of witnesses.

Once the Hearing Officer’s decision is made, both the Classified Service member and the Department of Safety may appeal the decision to the CSC Board or to Denver District Court. If an appeal is made to the CSC Board, the CSC Board may only review evidence presented to the Hearing Officer during the hearing, except when the appeal is based on new and material evidence.

The CSC Board’s review of a Hearing Officer’s decision is limited to the following circumstances:

- There is new and material evidence that was not available during the hearing
- The Hearing Officer’s decision involve an erroneous interpretation of the rules
- The Hearing Officer’s decision involved far-reaching policy considerations

---

11 A de novo review considers the appeal to be new allowing both parties to present arguments and evidence regardless of the previous outcome.
13 Since 2010, we found only one instance where a Hearing Officer’s decision appealed directly to Denver District Court and, in that circumstance, the District Court upheld the decision of the Hearing Officer.
14 Charter § 9.4.15(F) and CSC Rule 12 § 11, Part (D) for grounds of the Commission’s review of a Hearing Officer’s decision.
• The discipline imposed was inconsistent with discipline received by others, under similar circumstances.

The CSC Board may affirm, reverse, or modify the Hearing Officer’s decision but may not impose a stricter level of discipline than that imposed originally by the Executive Director of Safety or subsequently by the Hearing Officer.
**SCOPE**
The scope of the audit was to assess the CSC’s role regarding disciplinary appeals and administrative operations.

**OBJECTIVE**
There were two objectives of this audit:

- To evaluate the disciplinary appeals process to determine whether the process is more efficient using the administrative hearing approach instead of the de novo approach; and
- To review current succession plans to determine whether operational continuity is at risk due to the upcoming retirement of key staff.

**METHODOLOGY**
We used several methodologies during the audit to gather and analyze information related to the audit objectives. The evidence gathering methodologies included, but were not limited to, the following:

- Interviewing the CSC Executive Director, Human Resources Supervisor, and a Senior Human Resources Professional to understand CSC operations and procedures
- Interviewing a Hearing Officer, the Civil Service Commission Board, an Assistant City Attorney, the Deputy Director of Safety, the Independent Monitor, and the President of the Police Protective Association to gain an understanding of their roles and responsibilities and to obtain their opinions on risks to the disciplinary appeals process
- Observing a CSC meeting to learn how meetings are conducted and how certain decisions are made
- Observing a disciplinary hearing to observe the administrative review process
- Benchmarking against other cities to compare the City with the organizational structures of other civil service commissions, disciplinary appeal processes, and Hearing Officer compensation rates
- Analyzing disciplinary appeal data to identify potential trends resulting from the changes that were made to CSC Rule 12 – Disqualification and Disciplinary Appeals, Hearings and Procedures
- Reviewing CSC decisions appealed to Denver District Court to analyze instances when decisions were overturned and the associated reasons for the reversal
- Reviewing CSC rules and the City Charter to gain an understanding of the disciplinary appeal process
- Reviewing Hearing Officer contracts for compensation terms and other requirements
- Reviewing budget information to gain an understanding of CSC funding
- Reviewing Hearing Officers’ and CSC Board’s decisions to analyze trends associated with rate of appeals and overturned decisions
- Reviewing annual reports published by the CSC and the Office of the Independent Monitor for information related to disciplinary appeals
• Reviewing the Department of Safety’s disciplinary process to understand the CSC’s role in that process
FINDING 1

Changes to the Disciplinary Appeal Process Appear to Have Reduced the Number and Duration of Appeals

In 2013, the Civil Service Commission (CSC) revised Rule 12, which establishes the rules and procedures for handling appeals of disciplinary actions issued to members of the Classified Service by the Executive Director of Safety. The changes were made in an effort to increase the efficiency of hearings, which had become very time consuming. Another goal of the revision was to limit the number of Hearing Officer decisions that were subsequently appealed and overturned.

Revisions to Civil Service Commission Rule 12

Prior to the revisions, Rule 12 required Hearing Officers to perform a de novo review of appeals filed. The term “de novo” means new, or beginning again. The de novo approach treats the appeal itself as a new case, allowing both parties to present arguments and evidence regardless of the previous outcome. The revisions to the rule shifted the existing approach to an administrative review process through two primary changes:

- **Standard of Review**—First, the update to Rule 12 changed the evidence standards used by the Hearing Officers, referred to as the standard of review. The standard of review changed from a preponderance of the evidence to clearly erroneous. A review using the preponderance of the evidence standard only requires convincing evidence with a high probability of accuracy in order to obtain a favorable outcome. A review under the clearly erroneous standard requires that a mistake has been committed in the application of the police and fire department’s rules and regulations.

- **Burden of Proof**—Second, the rule changes shifted the burden of proof away from the Department of Safety to the disciplined officer or firefighter. Burden of proof is the responsibility for putting forth evidence to prove one's case.

Prior to these changes, an officer or firefighter could have made arguments that the Executive Director of Safety or Hearing Officer had misapplied the department rules and regulations. Changes to Rule 12 made it no longer possible for an officer or firefighter to file an appeal based on an argument that the department rules and regulations were misapplied.

In addition to changes in the standard of review and burden of proof, the CSC also established a one-to-three-day limit for hearing proceedings, the length of which was previously unlimited, and reduced the timeframe to produce discovery documents before the hearing begins. Other procedural rules were changed to increase the Hearing Officer's understanding of the case before the case begins. We sought to determine whether these changes had a positive impact on CSC processes.

Data Shows Fewer Appeals and Shorter Hearing Durations After the Rule Change

Audit work determined that the changes to Rule 12 made the CSC’s disciplinary appeal process more efficient in two ways. First, we determined that there was a reduction in the percentage of

15 Discovery documents are used to gather information at the onset of the hearing.
disciplinary decisions that were appealed during the time period under review. Second, we noted a reduction in the length of time it took for Hearing Officers to review each case.

Reduction in the Percentage of Disciplinary Appeals—To determine the percentage of appeals, we obtained a list of all disciplinary decisions issued by the Denver Police Department (DPD) from January 2010 through September 2016.\(^\text{16}\) After removing from the list any disciplinary actions that are not eligible for appeal, we separated the list into two datasets: one with 29 decisions issued before the rule change—January 2010 through March 8, 2013—and one with 23 decisions issued after the rule change—March 9, 2013 through September 2016. For each dataset, we calculated the percentage of appeals using the total number of appeals filed divided by the total number of appealable disciplinary decisions.\(^\text{17}\) We then compared the percentage of appeals from before and after the change to Rule 12. The results show a reduction in the percentage of appeals of DPD discipline decisions after the rule change, dropping from 15 percent to 8 percent (see Figure 3), or a 45-percent reduction.

![Figure 3: Percentage of Hearing Office Decisions Appealed, Before and After Rule 12 Changes](image)

We also sought to determine whether there was a reduction in the number of Hearing Officer decisions that were appealed to the Civil Service Commission Board (CSC Board) or Denver District Court. To do so, we created a dataset of all cases decided by a Hearing Officer during the same two time periods established above. For each dataset, we calculated the percentage of appeals using the total number of Hearing Officer-decisions appealed divided by the total number of Hearing Officer decisions rendered. Again, we noted a reduction in percentage of appeals filed.

---

\(^\text{16}\) While the CSC presides over the personnel merit systems for both the Police and Fire departments, the Police Department issues a significantly higher number of disciplinary orders, making the sample size ideal for testing any effects of the rule change.

\(^\text{17}\) CSC Rule 12 § 3 (A) states: “With the exception of a disciplinary reprimand and the discharge of a probationary Member, any disciplinary action imposed on a Member of the Classified Service may be appealed to the Commission and be subject to review...”
As shown in Figure 4, the percentage of appealed Hearing Officer decisions dropped from 38 percent to 31 percent after the changes to Rule 12, a 17-percent reduction.

**FIGURE 4: Percentage of Hearing Office Decisions Appealed, Before and After Rule 12 Changes**

![Bar chart showing the percentage of Hearing Officer decisions appealed before and after Rule 12 changes. Before Change: 37.8%; After Change: 31.3%]

Source: Created by the Denver Office of the Auditor based on Denver Police Department and the Denver CSC data

The 45-percent reduction in appeals filed with the CSC after the rule change represents a time and resource savings for the CSC realized through fewer Hearing Officer hours billed to hear the appeals. Similarly, the 17-percent reduction in appeals filed with the CSC Board after the rule change represents time and resource savings on the part of CSC Board, who only had to review three-quarters of the Hearing Officer decisions that they may have otherwise reviewed had Rule 12 remained unchanged.

**Reduction in Duration of Case Review**—In addition to looking at number of appeals filed, we also sought to determine whether the Rule 12 changes had an impact on length of the hearing process. The hearing process begins when the Classified Service member decides to appeal the disciplinary order issued by the Executive Director of Safety and a Hearing Officer is assigned to review the case and render a decision.\(^\text{18}\) If the Classified Service member or the Executive Director of Safety is not satisfied with the Hearing Officer’s decision, they may appeal to the CSC Board or to District Court. To determine the effect that the Rule 12 change had on the hearing process, we calculated the number of days required to complete the Hearing Officer review and the CSC Board’s review and found that there were reductions in the length of both reviews.

As shown in Figure 5, the average number of days spent for a Hearing Officer’s review dropped by more than half, from 341 days to 165 days, after the rule change. This reduction is primarily due to the change from a de novo review to an administrative review approach. Under administrative review, a Hearing Officer limits his or her review to determining whether the department rules and regulations were applied appropriately, in accordance with DPD and Rule 12 guidance. This

---

\(^{18}\) The Classified Service member has 10 days from the date the discipline is ordered by the Executive Director of Safety to file an appeal.
significantly limits the type of work the Hearing Officer can perform, thus cutting down the time required to conduct the review.

**FIGURE 5.** Hearing Officer: Duration of Cases – Discipline Date to Decision Date

We also noticed a reduction in duration for reviews performed by the CSC Board, although not as significant. As shown in Figure 6, there was, on average, a 24-percent reduction in duration of days for review.

**Source:** Created by the Denver Office of the Auditor based on Denver Police Department and the Denver CSC data
Impacts of Changes to Rule 12

It appears that the revision to Rule 12, including changes to which party holds the burden of proof and in the standard of review used, have resulted in a significant reduction in both number of appeals and duration of hearings, both at the Hearing Officer level and the CSC Board level. As a result, officers must now present a stronger case that the original disciplinary decision was flawed. This differs from the previous de novo approach, where an officer had an easier time arguing that portions of the original disciplinary decision were inaccurate.

Legal practitioners have characterized the use of de novo reviews in a way that aligns with our findings. Analysis performed by a reputable global law firm regarding how standards of review influence the results in appeals found that “appeals that were decided de novo were nearly 20 percent more likely to be reversed than those under the more deferential standards.”

Rule 12 Change Upheld by the Colorado Court of Appeals—During the audit, we learned of a Colorado Court of Appeals case filed by a DPD officer that questioned the change to Rule 12. Specifically, the appeal wanted two questions answered, as follows:

- “Does the Denver City Charter resolve who should bear the burden of proof in an employee’s appeal of adverse personnel action—the employee or the City department that imposed it?”
- “And if Charter does not do so, then is the Civil Service Commission free to impose that burden on the employee by rule?”

---

The Colorado Court of Appeals found that the Commission did not violate any general principles of the Charter when it revised the procedural rules and thus upheld the legality of the rule change, meaning that the City was within its legal jurisdiction when it made changes to Rule 12.
RECOMMENDATIONS

No Recommendations for Finding 1.
FINDING 2

The Civil Service Commission Does Not Have a Formal Succession Plan, Yet More Than 50 Percent of Its Employees Are Nearing Retirement

The Civil Service Commission (CSC or Commission) does not have a formal succession plan in place despite the fact that more than 50 percent of its workforce is eligible to retire now or within two years. Additionally, out of those eligible for retirement, three hold key positions within the CSC. With impending retirements, the knowledge transfer from key agency positions to successors will be critical for a successful transition process. Certain federal agencies, including the Government Accountability Office and the Office of Personnel Management, have established best practices for government succession planning, which assert that organizations should create and implement formal succession plans to ensure that agency operations continue to be efficient and effective during and after personnel transitions. To ensure retention of institutional knowledge subsequent to the retirement of key employees, the CSC needs to formalize a succession plan. Succession planning will also ensure continuation of the organization’s core business activities.

Key Positions Holding Valuable Institutional Knowledge Are Close to Retirement

The CSC is represented by nine Full Time Equivalent employees (FTEs) in charge of carrying out the agency’s core business operations. Of the nine employees, four are eligible to retire from the City at any point in time and a fifth will be eligible for retirement within the next two years. In addition, we found that the employees in the three positions that are most critical to the agency’s continued success are all eligible for retirement. These positions include the Executive Director, the Human Resources Supervisor, and a Senior Human Resources Professional.

1. **Executive Director**—In accordance with the position’s official job description, the Executive Director of the CSC is responsible for implementing and managing a variety of objectives, resources, and strategies to achieve the goals of the agency. Duties performed include operational and organizational planning; developing standards, schedules, priorities, guidelines, processes, and evaluation systems; implementing production and performance management standards; and allocating resources. The Executive Director also supervises the subordinate supervisor, other CSC staff, and the Background Investigation Unit.

   Based on interviews we conducted with the CSC Executive Director, we determined that he is a central contributor to managing the organization’s operations. When he joined the agency 16 years ago, he brought a new perspective to the agency by implementing major changes affecting not only the agency’s operations but also the hiring, promotional, and discipline areas for the Department of Safety. For example, he pioneered the use of an online application for the Department of Safety applicants, has realized budget savings by bringing the background investigation function in-house, and assisted leaders of the Department with the creation of a discipline matrix. He also contributed to recent rule

---

20 Being able to retire from the City and County of Denver means that an employee must have reached the age of 55. In addition, the City’s Rule of 75 prescribes that if an employee is at least 55 years old and has provided 20 years of service to the City, the employee can retire from the City without a benefit reduction.
changes, one increasing the minimum age qualification to 21 years for Denver Fire Department (DFD) recruits and the Rule 12 revisions changing the appeal process from de novo to administrative review. Despite all of these significant contributions and his central role in the operations of the agency, he acknowledges to auditors that he has not addressed the immediate need for a formal succession plan.

2. Human Resources Supervisor—The CSC Human Resources (HR) Supervisor, according to the job description, performs professional and supervisory work over staff who are engaged in performing a variety of HR activities including classification, compensation, employee relations, training and organizational development, recruitment, and other related functions. The HR Supervisor also assists the Executive Director in implementing the agency’s vision and managing its operations. The employee in the position is eligible for retirement after having been in the role for 23 years.

When asked more specifically about her duties, the HR Supervisor explained that she also negotiates and manages vendor contracts and ensures compliance with standards, regulations, and legal obligations. With regard to the importance of her role, the HR Supervisor highlighted that she holds a great deal of technical and institutional knowledge, which enables her to run the agency and know what skill sets are necessary to successfully accomplish its core objectives. Finally, the HR Supervisor explained that her extensive experience with the Commission allows her to fill in whenever the agency is short staffed. The HR Supervisor and the Executive Director both shared with the audit team a number of ideas about how they are planning to address the anticipated attrition; however, they have not yet formalized a plan.

3. Senior Human Resources Professional—After the HR Supervisor, the employee with the longest tenure within the agency is a Senior HR Professional who has worked for the City for 21 years. According to agency officials, this individual could retire at any time. As specified in the position’s job description, the Senior HR Professional performs a variety of complex analytical, technical, and administrative HR functions; interprets and explains HR laws, policies, rules, and procedures; and provides professional advice to employees, supervisors, and managers regarding HR matters.

More specifically, this employee’s roles and responsibilities are critical to the success of the agency’s operations because he is in charge of testing for DFD and the promotional testing processes for both DPD and DFD. In consultation with third-party experts, he researches and develops written tests and assessment-center exercises for the promotional examinations for Department of Safety candidates. In the absence of a succession plan for this position, his sudden departure would place a significant burden on CSC leadership and staff.

In addition to these three critical positions being eligible for immediate retirement, two additional employees could retire within the next few years. Figure 7 shows all nine CSC employees on a continuum and indicates how many years they each have remaining until they are eligible for retirement. This visual also shows gaps in experience within the agency, which will impact the degree to which institutional knowledge must be transferred to employees who are not close to retirement.
Leading Practices Encourage Management to Have Succession Plans for Key Roles to Help an Organization Continue to Achieve its Objectives

Two federal agencies that focus on personnel management—the Government Accountability Office (GAO) and the Office of Personnel Management (OPM)—define succession planning as a systematic approach to building a talent pool to ensure leadership continuity, developing potential successors in ways that best fit their strengths, identifying the best candidates for categories of positions, and concentrating resources on the talent development process. These organizations have researched succession planning because they have recognized that certain jobs are the cornerstone of an agency and too critical to be left vacant or filled by anything but the most qualified candidates.\(^{21}\)

One of the primary goals of succession planning is to maintain institutional knowledge, which can be defined as the collective of facts, concepts, experiences, and know-how held by an organization. Additionally, succession planning helps pave the way for filling key roles within the organization, ideally before the position is vacated and institutional knowledge is lost. By analyzing the skills that are necessary for the position, and identifying which internal employees are best

\(^{21}\) See Appendix C for a listing of key elements of succession planning.
positioned to replace the outgoing employee, agencies can be better prepared for handling essential tasks after departures of key staff.

According to the Office of Personnel Management (OPM), elements that should be present for a successful succession process include the following:

- The involvement and accountability of senior leaders for growing new leaders
- The identification of leadership competencies, which will be used for selection and development
- The collection of workforce data and subsequent analysis
- The commitment of employees to their self-development
- The early identification and development of a pool of talent for long-term needs

In addition, OPM explains that an effective succession plan includes six specific steps to which an organization can refer while designing and implementing its plan. The six steps of the process are as follows:

1. **Link Strategic and Workforce Planning Decisions** by identifying long-term vision and direction, analyzing future requirements for products and services, using data already connected, connecting succession planning to the values of the organization, and to the needs and interests of the senior leaders.

2. **Analyze Gaps** by identifying those core and technical competencies that will allow the organization to execute its objectives.

3. **Identify Talent Pools** by using pools of candidates and identifying from the career early stages critical competencies at different levels, assessing the current workforce's levels of competencies and skills, using 360-degree feedback for developmental purposes, and identifying external sources of talent.

4. **Develop Succession Strategies** by identifying recruiting and retention practices, and by identifying strategies for development and learning.

5. **Implement Succession Strategies** by employing recruitment, retention, and development/learning strategies, and linking succession planning to HR processes, such as performance management and compensation recognition.

6. **Monitor and Evaluate** by tracking selections from talent pools, listening to leader feedback on success of internal talent and internal hires, analyzing satisfaction surveys from customers, employees, and stakeholders, and by assessing response to changing requirements and needs.
In addition to identifying strategies that create a roadmap for specific succession strategies, it is equally critical for an organization to formalize the succession process with a written succession plan. According to the Government Finance Officers Association (GFOA), without a formal and well laid out framework, succession within an organization can occur haphazardly. Furthermore, plans that have been thoughtfully articulated and communicated to the organization are more likely to receive buy-in from employees and consequently become successful. Finally, the formalization of a plan shows that the organization and its leadership are committed to the succession program, which could be critical to the success and the sustaining of such program across political and leadership transitions.22

Accordingly, the Civil Service Commission leadership should formalize a succession plan to ensure continuity of operations. At a minimum, the succession plan should include the elements recommended by GFOA as outlined above.

Several Factors Have Prevented the Civil Service Commission from Developing a Succession Plan

Competing priorities, lack of desk procedures, and lack of a staff analysis are some contributing factors for the CSC’s lack of having a formal succession plan.

Formalizing a Succession Plan Has Been a Competing Priority—When asked why the CSC does not have a written succession plan, the Executive Director explained that other significant events have taken priority over succession planning. First, the CSC has had to relocate its offices twice within the last two years, requiring significant time commitments from the entire staff to execute the moves. Second, the agency experienced staff departures when three staff members decided to retire and one decided to pursue another job opportunity. The effect of staff departures was exacerbated when another employee in the agency had to take an intermittent leave of absence during 2015 and part of 2016. In addition, CSC management shared that other situations have placed an extra burden on existing staff and taken management’s immediate focus away from succession planning, including the following:

- Working on weekends to set up assessment centers and related testing instruments. The CSC’s assessment centers are central to carrying out the second phase of the promotional testing process, and the CSC brings in consultants who assess various skill sets of the applicants. Promotional skill testing includes assessing a candidate’s decision making capabilities, fire management knowledge, and human resources acumen. According to CSC officials, setting up the assessment centers over the weekend instead of during weekdays helps contain costs associated with the consultants’ hotel accommodations and per diem compensation.

- Accommodating applicants over the weekend during periods of entry-level DPD and DFD candidate testing. As CSC officials explained, some applicants do not have flexible

---

schedules of paid time off in their current jobs to be able to take the tests on weekdays. The CSC accommodates these applicants by running entry-level testing during weekends.

- Attending DFD mentoring and orientation sessions conducted after hours and on weekends. CSC officials explained that these sessions occur on weekends to accommodate applicants who work during the week, or those with childcare responsibilities. CSC representatives present on panels during the weekend sessions where their role includes describing minimum applicant qualifications and explaining the application process.

- Carrying out other special projects for the Department of Safety.

Moreover, recruiting demands from the Department of Safety for highly qualified Police and Fire applicants persist as baby boomers continue to leave the Department’s ranks. In addition, CSC officials explained that there is a national shortage of qualified police applicants, which has required additional efforts from the agency while processing higher numbers of applicants. Finally, in the 2017 budget, the Mayor listed as one of his priorities the addition of 48 police officers and 2 new police academies. These priorities in addition to the existing hiring demands significantly increased the workload of CSC staff.

The Executive Director shared with the audit team certain ideas regarding how he and the HR Supervisor expect to implement succession activities to ensure continuity of operations. Specifically, they intend to promote and recruit first from within the agency and then from within the City, and if these efforts prove unsuccessful, they would recruit external candidates. Additionally, they have discussed carrying out cross training among existing CSC employees. After a previous staff retirement, they retained the employee through an on-call contract for a period of time for training and knowledge transfer, a tactic they hope to employ again. Although these ideas increase the likelihood that there will be continuity of operations, CSC leadership should formalize them into a succession plan.

**Lack of Desk Procedures**—In addition to not having a formalized succession plan, we found that the CSC lacks sufficiently detailed desk procedures to guide the new staff who will eventually be hired to fill positions. To assess how the agency was preparing for impending departures, we asked CSC staff to provide desk procedures or any other kind of documents that would contain enough description and instructions for successors to the Senior HR Professional and HR Supervisor to carry out their job duties. In response to this inquiry, the agency provided high-level job descriptions and roles. These documents lacked sufficient detail regarding how to perform tasks such that a person new to the role could carry out the duties. For example, one of the Senior HR Professional's responsibilities is scheduling academies. Without documenting in detail which steps to take to set up an academy, including who to contact and how to prepare for an academy, a new employee would not know where to begin. A manual containing these types of procedural instructions would greatly benefit the Senior HR Professional's eventual replacement, especially in the event that he cannot stay on for training purposes.

Since CSC staff perform highly technical and complicated procedures, it would be beneficial to have written procedures on how to perform tasks central to key positions. To help the agency get ready for impending departures, the CSC should develop desk procedures specific to key positions to help the agency get ready for impending departures.

**Lack of Staff Analysis**—When analyzing skills gaps for a particular position, it is important to understand the competencies of the individuals within the organization. Competency within the workplace is the ability of an individual to do a job properly. Analyzing the competencies of lower-
level employees is essential for a succession plan, as leaders within the organization cannot plan for filling vacancies and develop employees’ skills without understanding their employees’ current skill levels. Commitment from both employees and leaders of the organization is also essential to the strength of succession planning initiatives. In order to best prepare for open positions, leaders should also understand the likelihood that an employee will vacate his or her current position, whether that be due to retirement or taking another position outside of the agency.

CSC officials explained to auditors that they have an informal collection of ideas regarding how to address sudden retirements and extended staff leaves of absence. These plans include internal promotions and cross training. CSC officials attested that if someone leaves their agency, they will find other staff who can fill in the gaps for a period of time until they are able to find a permanent replacement. As is common in small agencies, CSC staff explained that they at times complete tasks that are not in their official job descriptions. However, this informal practice is not sufficient to manage what a formal succession planning effort could do through clear strategies and tactical plans. To ensure that the recommended CSC succession plan accounts for staff competencies, training, and promotions, the CSC should conduct a staff analysis.

Budget Request for One Additional Staff Has Been Denied

Due to staff constraints and higher demand for DPD hiring, CSC management submitted a budget expansion request for 2017 to add one FTE, but it did not establish a strong business case to explain that the additional staff would help the agency handle staff shortages and would be part of their succession plan. Consequently, the budget request submitted by CSC was denied.

We requested the documentation that the CSC provided to the Budget and Management Office (BMO) to justify their request. We found that the emailed budget expansion request did not demonstrate the negative operational impact that a smaller staff could have on their core business requirements. Further, the CSC did not outline with measurable evidence the costs and the benefits of having one additional FTE that would have justified the agency’s growth and did not outline the risks associated with not having adequate staff. According to best practice established by OPM, a successful succession plan includes several factors, such as building a business case for long-term needs and performing a workforce data analysis to inform the succession planning process.

Why Is It Important for CSC to Have a Formal Succession Plan?

Without a formalized succession plan, staff analysis, or desk procedures, the impact of losing key employees may result in the loss of institutional knowledge. For example, without a formalized succession plan, the departure of key staff can leave the CSC without a strategy to train and transfer institutional knowledge. Also, in the absence of a staff analysis, CSC leadership cannot assess the level of staff needed for optimal performance of core processes. Lastly, without having desk procedures, setting up academies can be negatively impacted due to certain procedures being overlooked, which then impacts the examination and hiring process for the Department of Safety. By not conducting formal succession planning, CSC has a greater risk of being unprepared for impending and sudden departures of staff. Such negative impacts could include legal challenges to the agency’s rule changing practices, attracting and recruiting highly qualified Police and Fire candidates, and administrative complications arising from lack of documented processes and procedures. By implementing the recommendations made in Finding 2, CSC will be positioned to mitigate the risk of losing significant institutional knowledge.
RECOMMENDATIONS
To help the Civil Service Commission mitigate the risk of losing institutional knowledge, we offer the following recommendations:

2.1 Formal Succession Plan - The Civil Service Commission leadership should formalize a succession plan to ensure continuity of operations. At a minimum, the succession plan should include the following elements:

   a. Link strategic and workforce plans by identifying long-term vision and direction.

   b. Analyze gaps to identify core and technical competencies, to determine current supply and anticipated demand, talents needed for the long term, to identify real continuity issues, and to develop a business plan based on long-term talent needs.

   c. Identify talent pools by referring to internal and external sources, assessing competency and skill levels of current workforce, using feedback for development purposes.

   d. Develop succession strategies by identifying recruitment, retention, development, and learning strategies.

   e. Implement the succession strategies identified in 2.1.d, including communication planning, determining and applying measures of success. Additionally, link succession planning to HR processes and implement strategies for maintaining senior level commitment.

   f. Monitor and evaluate by tracking candidate selections, listening to leader feedback on success of internal talent and hires, analyzing satisfaction surveys from customers, employees, and stakeholders, and assessing response to changing requirements and needs.

Auditee Response: Agree, Implementation Date - June 30, 2017

Auditee Narrative: While the Commission does not have a formal succession plan in place, we have successfully met all department needs and objectives regardless of staff changes. However, we understand and accept the recommendations.

- The Commission will link strategic and workforce plan by addressing three key questions:
  1. What are our future requirements; where are we heading?
  2. What is the current situation; or where are we now? And, 3. What is needed to bridge the gap; or how do we get there?
- Our workforce plan will aim to ensure current Commission employees have the necessary skills and capabilities to meet department objectives and will identify any short comings.
The Audit Team shared that they were unable to identify any City Agency who currently had a formal succession plan in place (other than Denver International Airport).

- Therefore, the Commission will work with the Denver Office of Human Resources (OHR) or other subject matter experts to address the recommendations of 2.1.
- The Commission will develop an action plan within thirty (30) day to determine timelines necessary to meet the recommendations.
- As part of the plan, the Commission will review department objectives for clarity and business relationships.
- Additionally, the Commission will develop key strategies to meet department objectives.

2.2 **Desk Procedures** - The Civil Service Commission should develop desk procedures specific to key positions to help the agency prepare for impending departures.

**Auditee Response: Agree, Implementation Date - June 30, 2017**

Auditee Narrative:
- All Commission employees will be required to document, at a minimum, the top three to five job duties required to fulfill their assigned responsibilities.
- The “desk procedures” will be formalized into a procedures manual. Any procedure changes will be documented and codified through an annual review.

2.3 **Staff Analysis** - The Civil Service Commission should conduct a staff analysis to ensure that its succession plan is structured to account for staff competencies, training, and promotions.

**Auditee Response: Agree, Implementation Date - June 30, 2017**

Auditee Narrative: It is important to note that the City utilized generic job descriptions that are tied into compensation. Due to the small size of our agency, the current job descriptions inadequately reflect our employees job duties or all of the competencies needed.

- The Commission will review current job descriptions to reflect any necessary augmentations or revisions.
- An awareness of necessary skills and capabilities will assist in determining any staffing shortages.
APPENDICES

Appendix A – Entry-Level Police Officer Examination Process

Source: Denver Civil Service Commission
Appendix B – Entry-Level Firefighter Examination Process

Source: Denver Civil Service Commission
Appendix C – Succession Planning and Key Elements for Success

The following list of key elements for a successful succession plan is not exhaustive; it is intended to serve as a starting point for the development of a succession plan specific to the Civil Service Commission (CSC) that ensures performance management, knowledge and talent retention, employee development and structured career plans which fit into CSC’s strategic goals. This framework should be tailored, as necessary, to the type of succession plan that the CSC thinks would apply best to meet its goals and objectives. We referred to the Office of Personnel Management and the Government Finance Officers Association, to create a set of references that CSC could use to create its own Succession plan, and offer guidance below.

Office of Personnel Management - Succession Planning Success Factors

Factors usually present in successful succession plans include the following:

<table>
<thead>
<tr>
<th>TABLE 2 - Office of Personnel Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factors that contribute to a Successful Succession Plan</td>
</tr>
<tr>
<td>Senior leaders are involved</td>
</tr>
<tr>
<td>Senior leaders hold themselves accountable for growing leaders</td>
</tr>
<tr>
<td>Employees are committed to their own self-development</td>
</tr>
<tr>
<td>Success is based on a business case for long-term needs</td>
</tr>
<tr>
<td>Succession is linked to strategic planning and investment in the future</td>
</tr>
<tr>
<td>Workforce data and analysis inform the process</td>
</tr>
<tr>
<td>Leadership competencies are identified and used for selection and development</td>
</tr>
<tr>
<td>A pool of talent is identified and developed early for long-term needs</td>
</tr>
<tr>
<td>Development is based on challenging and varied job-based experiences</td>
</tr>
<tr>
<td>Senior leaders form a partnership with Human Resources</td>
</tr>
<tr>
<td>Succession planning addresses challenges such as diversity, recruitment, and retention</td>
</tr>
</tbody>
</table>

Source: Office of Personnel Management - Succession Planning Success Factors

Effective Succession Planning includes the following steps:

<table>
<thead>
<tr>
<th>TABLE 3 - Office of Personnel Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step</td>
</tr>
<tr>
<td>Link Strategic and Workforce Planning Decisions</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Analyze Gaps</td>
</tr>
<tr>
<td><strong>Identify Talent Pools</strong></td>
</tr>
<tr>
<td>---------------------------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Develop Succession Strategies</strong></th>
<th>Identify recruitment strategies:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Recruitment and relocation bonuses</td>
</tr>
<tr>
<td></td>
<td>• Special Programs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Develop Succession Strategies</strong></th>
<th>Identify retention strategies:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Retention bonuses</td>
</tr>
<tr>
<td></td>
<td>• Quality of work life programs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Develop Succession Strategies</strong></th>
<th>Identify development/learning strategies:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Planned job assignments</td>
</tr>
<tr>
<td></td>
<td>• Formal development</td>
</tr>
<tr>
<td></td>
<td>• Coaching and mentoring</td>
</tr>
<tr>
<td></td>
<td>• Assessment and feedback</td>
</tr>
<tr>
<td></td>
<td>• Action learning projects</td>
</tr>
<tr>
<td></td>
<td>• Communities of practice</td>
</tr>
<tr>
<td></td>
<td>• Shadowing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Implement Succession Strategies</strong></th>
<th>Implement recruitment strategies (e.g., recruitment and relocation bonuses)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Implement retention strategies (e.g., retention bonuses, quality of work life programs)</td>
</tr>
<tr>
<td></td>
<td>Implement development/learning strategies (e.g., planned job assignments, formal development, Communities of Practice)</td>
</tr>
<tr>
<td></td>
<td>Communication planning</td>
</tr>
<tr>
<td></td>
<td>Determine and apply measures of success</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Implement Succession Strategies</strong></th>
<th>Link succession planning to HR processes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Performance management</td>
</tr>
<tr>
<td></td>
<td>• Compensation Recognition</td>
</tr>
</tbody>
</table>
- Recruitment and retention
- Workforce planning

Implement strategies for maintaining senior level commitment

<table>
<thead>
<tr>
<th>Monitor and Evaluate</th>
<th>Track selections from talent pools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Listen to leader feedback on success of internal talent and internal hires</td>
</tr>
<tr>
<td></td>
<td>Analyze satisfaction surveys from customers, employees, and stakeholders</td>
</tr>
<tr>
<td></td>
<td>Assess response to changing requirements and needs</td>
</tr>
</tbody>
</table>

Source: Office of Personnel Management – Succession Planning Success Factors
Workforce/Succession Planning—Many organizations have not made succession planning a priority for various reasons including not being large enough. However, although organizational size can hinder the organization’s ability to plan for such a process, available tips and tools already available can mitigate such risk. Refer to Table 2 below, for a list of guiding points for the preparation of the succession plan, including the potential for retirement, and take steps to harness the commitment and experience of retirees as a resource offered.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use existing tools. There are tools available that can help in determining organizational need and risk.</td>
<td>GFOA refers to organizations, such as AARP, which have developed a free, confidential workforce assessment tool to help organizations determine current and future needs.</td>
</tr>
<tr>
<td>Integrate your efforts. A succession plan should be the product of a broader organizational response to managing employee turnover</td>
<td>Research shows that organizations with an integrated approach to succession management, rather than “just-in-time,” experience higher retention rates, increased employee morale, and an environment that stimulates innovation and organizational change. Four key components of an integrated succession management approach include: (1) workforce planning, (2) succession planning, (3) knowledge management practices, and (4) recruitment and retention practices (CPS Human Resources 2005).</td>
</tr>
<tr>
<td>Invest in leadership development</td>
<td>Leadership development needs to be a component of any successful succession planning initiative.</td>
</tr>
<tr>
<td>Integrate personal development. Personal professional development activities need to be a key part of the succession planning efforts.</td>
<td>Personal development is different from succession planning; an individual’s personal development goals may conflict with succession planning. However, professional development benefits the organization over the long term by helping employees gain the skills they need to assume increased responsibilities.</td>
</tr>
<tr>
<td>Formalize your plan. A formal, written succession plan will provide a framework for succession initiatives</td>
<td>Without a formal plan, workforce and succession planning tend to take place without formal planning. A formal plan identifies risks and strategies, thereby providing a guiding framework for specific succession initiatives, including how employees are eligible to participate and what being part of the succession plan means. Plans that have been thoughtfully articulated and communicated to the organization are more likely to be successful. Additionally, formalization of plans indicates organization and leadership commitment to the program, which is critical for success.</td>
</tr>
</tbody>
</table>
Do not overlook **knowledge transfer**. Knowledge transfer is a critical component of a successful succession.

Implementing a flexible budget line would allow for the retiring employee to act as a temporary consultant to teach and share the incumbent’s job experience with the successor.

Think more broadly about diversity. Make sure **diversity training** covers diversity in age groups and work styles.

Diversity training is an increasingly common feature of the modern workplace. This trend can be expanded upon to include training in working with those of different generations, management approaches, and working styles.

---

**Source:** Government Finance Officers Association’s Generational Change Task Force Report

Furthermore, to understand the potential for retirement and take steps to harness the commitment and experience of retirees as a resource, the agency could adopt the following strategies, as listed in the GFOA’s report:

- Scan the organization to identify potential retirements
- Determine what the organization’s capacity is for succession
- Assess written policies and procedures to facilitate knowledge transfer
- Consider strategies like **encore careers** and mentoring programs

Finally, to prepare the organization for the future through effective knowledge transfer and mentoring strategies, according to the GFOA report, the CSC should:

- Document organizational policies and procedures
- Establish policies for the organization focused on transitioning knowledge from retiring staff back into the organization
- Recruit retirees as mentors

Effective succession plans include strategies for recruitment and hiring. Recruiting from colleges and universities could open to partnerships, fellowships, and internship opportunities. Through practices and lessons learned, the GFOA gathered the following list of options that an organization could adopt for recruitment and hiring:

- Goal clarification is essential. Organizations should think through their goals and objectives before pursuing an internship/fellowship/university partnership program.

---

23 A relatively recent phenomenon, “encore careers” focus on older workers in the second half of their careers. Baby boomers in retirement are often more financially secure, allowing them even greater focus on the non-monetary benefits of work. These careers combine personal fulfillment, social impact, and continued income, enabling people to put their passion to work for the greater good. [GFOA, p. 18]
• Collaborate to enhance your recruitment network. Long-term partnerships with universities have proven to be a successful strategy for recruiting younger workers or to satisfy short term organizational needs and provide a continuous pool of candidates.

• Training is key to success. The most successful internship programs include a training or professional/leadership development component.

• Mentorship is a meaningful component. Many of the programs have established mentors in the program.

• Consider all important players in the organization. Some programs may require planning with union organizations, particularly if you are looking to gain long-term employees.
December 23, 2016

Auditor Timothy O’Brien, CPA
Office of the Auditor
City and County of Denver
201 West Colfax Avenue, Dept. 705
Denver, Colorado 80202

Dear Mr. O’Brien,

The Office of the Auditor has conducted a performance audit of the Civil Service Commission. This memorandum provides a written response for each reportable condition noted in the Auditor’s Report final draft that was sent to us on December 22, 2016. This response complies with Section 20-276 (c) of the Denver Revised Municipal Code (D.R.M.C.).

AUDIT FINDING 1: Changes to the Disciplinary Appeal Process Appear to Have Reduced the Number and Duration of Appeals

<table>
<thead>
<tr>
<th>RECOMMENDATION 1.1</th>
<th>Target date to complete implementation activities (Generally expected within 60 to 90 days)</th>
<th>Name and phone number of specific point of contact for implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Recommendations</td>
<td>Agree Not Applicable</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

Narrative for Recommendation 1.1

The Audit Team made no recommendations for 1.1. Therefore, no action is required.
AUDIT FINDING 2: The Civil Service Commission Does Not Have a Formal Succession Plan, Yet More Than 50 Percent of Its Employees Are Nearing Retirement

RECOMMENDATION 2.1
Formal Succession Plan - The Civil Service Commission leadership should formalize a succession plan to ensure continuity of operations. At a minimum, the succession plan should include the following elements:

a. Link strategic and workforce plans by identifying long-term vision and direction.

b. Analyze gaps to identify core and technical competencies, to determine current supply and anticipated demand, talents needed for the long term, to identify real continuity issues, and to develop a business plan based on long-term talent needs.

c. Identify talent pools by referring to internal and external sources, assessing competency and skill levels of current workforce, using feedback for development purposes.

d. Develop succession strategies by identifying recruitment, retention, development, and learning strategies.

e. Implement the succession strategies identified in 2.1.d, including communication planning, determining and applying measures of success. Additionally, link succession planning to HR processes and implement strategies for maintaining senior level commitment.

f. Monitor and evaluate by tracking candidate selections, listening to leader feedback on success of internal talent and hires, analyzing satisfaction surveys from customers, employees, and stakeholders, and assessing response to changing requirements and needs.

<table>
<thead>
<tr>
<th>Agree or Disagree with Recommendation</th>
<th>Target date to complete implementation activities (Generally expected within 60 to 90 days)</th>
<th>Name and phone number of specific point of contact for implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree to 2.1 (a-f)</td>
<td>June 30, 2017</td>
<td>Earl E. Peterson 720-913-3351</td>
</tr>
</tbody>
</table>

Narrative for Recommendation 2.1

While the Commission does not have a formal succession plan in place, we have successfully met all department needs and objectives regardless of staff changes. However, we understand and accept the recommendations.

• The Commission will link strategic and workforce plans by addressing three key questions:
  1. What are our future requirements; where are we heading?
  2. What is the current situation; or where are we now? And,
  3. What is needed to bridge the gap; or how do we get there?
• Our workforce plan will aim to ensure current Commission employees have the necessary skills and capabilities to meet department objectives and will identify any shortcomings.

The Audit Team shared that they were unable to identify any City Agency who currently had a formal succession plan in place (other than Denver International Airport).

• Therefore, the Commission will work with the Denver Office of Human Resources (OHR) or other subject matter experts to address the recommendations of 2.1.

• The Commission will develop an action plan within thirty (30) days to determine timelines necessary to meet the recommendations.

• As part of the plan, the Commission will review department objectives for clarity and business relationships.

• Additionally, the Commission will develop key strategies to meet department objectives.

<table>
<thead>
<tr>
<th>RECOMMENDATION 2.2</th>
<th>Desk Procedures - The Civil Service Commission should develop desk procedures specific to key positions to help the agency prepare for impending departures.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree or Disagree with Recommendation</td>
<td>Target date to complete implementation activities (Generally expected within 60 to 90 days)</td>
</tr>
<tr>
<td>Agree</td>
<td>June 30, 2017</td>
</tr>
</tbody>
</table>

Narrative for Recommendation 2.2

• All Commission employees will be required to document, at a minimum, the top three to five job duties required to fulfill their assigned responsibilities.

• The “desk procedures” will be formalized into a procedures manual. Any procedure changes will be documented and codified through an annual review.

<table>
<thead>
<tr>
<th>RECOMMENDATION 2.3</th>
<th>Staff Analysis - The Civil Service Commission should conduct a staff analysis to ensure that its succession plan is structured to account for staff competencies, training, and promotions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree or Disagree with Recommendation</td>
<td>Target date to complete implementation activities (Generally expected within 60 to 90 days)</td>
</tr>
<tr>
<td>Agree</td>
<td>June 30, 2017</td>
</tr>
</tbody>
</table>
Narrative for Recommendation 2.3

It is important to note that the City utilizes generic job descriptions that are tied into compensation. Due to the small size of our agency, the current job descriptions inadequately reflect our employees job duties or all of the competencies needed.

- The Commission will review current job descriptions to reflect any necessary augmentations or revisions.
- An awareness of necessary skills and capabilities will assist in determining any staffing shortages.

Please contact Dawn Wiseman at 720-913-5069 with any questions regarding the audit. Please contact me or Antoinette Torres-Janke regarding the content of this response.

Sincerely,

[Signature]

Executive Director
Civil Service Commission | City and County of Denver
P: (720) 913-3351

cc: Valerie Walling, Deputy Auditor, CPA, CMC
    Dawn Wiseman, Audit Supervisor, CRMA
    Civil Service Board of Commissioners