COMPLIANCE REVIEW REPORT

SACRAMENTO – SAN JOAQUIN DELTA CONSERVANCY

Compliance Review Unit
State Personnel Board
February 10, 2020

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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.

Pursuant to Government Code section 18502, subdivision (c), the SPB and the California Department of Human Resources (CalHR) may "delegate, share, or transfer between them responsibilities for programs within their respective jurisdictions pursuant to an agreement." SPB and CalHR, 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.

It should be noted that this report only contains findings from this hiring authority's compliance review. Other issues found in SPB appeals and special investigations as well as audit and review findings by other agencies such as the CalHR and the California State Auditor are reported elsewhere.

EXECUTIVE SUMMARY

The CRU conducted a routine compliance review of the Sacramento – San Joaquin Delta Conservancy (Conservancy) personnel practices in the areas of examinations, appointments, EEO, PSC's, mandated training, compensation and pay, leave, and policy and processes. The following table summarizes the compliance review findings.

Area	Finding
Appointments	Probationary Evaluations Were Not Timely
Equal Employment Opportunity	Equal Employment Opportunity Officer's Duty Statement Does Not Reflect EEO Duties
Personal Services Contracts	Unions Were Not Notificed of Personal Services Contracts
Mandated Training	Ethics Training Was Not Provided for All Filers
Compensation	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Leave	Department Did Not Properly Monitor Time Worked for All Positive Paid Employees
Leave	Administrative Time Off Was Not Properly Documented
Leave	Incorrectly Posted Leave Usage and/or Leave Credit
Leave	Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input Is Keyed Accurately and Timely
Leave	Leave Reduction Plans Were Not Provided to Employees Whose Leave Balances Exceeded Established Limits
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

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 Conservancy is a state agency within the Natural Resources Agency, established in 2010. The Conservancy is governed by an 11-member Board, with assistance from 12 Liaison Advisors. Collectively, they represent the five Delta counties, local nonprofits, special districts, and state and federal agencies. The Conservancy's service area is the statutory Delta and Suisun Marsh, approximately 1,300 square miles with more than 1,000 miles of levees and waterways.

The mission of the Conservancy is to support efforts that advance both environmental protection and the economic well-being of Delta residents in a complementary manner. The Conservancy's activities include protecting and enhancing habitat and habitat restoration; protecting and preserving Delta agriculture and working landscapes; providing increased opportunities for tourism and recreation; promoting Delta legacy communities and economic vitality in the Delta; increasing the resilience of the Delta to the effects of climate change and natural disasters such as floods and earthquakes; protecting and improving water quality; assisting the Delta regional economy; identifying priority projects and initiatives for which funding is needed; conducting activities to protect, conserve, and restore the region's physical, agricultural, cultural, historical, and living resources; assisting local entities in the implementation of their habitat conservation plans and natural community conservation plans; facilitating protection and safe harbor agreements under the federal Endangered Species Act of 1973 and the California Endangered Species Act for adjacent land owners and local public agencies; and promoting environmental education. The Conservancy acts as a primary state agency to implement ecosystem restoration in the Delta and supports efforts that advance environmental protection and the economic well-being of the Delta residents.

The Department of General Services (DGS) performs human resources operations for the Convervancy.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the Conservancy's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes[1]. The primary objective of the review was to determine if the Conservancy'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.

The Conservancy did not conduct any examinations or permanent withhold actions during the compliance review period

A cross-section of the Conservancy'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 Conservancy provided, which included Notice of Personnel Action (NOPA) forms, Request for Personnel Actions (RPA's), vacancy postings, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports.

The Conservancy did not conduct any unlawful appointment investigations or make any additional appointments during the compliance review period.

The Conservancy's appointments were also selected for review to ensure the Conservancy applied salary regulations accurately and correctly processed employees' compensation and pay. The CRU examined the documentation that the Conservancy provided, which included employees' 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 Conservancy did not issue or authorize hiring above minimum (HAM) requests, red circle rate requests, arduous pay, bilingual pay, monthly pay differentials, alternate range movements or out-of-class assignments.

The review of the Conservancy'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 reasonable accommodation program; the discrimination complaint process; and the Disability Advisory Committee (DAC).

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

The Conservancy's PSC's were also reviewed.[2] It was beyond the scope of the compliance review to make conclusions as to whether the Conservancy's justifications for the contracts were legally sufficient. The review was limited to whether the Conservancy's practices, policies, and procedures relative to PSC's complied with procedural requirements.

The Conservancy'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 training and sexual harassment prevention training within statutory timelines.

The CRU also identified the Conservancy'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 Conservancy to provide a copy of their leave reduction policy.

The CRU reviewed the Conservancy's Leave Activity and Correction Certification forms to verify that the Conservancy 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 Conservancy's units in order to ensure they maintained accurate and timely leave accounting records. Additionally, the CRU reviewed a selection of the Conservancy employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRU reviewed a selection of Conservancy positive paid employees whose hours are tracked during the compliance review period in order to ensure that they adhered to procedural requirements.

During the compliance review period, the Conservancy did not have any employees with non-qualifying pay period transactions.

Moreover, the CRU reviewed the Conservancy's policies and processes concerning nepotism, workers' compensation, and performance appraisals. The review was limited

[2]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.

to whether the Conservancy's policies and processes adhered to procedural requirements.

The Conservancy elected not to have an exit conference. The CRU received and carefully reviewed the Conservancy's written response on January 29, 2020, 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.) The hiring process for eligible candidates chosen for job interviews shall be competitive and be designed and administered to hire candidates who will be successful. (Cal. Code Regs., tit. 2, § 250, subd. (b).) Interviews shall be conducted using job-related criteria. *(Ibid.)* Persons selected for appointment shall satisfy the minimum qualifications of the classification to which he or she is appointed or have previously passed probation and achieved permanent status in that same classification. (Cal. Code Regs., tit. 2, § 250, subd. (d).) While persons selected for appointment may meet some or most of the preferred or desirable qualifications, they are not required to meet all the preferred or desirable qualifications. *(Ibid.)* This section does not apply to intra-agency job reassignments. (Cal. Code Regs., tit. 2, § 250, subd. (e).)

During the period under review, August 1, 2018, through July 30, 2019, the Conservancy made five 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	2
Staff Services Analyst	Certification List	Permanent	Full Time	1
Staff Services Manager I	Certification List	Permanent	Full Time	1
Office Technician (Typing)	LEAP	Temporary	Full Time	1

FINDING NO. 1 – Probationary Evaluations Were Not Timely

Summary: The Conservancy did not prepare two probationary reports of performance in a timely manner.

Classification	Appointment Type	Number of Appointments	Total Number of Late Probation Reports
Associate Governmental Program Analyst	Certification List	1	2

Criteria: The service of a probationary period is required when an employee enters or is promoted 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 the department rules 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 Conservancy acknowledges it was delinquent in completing two probrationary reports for one employee.

Corrective Action: Within 60 days of the date of this report, the Conservancy must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate conformity with California Code of Regulations, title 2, section 599.795. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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; 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).)

Pursuant to Government Code section 19795, subdivision (a), in a state agency with less than 500 employees, like Conservancy, the EEO Officer may be the Personnel Officer.

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. 2 – Equal Employment Opportunity Officer's Duty Statement Does Not Reflect EEO Duties

Summary: An Environmental Program Manager II serves as the Conservancy's EEO Officer. Although the Conservancy EEO program outlines the roles and responsibilities of the EEO Officer, the Environmental Program Manager II's duty statement provided by the Conservancy does not contain EEO Officer related duties.

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).) The EEO Officer shall, among other duties, analyze and report on appointments of employees, bring issues of concern regarding EEO to the appointing power and recommend appropriate action, and perform other duties necessary for the effective implementation of the agency EEO plans. (Gov. Code, § 19795, subd. (a).)

Severity: Very Serious. The EEO Officer is responsible for developing, implementing, coordinating, and monitoring an effective EEO program. Due to the substantial responsibilities held by each department's EEO Officer, it is essential that each department dedicate sufficient staff resources to successfully maintain an effective EEO program.

Cause: The Conservancy acknowledges that the Deputy Executive Officer's duty statement was not updated to reflect EEO duties due to staff turnover.

Corrective Action: Within 60 days of the date of this report, the Conservancy must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate conformity with Government Code section19795, subd. (a). Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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, but are not limited to, 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, August 1, 2018, through July 30, 2019, the Conservancy had eight PSC's that were in effect. The CRU reviewed six of those, which are listed below:

Vendor	Services	Contract Dates	Contract Amount	Justification Identified?
Aquatic Science Center	Delta Science Tracker	8/20/18 - 4/30/19	$45,000	Yes
Aquatic Science Center	Juvenile Salmon Habitat Criteria	10/15/18 - 10/31/19	$143,000	Yes
HydroFocus, Inc.	Carbon Educational and Marketing Materials Development	6/1/19 - 5/30/21	$44,925	Yes
SCS Global Services	American Carbon Registry (ACR) Validation and Verification	6/17/19 - 9/30/19	$19,290	Yes
Sonoma Ecology Center	Arundo Control and Eradication	7/12/14 - 12/31/19	$539,957	Yes
Suisun Resource Conservation District	Suisun Marsh Assessment	12/1/17 - 12/31/18	$57,750	Yes

FINDING NO. 3 – Unions Were Not Notified of Personal Services Contract

Summary: The Conservancy did not notify unions prior to entering into all six PSC's reviewed.

Criteria: The contract shall not be executed until the state agency proposing to execute the contract has notified all organizations that represent state employees who perform the type of work to be contracted. (Gov. Code, § 19132, subd. (b)(1).)

Severity: Serious. Unions must be notified of impending personal services contracts in order to ensure they are aware contracts are being proposed for work that their members could perform.

Cause: The Conservancy asserts unions were notified prior to entering into all the PSCs, however the Conservancy acknowledges it is unable to provide proof of notification.

Corrective Action: Within 60 days of the date of this report, the Conservancy must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate conformity with the requirements of Government Code section 19132. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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), & 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 biennial 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 Conservancy's mandated training program that was in effect during the compliance review period, August 1, 2017, to July 30, 2019. The Conservancy's supervisory training and sexual harassment prevention training were found to be in compliance, while the Conservancy's ethics training was found to be out of compliance.

FINDING NO. 4 – Ethics Training Was Not Provided for All Filers

Summary: The Conservancy provided ethics training to two of two new filers within six months of their appointment. However, the Conservancy did not provide ethics training to two of ten existing filers.

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 Conservancy states that its Administration Unit monitors and notifies employees when mandatory trainings are due. Notifications were sent to employees, but unfortunately due to an administrative oversight, one employee did not complete the training in 2017 and another employee inadvertently completed the training on December 22, 2016, 10 days too early to be recognized as completed in calendar year 2017.

Corrective Action: Within 60 days of the date of this report, the Conservancy must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate that all filers are provided ethics training within the time periods prescribed. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Compensation

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

Typically, agencies appoint employees to the minimum rate of the salary range for the class. Special provisions for appointments above the minimum exist to meet special recruitment needs and to accommodate employees who transfer into a class from another civil service class and are already receiving salaries above the minimum.

During the period under review, August 1, 2018, through July 30, 2019, the Conservancy made five appointments. The CRU reviewed all five appointments to determine if the

[3] "Rate" is any one of the salary rates in the resolution by CalHR which establishes the salary ranges and steps of the Pay Plan (Cal. Code Regs., tit. 2, section 599.666).

Conservancy applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	$4,975
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	$4,975
Staff Services Analyst	Certification List	Permanent	Full Time	$3,992
Staff Services Manager I	Certification List	Permanent	Full Time	$5,917
Office Technician (Typing)	LEAP	Temporary	Full Time	$3,038

FINDING NO. 5 – Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found no deficiencies in the salary determinations that were reviewed. The Conservancy 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.

Leave

Positive Paid Employees

Actual Time Worked (ATW) is a method that can be used to keep track of a Temporary Authorization Utilization (TAU) employee's time to ensure that the Constitutional limit of 9 months in any 12 consecutive months is not exceeded. The ATW method of counting time is used in order to continue the employment status for an employee until the completion of an examination, for seasonal type work, while attending school, or for consulting services.

An employee is appointed TAU-ATW when he/she is not expected to work all of the working days of a month. When counting 189 days, every day worked, including partial

days[4] worked and paid absences, [5] is counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) The hours worked in one day is not limited by this rule. *(Ibid.)* The 12-consecutive month timeframe begins by counting the first pay period worked as the first month of the 12-consecutive month timeframe. *(Ibid.)* The employee shall serve no longer than 189 days in a 12 consecutive month period. *(Ibid.)* A new 189-days working limit in a 12-consecutive month timeframe may begin in the month immediately following the month that marks the end of the previous 12-consecutive month timeframe. *(Ibid.)*

It is an ATW appointment because the employee does not work each workday of the month, and it might become desirable or necessary for the employee to work beyond nine calendar months. The appointing power shall monitor and control the days worked to ensure the limitations set forth are not exceeded. (Cal. Code Regs., tit. 2, § 265.1, subd. (f).)

For student assistants, graduate student assistants, youth aides, and seasonal classifications a maximum work-time limit of 1500 hours within 12 consecutive months may be used rather than the 189-day calculation. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

Generally, permanent intermittent employees may work up to 1500 hours in any calendar year. (Applicable Bargaining Unit Agreements.) However, Bargaining Unit 6 employees may work up to 2000 hours in any calendar year.

Additionally, according to Government Code section 21224, retired annuitant appointments shall not exceed a maximum of 960 hours in any fiscal year (July-June), regardless of the number of state employers, without reinstatement, loss or interruption of benefits.

At the time of the review, the Conservancy had two employees who hours were tracked. The CRU reviewed two of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Time Base	Time Frame	Time Worked
Associate Governmental Program Analyst	Intermittent	3/6/19-6/30/19	402.5 Hours
Environmental Scientist	Intermittent	1/1/18-12/31/18	1501.5 Hours

[4] For example, two hours or ten hours counts as one day.
[5] For example, vacation, sick leave, compensating time off, etc.

FINDING NO. 6 –	Department Did Not Properly Monitor Time Worked for All Positve Paid Employees

Summary: The Conservancy did not consistently monitor the actual number of hours worked in order to ensure that positive paid employees did not exceed the 1,500-hour limitation in any calendar year. Specifically, the following employee exceeded the 1,500-hour limitation:

Classification	Tenure	Time Frame	Time Worked	Time Worked Over Limit
Environmental Scientist	Permanent	1/1/18-12/31/18	1501.5 Hours	1.5 Hours

Criteria: A permanent intermittent employee may work up to 1,500 hours in any calendar year. The number of hours and schedule of work shall be determined based upon the operational needs of each department. (Applicable Bargaining Unit Agreements)

Severity: Serious. The number of days or hours an individual may work in a permanent intermittent appointment is limited in the state civil service. To ensure permanent intermittent appointments are not made on a full-time basis, a maximum of 1,500 hours has been placed on the number of hours which a permanent intermittent employee may work in any calendar year.

Cause: The Conservancy states an employee inadvertently included the same day, January 31, 2018, on the employee's January 2018 and February 2018 timesheets and the error was not caught by the employee's supervisor. Thereafter, DGS duplicated the error when entering the leave time into the Leave Accounting System (LAS). Although the employee did not work more than the maximum hours allowed, the LAS incorrectly indicated the employee had.

Corrective Action: Within 60 days of the date of this report, the Conservancy must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate conformity with Government Code section 21224 and California Code of Regulations, title 2, section 599.665. Copies of relevant documentation demonstrating that the corrective action has been

implemented must be included with the corrective action response.

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. *(Ibid.)*

During the period under review, May 1, 2018, through April 30, 2019, the Conservancy placed three employees on ATO. The CRU reviewed three of these ATO appointments to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	Amount of Time on ATO
Environmental Scientist	8/6/18 10/1/18 11/26/18 1/28/19 4/8/19	2 hours per occurance
Environmental Scientist	8/6/18 1/28/19	1.5 Hours 2 Hours
Senior Environmental Scientist	1/23/19	2 Hours

FINDING NO. 7 – Administrative Time Off Was Not Properly Documented

Summary: The Conservancy did not document ATO in conformity with the established policies and procedures. Of the eight authorizations reviewed by the CRU, one of eight authorizations was found to be out of compliance. Specifically, the employee's ATO hours were not keyed correctly into the Leave Accounting System (LAS). The timesheet showed two hours of ATO but the LAS showed three hours of ATO.

Criteria: Appointing authorities are authorized to approve ATO for up to five (5) working days. (Gov. Code, § 19991.10.) Furthermore, they "have delegated authority to approve up to 30 calendar days." (Human Resources Manual Section 2121.) Any ATO in excess of 30 calendar days must be approved in advance by the CalHR. *(Ibid.)* In most cases, if approved, the extension will be for an additional 30 calendar days. *(Ibid.)* The appointing authority is responsible for submitting ATO extension requests to CalHR at least 5 working days prior to the expiration date of the approved leave. *(Ibid.)*

When requesting an ATO extension, the appointing authority must provide a justification establishing good cause for maintaining the employee on ATO for the additional period of time. *(Ibid.)* ATO may not be used and will not be granted for an indefinite period. *(Ibid.)* If CalHR denies a request to extend ATO, or the appointing authority fails to request approval from CalHR to extend the ATO, the employee must be returned to work in some capacity. *(Ibid.)*

Regardless of the length of ATO, appointing authorities must maintain thorough documentation demonstrating the justification for the ATO, the length of the ATO, and the approval of the ATO. *(Ibid.)*

Severity: Serious. Because an employee on ATO is being paid while not working, a failure to closely monitor ATO usage could result in costly abuse. The use of ATO is subject to audit and review by CalHR and other control agencies to ensure policy compliance. Findings of non-compliance may result in the revocation of delegated privileges.

Cause: The Conservancy contracts with DGS to provide HR services. DGS is responsible for keying time into the LAS. DGS keyed an extra hour of ATO for one employee into the LAS.

Corrective Action: Within 60 days of the date of this report, the Conservancy must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate conformity with Government Code section 19991.10 and Human Resources Manual Section 2121. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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.)

Departments are directed to create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. (Human Resources Manual Section 2101.) Departments shall create an audit process to review and correct leave input errors on a monthly basis. The review of leave accounting records shall be completed by the pay period following the pay period in which the leave was keyed into the leave accounting system. *(Ibid.)* 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. *(Ibid.)* Attendance records shall be corrected by the pay period following the pay period in which the error occurred. *(Ibid.)* Accurate and timely attendance reporting is required of all departments and is subject to audit. *(Ibid.)*

During the period under review, February 1, 2019, through April 30, 2019, the Conservancy reported 1 unit comprised of 35 active employees. The pay periods and timesheets reviewed by the CRU are summarized below:

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
February 2019	100	11	11	0
March 2019	100	12	12	0
April 2019	100	12	12	0

FINDING NO. 8 – Incorrectly Posted Leave Usage and/or Leave Credit

Summary: The Conservancy did not correctly enter 2 of 35 timesheets into LAS during the March 2019 and April 2019 pay periods. As a result, two employees retained their prior leave balances despite having used leave credits.

Criteria: Departments shall create a monthly internal audit process to verify that all leave input into any leave accounting system is keyed

accurately and timely. (Human Resources Manual Section 2101.) 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. *(Ibid.)* Attendance records shall be corrected by the pay period following the pay period in which the error occurred. *(Ibid.)*

Severity: Very serious. Errors in posting leave usage and/or leave credits puts the department at risk of incurring additional costs from the initiation of collection efforts from overpayments, the risk of liability related to recovering inappropriately credited leave hours and funds, and/or the increase of the state's pension payments.

Cause: The Conservancy contracts with DGS to provide HR services. DGS is responsible for keying time into the LAS. DGS did not key the correct leave usage into the LAS for two employees.

Corrective Action: Within 60 days of the date of this report, the Conservancy must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate conformity with Human Resources Manual Section 2101. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

FINDING NO. 9 – Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input Is Keyed Accurately and Timely

Summary: The Conservany failed to provide Leave Activity and Correction Certification forms for the one unit reviewed during the February, March, and April 2019 pay periods.

Criteria: Each appointing power shall 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.) Departments are directed to create an audit process to verify all leave input is keyed accurately and timely. (Human Resources Manual Section 2101.) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. *(Ibid.)*

Severity: Serious. 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 means corrections are to be made prior to the next monthly leave activity report being produced.

Cause: The Conservancy contracts with DGS to provide HR services. DGS is responsible for keying time into the LAS. DGS provides the Conservancy with Leave Activity & Balance Reports (LABS) each month. The Conservancy acknowledges this oversight regarding not verifying the April 2019 LABS.

Corrective Action: Within 60 days of the date of this report, the Conservancy must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate that their monthly internal audit process was documented and that all leave input is keyed accurately and timely. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Leave Reduction Efforts

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. (Human Resources Manual Section 2124.)

Applicable Memorandums of Understanding and the California Code of Regulations prescribe the maximum amount of vacation or annual leave permitted. "If a represented employee is not permitted to use all of the vacation to which he or she is entitled in a calendar year, the employee may accumulate the unused portion."[6] (Cal. Code Regs., tit. 2, § 599.737.) If it appears an excluded employee will have a vacation or annual leave balance that will be above the maximum amount[7] as of January 1 of each year, the

[6] For represented employees, the established limit for annual or vacation leave accruals is 640 hours, however for bargaining unit 06 there is no established limit and for bargaining unit 05 the established limit is 816 hours.
[7] Excluded employees shall not accumulate more than 80 days.

appointing power shall require the supervisor to notify and meet with each employee so affected by the preceding July 1, to allow the employee to plan time off, consistent with operational needs, sufficient to reduce their balance to the amount permitted by the applicable regulation, prior to January 1. (Cal. Code Regs., tit. 2, § 599.742.1.)

It is the intent of the state to allow employees to utilize credited vacation or annual leave each year for relaxation and recreation, ensuring employees maintain the capacity to optimally perform their jobs. (Cal. Code Regs., tit. 2, § 599.742.1.) For excluded employees, the employee shall also be notified by July 1 that, if the employee fails to take off the required number of hours by January 1, the appointing power shall require the employee to take off the excess hours over the maximum permitted by the applicable regulation at the convenience of the agency during the following calendar year. *(Ibid.)* To both comply with existing civil service rules and adhere to contemporary human resources principles, state managers and supervisors must cultivate healthy work- life balance by granting reasonable employee vacation and annual leave requests when operationally feasible. (Human Resources Manual Section 2124.)

As of December 2018, one Conservancy employee exceeded the established limits of vacation or annual leave. The CRU reviewed the employee's leave reduction plan 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
Environmental Program Manager II	M10	231.4	No
Total		231.4	

FINDING NO. 10 – Leave Reduction Plans Were Not Provided to Employees Whose Leave Balances Exceeded Established Limits

Summary: The Conservancy did not provide a leave reduction plan for the one employee reviewed whose leave balances significantly exceeded established limits. In addition, the Conservancy did not develop and communicate a departmental leave reduction policy.

Criteria: It is the policy of the state to foster and maintain a workforce that has the capacity to effectively produce quality services expected by both internal customers and the citizens of California. (Human Resources Manual Section 2124.) Therefore, appointing authorities and state managers and supervisors must create a leave reduction policy for the organization and monitor employees' leave to ensure compliance with the departmental leave policy. Employees who have significant "over-the-cap" leave balances must have a leave reduction plan in place and be actively reducing hours. *(Ibid.)*

Severity: Non-Serious or Technical. California state employees have accumulated significant leave hours creating an unfunded liability for departmental budgets. The value of this liability increases with each passing promotion and salary increase. Accordingly, leave balances exceeding established limits need to be addressed immediately.

Cause: The Conservancy provides that the employee identified during the review transferred to the Conservancy with a balance in excess of the established maximum. The employee had received an exemption from her former department, allowing her to exceed the cap because her work was of a priority and critical nature. Upon transferring to the Conservancy, operational needs, including vacancies for which the employee had to cover, prevented the employee from significantly reducing her leave balance.

Corrective Action: Within 60 days of the date of this report, the Conservancy must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate that employees who have significant "over-the-cap" leave balances have a leave reduction plan in place. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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. (Human Resources Manual Section 1204.) Nepotism is expressly prohibited in the state workplace because it is antithetical to California's merit based civil service. *(Ibid.)*

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. *(Ibid.)* Personal relationships for this purpose include but are not limited to, association by blood, adoption, marriage and/or cohabitation. *(Ibid.)* In addition, there may be personal relationships beyond this general definition that could be subject to these policies. *(Ibid.)* All department nepotism policies should emphasize that nepotism is antithetical to a merit-based personnel system and that the department is committed to the state policy of recruiting, hiring and assigning employees on the basis of merit. *(Ibid.)*

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

The CRU verified that the policy was disseminated to all staff and emphasized the Conservancy's commitment to the state policy of recruiting, hiring and assigning employees on the basis of merit. Additionally, the Conservancy'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.

Workers' Compensation

Employers shall provide to every new employee, either 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. (Cal. Code Regs., tit. 8, § 9880 subd. (a).) This notice shall include the right to predesignate their personal physician or medical group; a form that the employee may use as an optional method for notifying the employer of the name of employee's "personal physician," as defined by Labor Code section 4600. (Cal. Code Regs., tit. 8, § 9880 subds. (c)(7) & (8).) Additionally, within one working day of receiving notice or knowledge that the employee has suffered a work related injury or illness, employers shall provide a claim form and notice of potential eligibility for benefits to the injured employee. (Labor Code, § 5401 subd. (a).)

Public employers may choose to extend workers' compensation coverage to volunteers that perform services for the organization. (Human Resources Manual Section 1415.) Workers' compensation coverage is not mandatory for volunteers as it is for employees. *(Ibid.)* This is specific to the legally uninsured state departments participating in the Master Agreement. *(Ibid.)* 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. *(Ibid.)*

In this case, the Conservancy did not employ volunteers during the compliance review period.

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

The CRU verified that the Conservancy provides notice to their employees to inform them of their rights and responsibilities under California Workers' Compensation Law. The Conservancy did not receive any workers' compensation claims during the review period.

Performance Appraisals

According to Government Code section 19992.2, subdivision (a), appointing powers 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 three permanent Conservancy employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines. These are listed below:

Classification	Date Performance Appraisals Due	Date Performance Appraisal Provided
Environmental Program Manager II	10/23/18	Not Provided
Environmental Scientist	11/8/18	10/25/18
Program Manager I	10/18/18	Not Provided

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

Summary: The Conservancy did not provide annual performance appraisals to two of three employees reviewed after the completion of the employee's probationary period.

Criteria: "Appointing powers shall prepare performance reports and keep them on file as prescribed by department rule." (Gov. Code, § 19992.2, subd. (a).) Each supervisor, as designated by the

appointing power, shall make an appraisal in writing and shall discuss with the employee overall work performance at least once in each twelve calendar months following the end of the employee's probationary period. (Cal. Code Regs., tit. 2, § 599.798.)

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 Conservancy states that its Administration Supervisor notifies supervisors and managers when staff are due for probationary and annual evaluations. Unfortunately, the Conservancy Administration Unit had a 100% turnover in staff and it took a year to rebuild the Administration Unit. Notifications were not sent, causing two employees not to receive performance appraisals.

Corrective Action: Within 60 days of the date of this report, the Conservancy must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate conformity with Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

DEPARTMENTAL RESPONSE

The Conservancy's response is attached as Attachment 1.

SPB REPLY

Based upon the Conservancy's written response, the Conservancy will comply with the corrective actions specified in these report findings. Within 60 days of the date of this report, a written corrective action response including documentation demonstrating implementation of the corrective actions specified must be submitted to the CRU.

SACRAMENTO - SAN JOAQUIN
DELTA CONSERVANCY
A California State Agency

January 29, 2020

Ms. Suzanne M. Ambrose
Executive Director
State Personnel Board
801 Capitol Mall
Sacramento, CA 95814

SUBJECT: RESPONSE TO AUDIT FINDINGS

Dear Ms. Ambrose,

This letter is in response to the draft State Personnel Board (SPB), Compliance Review Report submitted to the Sacramento-San Joaquin Delta Conservancy (SSJDC) by the Compliance Review Unit (CRU). SSJDC has reviewed the report and prepared a cause and action plan for each finding.

SSJDC take these compliance issue seriously and has started the necessary corrective actions to bring SSJDC into compliance.

Finding NO. 1 **Probationary evaluations were not timely**

Severity: Serious

Cause: SSJDC acknowledges that it was delinquent in completing two probationary reports on one employee.

Action Plan: SSJDC has updated their procedures to ensure all probationary evaluation due dates are tracked and completed in the required timeframes. The Administration Unit will send notifications and reminder communication, prior to the due date, to supervisors and managers who have not submitted their staff's probationary reports with a "cc" to the employee's supervisor. SSJDC will reiterate the importance of completing probationary evaluations in a timely manner to all supervisors/managers during executive staff meetings and monthly supervisor/manager meetings and by circulating a memo in February 2020 to supervisors and managers of the audit findings, along with the action plans.

Finding NO. 2 **Equal Employment Opportunity Officer's (EEO) duty statement does not reflect EEO duties**

Severity: Serious

Cause: SSJDC acknowledges due to staff turnover, the Deputy Executive Officer's duty statement was not updated to reflect their EEO duties.

Action Plan: As of January 2020, the Deputy Executive Officer's duty statement reflects their EEO duties. The Deputy Executive Officer is identified as the EEO on the SSJDC organization chart and has completed all the required training.

Finding NO. 3 **Unions were not notified of personal services contracts (PSC)**

Severity: Serious

Cause: SSJDC did notify the unions prior to entering into all six (6) of the PSCs reviewed, unfortunately SSJDC was unable to provide documentation showing proof the unions were notified.

Action Plan: Before the audit, SSJDC had in their contract procedures and checklist to notify unions when entering into a contract. Unfortunately, the documentation showing proof an email was sent to the unions was not being saved. SSJDC has updated its contract procedures and checklist to ensure that all necessary documentation to unions is saved and filed prior to any contract being routed for signature/approval.

Finding NO. 4 **Ethics training was not provided for all filers**

Severity: Very Serious

Cause: SSJDC Administration Unit monitors and notifies employees when mandatory trainings are due. Notifications were sent to employees, unfortunately due to an administrative oversite one employee did not complete the training in 2017 and the other employee inadvertently completed the training on December 22, 2016, 10 days too early to be recognized as completed in calendar year 2017.

Action Plan: SSJDC has updated their procedures to ensure all mandated training is tracked and completed in the required timeframes. The Administration Unit will send notifications and reminder communication prior to the due date to employees who have not returned their certificate of completion with a "cc" to the employee's supervisor. SSJDC will continue to reiterate the importance of completing mandatory training in a timely manner to all supervisors/managers by circulating a memo in February 2020 to supervisors and managers of the audit findings, along with the action plans. In addition, SSJDC will encourage supervisors/managers to consider delinquent training as part of the evaluation criteria on employee evaluations.

Finding NO. 6 **Department did not properly monitor time worked for all positive paid employees**

Severity: Serious

Cause: An employee inadvertently included the same day on two different timesheets and the error was not caught by the employee's supervisor. The SSJDC contracts with the Department of General Services (DGS)-Office of Human Resources (OHR) to provide HR services. DGS is responsible for keying time into the Leave Accounting System (LAS) for SSJDC. SSJDC approved the timesheets and DGS input eight (8) hours on the same day, January 31, 2018 into the system from the employee's January and February timesheet. Therefore, although the employee did not work more than the maximum hours allowed, the LAS incorrectly indicated he had.

Action Plan: The error was immediately corrected by DGS-OHR when initially found. SSJDC has created a spreadsheet to track and monitor monthly all positive paid employees' time worked. Starting in January 2020, SSJDC's Administration Unit will conduct monthly audits on all approved timesheets prior to submitting them to the DGS-OHR to ensure timesheets are submitted accurately. In addition, in February 2020, the Administration Unit will provide training to all staff on how to submit an accurate timesheet and training to supervisors regarding the accountability and auditing of their staff's timesheets.

Finding NO. 7 **Administrative Time Off (ATO) was not properly documented**

Severity: Serious

Cause: SSJDC contracts with the Department of General Services (DGS)-Office of Human Resources (OHR) to provide HR services. DGS-OHR is responsible for keying time into the Leave Accounting System (LAS) for SSJDC. DGS-OHR keyed an extra hour of ATO for one employee into the LAS.

Action Plan: The one error was immediately corrected by DGS-OHR when initially found. Starting in January 2020, SSJDC's Administration Unit will conduct monthly audits of leave balances and timekeeping records to verify that all leave input into the system is keyed accurately by the DGS-OHR.

Finding NO. 8 **Incorrectly posted leave usage and/or leave credit**

Severity: Very Serious

Cause: SSJDC contracts with the Department of General Services (DGS)-Office of Human Resources (OHR) to provide HR services. DGS is responsible for keying time into the Leave Accounting System (LAS) for SSJDC. DGS-OHR did not key the correct leave usage into the LAS for two employees.

Action Plan: The two errors were immediately corrected by DGS-OHR when initially found. Starting in January 2020, SSJDC' Administration Unit will conduct monthly audits of leave balances and timekeeping records to verify that all leave input into the system was keyed accurately by the DGS-OHR.

Finding NO. 9 **Department has not implemented a monthly internal audit process to verify all leave input is keyed accurately and timely**

Severity: Serious

Cause: SSJDC contracts with the Department of General Services (DGS)-Office of Human Resources (OHR) to provide HR services. DGS is responsible for keying time into the Leave Accounting System (LAS) for SSJDC. DGS-OHR provides SSJDC with Leave Activity & Balance Reports (LABS) each month. SSJDC acknowledges this oversight regarding not verifying SSJDC received the April 2019 LABS from DGS-OHR. DGS-OHR does not retain copies of SSJDC's LABS and DGS-OHR stated that after three months they are unable to obtain them from SCO.

Action Plan: SSJDC has updated their procedures to ensure SSJDC receives LABS each month from DGS-OHR and will audit them to verify all leave input is keyed accurately and timely. The Office Technician has been trained on how to request the LABS from DGS-OHR and how to audit the LABS against each employee's timesheet every month.

Finding NO. 10 **Leave reduction plans were not provided to employees whose leave balances exceeded established limits**

Severity: Non-Serious or Technical

Cause: The one employee that exceeded the limits of annual leave during the audit period transferred to the SSJDC with a balance in excess of the established maximum because the employee had received an exemption from her former department, allowing her to exceed the maximum because she was (1) required to work as a result of fire and (2) that work was of a priority and critical nature over an extended period. Upon transferring to the SSJDC, operational needs, including vacancies for which the employee had to cover, prevented the employee from significantly reducing her leave balance.

Action Plan: The SSJDC currently sends a notice to employees exceeding maximum allowable leave balances and requires an annual leave reduction plan. SSJDC will strengthen those requirements by directing the supervisor of any employee that is anticipated to have a vacation or annual leave balance that will be at or above the maximum amount as of January 1 of each year, to notify and meet with the employee by the preceding July 1 and require the employee to submit a leave reduction plan that, consistent with operational needs, reduces their leave balance to the amount permitted prior to January 1. SSJDC will track receipt of leave reduction plans and monitor employees' leave against the reduction plan biannually to ensure that employees are reducing leave balances. Also, SSJDC is in the process of updating their departmental policies, including the Leave Reduction Policy. The SSJDC expects to complete the policy updates and provide the current policies to all employees by March 2020.

Finding NO. 13 **Performance appraisals were not provided to all employees** Attachment 1

Severity: Serious

Cause: SSJDC Administration Supervisor notifies supervisors and managers when their staff are due for probationary and annual evaluations. Unfortunately, the SSJDC Administration Unit had a 100% turnover in staff and it took a year to rebuild the Administration Unit. Notifications were not sent, causing two employees not to receive performance appraisals.

Action Plan: SSJDC procedures have been updated. SSJDC now completes performance appraisals every September in order to ensure that each employee receives an annual evaluation with the exception of any employee on probation and receiving probation reports. The Administration Unit will track when probationary and annual performance appraisals are due, when they are submitted, and send managers/supervisors reminders. In addition to the emails and reminders, along with annual monitoring, the SSJDC Executive team will emphasize the importance of completing performance appraisals in executive and monthly supervisor/manager meetings and by circulating a memo in February 2020 to supervisors and managers of the audit findings, along with the action plans.

SSJDC thanks you for the opportunity to respond to the draft Compliance Review Report. If you have any questions, please contact Brenda Lusk, SSJDC Administration Supervisor, at 916-375-2084 or via email at Brenda.Lusk@deltaconservancy.ca.gov.

Sincerely,

Campbell Ingram, Executive Officer
Sacramento-San Joaquin Delta Conservancy

cc: Estella Ceja, SSMII, Department of General Services-Office of Human Resources
Amy Applegate, Personnel Officer, Department of General Services, Office of Human Resources