

COMPLIANCE REVIEW REPORT

OFFICE OF THE INSPECTOR GENERAL

Compliance Review Unit
State Personnel Board
May 30, 2025

TABLE OF CONTENTS

INTRODUCTION	1
EXECUTIVE SUMMARY	2
BACKGROUND	3
SCOPE AND METHODOLOGY	3
FINDINGS AND RECOMMENDATIONS	6
EXAMINATIONS.....	6
APPOINTMENTS.....	8
EQUAL EMPLOYMENT OPPORTUNITY.....	9
PERSONAL SERVICES CONTRACTS.....	11
MANDATED TRAINING.....	12
COMPENSATION AND PAY.....	15
LEAVE.....	21
POLICY AND PROCESSES.....	24
DEPARTMENTAL RESPONSE.....	27
SPB REPLY	27

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 Division (CRD) 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 CRD 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 CRD conducted a routine compliance review of the Office of the Inspector General (OIG) 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	Severity	Finding
Examinations	Very Serious	Equal Employment Opportunity Questionnaires Were Not Separated from Applications
Appointments	In Compliance	Appointments Complied with Civil Service Laws and Board Rules
Equal Employment Opportunity	Very Serious	A Disability Advisory Committee Has Not Been Actively Maintained
Personal Services Contracts	In Compliance	Personal Services Contracts Complied with Procedural Requirements
Mandated Training	Very Serious	Sexual Harassment Prevention Training Was Not Provided for All Supervisors
Compensation and Pay	In Compliance	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Alternate Range Movements Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Bilingual Pay Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Pay Differential Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	Very Serious	Incorrect Authorization of Out-of-Class Pay

Area	Severity	Finding
Leave	In Compliance	Positive Paid Employees' Tracked Hours Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	In Compliance	Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	In Compliance	Leave Auditing and Timekeeping Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	In Compliance	Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	In Compliance	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Serious	Performance Appraisals Were Not Provided to All Employees ¹

BACKGROUND

The OIG provides independent oversight and transparency of the California Department of Corrections and Rehabilitation, ensuring the integrity of the State's correctional system. Through monitoring, reporting, and recommendations, the OIG provides public assurance of the system's soundness.

The OIG, operating under statutory and judicial mandates, employs approximately 237 staff across its Executive, Legal, Administrative, Information Technology, Medical Inspections, Audits, and Staff Misconduct Monitoring Units (North, Central, and South).

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the OIG's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave,

¹ Repeat finding. The OIG January 28, 2019, compliance review report identified 6 missing performance appraisals from 30 employees reviewed.

and policy and processes². The primary objective of the review was to determine if the OIG's personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR policies and guidelines, CalHR Delegation Agreements, and to recommend corrective action where deficiencies were identified.

A cross-section of the OIG's examinations was selected for review to ensure that samples of various examination types, classifications, and levels were reviewed. The CRD examined the documentation that the OIG provided, which included examination plans, examination bulletins, job analyses, and scoring results. The OIG did not conduct any permanent withhold actions during the compliance review period.

A cross-section of the OIG's appointments was selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRD examined the documentation that the OIG provided, which included Notice of Personnel Action forms, Request for Personnel Actions, vacancy postings, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports. The OIG did not conduct any unlawful appointment investigations during the compliance review period.

The OIG's appointments were also selected for review to ensure the OIG applied salary regulations accurately and correctly processed employees' compensation and pay. The CRD examined the documentation that the OIG provided, which included employees' employment and pay history and any other relevant documentation such as certifications, degrees, and/or the appointee's application. Additionally, the CRD reviewed specific documentation for the following personnel functions related to compensation and pay bilingual pay, monthly pay differentials, alternate range movements, and out-of-class assignments. During the compliance review period, the OIG did not issue or authorize red circle rate requests, arduous pay.

The review of the OIG'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).

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

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

The OIG's mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, that all supervisors, managers, and those serving in Career Executive Assignments (CEA) were provided leadership and development training, that all employees were provided sexual harassment prevention training, and that all officials with authority to represent the state in a tribal government-to-government consultation were provided tribal consultations training within statutory timelines.

The CRD reviewed the OIG's monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely and ensure the department certified that all leave records have been reviewed and corrected if necessary. The CRD selected a small cross-section of the OIG's units in order to ensure they maintained accurate and timely leave accounting records. Additionally, the CRD reviewed a selection of the OIG employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRD reviewed a selection of OIG 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 OIG did not have any employees with non-qualifying pay period transactions.

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

The CRD received and carefully reviewed the OIG's written response on May 15, 2025, which is attached to this final compliance review report.

³If 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.

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, subd. (a).) Within a reasonable time before the scheduled date for the examination, the designated appointing power shall announce or advertise the examination for the establishment of eligible lists. (Gov. Code, § 18933, subd. (a).) The advertisement shall contain such information as the date and place of the examination and the nature of the minimum qualifications. (*Ibid.*) Every applicant for examination shall file an application with the department or a designated appointing power as directed by the examination announcement. (Gov. Code, § 18934, subd. (a)(1).) 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, January 1, 2024, through September 30, 2024, the conducted 11 examinations. The CRD reviewed nine of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps ⁴
Chief Assistant Inspector General	Open	Education and Experience (E&E) ⁵	5/29/24	0
Chief Assistant Inspector General	Open	E&E	7/1/24	1
Deputy Inspector General	Open	E&E	6/28/4	8

⁴ Two examinations reviewed had zero applicants; however, the CRD reviewed procedural requirements for advertising examinations to ensure that the OIG advertised the examination in a manner consistent with laws and policies.

⁵ In an Education and Experience examination, one or more raters reviews the applicants' Standard 678 application forms, and scores and ranks them according to a predetermined rating scale that may include years of relevant higher education, professional licenses or certifications, and/or years of relevant work experience.

Classification	Exam Type	Exam Components	Final File Date	No. of Apps ⁴
Deputy Inspector General	Open	E&E	9/27/24	8
Deputy Inspector General, Senior	Open	E&E	6/27/24	3
Deputy Inspector General, Senior	Open	E&E	9/13/24	6
Special Assistant Inspector General	Open	E&E	2/16/24	1
Special Assistant Inspector General	Open	E&E	5/27/24	0
Special Assistant Inspector General	Open	E&E	8/16/24	3

SEVERITY: VERY SERIOUS	FINDING NO. 1 EQUAL EMPLOYMENT OPPORTUNITY QUESTIONNAIRES WERE NOT SEPARATED FROM APPLICATIONS
-----------------------------------	--

Summary: Out of nine exams reviewed, six exam files included applications where EEO questionnaires 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 voluntarily provide 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 OIG states that all the applications referenced were from exam controls completed within ECOS, and the examination analyst was

unaware that the EEO page would be included and automatically downloaded with the job application as the same pdf/document.

Corrective Action: The OIG asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the OIG must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure that future EEO questionnaires are separated from all applications.

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 appointments 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 appointments 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, February 1, 2024, through July 31, 2024, the OIG made 57 appointments. The CRD reviewed 17 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	1
Associate Management Auditor	Certification List	Permanent	Full Time	1
Attorney III	Certification List	Permanent	Full Time	3
Attorney IV	Certification List	Permanent	Full Time	1
Attorney Supervisor	Certification List	Permanent	Full Time	1
Information Technology Specialist II	Certification List	Permanent	Full Time	2

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Nursing Consultant, Program Review	Certification List	Permanent	Full Time	1
Office Technician (Typing)	Certification List	Permanent	Full Time	1
Senior Management Auditor	Certification List	Permanent	Full Time	1
Staff Services Manager I	Certification List	Permanent	Full Time	1
Associate Deputy Inspector General	Transfer	Permanent	Full Time	1
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	1
Attorney III	Transfer	Permanent	Full Time	1
Attorney IV	Transfer	Permanent	Full Time	1

IN COMPLIANCE	FINDING No. 2	APPOINTMENTS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
----------------------	----------------------	--

The OIG measured each applicant's ability to perform the duties of the job by conducting hiring interviews and selecting the best-suited candidates. For each of the 13 list appointments reviewed, the OIG ordered a certification list of candidates ranked competitively. After properly clearing the certification lists including SROA, the selected candidates were appointed based on eligibility attained by being reachable within the first three ranks of the certification lists.

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

The CRD found no deficiencies in the appointments that the OIG initiated during the compliance review period. Accordingly, the CRD found that the OIG's appointments processes and procedures utilized during the compliance review period satisfied civil service laws and Board rules.

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).)

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

SEVERITY: VERY SERIOUS	FINDING NO. 3 A DISABILITY ADVISORY COMMITTEE HAS NOT BEEN ACTIVELY MAINTAINED
-----------------------------------	--

Summary: The OIG does not have an active DAC.

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

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

Cause: The OIG states that although they continued to solicit ideas from their DAC committee members on a quarterly basis, likely due to

infrequent in-office work and the OIG's small size, DAC members did not identify any issues for discussion. Due to the lack of discussion items raised during the time period reviewed during the audit, the OIG's DAC canceled their pre-scheduled meetings.

Corrective Action: The OIG asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the OIG must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure the establishment of a DAC, comprised of members who have disabilities or who have an interest in disability issues.

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, January 1, 2024, through September 30, 2024, the OIG had eight PSC's that were in effect. The CRD reviewed six of those, which are listed below:

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
CPS HR Consulting	Training	\$60,000	Yes	Yes
One Ergo Net, Inc.	Workstation Ergonomic Evaluation	\$4,500	Yes	Yes
Sierra Valley Moving & Storage	Moving Services for HQ	\$9,000	Yes	Yes
Silver Star Movers, Inc	Moving Services for South	\$9,000	Yes	Yes
Southern California Ergonomics	Workstation Ergonomic Evaluation	\$4,999	Yes	Yes
VSI Risk Management & Ergonomics Inc	Workstation Ergonomic Evaluation	\$9,000	Yes	Yes

IN COMPLIANCE	FINDING No. 4	PERSONAL SERVICES CONTRACTS COMPLIED WITH PROCEDURAL REQUIREMENTS
----------------------	----------------------	--

The total dollar amount of all the PSC's reviewed was \$96,499. It was beyond the scope of the review to make conclusions as to whether OIG justifications for the contract were legally sufficient. For all PSC's reviewed, the OIG provided specific and detailed factual information in the written justifications as to how each of the contracts met at least one condition set forth in Government Code section 19130, subdivision (b). Additionally, OIG complied with proper notification to all organizations that represent state employees who perform or could perform the type or work contracted as required by California Code of Regulations section 547.60.2. Accordingly, the OIG PSC's complied with civil service laws and board rules.

Mandated Training

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

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

Within 12 months of the initial appointment of an employee to a management or CEA position, the employee shall be provided with 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.*)

New employees must be provided sexual harassment prevention training within six months of appointment. Thereafter, each department must provide its supervisors two hours of sexual harassment prevention training and non-supervisors one hour of sexual harassment prevention training every two years. (Gov. Code, § 12950.1, subds. (a) and (b); Gov. Code, § 19995.4.)

The Legislature encourages the state and its agencies to consult on a government-to-government basis with federally recognized tribes and with nonfederally recognized tribes and tribal organizations in order to allow tribal officials the opportunity to provide meaningful and timely input in the development of policies, programs, and projects that have tribal implications. (Gov. Code, § 11019.81, sub. (c).) Each official specified in Government Code section 11019.81 subdivision (f)⁶ shall complete tribal consultations training by January 1, 2025, or, for officials appointed after that date, within six months of their appointment or confirmation of appointment, whichever is later. (Gov. Code, § 11019.81, sub. (h).) Each official shall retake the training annually. (*Ibid.*)

⁶ Within the executive branch, the following officials have authority to represent the state in a tribal government-to-government consultation: the governor, the attorney general, each constitutional officer and statewide elected official, the director of each state agency and department, the chair and executive officer of each state commission and task force, and the chief counsel of any state agency. (Gov. Code, § 11019.81, sub. (f) (1).) Each authorized official may formally designate another agency official to conduct preliminary tribal consultations, and each designated official may have the authority to act on behalf of the state during a government-to-government consultation. (Gov. Code, § 11019.81, sub. (f) (2).)

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 CRD reviews documents and records related to training that appointing powers are required by the afore-cited laws to provide its employees.

The CRD reviewed the OIG's mandated training program that was in effect during the compliance review period, October 1, 2022, through March 31, 2024. The OIG's ethics and supervisory training were found to be in compliance, while the sexual harassment prevention training was found to be out of compliance.

SEVERITY: VERY SERIOUS	FINDING NO. 5 SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS
-----------------------------------	--

Summary: The OIG did not provide sexual harassment prevention training to 2 of 14 new supervisors within 6 months of their appointment.

Criteria: New supervisors must be provided sexual harassment prevention training within six months of appointment. (Gov. Code, § 12950.1, subds. (a) and (b); Gov. Code, § 19995.4.)

Severity: Very Serious. The department does not ensure that all new supervisors are properly trained to respond to sexual harassment or unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature. This limits the department's ability to retain a quality workforce, impacts employee morale and productivity, and subjects the department to litigation.

Cause: The OIG states that 2 of 14 new supervisors were not provided sexual harassment prevention training within 6 months of their appointment due to clerical oversight.

Corrective Action: The OIG asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the OIG must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure that all employees are

provided sexual harassment prevention training in accordance with Government Code section 12950.1.

Compensation and Pay

Salary Determination

The pay plan for state civil service consists of salary ranges and steps established by CalHR. (Cal. Code Regs., tit. 2, § 599.666.) Several salary rules dictate how departments calculate and determine an employee's salary rate⁷ 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, February 1, 2024, through July 31, 2024, the OIG made 57 appointments. The CRD reviewed eight of those appointments to determine if the OIG applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Associate Management Auditor	Certification List	Permanent	Full Time	\$6,963
Attorney III	Certification List	Permanent	Full Time	\$10,536
Attorney IV	Certification List	Permanent	Full Time	\$12,205
Information Technology Specialist II	Certification List	Permanent	Full Time	\$8,371
Senior Management Auditor	Certification List	Permanent	Full Time	\$9,537
Staff Services Manager I	Certification List	Permanent	Full Time	\$8,204
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	\$6,907
Attorney III	Transfer	Permanent	Full Time	\$10,536

⁷ "Rate" is any one of the salary rates in the resolution by CalHR which establishes the salary ranges and steps of the Pay Plan (Cal. Code Regs., tit. 2, section 599.666).

IN COMPLIANCE	FINDING No. 6	SALARY DETERMINATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
----------------------	----------------------	---

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

Alternate Range Movement Salary Determination (within same classification)

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

During the period under review, February 1, 2024, through July 31, 2024, the OIG employee made one alternate range movement within a classification. The CRD reviewed the alternate range movement to determine if the OIG applied salary regulations accurately and correctly processed each employee's compensation, which are listed below:

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Deputy Inspector General	B	C	Full Time	\$10,356

IN COMPLIANCE	FINDING No. 7	ALTERNATIVE RANGE MOVEMENTS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
----------------------	----------------------	---

The CRD determined that the alternate range movements the OIG made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

Bilingual Pay

A certified bilingual position is a position where the incumbent uses bilingual skills on a continuous basis and averages 10 percent or more of the total time worked. According to the Pay Differential 14, the 10 percent time standard is calculated based on the time spent conversing, interpreting, or transcribing in a second language and time spent on closely related activities performed directly in conjunction with the specific bilingual transactions.

Typically, the department must review the position duty statement to confirm the percentage of time performing bilingual skills and verify the monthly pay differential is granted to a certified bilingual employee in a designated bilingual position. The position, not the employee, receives the bilingual designation and the department must verify that the incumbent successfully participated in an Oral Fluency Examination prior to issuing the additional pay.

During the period under review, February 1, 2024, through July 31, 2024, the OIG issued bilingual pay to one employee. The CRD reviewed the bilingual pay authorization to ensure compliance with applicable CalHR policies and guidelines, which is listed below:

Classification	Bargaining Unit	Time Base	No. of Appts.
Staff Services Analyst	E97	Full Time	1

IN COMPLIANCE	FINDING No.8	BILINGUAL PAY AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
----------------------	---------------------	--

The CRD found that the bilingual pay authorized to employee during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

Pay Differentials

A pay differential is special additional pay recognizing unusual competencies, circumstances, or working conditions applying to some or all incumbents in select classes. A pay differential may be appropriate in those instances when a subgroup of positions within the overall job class might have unusual circumstances, competencies, or working conditions that distinguish these positions from other positions in the same class. Typically, pay differentials are based on qualifying pay criteria such as: work locations or shift assignments; professional or educational certification; temporary

responsibilities; special licenses, skills or training; performance-based pay; incentive-based pay; or recruitment and retention. (Classification and Pay Manual Section 230.)

California State Civil Service Pay Scales Section 14 describes the qualifying pay criteria for the majority of pay differentials. However, some of the alternate range criteria in the pay scales function as pay differentials. Generally, departments issuing pay differentials should, in order to justify the additional pay, document the following: the effective date of the pay differential, the collective bargaining unit identifier, the classification applicable to the salary rate and conditions along with the specific criteria, and any relevant documentation to verify the employee meets the criteria.

During the period under review, February 1, 2024, through July 31, 2024, the OIG authorized eight pay differentials.⁸ The CRD reviewed seven of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount
Deputy Inspector General	108	\$130
Deputy Inspector General	165	9%
Deputy Inspector General, Senior	108	\$130
Deputy Inspector General, Senior	165	9%
Deputy Inspector General, Senior	108	\$130
Deputy Inspector General, Senior	165	7%
Executive Assistant	52	\$451.71

IN COMPLIANCE	FINDING No.9	PAY DIFFERENTIAL AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
----------------------	---------------------	---

The CRD found no deficiencies in the pay differentials that the OIG authorized during the compliance review period. Pay differentials were issued correctly in recognition of unusual competencies, circumstances, or working conditions in accordance with applicable rules and guidelines.

⁸ For the purposes of CRD's review, only monthly pay differentials were selected for review at this time.

Out-of-Class Assignments and Pay

For excluded⁹ and most rank-and-file employees, out-of-class (OOC) work is defined as performing, more than 50 percent of the time, the full range of duties and responsibilities allocated to an existing class and not allocated to the class in which the person has a current, legal appointment. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(2).) A higher classification is one with a salary range maximum that is any amount higher than the salary range maximum of the classification to which the employee is appointed. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(3).)

According to the Classification and Pay Guide, OOC assignments should only be used as a last resort to accommodate temporary staffing needs. All civil service alternatives should be explored first before using OOC assignments. However, certain MOU provisions and the California Code of Regulations, title 2, section 599.810 allow for short-term OOC assignments to meet temporary staffing needs. Should OOC work become necessary, the assignment would be made pursuant to the applicable MOU provisions or salary regulations. Before assigning the OOC work, the department should have a plan to correct the situation before the time period outlined in applicable law, policy or MOU expires. (Classification and Pay Guide Section 375.)

During the period under review, February 1, 2024, through July 31, 2024, the OIG issued OOC pay to three employees. The CRD reviewed all three of these OOC assignments to ensure compliance with applicable MOU provisions, salary regulations, and CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Information Technology Manager I	M01	Information Technology Manager II	11/2023-2/2024
Senior Assistant Inspector General	E98	Chief Assistant Inspector General	12/2023-5/2024
Special Assistant Inspector General	E97	Senior Assistant Inspector General	12/2023-3/2024

⁹ “Excluded employee” means an employee as defined in Government Code section 3527, subdivision (b) (Ralph C. Dills Act) except those excluded employees who are designated managerial pursuant to Government Code section 18801.1.

SEVERITY: VERY SERIOUS	FINDING No.10 INCORRECT AUTHORIZATION OF OUT-OF-CLASS PAY
-----------------------------------	---

Summary: The CRD found two errors in the three OOC pay assignments reviewed:

Classification	Out-of-Class Classification	Description of Findings	Criteria
Information Technology Manager I	Information Technology Manager II	Incorrect calculation of OOC pay for November 2023, resulting in employee being undercompensated.	Pay Differential 91
Senior Assistant Inspector General	Chief Assistant Inspector General	The OOC assignment exceeded the 120-day limitation without CalHR approval.	Pay Differential 101

Criteria: Employees may be compensated for performing duties of a higher classification provided that: the assignment is made in advance in writing and the employee is given a copy of the assignment; and the duties performed by the employee are not described in a training and development assignment or by the specification for the class to which the excluded employee is appointed and, are fully consistent with the types of jobs described in the specification for the higher classification; and the employee does not perform such duties for more than 120 days in a fiscal year. (Cal. Code Regs., tit. 2, § 599.810, subd. (b)(1)(3)(4).)

For excluded employees, there shall be no compensation for assignments that last for 15 consecutive working days or less. (Cal. Code Regs., tit. 2, § 599.810, subd. (c).) An excluded employee performing in a higher class for more than 15 consecutive working days shall receive the rate of pay the excluded employee would receive if appointed to the higher class for the entire duration of the assignment, not to exceed one year. (Cal. Code Regs., tit. 2, § 599.810, subd. (d).) An excluded employee may be assigned out-of-class work for more than 120 calendar days during any 12-month period only if the appointing power files a written statement with the CalHR certifying that the additional out-of-class work is required to

meet a need that cannot be met through other administrative or civil service alternatives. (Cal. Code Regs., tit. 2, § 599.810, subd. (e).)

Severity: Very Serious. The OIG failed to comply with the state civil service pay plan by incorrectly applying compensation laws and rules in accordance with CalHR's policies and guidelines. This results in civil service employees receiving incorrect and/or inappropriate compensation.

Cause: The OIG states that the Information Technology Manager I was initially overpaid due to a keying error and lack of review process. The Senior Assistant Inspector General assignment exceeded the 120-day timeframe due to the OIG's interpretation that the California Code of Regulations, title 2, section 599.810, subdivision (e) does not indicate that CalHR approval is needed, only that a written statement should be filed with the Department and provided to CalHR upon request.

SPB Reply: California Code of Regulations, title 2, section 599.604 defines "Department" as the "Department of Human Resources of the State of California." Therefore, the "Department" cited in California Code of Regulations, title 2, section 599.810 is in reference to CalHR not the appointing power.

Corrective Action: The OIG asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the OIG must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure conformity with California Code of Regulations, title 2, section 599.810 and Pay Differentials 91 and 101.

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 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 the working days of a month. When counting 189 days, every day worked, including partial days¹⁰ worked and paid absences¹¹, are counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) The hours worked in one day are 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-day 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 aids, and seasonal classifications a maximum work-time limit of 1,500 hours within 12 consecutive months may be used rather than the 189-day calculation. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

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 OIG had two positive paid employees whose hours were tracked. The CRD reviewed all two of these positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Hours Worked
Deputy Inspector General	Retired Annuitant	7/2023-6/2024	802.5

¹⁰ For example, two hours or ten hours count as one day.

¹¹ For example, vacation, sick leave, compensating time off, etc.

Classification	Tenure	Time Frame	Hours Worked
Special Assistant Inspector General	Retired Annuitant	8/2023-6/2024	569.4

IN COMPLIANCE	FINDING No.11 POSITIVE PAID EMPLOYEES' TRACKED HOURS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
----------------------	---

The CRD found no deficiencies in the positive paid employees reviewed during the compliance review period. The OIG provided sufficient justification and adhered to applicable laws, regulations and CalHR policy and guidelines for positive paid employees.

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, August 1, 2023, through July 31, 2024, the OIG authorized four ATO transactions. The CRD reviewed all four of these ATO transactions to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	Amount of Time on ATO
Senior Personnel Specialist	2/5/24-2/7/24	3 Days
Senior Personnel Specialist	5/29/24-5/30/24	2 Days
Senior Personnel Specialist	5/31/24-6/5/24	4 Days
Staff Services Manager I	2/5/24	1 Day

IN COMPLIANCE	FINDING No.12 ADMINISTRATIVE TIME OFF AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
----------------------	---

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

Leave Accounting

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, May 1, 2024, through July 31, 2024, the OIG reported four units. The CRD reviewed four units within three pay periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

IN COMPLIANCE	FINDING No.13 LEAVE ACCOUNTING COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
----------------------	---

The CRU reviewed leave records from three different leave periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines. Based on our review, the CRD found no deficiencies. The OIG utilized a monthly internal audit process to verify all leave input into any leave accounting system that was keyed accurately and timely.

Policy and Processes

Nepotism

It is the policy of the State of California to hire, transfer, and promote all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. Nepotism is expressly prohibited in the state workplace because it is antithetical to California's merit based civil service. (Cal. Code Regs., tit. 2, § 87.) (*Ibid.*) All appointing powers shall adopt an anti-nepotism policy that includes the following components: (1) a statement that the appointing power is committed to merit-based hiring and that nepotism is antithetical to a merit-based civil service system; (2) a definition of "nepotism" as an employee's use of influence or power to hire, transfer, or promote an

applicant or employee because of a personal relationship; (3) a definition of “personal relationship” as persons related by blood, adoption, current or former marriage, domestic partnership or cohabitation; (4) a statement that prohibits participation in the selection of an applicant for employment by anyone who has a personal relationship with the applicant, as defined in section 83.6; (5) a statement that prohibits the direct or first-line supervision of an employee with whom the supervisor has a personal relationship, as defined in section 83.6; (6) a process for addressing issues of direct supervision when personal relationships between employees exist. (*Ibid.*)

IN COMPLIANCE	FINDING No.14 NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
---------------	--

The CRD verified that the policy was disseminated to all staff and emphasized the OIG’s commitment to the state policy of hiring, transferring, and promoting employees on the basis of merit. Additionally, the OIG’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, subd. (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 office to discuss the status of volunteers. (*Ibid.*) In this case, the OIG did not employ volunteers during the compliance review period.

IN COMPLIANCE	FINDING No.15 WORKERS' COMPENSATION PROCESS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
----------------------	--

The CRD verified that the OIG provides notice to their employees to inform them of their rights and responsibilities under California's Workers' Compensation Law. Furthermore, the CRD verified that when the OIG received workers' compensation claims, they properly provided claim forms within one working day of notice or knowledge of injury.

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 CRD selected 26 permanent OIG employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

SEVERITY: SERIOUS	FINDING No.16 PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES
------------------------------	--

Summary: The OIG did not provide annual performance appraisals to three of the 26 employees reviewed after the completion of the employee's probationary period. This is the second consecutive time this has been a finding for the OIG.

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 employees are apprised of work performance issues and/or goals in a systematic manner.

Cause: The OIG states that despite providing training, notifying supervisors and managers of the requirement to complete the performance appraisals, and notifying executive management of outstanding performance appraisals, some supervisors and managers still did not complete their staff's annual performance appraisals due to inadequate follow-up process and lack of accountability of supervisors and managers.

Corrective Action: The OIG asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the OIG must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure conformity with Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798.

DEPARTMENTAL RESPONSE

The OIG's response is attached as Attachment 1.

SPB REPLY

Based upon the OIG's written response, the OIG will comply with the corrective actions specified in these report findings. Within 90 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 CRD.

May 15, 2025

Shari Hollis
Personnel Officer
Office of the Inspector General

Re: OIG State Personnel Board Audit Response Memo and Cause

The Office of the Inspector General would like to thank the Compliance Review Division for its thorough review of the OIG's personnel practices in the areas of examinations, appointments, Equal Employment Opportunity (EEO), Personal Services Contracts, mandated training, compensation and pay, leave, and policy and processes. The OIG appreciates the opportunity to better ensure our compliance and looks forward to remedying the findings identified in the report.

Of the 17 findings identified by the CRU, six findings were identified by the CRU as non-compliant. The OIG has reviewed the report and prepared the following responses to the findings.

Exams

During the period under review, January 1, 2024, through September 30, 2024, the OIG conducted 11 examinations. Out of nine exams reviewed, six exam files included applications where EEO questionnaires were not separated from the STD 678 employment application.

Finding No. 1: Equal Employment Opportunity Questionnaires were not separated from applications.

Cause: All the applications referenced were from exam controls done within ECOS, and all applications were downloaded from ECOS, saved, and submitted with the audit documents. The examination analyst was unaware that the EEO page would not only be included but automatically downloaded with the job application as the same pdf/document.



OIG Response: Per the Exams Supervisor Forum meeting on 5/6/2025, the ECOS Consultant stated that the EEO page will no longer be attached to the examination applications in ECOS, per the most recent ECOS update. Moving forward, this should be corrected automatically through ECOS. In addition, the exam analyst has updated the OIG's internal exam application checklist process to ensure the EEO page is removed from the application.

Appointments

Finding No. 2: Appointments Complied with civil service laws and board rules.

No response is needed since the OIG was found to be in compliance.

EEO

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

Finding No. 3: A Disability Advisory Committee has not been actively maintained.

Cause: The OIG is a small agency comprised of staff who have worked from home approximately 80% of the time since March 2020. Before shifting to a telework-focused agency, the OIG had a very active DAC and resolved many disability issues in the workplace, leaving few, if any, remaining disability-related issues to address in the workplace. Nevertheless, during the audit period, the OIG continued to solicit ideas from its eleven committee members on a quarterly basis. Likely due to staff's infrequent in-office work and the OIG's small size, DAC members did not identify any issues for discussion in response to these quarterly solicitations. Because of the lack of discussion of items raised during the time period reviewed during this audit, the OIG's DAC canceled their pre-scheduled meetings.

OIG Response: Going forward, the OIG's EEO Officer will continue to solicit topics for discussion at the OIG's quarterly DAC meetings. Rather than cancel meetings where no topics are raised in advance of the meetings, the committee will still meet as scheduled with the goal of collaborating to identify issues for the DAC to address, both at that meeting and at future meetings. The OIG's DAC met on December 19, 2024 and March 20, 2025, following this new approach.

Personal Services Contracts

Finding No. 4: Personal Services Contracts Complied with procedural requirements.

No response is needed since the OIG was found to be in compliance.

Mandated Training

The CRD reviewed the OIG's mandated training program that was in effect during the compliance review period, October 1, 2022, through March 31, 2024. The OIG's ethics training was found to be in compliance, while the sexual harassment prevention training was found to be out of compliance.

Finding No. 5: Sexual Harassment Prevention Training was not Provided for all Supervisors.

Cause: Upon review of the data submitted; 2 of 14 new supervisors were not provided sexual harassment prevention training within 6 months of their appointment due to clerical oversight. The 2 supervisors identified were promoted to supervisory positions shortly following their completion of non-supervisory sexual harassment prevention training, therefore the requirement was missed. However, both the supervisors were provided the training as soon as the oversight was realized and the training was promptly provided to both.

OIG Response: Moving forward, as soon as the Training Coordinator receives notification that an employee is promoted to a supervisory position or a new supervisor is hired, they will send an email to the employee with the link to the CRD Sexual Harassment and Abusive Conduct Prevention Training for Supervisors. There will be follow up until the course is completed. Additionally, a tracker was created to track all sexual harassment training and to ensure our agency remains in compliance.

Compensation and Pay

Finding No. 6: Salary Determinations complied with Civil Service laws, board rules, and CalHR Policies and Guidelines.

No response is needed since the OIG was found to be in compliance.

Finding No. 7: Alternative Range Movements complied with Civil Service laws, board rules, and CalHR Policies and Guidelines.

No response is needed since the OIG was found to be in compliance.

Finding No. 8: Bilingual Pay Authorizations complied with Civil Service laws, board rules, and CalHR Policies and Guidelines.

No response is needed since the OIG was found to be in compliance.

Finding No. 9: Pay Differential Authorizations complied with Civil Service laws, board rules, and CalHR Policies and Guidelines.

No response is needed since the OIG was found to be in compliance.

Finding No. 10: Incorrect Authorization of Out-of-Class Pay

During the period under review, February 1, 2024, through July 31, 2024, the OIG issued OOC pay to three employees. The CRD reviewed all three of these OOC assignments to ensure compliance with applicable MOU provisions, salary regulations, and CalHR policies and guidelines. The CRD found two errors in the three OOC pay assignments reviewed:

1. Incorrect calculation of OOC pay for November 2023, resulting in employee being undercompensated.
2. The OOC assignment exceeded the 120-day limitation without CalHR approval.

Cause: The ITM I was incorrectly paid due to a miscalculation and over collection of an accounts receivable. The ITM I's out-of-class was initially overpaid due to keying error and lack of review process.

Cal. Code Regs., tit. 2, § 599.810, subd. (e). states "An excluded employee may be assigned out-of-class work for more than 120 calendar days during any 12-month period only if the appointing power or his or her designee files a written statement with the Department certifying that the additional out-of-class work is required to meet a need that cannot be met through other administrative or civil service alternatives." The CCR does not indicate that CalHR approval is needed, only that a written statement is filed with the Department. The OIG's interpretation was the written statement would be on file with the OIG, and provided to CalHR upon request.

OIG Response: The OIG will implement a review process for keying OOC pay, to include supervisory approval and review, and ensuring underpayments or overpayments do not occur. In addition, the OIG will perform an audit once an OOC assignment is completed to review for completeness, compliance, and payment accuracies of the whole assignment. Moving forward, for any out-of-class assignments that exceed 120 calendar days during any 12-month period, the OIG will file a statement with CalHR certifying that the additional out-of-class work is required to meet a need that cannot be met through other civil service or administrative alternatives.

Leave

Finding No. 11: Positive Paid Employees' tracked hours complied with Civil Service laws, board rules, and/or CalHR policies and guidelines.

No response is needed since the OIG was found to be in compliance.

Finding No. 12: Administrative Time Off Authorizations complied with Civil Services laws, board rules, and/or CalHR policies and guidelines.

No response is needed since the OIG was found to be in compliance.

Finding No. 13: Leave Accounting complied with Civil Service laws, board rules, and/or CalHR policies and guidelines.

No response is needed since the OIG was found to be in compliance.

Policy and Processes

Finding No. 14: Nepotism Policy Complied with Civil Service laws, board rules, and/or CalHR policies and guidelines.

No response is needed since the OIG was found to be in compliance.

Finding No. 15: Workers' Compensation Process Complied with Civil Service laws, board rules, and/or CalHR Policies and Guidelines.

No response is needed since the OIG was found to be in compliance.

Finding No. 16: Performance Appraisals were not provided to all employees.

Cause: Despite providing training, notifying supervisors and managers of the requirement to complete the performance appraisals, and notifying executive management of outstanding performance appraisals, some supervisors and managers still did not complete their staff's annual performance appraisals. The missing performance appraisals are due to inadequate follow-up process and lack of accountability of supervisors and managers.

OIG Response: The OIG will send a memo to current supervisors and managers addressing the importance and responsibility in completing the documents timely to ensure compliance and avoid findings in the future. The OIG will implement a reminder and follow-up notification process to increase reminders and ensure the task is completed by supervisors. The OIG will send out multiple reminder emails until the due date of the performance appraisal. Also, the OIG will send out a task tracker notification to supervisors who did not complete it by the due date. The tracker notification will provide reminders until the task is completed and will require their manager's signature upon completion to ensure accountability.