FOLLOW-UP REPORT
Civil Service Commission
Civil Service Commission Audit
October 2017
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Audit report year: 2016
October 05, 2017

Earl Peterson, Executive Director
Civil Service Commission
City and County of Denver

Re: Audit Follow-Up Report

Dear Mr. Peterson:

In keeping with generally accepted government auditing standards and the Audit Services Division’s policy, as authorized by D.R.M.C. § 20-276, our division has a responsibility to monitor and follow-up on audit recommendations to ensure that audit findings are being addressed through appropriate corrective action and to aid us in planning future audits.

This report is to inform you that we have completed our follow-up effort for the Civil Service Commission audit issued December 30, 2016. Our review determined that the Civil Service Commission has implemented all of the recommendations made in the audit report.

For your reference, this report includes a highlights page that provides background and summary information on the original audit and the completed follow-up effort. Following the highlights page is a detailed implementation status update for each recommendation.

This concludes audit follow-up work related to this audit. I would like to express our sincere appreciation to you and to Civil Service Commission personnel who assisted us throughout the audit and follow-up process. If you have any questions, please feel free to contact me at 720-913-5000 or Jeremy Creamean, Internal Audit Supervisor, at 720-913-5028.

Denver Auditor’s Office

Timothy M. O’Brien, CPA
Auditor
Civil Service Commission
August 2017

Status
The Civil Service Commission has implemented all recommendations agreed upon in the December 2016 audit report.

Background
The CSC is responsible for maintaining Denver’s merit system for Classified Service personnel, assisting the Denver Police and Fire Departments with hiring, promotional, and disciplinary appeal processes.

Purpose
The purpose of the audit was to evaluate disciplinary appeals and the pre-administrative hearing and post-administrative hearings approach to determine to what extent the change in the process is more efficient and to review current succession plans to determine if operational continuity is at risk due to key staff’s eligibility to retire.

Highlights from Original Audit
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 did not have a formal succession plan in place despite the fact that more than 50 percent of its workforce was eligible to retire at that time or within two years. Additionally, out of those eligible for retirement, three held key positions within the CSC. With impending retirements, the knowledge transfer from key agency positions to successors is 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 needed to formalize a succession plan. Succession planning also ensures continuation of the organization’s core business activities.

Findings at Follow-up
The Civil Service Commission (CSC) has fully implemented the three recommendations from the December 2016 audit report. The CSC has developed a succession plan for its employees and created a procedures manual that outlines job duties for key positions. Finally, the CSC reviewed its staffing to determine if there were any shortages.

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# Recommendations: Status of Implementation

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<td><strong>FINDING 1:</strong> Changes to the Disciplinary Appeal Process Appear to Have Reduced the Number and Duration of Appeals</td>
<td><strong>1.1</strong> No Recommendations for Finding 1</td>
<td>No Action Necessary</td>
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# Recommendations: Status of Implementation

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<td><strong>FINDING 2:</strong> The Civil Service Commission Does Not Have a Formal Succession Plan, Yet More Than 50 Percent of Its Employees Are Nearing Retirement</td>
<td>The Civil Service Commission has created a succession plan that includes both strategic and workforce plans. They identified gaps in technical competencies, which they are addressing with an increase in the commission’s training budget. They worked with employees to identify the most essential duties, responsibilities, and tasks associated with their jobs in the agency. They also asked employees to identify which commission colleagues could carry out their job tasks in their absence and who else in the agency has the same knowledge or area of expertise as them. The succession plan lays out guidelines for personnel assignments and contingency staffing in the event of personnel turnover. Additionally, the recruitment process was improved by updating the accuracy of job descriptions and requirements. This will in turn help the interview process by helping interviewers easily identify good candidates for the positions they are looking to fill.</td>
<td>Implemented</td>
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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.
## Recommendations: Status of Implementation

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<td><strong>2.2</strong> The Civil Service Commission should develop desk procedures specific to key positions to help the agency prepare for impending departures.</td>
<td>The Civil Service Commission developed and documented desk procedures by examining the steps involved for promotions for the police and fire departments. They also created a “How To” document explaining how to carry out entry-level police and fire testing. They also documented the proper procedure to file a disciplinary appeal if police or fire employees ever feel the need to appeal a disciplinary action that is being taken against them. These desk procedures were formalized into a procedures manual. This manual will be annually reviewed and updated as necessary.</td>
<td>Implemented</td>
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<td><strong>2.3</strong> 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.</td>
<td>This recommendation was completed when addressing Recommendation 2.1 (in the creation of the succession plan) and in Recommendation 2.2 (in the creation of the desk procedures manual). Civil Service Commission staff were required during the creation of the succession plan to document their job duties and list the most important job tasks that are required for the job. During the creation of the desk procedures, staff competencies and promotion procedures were revisited and revised. The steps for carrying out promotional procedures were also documented.</td>
<td>Implemented</td>
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Conclusion

We found that the Civil Service Commission has fully implemented all recommendations and adequately mitigated the risk identified during the original audit. As a result, we conclude our follow-up effort related to the Civil Service Commission Audit.

On behalf of the citizens of the City and County of Denver, we thank staff and leadership from the Civil Service Commission for their cooperation during our follow-up effort and their dedicated public service.