



COMPLIANCE REVIEW REPORT

CALIFORNIA WORKFORCE DEVELOPMENT BOARD

Compliance Review Unit
State Personnel Board
June 21, 2019

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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 not monitored on a consistent, 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 Workforce Development Board (CWDB)'s personnel practices in the areas of appointments, EEO, PSC's, mandated training, compensation and pay, leave, and policy and processes¹. The following table summarizes the compliance review findings.

Area	Finding
Appointments	Probationary Evaluations Were Not Provided for All Appointments Reviewed
Appointments	Equal Employment Opportunity Questionnaires Were Not Separated from Applications
Equal Employment Opportunity	A Disability Advisory Committee Has Not Been Established
Equal Employment Opportunity	Equal Employment Opportunity Officer Does Not Report Directly to the Head of the Agency
Personal Services Contracts	Sufficient Justification Was Not Provided for All Personal Services Contracts
Personal Services Contracts	Union Was Not Notified of Personal Services Contract
Mandated Training	Ethics Training Was Not Provided for All Filers
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 CalHR Policies and Guidelines
Compensation and Pay	Hiring Above Minimum Requests Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Leave	Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Leave	Department Has Not Implemented a Monthly Internal Audit Process to Verify Timesheets are Keyed Accurately and Timely
Leave	Leave Reduction Complied with Civil Service Laws and CalHR Policies and Guidelines
Leave	Incorrect Application of 715 Transaction

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	Department Does Not Maintain a Current Written Nepotism Policy
Policy	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
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

As the Governor's agent for the development, oversight, and continuous improvement of California's workforce investment system, the CWDB and its staff provide active ongoing policy analysis, technical assistance, and program evaluation to inform and shape state policy on the design of state workforce policies and their coordination with other relevant programs, including education and human service programs. The CWDB collaborates with both state and local partners, including business and industry, to develop the policies and framework necessary for meeting the demands of the 21st Century economy. Policy areas include streamlining services, empowering individuals, providing universal access, increasing accountability, developing strong roles for Local Workforce Development Boards and the private sector, sustaining both state and local flexibility, and improving programs and services for the neediest youth.

The statewide workforce development system is comprised of 49 Local Workforce Development Areas, each with its own business-led Local Workforce Development Board. The Local Boards work in concert with their local Chief Elected Official to oversee the delivery of workforce services relevant to their local residents and businesses. Critical to their charge is their oversight of the local One-Stop Career Centers which are the hub of the statewide service delivery vehicle for workforce, education and business services.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the CWDB's

examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes² when applicable. The primary objective of the review was to determine if CWDB 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.

The CWDB did not execute any examinations during the compliance review period.

A cross-section of the CWDB's appointments were selected to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the CWDB 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 CWDB did not conduct any unlawful appointment investigations during the compliance review period. Additionally, the CWDB did not make any additional appointments during the compliance review period.

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

The review of the CWDB'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 CWDB's PSC's were also reviewed.³

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

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.

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

The CWDB'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 and managers were provided supervisory and sexual harassment prevention training within statutory timelines.

The CRU also identified the CWDB 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. Additionally, the CRU asked the CWDB to provide a copy of their leave reduction policy.

The CRU reviewed the CWDB's Leave Activity and Correction certification forms to verify that the CWDB 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 CWDB's units in order to ensure they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the CWDB's employee's employment and pay history, state service records, and leave accrual histories to ensure employees with non-qualifying pay periods did not receive vacation/sick leave and/or annual leave accruals or state service credit. Furthermore, the CRU reviewed a selection of CWDB employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. The CWDB did not track any temporary intermittent employees by actual time worked during the review period.

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

On March 14, 2019, an exit conference was held with the CWDB to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the CWDB's written response on June 13, 2019, which is attached to this final compliance review report.

FINDINGS AND RECOMMENDATIONS

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).)

On behalf of the CWDB, the Department of Employment Development (EDD) handled all Human Resources processing for the CWDB. During the period under review, July 1, 2016 to June 30, 2017, the EDD on behalf of CWDB made 10 appointments. The CRU reviewed five of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	1
Research Analyst II (General)	Certification List	Permanent	Full Time	1
Staff Services Manager I	Certification List	Permanent	Full Time	1
Executive Assistant	Mandatory Reinstatement	Permanent	Full Time	1
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	1

The CWDB measured each applicant's ability to perform the duties of the job by conducting hiring interviews and selecting the best-suited candidates. For the three list appointments reviewed, the EDD ordered a certification list of candidates ranked competitively. After properly clearing the certification lists including SROA, the selected candidates were appointed based on eligibility attained by being reachable within the first three ranks of the certification lists.

The CWDB made one appointment via mandatory reinstatement. A state agency is required to reinstate an employee to his or her former position if the employee is (1) terminated from a temporary or limited-term appointment by either the employee or the appointing power; (2) rejected during probation; or (3) demoted from a managerial position. (Gov. Code, § 19140.5.) The following conditions, however, must apply: the employee accepted the appointment without a break in continuity of service and the

reinstatement is requested within ten working days after the effective date of the termination. (*Ibid.*) The CWDB complied with the rules and laws governing mandatory reinstatements.

The CRU reviewed two CWDB appointments made via transfer. A transfer of an employee from a position under one appointing power to a position under another appointing power may be made if the transfer is to a position in the same class or in another class with substantially the same salary range and designated as appropriate by the executive officer. (Cal. Code Regs., tit. 2, § 425.) The EDD verified the eligibility of candidates to their appointed class.

However, the CWDB did not provide probationary evaluations for all appointments reviewed.

FINDING NO. 1 – Probationary Evaluations Were Not Provided for All Appointments Reviewed

Summary: The CWDB did not prepare, complete, and/or retain eight probationary reports of performance for four of the five appointments reviewed by the CRU, as reflected in the table below:

Classification	Appointment Type	No. of Appointments Missing Probation Reports	No. of Uncompleted Probation Reports
Associate Governmental Program Analyst	Transfer	1	1
Associate Governmental Program Analyst	Certification List	1	2
Research Analyst II (General)	Certification List	1	2
Staff Services Manager I	Certification List	1	3
Total		4	8

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.) 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.) 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 for five years from the date the record is created. (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 CWDB states it did not have an established procedure or process to ensure evaluations were completed timely.

Action: The CWDB has implemented a remedial process and submitted a written corrective action plan for ensuring conformity with the requirements of California Government Code section 19172; therefore, no further action is required at this time.

FINDING NO. 2 – Equal Employment Opportunity Questionnaires Were Not Separated from Applications

Summary: Out of five appointments reviewed, three appointment files included applications where EEO questionnaires were not separated from the STD. 678 employment applications. Specifically, 17 applications reviewed included EEO questionnaires that were not separated from the STD. 678 employment applications.

Criteria: Government Code section 19704 makes it unlawful for a hiring department to require or permit any notation or entry to be made on any application indicating or in any way suggesting or pertaining to any protected category listed in Government Code section 12940, subdivision (a) (e.g., a person's race, religious creed, color, national origin, ancestry, physical disability, mental

disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status). Applicants for employment in state civil service are asked to provide voluntarily ethnic data about themselves where such data is determined by the CalHR to be necessary to an assessment of the ethnic and sex fairness of the selection process and to the planning and monitoring of affirmative action efforts. (Gov. Code, § 19705.) The EEO questionnaire of the state application form (STD. 678) states, "This questionnaire will be separated from the application prior to the examination and will not be used in any employment decisions."

Severity: Very Serious. The applicants' protected classes were visible, subjecting the agency to potential liability.

Cause: The CWDB states it did not have sufficient training related to the proper processing of EEO information and this was an inadvertent oversight. The CWDB has shifted to the online application process through the Examination and Certification Online System, which, in combination with proper controls, ensures that EEO information is not disclosed to staff or management.

Action: The CWDB has submitted a written corrective action plan that the department will implement to ensure that future EEO questionnaires are separated from all applications; therefore, no further action is required at this time.

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 CalHR, in accordance with Civil Code section 1798.24, subdivisions (o) and (p), by providing access to all required files, documents and data necessary to carry out these mandates. (*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, subd. (a).)

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).)

The CRU reviewed the CWDB's EEO policies, procedures, and programs in effect during the compliance review period.

FINDING NO. 3 – A Disability Advisory Committee Has Not Been Established

Summary: The CWDB does not have an established DAC. The EDD contracted to provide EEO program services to the CWDB. However, CWDB was not invited to serve on a DAC committee. The CWDB employees were not given the opportunity to be apprised of information provided by a DAC.

Criteria: 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).)

Severity: Very Serious. The agency head does not have direct information on issues of concern to employees or other persons with disabilities and input to correct any underrepresentation. The lack of a DAC may limit an agency's ability to recruit and retain a qualified workforce, impact productivity, and subject the agency to liability.

Cause: The CWDB states it has joined EDD's Disability Advisory Committee which has not had a meeting in 2019. The EDD DAC lost many of its members due to staff moves to other offices and retirements. Recruitment is scheduled for October 2019, to coincide

with National Disability Employment Awareness Month.

Action: The CWDB must continue to take appropriate steps to ensure the maintenance of an active DAC, comprised of members who have disabilities or who have an interest in disability issues. The CWDB must submit to the CRU a written report of compliance, including the DAC roster, agenda, and meeting minutes, no later than 60 days from the date of the SPB Executive Officer's approval of these findings and recommendations.

FINDING NO. 4 – Equal Employment Opportunity Officer Does Not Report Directly to the Head of the Agency

Summary: The EDD handles the CWDB's EEO program. The EDD's EEO Officer does not report directly to the head of the CWDB agency. The director of the CWDB is not apprised of all EEO related issues from the EEO division at EDD.

Criteria: 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, subd. (a).)

Severity: Very Serious. The EEO Officer does not have direct access to the head of the organization, diminishing the effectiveness of the EEO program. To have an effective EEO program, the head of the organization must be actively involved.

Cause: The CWDB states it reorganized its administrative functions when refilling behind the previous incumbent and inadvertently omitted this responsibility.

Action: The CWDB has taken corrective measures to ensure that the EEO Officer reports directly to the head of the agency. The CWDB has submitted a corrective action plan for ensuring that the EEO Officer reports to the Director for all EEO related activities, including a revised Duty Statement and appropriate training for the Chief Deputy Director; therefore, no further action is required at this time.

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, February 1, 2017 to January 31, 2018, the CWDB had seven PSC's that were in effect. The CRU reviewed three of those PSC's, which are listed below:

Vendor	Services	Contract Dates	Contract Amount
Cooperative Personnel Services	HR Consulting	09/01/16-06/30/17	\$21,750
Racy Ming Associates LLC	Workforce Consulting	09/08/17-06/30/18	\$4,950
Roger Schmitt	Training for Rapid Response and Lay Off Aversion	07/13/17-06/30/18	\$50,000

In reviewing the CWDB's PSC's during the compliance review period, the CRU determined the following:

FINDING NO. 5 – Sufficient Justification Was Not Provided for All Personal Services Contracts

Summary: The CWDB did not properly document the reasons why the following contract satisfied Government Code section 19130,

subdivision (b).

Vendor	Services	Contract Amount
Racy Ming Associates LLC	Workforce Consulting	\$4,950

Criteria: Whenever an agency executes a personal services contract under Government Code section 19130, subdivision (b), the agency shall document, with specificity and detailed factual information, the reasons why the contract satisfies one or more of the conditions specified in Government Code section 19130, subdivision (b). The agency shall maintain the written justification for the duration of the contract and any extensions of the contract or in accordance with the record retention requirements of section 26, whichever is longer. (Cal. Code Regs., tit. 2, § 547.60.)

Severity: Serious. Without properly documenting the reasons why a PSC satisfies one or more conditions specified in Government Code section 19130, the CRU could not substantiate that the department's PSC's complied with current procedural requirements.

Cause: The CWDB states it did not have sufficient training or established procedures to ensure employees completed the contract request forms correctly. The CWDB has provided refresher training to all employees who fill out the contract request form that is inclusive of the justification requirements of Government Code 19130, subdivision (b), and has implemented a second level review for contracts that required this justification.

Action: The CWDB will submit to the CRU a written corrective action plan that ensures conformity with the requirements of Government Code section 19130 no later than 60 days from the date of the SPB Executive Officer's approval of these findings and recommendations.

FINDING NO. 6 – Union Was Not Notified of Personal Services Contract

Summary: The CWDB did not notify state employee unions prior to entering into one of the three PSC's the CRU reviewed.

Vendor	Services	Date Executed	Date Union Notified
Cooperative Personnel Services	HR Consulting	09/01/16	Union Was Not Notified
Racy Ming Associates LLC	Workforce Consulting	09/08/17	03/05/18
Roger Schmitt	Training for Rapid Response and Lay Off Aversion	07/13/17	08/02/17

Criteria: The state agency must notify all organizations that represent state employees who perform the type of work to be contracted before the PSC is executed. (Gov. Code, § 19132, subd. (b)(1).)

Severity: Serious. Without notifying all organizations that represent state employees, jobs may potentially be outsourced to private entities which could have been completed by state employees, resulting in a potential loss of state funds.

Cause: The CWDB states that it did not have an established procedure to ensure the correct information was submitted to the union. Through an Inter-agency Agreement, the CWDB utilizes the contracting unit of EDD for completion and execution of all contracts. The CWDB is working with the EDD contract unit to ensure all future personal services contracts are sent to the Union and documentation is kept with the executed contract.

Action: It is recommended that within 60 days of the Executive Officer’s approval of these findings and recommendations, the CWDB submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the requirements of Government Code section 19132 and AB 906. Copies of any relevant documentation should be included with the plan.

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) and (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.

The CRU reviewed the CWDB's mandated training program that was in effect during the compliance review period. The CWDB's supervisory and sexual harassment prevention training was found to be in compliance; however, the CWDB's ethics training was not in compliance.

FINDING NO. 7 – Ethics Training Was Not Provided for All Filers

- Summary:** The CWDB did not provide ethics training to three of 12 existing filers. In addition, the CWDB did not provide ethics training to eight of 13 new filers within six months of their appointment.
- Criteria:** New filers must be provided ethics training within six months of appointment. Existing filers must be trained at least once during each consecutive period of two calendar years commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3, subd. (b).)
- Severity:** Very Serious. The department does not ensure that its filers are aware of prohibitions related to their official position and influence.
- Cause:** The CWDB states that it did not have an effective tracking system to notify, follow-up and ensure the completion of Ethics training. As of March 18, 2019, all staff have been provided ethics training. The CWDB states it has implemented a revised tracking system to ensure that all staff are in compliance going forward.
- Action:** The CWDB has submitted a written corrective action plan to ensure compliance with ethics training mandates in conformity with Government Code section 11146.3, subdivision (b); therefore no further action is required at this time.

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 rate⁴ upon appointment depending on the appointment type, the employee's state employment and pay history, and tenure.

⁴ "Rate" is any one of the dollar amounts found within the salary ranges and steps of the Pay Plan established by the CalHR (CA CCR Section 599.666).

During the period under review, July 1, 2016 to June 30, 2017, the CWDB made 10 appointments. The CRU reviewed five of those appointments to determine if the CWDB applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

Classification	Appointment Type	Tenure	Time Base	Salary
Staff Services Manager I	Certification List	Permanent	Full Time	\$6,598
Research Analyst II (General)	Certification List	Permanent	Full Time	\$4,829
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$4,600
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	\$5,758
Executive Assistant	Mandatory Reinstatement	Permanent	Full Time	\$4,177

FINDING NO. 8 – Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found no deficiencies in the five salary determinations that were reviewed. The EDD, on behalf of CWDB 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 (State Civil Service 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, July 1, 2016, through June 30, 2017, the CWDB made one alternate range movements within a classification⁵. The CRU reviewed the alternate range movement to determine if the CWDB applied salary regulations accurately and correctly processed the employee’s compensation, which is listed below:

Classification	Prior Range	Current Range	Time Base	Salary
Research Program Specialist II	N/A	Range A	Permanent	\$6,448

FINDING NO. 9 – Alternate Range Movements Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

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

Hiring Above Minimum Requests

The department may authorize payment at any step above-the minimum limit to classes or positions to meet recruiting problems to obtain a person who has extraordinary qualifications. (Gov. Code § 18936.) For all employees new to state service, departments are delegated authority to approve HAMs for extraordinary qualifications. (Human Resources Manual Section 1707.) Appointing authorities may request HAMs for state employees with extraordinary qualifications. (*Ibid.*) Delegated HAM authority does not apply to current state employees. (*Ibid.*)

Persons with extraordinary qualifications should contribute to the work of the department significantly beyond that which other applicants offer. (*Ibid.*) Extraordinary qualifications may provide expertise in a particular area of a department’s program. (*Ibid.*) This expertise should be well beyond the minimum qualifications of the class. (*Ibid.*) Unique talent, ability or skill as demonstrated by pervious job experience may also constitute extraordinary qualifications. (*Ibid.*) The scope and depth of such experience should be more significant than its length. (*Ibid.*) The degree to which a candidate exceeds minimum qualifications should be a guiding factor, rather than a determining one. (*Ibid.*)

⁵ 335 transactions.

When a number of candidates offer considerably more qualifications than the minimum, it may not be necessary to pay above the minimum to acquire unusually well-qualified people. (*Ibid.*) The qualifications and hiring rates of state employees already in the same class should be carefully considered, since questions of salary equity may arise if new higher entry rates differ from previous ones. (*Ibid.*) Recruitment difficulty is a factor to the extent that a specific extraordinary skill should be difficult to recruit, even though some applicants are qualified in the general skills of the class. (*Ibid.*)

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action⁶. (Gov. Code § 19836 subd. (b).)

Appointing authorities may request/approve HAMS for former Legislative employees who are appointed to a civil service class and received eligibility for appointment pursuant to Government Code section 18990. (Human Resources Manual Section 1707.) The salary received upon appointment to civil service shall be in accordance with the salary rules specified in the California Code of Regulations. (*Ibid.*) A salary determination is completed comparing the maximum salary rate of the former legislative class and the maximum salary rate of the civil service class to determine applicable salary and anniversary regulation. (*Ibid.*) Typically, the legislative employees are compensated at a higher rate of pay; therefore, they will be allowed to retain the rate they last received, not to exceed the maximum of the civil service class. (*Ibid.*)

Appointing authorities may request/approve HAMS for former exempt employees appointed to a civil service class. (Human Resources Manual Section 1707.) The salary received upon appointment to civil service shall be competitive with the employee's salary in the exempt appointment. (*Ibid.*) For example: An employee appointed to a civil service class which is preceded by an exempt appointment may be appointed at a salary rate comparable to the exempt appointment up to the maximum of the salary range for the civil service class. (*Ibid.*)

During the period under review, July 1, 2016 to June 30, 2017, the CWDB authorized one HAM request. The CRU reviewed the authorized HAM request to determine if the CWDB correctly applied Government Code section 19836 and appropriately verified, approved and documented the candidate's extraordinary qualifications and subsequent salary, which is listed below:

⁶ Except that if the provisions of a memorandum of understanding requires the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Classification	Status	Salary Range	Salary
Staff Services Manager I	List Appointment	\$5,311-\$6,598	\$6,598

FINDING NO. 10 – Hiring Above Minimum Request Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found that the HAM request the CWDB made during the compliance review period satisfied civil service laws, Board rules and CalHR policies and guidelines.

Leave

Administrative Time Off

ATO is a form of paid administrative leave status initiated by appointing authorities for a variety of reasons. (Human Resources Manual Section 2121.) Most often, ATO is used when an employee cannot come to work because of a pending investigation, fitness for duty evaluation, or when work facilities are unavailable. (*Ibid.*) ATO can also be granted when employees need time off for reasons such as blood or organ donation; extreme weather preventing safe travel to work; states of emergency; voting; and when employees need time off to attend special events.

During the period under review, November 1, 2016 to October 31, 2017, the CWDB placed one employee on ATO. The CRU reviewed the ATO appointment to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which is listed below:

Classification	Time Frame	No. of Hours on ATO
Associate Governmental Program Analyst	10/11/17-10/12/17	13

FINDING NO. 11 – Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU found no deficiencies in the ATO authorized during the compliance review period. The CWDB provided the proper documentation justifying the use of ATO and adhered to applicable laws, regulations and CalHR policy and guidelines.

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 PML 2015-007 and the Human Resources 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, August 1, 2017 to October 31, 2017, the CWDB reported two units comprised of 63 active employees during the compliance review period. The pay periods and timesheets reviewed by the CRU are summarized as follows:

Timesheet Leave Period	Number of Units Reviewed	Number of Employees	Number of Timesheets Reviewed
August 2017	1	23	23
October 2017	1	22	22

FINDING NO. 12 – Department Has Not Implemented a Monthly Internal Audit Process to Verify Timesheets are Keyed Accurately and Timely

Summary: During the August and October 2017 pay periods, the CWDB did not complete Leave Activity Correction forms until April 2018 for both units. As such, the CWDB was unable to demonstrate that they implemented a monthly internal audit process to verify all leave input was keyed accurately and timely.

Criteria: In accordance with California Code of Regulations, title 2, section 599.665, departments are responsible for maintaining accurate and timely leave accounting records for their employees. In an effort to ensure departmental compliance, "all departments shall create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. This includes all leave types accrued/earned or used by all employees on a monthly basis, regardless of whether leave records are system generated or manually keyed" (Human Resources Manual Section 2101).

Severity: Non-Serious or Technical. In order for department leave accounting reports to reflect accurate data, the review of the leave accounting records and corrections, if necessary, are to be completed by the pay period following the pay period in which the leave was keyed into the leave accounting system. This process allows departments to make required corrections prior to the next monthly leave activity report being produced.

Cause: The CWDB states this finding is due to the department's lack of training and follow-up. The EDD is working to implement the EDD Enterprise Time Reporting System, designed to interface with the State Controller's Office Leave Accounting System using information input directly/solely from the timesheet. Using this single source of data, information will be transmitted timely, with no risk of error since most will be caught when the timesheet is prepared.

Action: The CWDB must take appropriate steps to ensure that their monthly internal audit process is documented. It is therefore recommended that no later than 60 days after the SPB's Executive Officer's approval of these findings and recommendations, the CWDB must incorporate completion of Leave Activity and Correction Certification forms for all leave records reviewed.

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 agreement⁷. 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).

⁷ 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.

In accordance with the Human Resources 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.

During the period under review, January 1, 2017 to December 31, 2017, the CWDB reported two employees who exceeded established limits of vacation or annual leave. The CRU reviewed the 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 ⁸	Leave Reduction Plan Provided
Staff Services Manager I	S01	68	Yes
Staff Services Manager III	M01	187	Yes

FINDING NO. 13 – Leave Reduction Complied with Civil Service Laws and CalHR Policies and Guidelines

The CRU reviewed employee vacation and annual leave to ensure that those employees who have significant leave balances over established limits have a leave reduction plan in place. In addition, the CRU reviewed the department's leave reduction policy to verify its compliance with applicable rules, and to ensure its accessibility to employees. Based on our review, the CRU found no deficiencies in these areas.

State Service

An employee who has 11 or more working days of service in a monthly pay period shall be considered to have a complete month, a month of service, or continuous service⁹ (Cal. Code Regs., tit. 2, § 599.608).

Hourly or daily rate employees working at a department in which the full-time workweek is 40 hours who earn the equivalent of 160 hours of service in a monthly pay period or accumulated pay periods shall be considered to have a complete month, a month of service, or continuous service (Cal. Code Regs., tit. 2, § 599.609).

For each additional qualifying monthly pay period as defined in section 599.608, the employee shall be allowed credit for vacation with pay on the first day of the following monthly pay period.

⁸ As of December 31, 2016.

⁹ Except as provided in sections 599.609 and 599.776.1(b) of these regulations, in the application of Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, 19997.4 and sections 599.682, 599.683, 599.685, 599.687, 599.737, 599.738, 599.739, 599.740, 599.746, 599.747, 599.787, 599.791, 599.840 and 599.843 of these regulations.

When computing months of total state service to determine a change in the monthly credit for vacation with pay, only qualifying monthly pay periods of service before and after breaks in service shall be counted. Portions of non-qualifying monthly pay periods of service shall not be counted nor accumulated (Cal. Code Regs., tit. 2, § 599.739). On the first day following a qualifying monthly pay period, excluded employees¹⁰ shall be allowed credit for annual leave with pay (Cal. Code Regs., tit. 2, § 599.752).

Permanent Intermittent employees earn vacation according to the preceding schedule for each increment of 160 hours worked. Hours worked in excess of 160 hours in a monthly pay period are not counted or accumulated.

During the period under review, July 1, 2016 to June 30, 2017, the CWDB had one employee with a non-qualifying pay period 715 transaction¹¹. The CRU reviewed the 715 transaction to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which is listed below:

Type of 715 Transaction	Time base	Number Reviewed
Non-Qualifying Pay Period	Full Time	1

FINDING NO. 14 – Incorrect Application of 715 Transaction

Summary: During the period under review, an employee received state service for a non-qualifying pay period.

Criteria: The state recognizes two different types of absences while an employee is on pay status: paid and unpaid. Unpaid absences can affect whether a pay period is considered to be a qualifying or non-qualifying pay period for State Service and leave accruals. In the application of Government Code section 19837, an employee shall be considered to have a month of state service if the employee either: (1) has had 11 or more working days of service in a monthly pay period; or (2) would have had 11 or more working days of service in a monthly pay period but was laid off or on a leave of absence for the purpose of lessening the impact of an impending layoff.

¹⁰ As identified in Government Code sections 19858.3(a), 19858.3(b), or 19858.3(c) as it applies to employees excluded from the definition of state employee under section Government Code 3513(c), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

¹¹ 715 transaction code is used for: temporary leaves of 30 calendar days or less (per SPB Rule 361) resulting in a non-qualifying pay period; used for qualifying a pay period while on NDI; used for qualifying a pay period while employee is on dock or furlough.

Full time and fractional employees who work less than 11 working days in a pay period will have a non-qualifying month and will not receive State Service or Leave Accruals for that month. (California code of Regulations, title 2, section 599.608). Hourly or daily rate employees working a state agency in which the fulltime workweek is 40 hours who earn the equivalent of 160 hours of service in a monthly pay period will have a non-qualifying month and not be eligible to receive State Service or Leave Accruals for that month. (California Code of Regulations, title 2, section 599.609.)

Severity: Very Serious. Failure to accurately apply 715 transactions resulted in an employee receiving incorrect state service and/or leave accruals.

Cause: The CWDB states this finding is due to the department's lack of training and oversight. At present, the CWDB utilizes a Report of Employee Leave Totals generated with monthly leave balances and timekeepers are encouraged to maintain and reconcile employee leave cards. However, there is currently no mechanism in place to identify records where an accrual was erroneously given to an active employee. EDD is working to implement the EDD Enterprise Time Reporting System, to be equipped to report such discrepancies in the future.

Action: The CWDB must take appropriate steps to ensure State Service (715) Transactions are keyed accurately. It is therefore recommended that no later than 60 days after the SPB's Executive Officer's approval of these findings and recommendations, the CWDB must establish an audit system to key and correct State Service (715) Transactions.

Policy

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 (Human Resources Manual Section 1204).

FINDING NO. 15 – Department Does Not Maintain a Current Written Nepotism Policy

Summary: The CWDB does not maintain a current written nepotism policy designed to prevent favoritism or bias in the recruiting, hiring, or assigning of employees.

Criteria: 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 (Human Resources Manual Section 1204).

Severity: Very Serious. Departments must take proactive steps to ensure that the recruitment, hiring, and assigning of all employees is done on the basis of merit and fitness in accordance with civil service statutes. The maintaining of a current written nepotism policy, and its dissemination to all staff, is the basis for achieving these ends.

Cause: The CWDB states it provides its employees with the EDD’s nepotism policy. The CWDB utilizes all of the EDD’s Human Resources and Administrative policies, including the nepotism policy. The CWDB states it is currently developing an in-house human resources policy handbook.

Action: The CWDB took steps to disseminate an anti-nepotism notice dated April 12, 2019 to all staff. In addition, the CWDB developed a corrective action plan specifying that it will submit to the CRU a written nepotism policy that the department will implement. It is therefore recommended that no later than 60 days after the SPB’s Executive Officer’s approval of these findings and recommendations the CWDB submit a written report of compliance to CRU with documentation demonstrating compliance with the Human Resources 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).

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 (State Fund) office to discuss the status of volunteers. (Human Resources Manual Section 1415.) In this case, the CWDB did not employ volunteers during the compliance review period.

FINDING NO. 16 – Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

After reviewing the CWDB's workers' compensation process that was in effect during the compliance review period, the CRU verified that when the CWDB provides notice to their employees to inform them of their rights and responsibilities under CA Workers' Compensation Law.

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 10 permanent CWDB employees for review to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations and CalHR policy and guidelines.

FINDING NO. 17 – Performance Appraisals Were Not Provided to All Employees

Summary: The CWDB did not provide performance appraisals to four of 10 non- probationary employees.

Classification
Associate Government Program Analyst
Information Technology Specialist I
Staff Services Manager I (Specialist)
Staff Services Manager III

Criteria: Departments are required to “prepare performance reports and keep them on file as prescribed by department rule” (Government Code section 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 employees are apprised of work performance issues and/or goals in a fair and systematic manner.

Cause: The CWDB states that it did not have a tracking mechanism to ensure completion of timely performance appraisals. The CWDB states it is current with all annual performance appraisals.

Action: The CWDB has submitted a corrective action plan that addresses the corrections the department has implemented to ensure conformity with Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798; therefore no further action is required at this time.

DEPARTMENTAL RESPONSE

The CWDB’s response is attached as Attachment 1.

SPB REPLY

It is further recommended that the CWDB comply with the afore-stated recommendations and submit documentation to the CRU within 60 days that shows all corrective actions have been implemented.

The California Workforce Development Board (CWDB) would like to thank the Compliance Review team for their dedication and professionalism throughout this process. The CWDB takes compliance issues very seriously and has taken steps to ensure both current and future compliance. The CWDB strives to ensure compliance with all civil services laws; maintain the integrity of the State's merit-based selection processes; and employ the best practices identified during the review. This letter serves as both a corrective action plan and report of compliance addressing the findings issued in the State Personnel Board (SPB) Compliance Review Report for the CWDB dated April 11, 2019

Finding No. 1 – Probationary evaluations were not provided for all appointments reviewed.

Cause: The CWDB did not have an established procedure or process to ensure evaluations were completed timely.

The CWDB has implemented a process to prevent this issue going forward. The CWDB will submit a written corrective action plan that addresses this finding.

Finding No. 2 – Equal Employment Opportunity questionnaires were not separated from applications.

Cause: The CWDB did not have sufficient training related to the proper processing of EEO information and this was an inadvertent oversight.

The CWDB has shifted to the online application process through the Examination and Certification Online System (ECOS), which, in combination with proper controls, ensures that equal employment opportunity (EEO) information is not disclosed to staff or management. The CWDB will submit a written corrective action plan that addresses this finding.

Finding No. 3 – A Disability Advisory Committee has not been established. (Attachments)

The CWDB has a Disability Advisory Committee. CWDB has contracted with EDD for EEO services. The EDD DAC has not had a meeting in 2019. The EDD DAC lost many of its members due to staff moves to other offices and retirement. Recruitment is

scheduled for October 2019 to coincide with National Disability Employment Awareness Month. The CWDB will submit a written corrective action plan that addresses this finding.

Finding No. 4 – Equal Employment Opportunity Officer does not report directly to the head of the agency. (Attachments)

Cause: The CWDB reorganized its administrative functions when refilling behind the previous incumbent and inadvertently omitted this responsibility.

The CWDB has modified its Chief Deputy Director's duty statement to include EEO Officer responsibilities. The CWDB will submit a written corrective action plan that addresses this finding and includes a revised duty statement.

Finding No. 5 – Sufficient justification was not provided for all personal services contracts.

Cause: The CWDB did not have sufficient training or established procedures to ensure employees completed the contract request forms correctly.

The CWDB has provided refresher training for all employees who fill out form 7409, the contract request form. Government Code 19130, subdivision (b), part of form 7409 is for any personal services contract which exceeds \$25,000. The CWDB will submit a written corrective action plan that addresses this finding.

Finding No. 6 – Union was not notified of personal services contract.

Cause: The CWDB did not have an established procedure to ensure the correct information was submitted to the union.

The CWDB is working with the EDD contract unit to ensure all future personal services contracts are sent to the Union and documentation is kept with the executed contract. The CWDB will submit a written corrective action plan that addresses this finding.

Finding No. 7 – Ethics training was not provided for all filers.

Cause: The CWDB did not have an effective tracking system to notify, follow-up and ensure the completion of Ethics training.

The CWDB has corrected the issue. All staff have completed their ethics training as of March 18, 2019. The CWDB has also implemented a more thorough tracking system to ensure that all staff are in compliance going forward. The CWDB will submit a written corrective action plan that ensures compliance with ethics training mandates.

Finding No. 12 – Department has not implemented a monthly internal audit process to verify timesheets are keyed accurately and timely. (Attachments)

Cause: Lack of training and follow-up.

In partnership with EDD, the CWDB will incorporate leave activity and correction certification forms for all leave records reviewed within 60 days of the SPB Executive Officer's approval of this finding.

Finding No. 14 – Incorrect application of 715 transaction. (Attachments)

Cause: Lack of training and oversight.

In partnership with the EDD, the CWDB will submit a written corrective action plan that addresses this finding.

Finding No. 15 – Department does not maintain a current written nepotism policy.

Cause: The CWDB provides employees with the Employment Development Department's Nepotism Policy.

The CWDB utilizes all EDD human resource and administrative policies, including the nepotism policy, and is currently developing an in-house human resources policy handbook. The board also regularly puts out information with respect to nepotism and the negative effects of not hiring based on merit and fitness. The CWDB will submit a corrective action plan and develop a nepotism policy.

Finding No. 17 – Performance Appraisals were not provided to all employees

Cause: A tracking mechanism did not exist to ensure completion of timely performance appraisals.

The CWDB has since corrected the issue. The CWDB is current with all annual performance appraisals. The CWDB will submit a corrective action plan that addresses this finding.