CALIFORNIA STATE PERSONNEL BOARD

COMPLIANCE REVIEW REPORT

CALIFORNIA DEPARTMENT OF AGING

Compliance Review Unit
State Personnel Board
October 10, 2018

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INTRODUCTION

Established by the California Constitution, the State Personnel Board (the SPB or Board) is charged with enforcing and administering the civil service statutes, prescribing probationary periods and classifications, adopting regulations, and reviewing disciplinary actions and merit-related appeals. The SPB oversees the merit-based recruitment and selection process for the hiring of over 200,000 state employees. These employees provide critical services to the people of California, including but not limited to, protecting life and property, managing emergency operations, providing education, promoting the public health, and preserving the environment. The SPB provides direction to departments through the Board's decisions, rules, policies, and consultation.

Pursuant to Government Code section 18661, the SPB's Compliance Review Unit (CRU) conducts compliance reviews of appointing authorities' personnel practices in five areas: examinations, appointments, equal employment opportunity (EEO), personal services contracts (PSC's), and mandated training, to ensure compliance with civil service laws and Board regulations. The purpose of these reviews is to ensure state agencies are in compliance with merit related laws, rules, and policies and to identify and share best practices identified during the reviews.

Effective July 1, 2012, the Governor's Reorganization Plan Number One (GRP1) of 2011 consolidated all of the functions of the Department of Personnel Administration and the merit-related operational functions of the State Personnel Board (SPB) into the California Department of Human Resources (CalHR).

Pursuant to Government Code section 18502(c), CalHR and SPB may "delegate, share, or transfer between them responsibilities for programs within their respective jurisdictions pursuant to an agreement." CalHR and SPB, by mutual agreement, expanded the scope of program areas to be audited to include more operational practices that have been delegated to departments and for which CalHR provides policy direction. Many of these delegated practices are cost drivers to the state and were not being monitored on a statewide basis.

As such, SPB also conducts compliance reviews of appointing authorities' personnel practices to ensure that state departments are appropriately managing the following non-merit-related personnel functions: compensation and pay, leave, and policy and processes. These reviews will help to avoid and prevent potential costly litigation related to improper personnel practices, and deter waste, fraud, and abuse.

The SPB conducts these reviews on a three-year cycle.

The CRU may also conduct special investigations in response to a specific request or when the SPB obtains information suggesting a potential merit-related violation.

EXECUTIVE SUMMARY

The CRU conducted a routine compliance review of the California Department of Aging (CDA)'s personnel practices in the areas of examinations, appointments, EEO, PSC's, mandated training, compensation and pay, leave, and policy and processes[1]. The following table summarizes the compliance review findings.

Area	Finding
Examinations	Examinations Complied with Civil Service Laws and Board Rules
Examinations	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	Probationary Evaluations Were Not Provided for All Appointments Reviewed
Equal Employment Opportunity	Equal Employment Opportunity Program Complied with Civil Service Laws and Board Rules
Personal Services Contracts	Personal Services Contracts Complied with Procedural Requirements
Mandated Training	Mandated Training Complied with Statutory Requirements
Compensation and Pay	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	Alternate Range Movements Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	Leave Auditing and Timekeeping Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	Leave Reduction Plans Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Policy	Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

[1] Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

Area	Finding
Policy	Performance Appraisals Were Not Provided to All Employees

A color-coded system is used to identify the severity of the violations as follows:

- Red = Very Serious
- Orange = Serious
- Yellow = Non-serious or Technical
- Green = In Compliance

BACKGROUND

The CDA promotes the independence and well-being of older adults, adults with disabilities, and families through access to information and services to improve the quality of their lives; opportunities for community involvement; support for family members providing care; and collaboration with other state and local agencies. The CDA's vision is to provide the opportunity for every Californian to enjoy wellness, longevity and quality-of-life choices with strong, healthy communities. The CDA employs approximately 150 employees.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the CDA's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes[2]. The primary objective of the review was to determine if CDA's personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR policies and guidelines, CalHR Delegation Agreements, and to recommend corrective action where deficiencies were identified.

A cross-section of the CDA's examinations were selected for review to ensure that samples of various examination types, classifications, and levels were reviewed. The CRU examined the documentation that the CDA provided, which included examination plans, examination bulletins, job analyses, and scoring results. The CRU also reviewed the CDA's Permanent Withhold Actions documentation, including Withhold Determination Worksheets, State applications (STD 678), class specifications, and Withhold letters.

[2] Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

A cross-section of the CDA's appointments were selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the CDA provided, which included Notice of Personnel Action (NOPA) forms, Request for Personnel Actions (RPA's), vacancy postings, application screening criteria, hiring interview rating criteria, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports. The CDA did not conduct any unlawful appointment investigations during the compliance review period. Additionally, the CDA did not make any additional appointments during the compliance review period.

The CDA's appointments were also selected for review to ensure the CDA applied salary regulations accurately and correctly processed employee's compensation and pay. The CRU examined the documentation that the CDA provided, which included employee's employment and pay history and any other relevant documentation such as certifications, degrees, and/or the appointee's application. During the compliance review period, the CDA did not issue or authorize hiring above minimum (HAM) requests, red circle rate requests, arduous pay, bilingual pay, monthly pay differentials, or out-of-class assignments.

The review of the CDA's EEO program included examining written EEO policies and procedures; the EEO Officer's role, duties, and reporting relationship; the internal discrimination complaint process; the upward mobility program; the reasonable accommodation program; the discrimination complaint process; and the Disability Advisory Committee (DAC).

The CDA's PSC's were also reviewed.[3] It was beyond the scope of the compliance review to make conclusions as to whether the CDA justifications for the contracts were legally sufficient. The review was limited to whether the CDA's practices, policies, and procedures relative to PSC's complied with procedural requirements.

The CDA's mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, and that all supervisors were provided supervisory and sexual harassment prevention training within statutory timelines.

[3]If an employee organization requests the SPB to review any personal services contract during the SPB compliance review period or prior to the completion of the final compliance review report, the SPB will not audit the contract. Instead, the SPB will review the contract pursuant to its statutory and regulatory process. In this instance, none of the reviewed PSC's were challenged.

The CRU also identified the CDA's employees whose current annual leave, or vacation leave credits, exceeded established limits. The CRU reviewed a cross-section of these identified employees to ensure that employees who have significant "over-the-cap" leave balances have a leave reduction plan in place. Additionally, the CRU asked the CDA to provide a copy of their leave reduction policy.

The CRU reviewed the CDA's Leave Activity and Correction certification forms to verify that the CDA created a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely. The CRU selected a small cross-section of the CDA's units in order to ensure they maintained accurate and timely leave accounting records. During the compliance review period, the CDA did not have any employees with non-qualifying pay period transactions. The CDA did not authorize Administrative Time Off (ATO). Additionally, the CDA did not track any temporary intermittent employees by actual time worked during the compliance review period.

Moreover, the CRU reviewed the CDA's policies and processes concerning nepotism, workers' compensation, and performance appraisals. The review was limited to whether the CDA's policies and processes adhered to procedural requirements.

The CDA declined to have an exit conference. The CRU received and carefully reviewed the CDA's written response on October 8, 2018, which is attached to this final compliance review report.

FINDINGS AND RECOMMENDATIONS

Examinations

Examinations to establish an eligible list must be competitive and of such character as fairly to test and determine the qualifications, fitness, and ability of competitors to perform the duties of the class of position for which he or she seeks appointment. (Gov. Code, § 18930.) Examinations may be assembled or unassembled, written or oral, or in the form of a demonstration of skills, or any combination of those tests. (*Ibid*.) The Board establishes minimum qualifications for determining the fitness and qualifications of employees for each class of position and for applicants for examinations. (Gov. Code, § 18931.) Within a reasonable time before the scheduled date for the examination, the designated appointing power shall announce or advertise the examination for the establishment of eligible lists. (Gov. Code, § 18933, subd. (a).) the advertisement shall contain such information as the date and place of the examination and the nature of the minimum qualifications. (*Ibid*.) Every applicant for examination shall file an application in the office of the department or a designated appointing power as directed by the

examination announcement. (Gov. Code, § 18934.) Generally, the final earned rating of each person competing in any examination is to be determined by the weighted average of the earned ratings on all phases of the examination. (Gov. Code, § 18936.) Each competitor shall be notified in writing of the results of the examination when the employment list resulting from the examination is established. (Gov. Code, § 18938.5.)

During the period under review, June 1, 2017 through February 28, 2018, the CDA conducted four examinations. The CRU reviewed the four examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Aging Programs Analyst II	Open	Qualification Appraisal Panel[4]	10/19/17	15
Career Executive Assignment (CEA) A, Deputy Director, Administration	Open	Statement of Qualifications (SOQ)[5]	7/17/17	17
General Auditor II	Departmental Promo	Education and Experience [6]	2/16/18	2
General Auditor II	Departmental Promo	Qualification Appraisal Panel[4]	7/7/17	1

FINDING NO. 1 – Examinations Complied with Civil Service Laws and Board Rules

The CRU reviewed two departmental promotional and two open examinations which the CDA administered in order to create eligible lists from which to make appointments. The CDA published and distributed examination bulletins containing the required information

[4] The Qualification Appraisal Panel (QAP) interview is the oral component of an examination whereby competitors appear before a panel of two or more evaluators. Candidates are rated and ranked against one another based on an assessment of their ability to perform in a job classification.

[5] In a Statement of Qualifications (SOQ's) examination, applicants submit a written summary of their qualifications and experience related to a published list of desired qualifications. Raters, typically subject matter experts, evaluate the responses according to a predetermined rating scale designed to assess their ability to perform in a job classification, assign scores and rank the competitors in a list.

[6] In an education and experience examination, one or more raters reviews the applicants' Standard 678 application forms, and scores and ranks them according to a predetermined rating scale that may include years of relevant higher education, professional licenses or certifications, and/or years of relevant work experience.

for all examinations. Applications received by the CDA were accepted prior to the final filing date. Applicants were notified about the next phase of the examination process. After all phases of the examination process were completed, the score of each competitor was computed, and a list of eligible candidates was established. The examination results listed the names of all successful competitors arranged in order of the score received by rank. The CRU found no deficiencies in the examinations that the CDA conducted during the compliance review period.

Permanent Withhold Actions

Departments are granted statutory authority to permit withhold of eligibles from lists based on specified criteria (Gov. Code, § 18935 and CalHR Withhold Delegation Memo.) Permanent appointments and promotions within the state civil service system are merit-based, ascertained by a competitive examination process. Once a candidate has obtained list eligibility, a department may discover information pertaining to that eligible which raises concerns regarding his/her eligibility or suitability for employment with the state. A permanent withhold action is valid for the duration of the eligible's list eligibility. As of February 12, 2013, departments are required to maintain a separate file for each withhold action and the file should include a copy of the withhold notification letter sent to the eligible, as well as all supporting documentation which form the basis of the withhold action (CalHR Withhold Delegation Memo).

During the review period, the CDA conducted two permanent withhold actions. The CRU reviewed the two permanent withhold actions, which are listed below:

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Employee Placed on Withhold
Auditor I	0PB01	3/15/2017	3/15/2018	Failed to Meet Minimum Qualifications
Auditor I	0PB01	7/23/2017	7/23/2018	Failed to Meet Minimum Qualifications

FINDING NO. 2 – Permanent Withhold Actions Complied with Civil Service Laws and Board Rules

The CRU reviewed two permanent withhold actions. The CRU found no deficiencies in the permanent withhold actions undertaken by the department during the compliance review period.

Appointments

In all cases not excepted or exempted by Article VII of the California Constitution, the appointing power must fill positions by appointment, including cases of transfers, reinstatements, promotions, and demotions in strict accordance with the Civil Service Act and Board rules. (Gov. Code, § 19050.) Appointments made from eligible lists, by way of transfer, or by way of reinstatement, must be made on the basis of merit and fitness, which requires consideration of each individual's job-related qualifications for a position, including his or her knowledge, skills, abilities, experience, and physical and mental fitness. (Cal. Code Regs., tit. 2, § 250, subd. (a).)

During the period under review, June 1, 2017 through February 28, 2018, the CDA made 40 appointments. The CRU reviewed 27 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Aging Program Analyst II	Certification List	Permanent	Full Time	1
Assistant Information Systems Analyst	Certification List	Permanent	Full Time	1
Associate Budget Analyst	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	2
Associate Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	1
Auditor I	Certification List	Permanent	Full Time	1
Career Executive Assignment (CEA)	Certification List	Permanent	Full Time	1
General Auditor II	Certification List	Permanent	Full Time	1
Health Facilities Evaluator Nurse	Certification List	Permanent	Full Time	1
Health Program Specialist I	Certification List	Permanent	Full Time	2
Nurse Evaluator II	Certification List	Permanent	Full Time	1
Office Assistant (Typing)	Certification List	Permanent	Full Time	1
Office Assistant (Typing)	Certification List	Limited	Full Time	1
Office Technician (Typing)	Certification List	Limited	Full Time	1
Senior Accounting Officer (Supervisor)	Certification List	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Staff Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	1
Staff Services Analyst	Certification List	Permanent	Full Time	1
Staff Services Manager I	Certification List	Permanent	Full Time	2
Associate Governmental Program Analyst	Transfer	Limited	Full Time	1
Attorney	Transfer	Permanent	Full Time	1
General Auditor III	Transfer	Permanent	Full Time	2
Office Technician (Typing)	Transfer	Permanent	Full Time	1
Staff Services Manager II (Supervisory)	Transfer	Permanent	Full Time	1

FINDING NO. 3 – Probationary Evaluations Were Not Provided for all Appointments Reviewed

Summary: The CDA did not provide 12 probationary reports of performance for six of the 27 appointments reviewed by the CRU, as reflected in the table below.

Classification	Appointment Type	Number of Appointments Missing Probation Reports	Total Number of Missing Probation Reports
Associate Information Systems Analyst (Specialists)	Certification List	1	2
Staff Information Systems Analyst (Specialists)	Certification List	1	2
Staff Services Analyst)	Certification List	1	1
General Auditor	Transfer	2	4
Staff Services Manager II (Supervisory)	Transfer	1	3
Total		**6**	**12**

Criteria: The service of a probationary period is required when an employee enters in the state civil service by permanent appointment from an employment list. (Gov. Code, § 19171.) During the probationary period, the appointing power shall evaluate the work and efficiency

of a probationer in the manner and at such periods as CalHR may require. (Gov. Code, § 19172.) CalHR's regulatory scheme provides that "a report of the probationer's performance shall be made to the employee at sufficiently frequent intervals to keep the employee adequately informed of progress on the job." (Cal. Code Regs., tit. 2, § 599.795.) Specifically, a written appraisal of performance shall be made to the department within 10 days after the end of each one-third portion of the probationary period. (*Ibid*.) The Board's record retention rules require that appointing powers retain all probationary reports. (Cal. Code Regs., tit. 2, § 26, subd. (a)(3).)

Severity: Serious. The probationary period is the final step in the selection process to ensure that the individual selected can successfully perform the full scope of their job duties. Failing to use the probationary period to assist an employee in improving his or her performance or terminating the appointment upon determination that the appointment is not a good job/person match is unfair to the employee and serves to erode the quality of state government.

Cause: The CDA states it did not have adequate measures in place to track and notify supervisors and managers to complete and submit probation reports and was allowing combined probation reports to be submitted.

Action: It is recommended that within 60 days of the SPB's Executive Officer's approval of these findings and recommendations, the CDA submit to SPB a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the probationary requirements of Government Code section 19172.

Equal Employment Opportunity

Each state agency is responsible for an effective EEO program. (Gov. Code, § 19790.) The appointing power for each state agency has the major responsibility for monitoring the effectiveness of its EEO program. (Gov. Code, § 19794.) To that end, the appointing power must issue a policy statement committed to EEO; issue procedures for filing, processing, and resolving discrimination complaints; issue procedures for providing equal upward mobility and promotional opportunities; and cooperate with the California Department of Human Resources by providing access to all required files, documents and data. (*Ibid*.) In addition, the appointing power must appoint, at the managerial level,

an EEO Officer, who shall report directly to, and be under the supervision of, the Director of the department to develop, implement, coordinate, and monitor the department's EEO program. (Gov. Code, § 19795.)

Because the EEO Officer investigates and ensures proper handling of discrimination, sexual harassment and other employee complaints, the position requires separation from the regular chain of command, as well as regular and unencumbered access to the head of the organization.

Each state agency must establish a separate committee of employees who are individuals with a disability, or who have an interest in disability issues, to advise the head of the agency on issues of concern to employees with disabilities. (Gov. Code, § 19795, subd. (b)(1).) The department must invite all employees to serve on the committee and take appropriate steps to ensure that the final committee is comprised of members who have disabilities or who have an interest in disability issues. (Gov. Code, § 19795, subd. (b)(2).)

FINDING NO. 4 – Equal Employment Opportunity Program Complied With All Civil Service Laws and Board Rules

After reviewing the policies, procedures, and programs necessary for compliance with the EEO program's role and responsibilities according to statutory and regulatory guidelines, the CRU determined that the CDA EEO program provided employees with information and guidance on the EEO process including instructions on how to file discrimination claims. Furthermore, the EEO program outlines the roles and responsibilities of the EEO Officer, as well as supervisors and managers. The EEO Officer, who is at a managerial level, reports directly to the Director of the CDA. In addition, the CDA has an established DAC which reports to the Director on issues affecting persons with disabilities. The CDA also provided evidence of its efforts to promote EEO in its hiring and employment practices, to increase its hiring of persons with disabilities, and to offer upward mobility opportunities for its entry-level staff. Accordingly, the CDA EEO program complied with civil service laws and Board rules.

Personal Services Contracts

A PSC includes any contract, requisition, or purchase order under which labor or personal services is a significant, separately identifiable element, and the business or person performing the services is an independent contractor that does not have status as an employee of the state. (Cal. Code Regs., tit. 2, § 547.59.) The California Constitution has an implied civil service mandate limiting the state's authority to contract with private entities to perform services the state has historically or customarily performed.

Government Code section 19130, subdivision (a), however, codifies exceptions to the civil service mandate where PSC's achieve cost savings for the state. PSC's that are of a type enumerated in subdivision (b) of Government Code section 19130 are also permissible. Subdivision (b) contracts include private contracts for a new state function, services that are not available within state service, services that are incidental to a contract for the purchase or lease of real or personal property, and services that are of an urgent, temporary, or occasional nature.

For cost-savings PSC's, a state agency is required to notify SPB of its intent to execute such a contract. (Gov. Code, § 19131.) For subdivision (b) contracts, the SPB reviews the adequacy of the proposed or executed contract at the request of an employee organization representing state employees. (Gov. Code, § 19132.)

During the period under review, June 1, 2017 through February 28, 2018, the CDA had two PSC's that were in effect and subject to the Department of General Services (DGS) approval. The CRU reviewed both PSC's, which are listed below:

Vendor	Services	Contract Dates	Contract Amount	Justification Identified?
Auerbach International, Inc.	Bilingual Services	2/12/18-6/30/18	$5,000	Yes
Language World Services, Inc.	Bilingual Services	7/1/17-6/30/18	$1,630	Yes

FINDING NO. 5 – Personal Services Contracts Complied with Procedural Requirements

When an agency executes a personal services contract under Government Code section 19130, subdivision (b), the department must document a written justification that includes specific and detailed factual information that demonstrates how the contract meets one or more conditions specified in Government Code section 19131, subdivision (b). (Cal. Code Regs., tit. 2, § 547.60.). In addition to a written justification, under Government Code section 19132, subdivision (b), the department shall not execute any contract until they have notified all organizations that represent state employees who perform the type of work to be contracted.

The total dollar amount of all the PSC's reviewed was $6,630. It was beyond the scope of the review to make conclusions as to whether CDA justifications for the contract were legally sufficient. For all PSC's reviewed, the CDA provided specific and detailed factual information in the written justifications as to how each of the two contracts met at least

one condition set forth in Government Code section 19131, subdivision (b). Additionally, CDA complied with proper notification to all organizations that represent state employees who perform the type or work contracted. Accordingly, the CDA PSC's complied with civil service laws and board rules.

Mandated Training

Each member, officer, or designated employee of a state agency who is required to file a statement of economic interest (referred to as "filers") because of the position he or she holds with the agency is required to take an orientation course on the relevant ethics statutes and regulations that govern the official conduct of state officials. (Gov. Code, §§ 11146 & 11146.1.) State agencies are required to offer filers the orientation course on a semi-annual basis. (Gov. Code, § 11146.1.) New filers must be trained within six months of appointment and at least once during each consecutive period of two calendar years, commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3.)

Upon the initial appointment of any employee designated in a supervisory position, the employee shall be provided a minimum of 80 hours of training, as prescribed by the CalHR. (Gov. Code, § 19995.4, subd. (b).) The training addresses such topics as the role of the supervisor, techniques of supervision, performance standards, and sexual harassment and abusive conduct prevention. (Gov. Code, §§ 12950.1, subds. (a), (b), (c), & 19995.4, subd. (b).)

Additionally, the training must be successfully completed within the term of the employee's probationary period or within six months of the initial appointment, unless it is demonstrated that to do so creates additional costs or that the training cannot be completed during this time period due to limited availability of supervisory training courses. (Gov. Code, § 19995.4, subd. (c).) As to the sexual harassment and abusive-conduct prevention component, the training must thereafter be provided to supervisors once every two years. (Gov. Code, § 12950.1.)

Within 12 months of the initial appointment of an employee to a management or Career Executive Assignment (CEA) position, the employee shall be provided leadership training and development, as prescribed by CalHR. (Gov. Code, § 19995.4, subds. (d) & (e).) For management employees the training must be a minimum of 40 hours and for CEAs the training must be a minimum of 20 hours. (*Ibid*.) Thereafter, for both categories of appointment, the employee must be provided a minimum of 20 hours of leadership training on a biannual basis. (*Ibid*.)

The Board may conduct reviews of any appointing power's personnel practices to ensure compliance with civil service laws and Board regulations. (Gov. Code, § 18661, subd. (a).) In particular, the Board may audit personnel practices related to such matters as selection and examination procedures, appointments, promotions, the management of probationary periods, and any other area related to the operation of the merit principle in state civil service. (*Ibid*.) Accordingly, the CRU reviews documents and records related to training that appointing powers are required by the afore-cited laws to provide its employees.

In reviewing the CDA's mandated training program that was in effect during the compliance review period, the CRU determined the following:

FINDING NO. 6 – Mandated Training Complied with Statutory Requirements

The CDA provided ethics training to its 11 new filers within six months of appointment and semiannual ethics training to its six existing filers. The CDA also provided supervisory training to its seven new supervisors within 12 months of appointment. In addition, the CDA provided sexual harassment prevention training its seven new supervisors within six months of appointment, and sexual harassment prevention training to its 16 existing supervisors every two years. Thus, the CDA complied with mandated training requirements within statutory timelines.

Compensation and Pay

Salary Determination

The pay plan for state civil service consists of salary ranges and steps established by CalHR (Cal. Code Regs., tit. 2, § 599.666). Several salary rules dictate how departments calculate and determine an employee's salary rate[7] upon appointment depending on the appointment type, the employee's state employment and pay history, and tenure.

During the period under review, June 1, 2017 through February 28, 2018, the CDA made 40 appointments. The CRU reviewed 24 of those appointments to determine if the CDA applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

[7] "Rate" is any one of the salary rates in the resolution by CalHR which establishes the salary ranges and steps of the Pay Plan (CA CCR Section 599.666).

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Aging Program Analyst II	Certification List	Permanent	Full Time	$4,604
Assistant Information Systems Analyst	Certification List	Permanent	Full Time	$3,377
Associate Budget Analyst	Certification List	Permanent	Full Time	$4,748
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	$4,622
Auditor I	Certification List	Permanent	Full Time	$3,700
General Auditor II	Certification List	Permanent	Full Time	$4,177
Health Facilities Evaluator Nurse	Certification List	Permanent	Full Time	$5,346
Health Program Specialist I	Certification List	Permanent	Full Time	$5,026
Health Program Specialist I	Certification List	Permanent	Full Time	$6,397
Nurse Evaluator II	Certification List	Permanent	Full Time	$6,287
Office Assistant (Typing)	Certification List	Permanent	Full Time	$2,526
Office Assistant (Typing)	Certification List	Limited	Full Time	$2,429
Office Technician (Typing)	Certification List	Limited	Full Time	$2,921
Senior Accounting Officer (Supervisor)	Certification List	Permanent	Full Time	$5,176
Staff Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	$7,242
Staff Services Analyst	Certification List	Permanent	Full Time	$3,977
Staff Services Manager I	Certification List	Permanent	Full Time	$5,689
Staff Services Manager I	Certification List	Permanent	Full Time	$5,689
Associate Governmental Program Analyst	Transfer	Limited	Full Time	$5,023
Attorney	Transfer	Permanent	Full Time	$9,146
General Auditor III	Transfer	Permanent	Full Time	$6,105
General Auditor III	Transfer	Permanent	Full Time	$6,350

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Office Technician (Typing)	Transfer	Permanent	Full Time	$3,656
Staff Services Manager II (Supervisory)	Transfer	Permanent	Full Time	$7,760

FINDING NO. 7 – Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found no deficiencies in the 24 salary determinations that were reviewed. The CDA appropriately calculated and keyed the salaries for each appointment and correctly determined employees' anniversary dates ensuring that subsequent merit salary adjustments will satisfy civil service laws, Board rules, and CalHR policies and guidelines.

Alternate Range Movement Salary Determination (within same classification)

If an employee qualifies under established criteria and moves from one alternate range to another alternate range of a class, the employee shall receive an increase or a decrease equivalent to the total of the range differential between the maximum salary rates of the alternate ranges (Cal. Code Regs., tit. 2, § 599.681). However, in many instances, CalHR provides salary rules departments must use when employees move between alternate ranges. They are described in the alternate range criteria (CalHR Pay Scales). When no salary rule or method is cited in the alternate range criteria, departments must default to Rule 599.681.

During the period under review, March 1, 2017 through November 30, 2017, the CDA made one alternate range movement within a classification[8]. The CRU reviewed the one alternate range movement to determine if the CDA applied salary regulations accurately and correctly processed employee's compensation, which are listed below:

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Staff Services Analyst	B	C	Full Time	$4,192

[8] 335 transactions.

FINDING NO. 8 – Alternate Range Movements Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found that the one alternate range movement the CDA made during the compliance review period, satisfied civil service laws, Board rules, and CalHR policies and guidelines.

Leave

Leave Auditing and Timekeeping

Departments must keep complete and accurate time and attendance records for each employee and officer employed within the agency over which it has jurisdiction (Cal. Code Regs., tit. 2, § 599.665).

Additionally, in accordance with CalHR Online Manual Section 2101, departments must create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. If an employee's attendance record is determined to have errors or it is determined that the employee has insufficient balances for a leave type used, the attendance record must be amended. Attendance records shall be corrected by the pay period following the pay period in which the error occurred. Accurate and timely attendance reporting is required of all departments and is subject to audit.

During the period under review, September 1, 2017 through November 30, 2017, the CDA reported nine units comprised of 94 active employees during the November 2017 pay period. The pay periods and timesheets reviewed by the CRU are summarized as follows:

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
November 2017	400	8	8	0
November 2017	620	10	10	0
November 2017	631	8	8	0
November 2017	640	7	7	0
November 2017	652	7	7	0
November 2017	720	14	14	0
November 2017	762	7	7	0
November 2017	771	8	8	0

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
November 2017	790	25	25	0

FINDING NO. 9 – Leave Auditing and Timekeeping Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU reviewed employee leave records from one leave period to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines. Based on our review, the CRU found no deficiencies. The CDA kept complete and accurate time and attendance records for each employee and officer employed within the department and utilized a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely.

Leave Reduction Efforts

Departments must comply with the regulations and CalHR policies that require a leave plan for every employee with vacation or annual leave hours over the maximum amount permitted (Cal. Code Regs., tit. 2, § 599.742.1 and applicable Bargaining Unit Agreements). Bargaining Unit Agreements and California Code of Regulations prescribe the maximum amount of vacation or annual leave permitted. For instance, according to California Code of Regulations, title 2, section 599.737, if a represented employee does not use all of the vacation to which he or she is entitled in a calendar year, "the employee may accumulate the unused portion, provided that on January 1st of a calendar year, the employee shall not have more than" the established limit as stipulated by the applicable bargaining unit agreement[9]. Likewise, if an excluded employee does not use all of the vacation to which he or she is entitled in a calendar year, the "employee may accumulate the unused portion of vacation credit, provided that on January 1st of a calendar year, the excluded employee shall not have more than 80 vacation days." (Cal. Code Regs., tit. 2, § 599.738).

In accordance with CalHR Online Manual Section 2124, departments must create a leave reduction policy for their organization and monitor employees' leave to ensure compliance with the departmental leave policy; and ensure employees who have significant "over-the-cap" leave balances have a leave reduction plan in place.

[9] For represented employees, the established limit for annual or vacation leave accruals is 640 hours, however for bargaining units 06 there is no established limit and bargaining unit 5 the established limit is 816 hours.

As of December 2017, five CDA employees exceeded the established limits of vacation or annual leave. The CRU reviewed all of those employees' leave reduction plans to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Classification	Collective Bargaining Identifier	Total Hours Over Established Limit	Leave Reduction Plan Provided
Aging Program Analyst II	R19	36.75	Yes
Career Executive Assignment, Deputy Director	M01	761	Yes
Chief Deputy Director	E99	5	Yes
Staff Services Manager I	S01	36	Yes
Supervising Governmental Auditor I	S01	11	Yes
Total		**849.75**	

FINDING NO. 10 – Leave Reduction Plans Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU reviewed employee vacation and annual leave to ensure that those employees who have significant "over-the-cap" leave balances have a leave reduction plan in place and are actively reducing hours. In addition, the CRU reviewed the department's leave reduction policy to verify its compliance with applicable rule and law, and to ensure its accessibility to employees. Based on our review, the CRU found no deficiencies in this area.

Policy and Processes

Nepotism

It is the policy of the State of California to recruit, hire and assign all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. Nepotism is expressly prohibited in the state workplace because it is antithetical to California's merit based civil service. Nepotism is defined as the practice of an employee using his or her influence or power to aid or hinder another in the employment setting because of a personal relationship. Personal relationships for this purpose include but are not limited to, association by blood, adoption, marriage and/or cohabitation. In addition, there may be personal relationships beyond this general definition that could be

subject to these policies. Overall, departmental nepotism policies should aim to prevent favoritism or bias based on a personal relationship when recruiting, hiring or assigning employees. Departments have the discretion, based on organizational structure and size, to develop nepotism policies as they see fit (CalHR Online Manual Section 1204).

FINDING NO. 11 – Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

After reviewing the CDA's nepotism policy in effect during the compliance review period, the CRU verified that the policy was disseminated to all staff and emphasized the CDA's commitment to the state policy of recruiting, hiring and assigning employees on the basis of merit. Additionally, the CDA's nepotism policy was comprised of specific and sufficient components intended to prevent favoritism, or bias, based on a personal relationship from unduly influencing employment decisions as outlined in CalHR's Online Manual Section 1204.

Workers' Compensation

Pursuant to California Code of Regulations, title 8, section 9880, employers shall provide to every new employee at the time of hire or by the end of the first pay period, written notice concerning the rights, benefits, and obligations under Workers' Compensation Law. This notice shall also contain a form that the employee can use to pre-designate their personal physician or medical group as defined by Labor Code section 4600. Additionally, employers shall also provide a claim form and notice of potential eligibility to their employee within one working day of notice or knowledge that the employee has suffered a work related injury or illness (Labor Code, § 5401).

According to Labor Code section 3363.5, public employers may choose to extend workers' compensation coverage to volunteers that perform services for the organization. Workers' compensation coverage is not mandatory for volunteers as it is for employees. This is specific to the legally uninsured state departments participating in the Master Agreement. Departments with an insurance policy for workers' compensation coverage should contact their State Compensation Insurance Fund (SCIF) office to discuss the status of volunteers (PML, "Workers' Compensation Coverage for Volunteers," 2015-009). Those departments that have volunteers should have notified or updated their existing notification to the SCIF by April 1, 2015, whether or not they have decided to extend workers' compensation coverage to volunteers.

FINDING NO. 12 – Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

After reviewing the CDA's workers' compensation process that was in effect during the compliance review period, the CRU verified that when the CDA provides notice to their employees to inform them of their rights and responsibilities under CA Workers' Compensation Law. Furthermore, the CRU verified that when the CDA received worker's compensation claims, the CRU properly provided claim forms within one working day of notice or knowledge of injury.

Performance Appraisals

According to Government Code section 19992.2, departments must "prepare performance reports." Furthermore, California Code of Regulations, title 2, section 599.798, directs supervisors to conduct written performance appraisals and discuss overall work performance with permanent employees at least once in each twelve calendar months after the completion of the employee's probationary period.

The CRU selected 20 permanent CDA employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations and CalHR policy and guidelines. These are listed below:

Classification	Date Performance Appraisals Due
Aging Program Analyst II	4/11/2017
Aging Program Analyst II	6/13/2017
Aging Program Analyst II	11/1/2017
Aging Program Analyst II	11/1/2017
Associate Governmental Program Analyst	11/1/2017
Associate Governmental Program Analyst	11/22/2017
Associate Governmental Program Analyst	12/26/2017
Associate Governmental Program Analyst	1/19/2018
Associate Governmental Program Analyst	1/24/2018
Associate Governmental Program Analyst	1/27/2018
Associate Governmental Program Analyst	1/27/2018
Associate Personnel Analyst	12/31/2017
Information Technology Associate	6/6/2017
Information Technology Specialist I	1/24/2018

Classification	Date Performance Appraisals Due
Nurse Evaluator II	10/3/2017
Staff Services Analyst	11/16/2017
Staff Services Analyst	12/6/2017
Staff Services Manager I	12/1/2017
Staff Services Manager II (Specialist)	3/31/2017
Staff Services Manager II (Specialist)	1/31/2018

In reviewing the CDA performance appraisals policies and processes, the CRU determined the following:

FINDING NO. 13 – Performance Appraisals Were Not Provided to All Employees

Summary: The CDA did not provide performance appraisals to any of the 20 employees reviewed at least once in each twelve calendar months after the completion of the employee's probationary period.

Criteria: Departments are required to "prepare performance reports and keep them on file as prescribed by department rule" (Gov. Code § 19992.2). Furthermore, California Code of Regulations, title 2, section 599.798, directs supervisors to conduct written performance appraisals and discuss overall work performance with permanent employees at least once in each twelve calendar months after the completion of the employee's probationary period.

Severity: Serious. The department does not ensure that all of its employees are apprised of work performance issues and/or goals in a systematic manner.

Cause: The CDA states that tracking and notification processes were not continuously utilized. Thus, not all managers provided timely performance appraisals to their staff

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDA submit to the SPB a written corrective action plan that addresses the corrections the department will implement to ensure conformity with

Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798.

DEPARTMENTAL RESPONSE

The CDA's response is attached as Attachment 1.

SPB REPLY

Based upon the CDA's written response, the CDA will comply with the CRU recommendations and findings and provide the CRU with an action plan.

It is further recommended that the CDA comply with the afore-stated recommendations within 60 days of the Executive Officer's approval and submit to the CRU a written report of compliance.

STATE OF CALIFORNIA - HEALTH AND HUMAN SERVICES AGENCY
EDMUND G. BROWN JR. *Governor*

CALIFORNIA DEPARTMENT OF AGING
1300 NATIONAL DRIVE, SUITE 200
SACRAMENTO, CA 95834
Internet Home Page www.aging.ca.gov
TTY 1-800-735-2929
FAX 916-928-2267
TEL 916-419-7500

October 5, 2018

Jodi Ortiz
Policy and Compliance Review Division
State Personnel Board
801 Capitol Mall
Sacramento, CA 95814

Dear Ms. Ortiz:

SUBJECT: RESPONSE TO COMPLIANCE REVIEW REPORT

The California Department of Aging (CDA) is submitting this letter in response to the findings from the State Personnel Board's (SPB) draft Compliance Review Report (Draft Report) dated September 17, 2018. The Department recognizes the importance of compliance reviews to ensure proper personnel practices and adherence to civil service laws, rules and regulations.

CDA agrees with SPB's findings and appreciates the opportunity to respond to the Draft Report. Inside the attached document are details of the steps CDA will take to resolve the two findings within 60 days of the release of the Report.

Thank you for the opportunity to respond to your Draft Report. If you have any questions, please contact me at Bettina.lee@aging.ca.gov or (917) 419-7529.

Sincerely,

Bettina Lee

Bettina Lee
Human Resources Officer

Attachment

cc: Lora Connolly, Director, California Department of Aging

ATTACHMENT

CDA Compliance Review Response
October 5, 2018

FINDING NO. 3 – Probationary Evaluations Were Not Provided for all Appointments Reviewed

Response: CDA did not provide 12 probationary reports of performance for 6 of the 27 appointments reviewed by the SPB Compliance Review Unit (CRU) due to the lack of follow-up and enforcement.

CDA's Human Resources Section (HRS) has drafted a department Probation Report Policy and Procedure to evaluate the work and efficiency of probationers and to keep them informed of his/her performance. Included in the policy and procedure is the role of supervisors and managers and the requirement of timely completion of probationary evaluations for the probationer.

Pending the release of the Probation Report Policy and Procedure, HRS will continue to provide respective managers with report due dates for his/her new probationer. HRS will continue to log and provide probationary status for probationers to Division Chiefs and the Human Resources and Administrative Services Branch Chief.

FINDING NO. 13 – Performance Appraisals Were Not Provided to All Employees

Response: CDA did not provide performance appraisals to any of the 20 employees reviewed at least once in each 12 calendar months after the completion of the employee's probationary period due to a lack of notification and failure to provide the necessary forms and employee anniversary dates for supervisors and managers.

Pending development and release of the Performance Appraisal Policy and Procedure, CDA's HRS will provide each supervisor and manager with a listing of their respective employees to complete the performance appraisal within 12 calendar months. Further, HRS will develop and implement a tracking system to monitor the completion of performance appraisals in compliance with GC 19992.2 and CCR 599.798. The policy and procedure will include the role and responsibility of supervisors and managers to ensure reports are done timely.