



COMPLIANCE REVIEW REPORT

CALIFORNIA STATE CONTROLLER'S OFFICE

Compliance Review Unit
State Personnel Board
April 29, 2016

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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 authority's personnel practices in four areas: examinations, appointments, equal employment opportunity (EEO), and personal services contracts (PSC's) 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. 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 California State Controller's Office (SCO) personnel practices in the areas of examinations, appointments, EEO, PSC's, and mandated training from November 1, 2014, through August 1, 2015. The following table summarizes the compliance review findings.

Area	Finding	Severity
Examinations	Equal Employment Opportunity Questionnaires Were Not Separated from Applications	Very Serious
Examinations	Job Analyses Were Not Developed or Used for the Examination Process	Very Serious
Appointments	Equal Employment Opportunity Questionnaires Were Not Separated from Applications	Very Serious
Appointments	Applications Were Not Date Stamped	Non-serious or Technical

Area	Finding	Severity
Equal Employment Opportunity	Equal Employment Opportunity Program Complied With All Civil Service Laws and Board Regulations	In Compliance
Personal Services Contracts	Personal Services Contracts Complied with Procedural Requirements	In Compliance
Mandated Training	Mandated Training Complied with Statutory Requirements	In Compliance

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 State Controller is the Chief Fiscal Officer of California, the eighth largest economy in the world, and is principally responsible for accountability of the state's resources. The Controller ensures the appropriate expenditure of -- and accounting for -- every taxpayer dollar, advancing the long-term sustainability and responsible stewardship of California public resources. The Controller chairs or serves on 81 state boards and commissions, and is charged with duties ranging from overseeing the administration of the nation's two largest public pension funds, to protecting our coastline, helping to build hospitals and schools, and modernizing and maintaining California's vast infrastructure. The Controller provides sound fiscal control for, and independent oversight of, more than \$100 billion in receipts and disbursements of public funds. In addition, the Controller offers fiscal guidance to local governments, and performs audit functions to uncover fraud and abuse of taxpayer dollars. The SCO employs approximately 1,393 staff.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing SCO examinations, appointments, EEO program, PSC's, and mandated training from November 1, 2014, through August 1, 2015. The primary objective of the review was to determine if SCO personnel practices, policies, and procedures complied with state civil service laws and board regulations, and to recommend corrective action where deficiencies were identified.

A cross-section of SCO examinations and appointments were selected for review to ensure that samples of various examinations and appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the SCO provided, which included examination plans, examination bulletins, job analyses, 511b's, scoring results, notice of personnel action forms, vacancy postings, application screening criteria, hiring interview rating criteria, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports.

The review of the SCO 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).

SCO PSC's were also reviewed.¹ It was beyond the scope of the compliance review to make conclusions as to whether SCO justifications for the contracts were legally sufficient. The review was limited to whether SCO practices, policies, and procedures relative to PSC's complied with applicable statutory law and board regulations.

On April 7, 2016, an exit conference was held with the SCO to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the SCO written response on April 22, 2016, which is attached to this final compliance review report.

FINDINGS AND RECOMMENDATIONS

Examinations

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

¹ If an employee organization requests the SPB to review any SPB personal services contract during the 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.

establishment of eligible lists. (Gov. Code, § 18933, subd. (a).) the advertisement shall contain such information as the date and place of the examination and the nature of the minimum qualifications. (*Ibid.*) Every applicant for examination shall file an application in the office of the SCO or a designated appointing power as directed by the examination announcement. (Gov. Code, § 18934.) Generally, the final earned rating of each person competing in any examination is to be determined by the weighted average of the earned ratings on all phases of the examination. (Gov. Code, § 18936.) Each competitor shall be notified in writing of the results of the examination when the employment list resulting from the examination is established. (Gov. Code, § 18938.5.)

During the period under review, the SCO conducted 24 examinations. The CRU reviewed 18 of the examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Applications
Accounting Analyst	Departmental Open	Qualification Appraisal Panel (QAP) ²	4/14/2015	71
Assistant Principal Claim Auditor	Departmental Promotional	QAP	1/26/2015	6
Associate Accounting Analyst	Departmental Open	QAP	4/17/2015	161
Associate Budget Analyst	Departmental Promotional	Education & Experience (E&E) ³	2/25/2015	4
Career Executive Assignment (CEA), Level B, Chief Administration and Disbursements Division	CEA	Statement Of Qualifications (SOQ) ⁴	12/31/2014	9

² The qualification appraisal panel (QAP) interview is the oral component of an examination whereby competitors appear before a panel of two or more evaluators. Candidates are rated and ranked against one another based on an assessment of their ability to perform in a job classification.

³ In an education and experience (E&E) examination, one or more raters reviews the applicants' Standard 678 application forms, and scores and ranks them according to a predetermined rating scale that may include years of relevant higher education, professional licenses or certifications, and/or years of relevant work experience.

⁴ In a statement of qualifications (SOQ's) examination, applicants submit a written summary of their qualifications and experience related to a published list of desired qualifications. Raters, typically subject matter experts, evaluate the responses according to a predetermined rating scale designed to assess their ability to perform in a job classification, assign scores and rank the competitors in a list.

Classification	Exam Type	Exam Components	Final File Date	No. of Applications
CEA, Level B, Deputy Director, 21 st Century Project Manager	CEA	SOQ	6/25/2015	6
CEA, Level B, Deputy State Controller, Fiscal Advisor	CEA	SOQ	6/16/2015	4
CEA, Level B, Deputy State Controller, Policy Legislation	CEA	SOQ	12/18/2014	15
CEA, Level B, Deputy State Controller, Taxation	CEA	SOQ	12/19/2014	5
CEA, Level C, Chief Administrative Officer	CEA	SOQ	12/31/2014	11
Chief, Information Systems Division, SCO	Open	Supplemental Application (SA) ⁵	1/9/2015	10
Computer Operator	Departmental Promotional	QAP	3/9/2015	9
Legislative Coordinator, SCO	Open	SA	1/9/2015	15
Office Services Supervisor II	Departmental Promotional	E&E	12/15/2014	15
Principal Claim Auditor	Departmental Promotional	QAP	3/9/2015	5
Senior Claim Auditor	Departmental Promotional	E&E	4/23/2015	7
Senior Personnel Specialist	Departmental Promotional	E&E	10/18/2014	9
Staff Services Management Auditor	Open	SA	12/3/2014	90

FINDING NO. 1 – Equal Employment Opportunity Questionnaires Were Not Separated From Applications

Summary: Out of 18 examinations reviewed, five examinations included applications where EEO questionnaires were not separated from

⁵ In a supplemental application (SA) examination, applicants are not required to present themselves in person at a predetermined time and place. Supplemental applications are in addition to the regular application and must be completed in order to remain in the examination. Supplemental applications are also known as "rated" applications.

the STD 678 employment application. Specifically, 205 of the 452 applications reviewed included EEO questionnaires that were not separated from the STD 678 employment application.

- 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 California Department of Human Resources (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 SCO states that current processes required the EEO page to be removed, but that there were inconsistencies with staff following directions.
- Action:** It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the SCO submit to the CRU a written corrective action plan that the department will implement to ensure that future EEO questionnaires are separated from all applications. Copies of any relevant documentation should be included with the plan.

FINDING NO. 2 – Job Analyses Were Not Developed or Used for the Examination Process

Summary: A job analysis is required for each civil service examination. The SCO did not provide job analyses for the Assistant Principal Claim Auditor; Chief, Information Systems Division (SCO); Computer Operator; Legislative Coordinator (SCO); Office Services Supervisor II; Principal Claim Auditor; Senior Claim Auditor; and Senior Personnel Specialist civil service examinations. While the SCO had subject matter experts use the knowledge, skills, and abilities (KSAs) in the classification specification to develop the examination questions and an examination analyst review the questions for relevance and appropriateness, they did not complete the required job analysis report. By completing a formal job analysis report, they are assured to have completed every aspect of the job analysis.

Classification	List Active Date	List Expiration Date	No. of Eligibles
Assistant Principal Claim Auditor	3/23/2015	3/23/2019	2
Chief, Information Systems Division, SCO	2/10/15	2/10/2019	8
Computer Operator	3/19/2015	3/19/2019	1
Legislative Coordinator, SCO	1/28/2015	1/28/2019	9
Office Services Supervisor II	1/2/2015	1/2/2019	1
Principal Claim Auditor	3/23/2015	3/23/2019	3
Senior Claim Auditor	5/7/2015	5/7/2019	6
Senior Personnel Specialist	11/5/2014	11/5/2018	5

Criteria: The Merit Selection Manual (MSM), which is incorporated in California Code of Regulations, title 2, section 50, mandates the development and use of a job analysis for the examination process. A "[j]ob analysis shall serve as the primary basis for demonstrating and documenting the job-relatedness of examination processes conducted for the establishment of eligible lists within the State's civil service." (MSM (Oct. 2003), § 2200, p. 2.) The MSM requires that JAs adhere to the legal and professional standards outlined in the JA section of the MSM, and that certain elements must be included in the JA studies. (*Ibid.*) Those requirements include the following: (1) that the JA be performed for the job for which the

subsequent selection procedure is developed and used; (2) the methodology utilized be described and documented; (3) the job analytic data be collected from a variety of current sources; (4) job tasks be specified in terms of importance or criticality, and their frequency of performance; (5) and job tasks must be sufficiently detailed to derive the requisite KSAs, and personal characteristics that are required to perform the essential tasks and functions of the job classification. (MSM, § 2200, pp. 2-3.)

Severity: Very Serious. The examinations may not have been job-related or legally defensible.

Cause: The SCO states that expectations of completed job analyses prior to June 2015 were inconsistent and, with granted exceptions as a common process, job analyses were not completed on a consistent basis.

Action: To correct this deficiency, the SCO must abolish the examination lists that have not yet expired. Within 60 days of the SPB's Executive Officer's approval of findings and recommendations, the SCO must submit to the CRU a written report of compliance verifying that the above-state examination lists have been abolished. Prior to the SCO administering any future examinations, the SCO must create and develop each examination based upon a job analysis that meets the requirements of the MSM.

Furthermore, the CRU finds the appointments that were made from the examinations that were administered without a job analysis were made in good faith, were not the fault of the appointed employees, and did not merit being voided.

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.) Except as provided by law, appointments to vacant positions shall be made from employment lists. (*Ibid.*) 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 KSAs, experience, and physical and mental fitness. (Cal. Code Regs., tit. 2, § 250, subd. (a).)

During the compliance review period, the SCO made 365 appointments. The CRU reviewed 42 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appointments
Accounting Administrator I (Specialist)	Certification List	Permanent	Full Time	3
Accounting Analyst	Certification List	Permanent	Full Time	1
Associate Accounting Analyst	Certification List	Limited Term	Full Time	3
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	1
Key Data Operator	Certification List	Permanent	Full Time	1
Office Technician (Typing)	Certification List	Permanent	Full Time	4
Payroll Officer, SCO	Certification List	Permanent	Full Time	1
Program Technician	Certification List	Permanent	Full Time	1
Program Technician II	Certification List	Limited Term	Full Time	1
Senior Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	1
Senior Payroll Specialist	Certification List	Permanent	Full Time	1
Staff Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	1
Staff Management Auditor (Specialist)	Certification List	Permanent	Full Time	1
Staff Services Analyst	Certification List	Permanent	Full Time	1
Staff Services Manager III	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	1
Accounting Analyst	Mandatory Reinstatement	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appointments
Associate Governmental Program Analyst	Mandatory Reinstatement	Permanent	Full Time	1
Attorney III	Mandatory Reinstatement	Permanent	Full Time	1
Information Officer II	Mandatory Reinstatement	Permanent	Full Time	1
Staff Services Analyst	Mandatory Reinstatement	Permanent	Full Time	1
Accounting Administrator I (Supervisor)	Transfer	Permanent	Full Time	2
Accounting Analyst	Transfer	Limited Term	Full Time	1
Associate Accounting Analyst	Transfer	Limited Term	Full Time	2
Associate Accounting Analyst	Transfer	Permanent	Full Time	2
Associate Budget Analyst	Transfer	Permanent	Full Time	1
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	1
Program Technician II	Transfer	Permanent	Full Time	1
Staff Services Analyst	Transfer	Permanent	Full Time	4

FINDING NO. 3 – Equal Employment Opportunity Questionnaires Were Not Separated from Applications

Summary: The SCO did not separate 232 EEO questionnaires from 1,787 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 SCO states that current processes allowed recruitment applications to go directly to the hiring programs. As a result, Human Resources (only received the application for the candidates being considered for appointment at the conclusion of recruitment.

Action: It is recommended that within 60 days of the Executive Officer’s approval of these findings and recommendations, the SCO submit to the CRU a written corrective action plan that the department will implement to ensure that future EEO questionnaires are separated from all applications. Copies of any relevant documentation should be included with the plan.

FINDING NO. 4 – Applications Were Not Date Stamped

Summary: The SCO accepted and processed 370 out of 1,787 applications that were not date stamped.

Criteria: California Code Regulations, title 2, section 174 (Rule 174) requires timely filing of applications: All applications must be filed at the place, within the time, in the manner, and on the form specified in the examination announcement.

Filing an application ‘within the time’ shall mean postmarked by the postal service or date stamped at one of the department’s offices (or appropriate office of the agency administering the examination) by the date specified.

An application that is not postmarked or date stamped by the specified date shall be accepted, if one of the following conditions as detailed in Rule 174 apply: (1) the application was delayed due to verified error; (2) the application was submitted in error to the wrong state agency and is either postmarked or date stamped on or before the specified date; (3) the employing agency verifies examination announcement distribution problems that prevented timely notification to an employee of a promotional examination; or (4) the employing agency verifies that the applicant failed to receive timely notice of promotional examination. (Cal. Code Reg., tit. 2, § 174, suds. (a), (b), (c), & (d).) The same final filing date procedures are applied to the selection process used to fill a job vacancy.

Severity: Non-Serious or Technical. Final filing dates are established to ensure all applicants are given the same amount of time in which to apply for a job vacancy and to set a deadline for the recruitment. Therefore, although the acceptance of applications after the final filing date may give some applicants more time to prepare their application than other applicants who meet the final filing date, the acceptance of late applications will not impact the results of the job vacancy selection.

Cause: The SCO states that current processes allowed applications to be submitted directly to the hiring programs, and that not all hiring programs utilized date stamps, which resulted in inconsistency.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the SCO submit to the CRU a written corrective action plan that the department will implement to ensure conformity with Rule 174. Copies of any relevant documentation should be included with the plan.

Equal Employment Opportunity (EEO)

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 equal employment opportunity; issue procedures for filing, processing, and resolving discrimination complaints; issue procedures for providing equal upward mobility and promotional opportunities; and

cooperate with the California Department of Human Resources (CalHR) by providing access to all required files, documents and data. (*Ibid.*) In addition, the appointing power must appoint, at the managerial level, an EEO Officer, who shall report directly to, and be under the supervision of, the director of the department to develop, implement, coordinate, and monitor the department's EEO program. (Gov. Code, § 19795.)

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

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

The CRU reviewed the SCO's EEO program that was in effect during the compliance review period.

FINDING NO. 5 – Equal Employment Opportunity Program Complied With All Civil Service Laws and Board Regulations

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

Personal Services Contracts

A personal services contract (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 Reg., 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 compliance review period, the SCO had 50 PSC's that were in effect and subject to the Department of General Services (DGS) approval. The CRU reviewed nine of these, which are listed below:

Vendor	Services	Contract Dates	Contract Amount	Justification Identified
Bell & Howell Co.	Maintenance Services	5/1/2015 – 4/30/2018	\$1,179,772.85	Yes
Bell & Howell Co.	Maintenance Services	3/1/2015 – 2/28/2018	\$172,176.02	Yes
Blue Sky Consulting Group, LLC	Financial Advisory Services	7/6/2015 – 7/5/2017	\$249,936.00	Yes
Burks Printing and Promotions	Printing/Delivery Services	2/5/2015 – 5/4/2015	\$150,918.08	Yes
Burks Printing and Promotions	Printing/Delivery Services	2/5/2015 – 5/4/2015	\$151,097.10	Yes
Kaye Scholer, LLP	Outside Legal Counsel Services	7/27/2015 – 7/26/2016	\$500,000.00	Yes
Metropolitan Van & Storage, Inc.	Office Moving Services	1/1/2015 – 12/31/2015	\$249,999.00	Yes

Vendor	Services	Contract Dates	Contract Amount	Justification Identified
Quality Installation & Furniture	Modular Systems Furniture Services	6/1/2015 – 5/31/2016	\$102,000.00	Yes
Sumrall Solutions, LLC	Printing/Delivery Services	11/4/2014 – 3/3/2015	\$101,113.32	Yes

FINDING NO. 6 – Personal Services Contracts Complied with Procedural Requirements

When a state agency requests approval from the DGS for a subdivision (b) contract, the agency must include with its contract transmittal a written justification that includes specific and detailed factual information that demonstrates how the contract meets one or more conditions specified in Government Code section 19131, subdivision (b). (Cal. Code Reg., tit. 2, § 547.60.)

The total dollar amount of all the PSC’s reviewed was \$2,857,012.37. It was beyond the scope of the review to make conclusions as to whether SCO justifications for the contract were legally sufficient. For all PSC’s reviewed, the SCO provided specific and detailed factual information in the written justifications as to how each of the three contracts met at least one condition set forth in Government Code section 19131, subdivision (b). Accordingly, the SCO PSC’s complied with civil service laws and board rules.

Mandated Training

Each state agency shall offer at least semiannually to each of its filers an orientation course on the relevant ethics statutes and regulations that govern the official conduct of state officials. (Gov. Code, § 11146.1.) New filers must be trained within six months of appointment. (Gov. Code, § 11146.3.)

Each department must provide its new supervisors supervisory training within twelve months of appointment. (Gov. Code, § 19995.4 subds. (b) and (c).) The training must be a minimum of 80 hours, 40 of which must be structured and given by a qualified instructor. The other 40 hours may be done on the job by a higher-level supervisor or manager. (Gov. Code, § 19995.4, subd. (b).)

Additionally, each department must provide its supervisors two hours of sexual harassment training every two years. New supervisors must be provided supervisory training within six months of appointment. (Gov. Code, § 12950.1 subd. (a).)

The CRU reviewed the SCO mandated training program that was in effect during the compliance review period.

FINDING NO. 7 – Mandated Training Complied with Statutory Requirements

The SCO provided semiannual ethics training to its 81 filers during the two-year calendar year period commencing in 2013. The SCO also provided supervisory training to 78 new supervisors within 12 months of appointment. In addition, the SCO provided sexual harassment prevention training to its 78 new supervisors within six months of appointment, and semiannual sexual harassment prevention training to its 257 existing supervisors. Thus, the SCO complied with mandated training requirements within statutory timelines.

DEPARTMENTAL RESPONSE

The SCO's written response is attached at Attachment 1.

SPB REPLY

Based upon the SCO written response, the SCO will comply with the CRU recommendations and findings and provide the CRU with a corrective action plan.

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



BETTY T. YEE
California State Controller

April 22, 2016

Suzanne Ambrose
Executive Director
State Personnel Board
801 Capitol Mall
Sacramento, CA 95818

Dear Ms. Ambrose:

The State Controller's Office would like to thank the State Personnel Board for the opportunity to provide feedback to the 2015 Compliance Review recently conducted by Mr. Alton Ford and his Compliance Review Unit. Our conversation was both fruitful and educational; and while there were concerns shared with your team, we were able to have a very productive exchange of ideas that better clarified roles and expectations.

The responses that we have prepared serve to document steps being taken by the State Controller's Office to meet our commitment to excellence and to address current practices outlined in the 2015 review findings. Moreover, it is our intent to implement measures to minimize, if not eliminate, any additional instances as identified in your review.

The following is our commitment to address items listed by your staff:

Finding #1: EEO Questionnaires not separated from applications (Exams)

Cause: Although the current process requires the EEO page to be removed, there were inconsistencies with staff following direction.

Department Response: Expectations will be enforced through routine review of instructions provided to staff and management monitoring to ensure all EEO pages are removed upon receipt and housed in the Human Resources Office for documentation. Moreover, with the advancement of new technology (i.e. ECOS), the need to remove this page will be phased out as more and more applications are submitted and accepted electronically.

Finding #2: Job Analyses were not developed or used for the Examination Process (Exam)

Cause: The expectations of completed job analyses prior to June 2015 were inconsistent and, with granted exceptions as a common process, Job Analyses were not completed on a consistent basis.

Department Response: The SCO has adopted new Exam procedures that not only requires a Job Analysis for each examination but management will review each Job Analysis annually during the Exam plan development to determine whether or not a new Job Analysis is warranted. Of the nine (9) missing Job Analyses from the Compliance Review findings, five (5) examinations now have a completed Job Analysis. The remaining four (4) will have a Job Analysis completed with upcoming examination development. Finally, it is our commitment to have a Job Analysis completed before any exam is advertised by the end of this calendar year; if not sooner.

Finding #3: EEO Questionnaires were not separated from applications (Appointments)

Cause: Our current SCO process allows recruitment applications to go directly to the hiring programs. As a result, Human Resources (HR) only receives the application for the candidates being considered for appointment at the conclusion of recruitment.

Department Response: The SCO is implementing process changes. With recent enhancements to the ECOS system, all recruitment applications will be submitted directly to HR. Moving forward, all applications will have the EEO Questionnaires removed prior to submission to hiring programs for consideration.

Non-serious or Technical Finding: Applications were not dated stamped (Appointments)

Cause: As shared earlier, the SCO's current process allow applications to be submitted directly to the hiring programs. We have concluded that not all hiring programs utilized date stamps. As a result, it was inconsistent.

Department Response: With the implementation of the new recruitment process, all applications will either be submitted via ECOS, which has an electronic date stamp, or via mail/drop off directly to the Human Resources Office, which will be date stamped by the HR reception.

Ms. Suzanne Ambrose

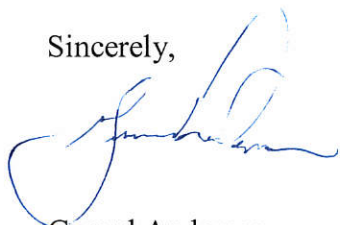
April 22, 2016

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Finally, I would like to share a thought that I believe should be considered in chronicling any findings made regarding potential discrimination as “serious” verses “technical.” In the case of the State Controller’s Office, we discussed with your compliance team that the mere fact that a “page” left attached to the application package breeds the potential to discriminate is valid, but for the most part, if an individual, whose proclivity is to discriminate, he or she will do so simply by looking at the name itself on the application. My overall point here is that discrimination is covertly exercised. It occurs in very subtle and obscure ways, and while we do believe that the failure to remove the “EEO page” is more of a technical oversight rather than serious, the point was well taken.

As always, thank you for allowing the SCO to provide further details to the above findings and to outline a department action plan to ensure compliance. Should you have further questions regarding our responses, please feel free to contact me at Ganderson@sco.ca.gov or via telephone at (916) 445-5712. You may also continue to contact Suzanne Eaker at SEaker@sco.ca.gov or via telephone at (916) 324-3845.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gerard Anderson", with a large, stylized flourish extending from the end of the signature.

Gerard Anderson
Chief, Human Resources
California State Controller’s Office