

State of Colorado
Office of the State Auditor

Performance Expectations and Careers (PEAC)
Performance Management Program
(General Professional and Administrative Class Series)

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Sally Symanski, CPA

State Auditor

OFFICE OF THE STATE AUDITOR

PERFORMANCE MANAGEMENT PROGRAM

The Office of the State Auditor (OSA) has created the following Performance Management Program for positions in the General Professional and Administrative class series. The role of performance management and performance based pay for the State of Colorado work force is to plan, recognize, and reward performance. The purpose of the Performance Management Program at the OSA is to facilitate and maximize the contribution of each employee in carrying out the agency's mission and to provide compensation to employees in a manner that is directly related to their level of effort and success in meeting established objectives.

The OSA Performance Management Program consists of the following four components:

- Performance Management
- Allocation of Performance Salary Adjustments
- Dispute Resolution
- Training

PERFORMANCE MANAGEMENT

Evaluation Cycle and Process. Personnel Director's guidelines specify that employees must be evaluated, in writing, annually, and that evaluation cycles and deadlines for completing evaluations be established as close to the July 1 payment date as possible, while allowing sufficient time to complete administrative processes. The performance appraisal period for the OSA is a 12-month period from April 1 to March 31 each year. Evaluation of each member of the OSA administrative staff for each completed rating cycle, as well as performance plans for the upcoming cycle, will be due no later than thirty days after the end of the rating cycle (or within the first month of employment for new employees). A performance planning and evaluation document has been designed to support implementation of the 5 statewide uniform core competencies as well as individualized competencies consistent with the agency's mission and objectives.

Supervisor/Employee Communication. The OSA recognizes that continuous coaching and feedback between the supervisor and employee is critical for the success of this performance management program. This coaching and feedback process should occur continuously over an adequate time period that will keep the employee fully informed of progress in meeting performance expectations. At the same time, the employee has a responsibility to keep the supervisor fully informed of concerns or perceived problems in meeting the agreed to performance expectations. Communications must be free and open. A planning session between the supervisor and employee must occur within 30 days of the start of the performance cycle or within 30 days of a new employee's start date. At a minimum, one mid-cycle progress review is to be held with all employees, around the six month mark (October-November). More frequent meetings, however, are strongly encouraged. The date that any meetings took place to discuss an employee's plan and progress should be documented on the employee's performance

evaluation form. Modifications to the employee's performance plan may become necessary anytime during the performance cycle. Either the employee or the supervisor can initiate discussions about revising a performance plan. Modifications must be documented on the employee's evaluation form and initialed by both the supervisor and employee.

The supervisor and employee should make efforts to agree on plan modifications. If agreement cannot be reached the matter should be referred to the respective Deputy State Auditor. Multi-source assessment processes will be considered in evaluating employees, where feasible, and employees will be informed of said processes. The supervisor will meet with the employee in July to communicate the amount of performance pay (when funding is available and approved by the Department of Personnel & Administration), if any, for which the employee is eligible.

Quality Review. All performance plans and evaluations are subject to higher level review before delivery to employees. This review must take place prior to communicating the final overall rating to the employee. The purpose of this review is to monitor quality and consistency in performance ratings across the OSA. If a supervisor fails to plan and/or evaluate an employee's job performance, a reviewer is responsible for completing the plan and/or evaluation. If the reviewer fails to plan and/or evaluate in a timely matter, the reviewer's supervisor is responsible for completing the plan and/or evaluation and on up the chain of command until the plan and/or rating is completed as required by law. In the event that a supervisor fails to evaluate an employee, by default that employee is deemed to have an overall rating of "Satisfactory" until a final rating can be given.

Core Competencies. The Performance Management Program for the OSA will utilize the "Core Competencies" as developed by the Department of Personnel & Administration. These competencies are considered to be basic requirements common to all administrative staff OSA employees. These five statewide uniform core competencies cannot be disregarded in the final overall rating for each employee. Individual competencies may also be established for specific job assignments. Employees must receive a "Satisfactory" or above rating on each of the five "Core Competencies" in order to be considered for a monetary award, when funding is approved and available. The statewide uniform "Core Competencies" are:

- Communication
- Interpersonal Skills
- Customer Service
- Accountability
- Job Knowledge

In addition to the five statewide uniform core competencies, all supervisors shall have an individual competency in their Performance Plan that measures and evaluates the effectiveness of their performance management of their employees.

Rating Levels. The following three qualitative performance ratings are established for all OSA administrative staff:

Unsatisfactory: This rating level encompasses those employees whose performance does not consistently and independently meet expectations set forth in the performance plan as well as those employees whose performance is clearly unsatisfactory and consistently fails to meet requirements and expectations. An overall unsatisfactory (needs improvement) performance rating shall result in a performance improvement plan or a corrective action and a reasonable amount of time must be given to

improve, unless the employee is already under a corrective or disciplinary action for the same performance matter.

Satisfactory: This rating level encompasses a range of expected performance. It includes employees who are successfully developing in the job, employees who exhibit competency in work behaviors, skills, and assignments, and accomplished performers who consistently exhibit the desired competencies effectively and independently. These employees are meeting all the expectations, standards, requirements, and objectives on their performance plan and, on occasion, exceed them. This is the employee who reliably performs the job assigned and may even have a documented impact beyond the regular assignments and performance objectives that directly supports the mission of the organization.

Outstanding: This rating represents consistently exceptional and documented performance or consistently superior achievement beyond the regular assignment. These employees make exceptional contribution(s) that have significant and positive impact on the performance of the unit or the organization and may materially advance the mission of the organization. The employee provides a model for excellence and helps other to their job better. Peers, immediate supervision, higher-level management and others can recognize such a level of performance.

Accountability and Sanctions. To ensure compliance with applicable law, the OSA will maintain a tickler system to alert supervisors and Deputies of impending deadlines and report to the appropriate supervisory level any failure to timely complete performance management plans or evaluations. In accordance with Section 24-50-104 (1) (c.5) (III), C.R.S., the State Auditor will determine annually on May 1, whether or not each supervisor has completed the mandatory evaluations during the preceding 12 months. If a supervisor has not completed the required evaluation, the supervisor shall be suspended from work without pay for a period not less than one workday. If the evaluation has still not been completed by July 1, the supervisor may be subject to demotion. If a supervisor has not timely completed annual performance evaluations for two consecutive years, the supervisor shall be demoted to a nonsupervisory position.

.Allocation of Performance Salary Adjustments

- The Director shall specify and publish the percentage for any base and non-base achievement pay for performance levels according to available statewide funding.
- Allocation of funds will include permanent employees. No temporary employees will be included in the allocation of funds.
- Quotas or forced distribution processes for determining the number of ratings in any of the three performance levels is prohibited and shall not be established.

Salary Distribution Model. All of the parameters for distribution of performance salary adjustments (achievement pay) are defined and approved by the State Personnel Director. These include the conditions under which employees in specific occupational groups and performance levels are eligible for salary adjustments.

Base Building Adjustments. Base building adjustments are a permanent part of pay and are paid as regular salary. The adjustment is based on occupational group and final overall rating. If base pay is at the maximum of the range or is in saved pay above the maximum of the range, the employee is ineligible for a performance salary

adjustment. Base building adjustments become part of an employee's regular base salary beginning with the July payroll. Adjustments are not earned or payable until July, so an employee terminating prior to the first day of July would not receive an adjustment even though they were employed for part of the performance period. Source of funds (e.g., cash or general), method of funding (e.g. appropriated or memorandum of understanding), and length of state service shall not be criteria.

"Satisfactory" performers may not receive any base building adjustment in excess of the salary range maximum. If the final overall rating is at the "Outstanding" level, any portion of the adjustment amount that exceeds range maximum shall be paid as a one-time lump sum in the July payroll.

Salary adjustments- Achievement Pay. The following guidelines are used in administering achievement pay and payouts:

- Employees who are eligible for a base building performance award will receive an adjustment to their monthly pay that begins with the July pay period and continues thereafter as a continuing level of that employee's base salary.
- Employees will not have an option concerning the timing of the performance salary adjustment payments. All base-building salary adjustments will be applied as a single-step increase to base pay commencing with the July payroll
- Regardless of the date of hire before July 1, all employee's will receive achievement pay. Salary adjustments made to employees transferring to the OSA from another state agency after receiving an overall evaluation but prior to payment of the salary adjustment from that agency will be made in accordance with the OSA Performance Management Program. The employee's current department as of July 1 is responsible for payment of the adjustment.
- If an employee moves to another appointing authority or department during a performance cycle, an interim overall evaluation shall be completed and delivered to the new appointing authority or department within 30 days of the date of transfer.
- Non-salary and monetary incentives currently available in the State personnel system will be considered in recognizing performance. Incentives shall not be used to supplement or substitute for annual compensation adjustments or other base pay movements; however, granting immediate non-base or non-cash incentive awards in recognition of special accomplishments or contributions throughout the year are encouraged.
- An employee granted an annual performance salary adjustment shall not be denied the adjustment because of a corrective or disciplinary action issued for an incident after the close of the previous performance cycle.

Dispute Resolution

The OSA Dispute Resolution process is a two stage process consisting of an internal review by the State Auditor and when applicable an external review by the State Personnel Director. Every effort shall be made by the parties to resolve the issue at the lowest possible level in a timely manner. Informal resolution before initiating the

dispute resolution process is strongly encouraged. The performance management dispute resolution process is not a grievance or appeal. Only the issue(s) as originally presented in writing shall be considered throughout the dispute resolution process. The State Personnel Director has defined the specific Performance Pay matters that may be disputed by an employee and has specified the stages at which these matters will be reviewed. They are:

1. The individual performance plan (or lack thereof).
2. The individual final overall performance evaluation (or lack thereof).
3. The application of the OSA's performance management program to the individual employee's plan and/or evaluation.

Issues 1 and 2 are subject to internal OSA review only. The matter concludes at the internal stage and no further recourse is available. Issue 3, if not resolved at the First Stage, is reviewable at the second stage (External).

The State Personnel Director has defined the specific Performance matters that are not subject to dispute by an employee. They are:

1. The content of the agency's performance management program.
2. Matters related to the funds appropriated.
3. The performance evaluations and achievement pay of other employees.

First Stage-Internal: State Auditor

To initiate the internal review process, the employee must submit a review request in writing to the State Auditor. This must be done within five working days after the meeting at which the supervisor presented the employee with his/ her performance plan or evaluation. Copies of the written request must be submitted to the supervisor and to the OSA Human Resource Administrator for monitoring.

Unless there are extraordinary circumstances, the State Auditor must, within five working days from receipt of the form, schedule a meeting with the employee, supervisor, and any other persons whom the employee or the supervisor deem to have pertinent information. The State Auditor remains responsible for scheduling the meeting with the affected parties and for adhering to the schedule for completion of the review. After the meeting, the State Auditor has five working days to render a written decision. For matters eligible for review at the external stage, the written decision must contain notice of (1) the external review time deadlines; (2) the address for filing; (3) the requirement to include a copy of both the original written dispute and the final internal written agency decision.

Second Stage-External: State Personnel Director

Only those original issues involving the application of the agency's performance management program to the individual plan or evaluation are eligible for review by the Director. An employee dissatisfied with the decision of the State Auditor on a matter that is eligible for external review may file a written request for external review with the State Personnel Director within five days from the date the internal decision is issued. The OSA will provide the employee written notice, including deadlines and address for filing, and the requirement to include a copy of the original written dispute and the agency's final decision. A copy of this written request also must be sent to the State Auditor and all Deputy State Auditors for monitoring purposes.

This request will be screened based upon specific criteria established by the State Personnel Director, and if it is determined that further review is not warranted, that decision is final and binding and the

employee will be notified accordingly. If, however, further review is warranted, the Director may select a qualified neutral third party to review the decision. The director shall issue a written decision that is final and binding within 30 days.

The External Dispute Stage is administered by the State Personnel Director and only original issues involving the application of the agency's performance management program to the individual performance plan and/or evaluation may advance to this stage. Only the issues originally presented in writing shall be considered throughout the dispute resolution process, whether internal or external. No party has an absolute right to legal representation, but may have an advisor present. The parties are expected to represent and speak for themselves.

Decision-makers are limited to addressing facts surrounding the current action, shall not substitute their judgment for that of the rater and reviewer, and cannot render a decision that would alter the agency's program. Decision-makers may instruct raters to:

- Follow the agency program
- Correct errors
- Reconsider the individual performance plan or final overall evaluation
- Suggest other appropriate processes such as mediation

Notice of the dispute resolution process is part of each employee's performance-planning and evaluation rating form. Retaliation against any person involved in the dispute resolution process is prohibited.

Training

The OSA recognizes that training is vital in order to promote commitment and help make performance management successful within the agency. The OSA Performance Management Program training plan consists of a session for all employees and one geared specifically toward supervisory employees. Training is mandatory for all supervisors and managers. Supervisors and managers are required to attend the performance management training. The training will combine varied learning techniques, where relevant topics include:

- Performance Management
- Solving Employee Performance Problems
- Communicating for Results
- Compensation and Allocation of Resources
- Coaching for Performance
- Disciplinary and Corrective Actions
- Performance Planning
- Dispute Resolution
- Rating Performance

The OSA Human Resources Administrator will serve as an ongoing resource to assist staff in successfully implementing and applying the OSA Performance Management Program.

Program Maintenance

Maintaining the Program. In accordance with Personnel Rule 6-4 agencies must develop a performance program that includes the dispute resolution process AND is approved by the State Personnel Director before it is implemented. The State Auditor and Deputies will evaluate this program annually. The evaluation process shall

incorporate feedback from employees regarding the OSA Performance Management Program and its design and implementation. As the program is implemented, the process remains open to refinement and improvement. Public hearing that will be a part of the state's process for adaptation of new rules and procedures will undoubtedly encourage new ideas and requirements. In addition, Department of Personnel & Administration rules and compensation policies may drive additional changes in order for the performance management system to remain relevant and effective. The OSA Performance Management Program is intended to remain flexible and adaptive to changing environments and statewide requirements.

PEAC
PERFORMANCE EVALUATION & AUDIT CAREERS
Office of the State Auditor
Performance Management Form

EVALUATION CYCLE FROM:			TO:		
Reason (circle one)			Annual	Interim	
Name:					
Class Title:			Unit Name:		
Classification:					
Position Number:					

PLANNING SECTION		PROGRESS REVIEW SESSION (INCLUDING COACHING AND FEEDBACK) HELD			
The employee has been provided a Performance Plan.					
		Supervisor Initials		Date	
Supervisor Signature		Employee Initials		Date	
I,			agree	Disagree with the performance plan	
Employee Signature					

PLANNING SECTION NARRATIVE: Use this section to define individual performance objectives, goals and expectations.

RATING SCALE

1	Unsatisfactory	This rating level encompasses those employees whose performance does not consistently and independently meet expectations set forth in the performance plan as well as those employees whose performance is clearly unsatisfactory and consistently fails to meet requirements and expectations.
2	Satisfactory	This rating level encompasses a range of expected performance. It includes employees who are successfully developing in the job, employees who exhibit competency in work behaviors, skills, and assignments, and accomplished performers who consistently exhibit the desired competencies effectively and independently. These employees are meeting all the expectations, standards, requirements, and objectives on their performance plan and, on occasion, exceed them. This is the employee who reliably performs the job assigned and may even have a documented impact beyond the regular assignments and performance objectives that directly supports the mission of the organization
3	Outstanding	This rating represents consistently exceptional and documented performance or consistently superior achievement beyond the regular assignment. Employees make exceptional contribution(s) that have significant and positive impact on the performance of the unit or the organization and may materially advance the mission of the organization. The employee provides a model for excellence and helps other to their job better. Peers, immediate supervision, higher-level management and others can recognize such a level of performance

CORE COMPETENCIES - These define the knowledge, skills, abilities, behaviors and characteristics required for successful performance. Full compliance with core competencies constitutes the minimum performance expectation for the position. Each Factor should be evaluated on behavior patterns, not on isolated incidents.

Communication: The OSA requires effective communication to achieve its mission, goals, objectives and values, as well as to improve the service relationships among employees and between the OSA and its customers. The employee is expected to demonstrate the following in this regard:

Expresses ideas and information clearly and effectively through the appropriate medium (e.g., orally, written/paper form, or electronically). Listens and responds promptly and appropriately to others. Provides accurate and timely information to others. Demonstrates and conveys a favorable image of the OSA in all communications. Seeks input from others when appropriate.

Rating: 1 2 3

Interpersonal and Teamwork Skills: The OSA requires smooth working relations through successful interaction among employees and between the OSA and its customers. The employee is expected to demonstrate the following in this regard:

Establishes and maintains effective interpersonal relationships with internal and external customers, including team members. Actively contributes to team success by sharing information and bringing ideas and suggestions to team meetings. Respects the time and priorities of others. Is polite, courteous and helpful toward others. Demonstrates tact, diplomacy, and a positive professional image in all interactions with agency personnel. Treats others fairly and without prejudice or bias. Handles conflict constructively. Encourages teamwork and office-wide cooperation. Contributes to maintaining a high level of morale and motivation.

Rating: 1 2 3

Accountability: The OSA requires responsible personal and professional conduct that contributes positively to its mission, goals, objectives and values, and which demonstrates a willingness to adhere to norms, expectations and practices of the OSA. The employee is expected to demonstrate the following in this regard:

Assumes a leadership role within the scope of authority. Conducts himself/herself with integrity and honesty in all dealings with others. Devotes appropriate attention to duties. Conveys a positive, professional image of the OSA. Complies with all OSA rules, policies, and procedures. Demonstrates a professional and personal sense of responsibility about work hours, time reporting, and leave practices. Accepts responsibility for his/her decisions and actions. Solves problems by thinking, reasoning and learning.

Rating: 1 2 3

Job Knowledge/Occupational Competence: The OSA requires job-specific knowledge and performance for appropriate quantity and quality of work that directly furthers its mission, goals, objectives and values. The employee is expected to demonstrate the following in this regard:

Demonstrates professional/technical knowledge and sound judgment regarding job responsibilities. Clearly understands the purposes, objectives, practices and procedures of the OSA. Completes assignments in a timely and efficient manner. Shares knowledge for the benefit of co-workers and the OSA. Keeps the supervisor informed of budgetary or scheduling needs and changes and appropriately prioritizes audit and administrative responsibilities. Maintains the skill set required for the position, including the use of OSA standard computer software. Displays an ability to learn rapidly and adapt quickly to changing situations. Uses time productively and effectively. Identifies areas for professional training and development to enhance job knowledge. Anticipates issues or needs and takes appropriate initiative within the scope of authority.

Rating: 1 2 3

Customer Service: The OSA requires prompt, accurate and friendly service to internal and external customers based on a thorough understanding of the OSA role, mission, goals, objectives and values. Customers include co-workers within OSA, other state employees and agencies, and members of the public. The employee is expected to demonstrate the following in this regard:

Determines the needs of customers through effective questioning. Addresses customer needs in a timely manner. If unable to satisfy customer needs, explains why in a courteous and professional manner. Determines and offers alternatives to customers when applicable. Attempts to completely handle customer requests without having to transfer requests to another employee, including appropriate research and return contact. Follows up with customers to ensure satisfaction with services. Promptly responds to voice and e-mail.

Rating: 1 2 3

Supervision: The OSA requires supervisory employees to set the standard for professionalism with the Office. Supervisors are held accountable for the performance, productivity and behavior of their subordinates. The employee is expected to demonstrate the following in this regard:

Effectively supervises assigned staff. Displays strong leadership abilities. Effectively motivates subordinates in order to attain program goals and objectives with high quality results. Delegates when appropriate. Provides consistent and meaningful feedback to subordinates in order to maintain unit morale and teamwork. Effectively

communicates OSA policies, procedures, objectives and expectations to subordinates. Recruits talented and resourceful employees. Provides effective mentoring and coaching of subordinates. Establishes clear and meaningful criteria or standards for effective performance. Accurately monitors performance against objectives. Meets deadlines, follows procedures, and produces timely documentation as required by rules, procedures and policies of OSA and the state personnel system. Addresses personnel issues or problems in a timely manner. Provides adequate support for subordinates to foster an atmosphere in which subordinates feel they have the backing needed to effectively fulfill their responsibilities. Serves as a positive role model, including taking ownership and supporting management decisions both internally and externally, and employing appropriate discretion regarding the confidentiality of personal information. Creatively fosters mutually beneficial outcomes to disagreements. Promotes flexibility in job design, work hours, work-life issues, work location and environment and leave approval.

Rating: 1 2 3

Individualized Competencies (if any):

Rating: 1 2 3

APPRAISAL SECTION NARRATIVE: Use this section to describe achievements on individual performance objectives, goals and expectations.

COACHING/PROGRESS REVIEW NOTES:

Date: Issues Discussed: (Strengths, areas for improvement, other)

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DISPUTE RESOLUTION PROCESS

This overview of the Dispute Resolution Process is an abbreviated version of the formal process that is available in its entirety from the Human Resources Administrator. Before initiating this process, you are encouraged to have a meeting with your supervisor to identify and possibly rectify the issue about which you are concerned.

What Issues are Disputable?

The State Personnel Director has defined the specific Performance Pay matters that may be disputed by an employee and has specified the stages at which these matters will be reviewed. They are:

- 1 The individual performance plan, including lack of a plan during the performance planning and evaluation cycle;
- 2 The individual performance evaluation rating;
- 3 The application of the OSA's performance management plan, policies and processes to the individual employee's plan and/or evaluation;
- 4 Full payment the performance salary adjustment.

Issues 1 and 2 are subject to internal OSA review only. The matter concludes at the First Stage (Internal) and is not subject to further review. Issues 3 and 4, if not resolved at the First Stage, are reviewable at the Second Stage (External).

What Issues are not disputable?

The State Personnel Director has defined the specific Performance Pay matters that are **NOT** subject to dispute by an employee:

- 1 The content of the OSA's performance management plan, policies, and processes;
- 2 Matters related to the funds appropriated for performance salary adjustments;
- 3 The performance evaluations and performance salary adjustments of *other* employees;
- 4 The amount of an individual's performance salary adjustment, including whether it is base building, non-base building, any combination, or none —unless the dispute concerns how the OSA's plan is applied and is covered by the 3rd Disputable Issue.

First Stage—Internal: State Auditor

To initiate the internal review process, the employee must submit a review request on the standard OSA form to the State Auditor. This must be done within **five working days** after the meeting at which the supervisor presented the employee with his/her performance evaluation rating. Copies of the written request must be submitted to the supervisor and to the OSA Human Resources Administrator for monitoring.

Unless there are extraordinary circumstances, the State Auditor must, within five working days from receipt of the form, meet with the employee, the supervisor, and with any other persons whom the employee or the supervisor deem to have pertinent information. The State Auditor remains responsible for scheduling the meeting with the affected parties and for adhering to the schedule for completion of the review. After the meeting, the State Auditor has five working days to render a decision.

Second Stage—External: State Personnel Director

An employee unsatisfied with the decision of the State Auditor on a matter that is externally reviewable may file a written request for external review with the State Personnel Director within **five working days** from the date the internal decision is received. The request must include the Consolidated Appeal/Dispute Form (<http://www.colorado.gov/cs/Satellite/DPA-SPB/SPB/1232721347216>), a copy of the original written performance management issue(s) raised by the employee, and the final written decision from the internal review stage. All Appeals/Disputes must be submitted to the State Personnel Board, 633 17th Street, Suite 1370, Denver, CO 80202-3604 or fax it to 303-866-5038. A copy of this Appeal/Dispute must be sent to the SAO Human Resources Administrator for monitoring purposes.

This request will be screened based upon specific criteria established by the State Personnel Director, and if it is determined that further review is not warranted, that decision is final and binding and the employee will be notified accordingly. If, however, further review is warranted, the Director shall select a qualified neutral third party to review the decision, who must issue a written decision within thirty days, which is final and binding.