



# **COMPLIANCE REVIEW REPORT**

## **CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD**

Compliance Review Unit  
State Personnel Board  
April 19, 2024

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## INTRODUCTION

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

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

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

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

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

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

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

### **EXECUTIVE SUMMARY**

The CRU conducted a routine compliance review of the California Unemployment Insurance Appeals Board (CUIAB) 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
Appointments	Serious	Probationary Evaluations Were Not Provided for All Appointments Reviewed <sup>1</sup>
Equal Employment Opportunity	Very Serious	EEO Officer's Duty Statement Does Not Reflect EEO Duties
Personal Services Contracts	Serious	Unions Were Not Notified of Personal Services Contract
Mandated Training	Very Serious	Ethics Training Was Not Provided for All Filers <sup>2</sup>
Mandated Training	Very Serious	Sexual Harassment Prevention Training Was Not Provided for All Employees
Compensation and Pay	In Compliance	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	Very Serious	Alternate Range Movements Did Not Comply with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Very Serious	Incorrect Authorization of Bilingual Pay <sup>3</sup>
Compensation and Pay	Very Serious	Incorrect Authorization of Pay Differential <sup>4</sup>

<sup>1</sup> Repeat finding. The CUIAB's June 27, 2022, compliance review report identified the CUIAB did not provide 3 probationary reports for 2 of the 23 appointments reviewed.

<sup>2</sup> Repeat finding. The CUIAB's June 27, 2022, compliance review report identified the CUIAB did not provide ethics training to 16 of 130 existing filers. In addition, the CUIAB did not provide ethics training to 3 of 35 new filers within 6 months of appointment.

<sup>3</sup> Repeat finding. The CUIAB's June 27, 2022, compliance review report identified 7 errors in the CUIAB's 17 authorizations of bilingual pay reviewed.

<sup>4</sup> Repeat finding. The CUIAB's June 27, 2022, compliance review report identified 5 errors in the 12 pay differentials reviewed.

Area	Severity	Finding
Leave	Serious	Positive Paid Temporary Employees' Work Exceeded Time Limitations
Leave	Serious	Administrative Time Off Was Not Properly Documented <sup>5</sup>
Leave	Serious	Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input is Keyed Accurately and Timely <sup>6</sup>
Leave	In Compliance	Service and Leave Transactions Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Very Serious	Department's Nepotism Policy Does Not Contain All Required Components
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 <sup>7</sup>

### **BACKGROUND**

The CUIAB was established by the State Legislature in 1943 to provide due process for California's workers and employers who challenge the Employment Development Department's (EDD) benefit determinations for Unemployment Insurance (UI), Disability Insurance (DI), and employer payroll tax determinations.

The CUIAB is committed to providing fair, fast and friendly services and improving access to those services for all. The CUIAB provides workers and employers with two levels of appeal at no cost. The first level is an appeal to an Administrative Law Judge in the CUIAB Field Operations. The second level is an appeal to the Board Members of the decision made by the Field Operations Judge. Further recourse may be pursued through the Superior Court.

The EDD performs human resources operations for the CUIAB.

<sup>5</sup> Repeat finding. The CUIAB's June 27, 2022, compliance review report identified the CUIAB did not obtain approval from CalHR prior to authorizing ATO in excess of 30 days for 1 of 28 ATO transactions reviewed.

<sup>6</sup> Repeat finding. The CUIAB's June 27, 2022, compliance review report identified the CUIAB failed to implement a monthly internal audit process to verify all leave input is keyed accurately and timely.

<sup>7</sup> Repeat finding. The CUIAB's June 27, 2022, compliance review report identified the CUIAB did not provide annual performance appraisals to 19 of 29 employees reviewed.

## **SCOPE AND METHODOLOGY**

The scope of the compliance review was limited to reviewing the CUIAB's, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes<sup>8</sup>. The primary objective of the review was to determine if the CUIAB's personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR policies and guidelines, CalHR Delegation Agreements, and to recommend corrective action where deficiencies were identified.

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

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

The CUIAB's appointments were also selected for review to ensure the CUIAB applied salary regulations accurately and correctly processed employees' compensation and pay. The CRU examined the documentation that the CUIAB 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 CRU reviewed specific documentation for the following personnel functions related to compensation and pay: bilingual pay, monthly pay differentials, and alternate range movements. During the compliance review period, the CUIAB did not issue or authorize hiring above minimum (HAM) requests, red circle rate requests, arduous pay, or out-of-class assignments.

The review of the CUIAB'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.

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<sup>8</sup> Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

The CUIAB's PSC's were also reviewed.<sup>9</sup> It was beyond the scope of the compliance review to make conclusions as to whether the CUIAB's justifications for the contracts were legally sufficient. The review was limited to whether the CUIAB's practices, policies, and procedures relative to PSC's complied with procedural requirements.

The CUIAB'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, and that all employees were provided sexual harassment prevention training within statutory timelines.

The CRU reviewed the CUIAB'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 CRU selected a small cross-section of the CUIAB's units in order to ensure they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the CUIAB's employees' employment and pay history, state service records, and leave accrual histories to ensure employees with non-qualifying pay periods did not receive vacation/sick leave and/or annual leave accruals or state service credit. Additionally, the CRU reviewed a selection of the CUIAB employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRU reviewed a selection of CUIAB positive paid employees whose hours are tracked during the compliance review period in order to ensure that they adhered to procedural requirements.

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

The CRU received and carefully reviewed the CUIAB's written response on April 8, 2024, which is attached to this final compliance review report.

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<sup>9</sup>If an employee organization requests the SPB to review any personal services contract during the SPB compliance review period or prior to the completion of the final compliance review report, the SPB will not audit the contract. Instead, the SPB will review the contract pursuant to its statutory and regulatory process. In this instance, none of the reviewed PSC's were challenged.

## FINDINGS AND RECOMMENDATIONS

### Appointments

In all cases not excepted or exempted by Article VII of the California Constitution, the appointing power must fill positions by appointment, including cases of transfers, reinstatements, promotions, and demotions in strict accordance with the Civil Service Act and Board rules. (Gov. Code, § 19050.) The hiring process for eligible candidates chosen for job interviews shall be competitive and be designed and administered to hire candidates who will be successful. (Cal. Code Regs., tit. 2, § 250, subd. (b).) Interviews shall be conducted using job-related criteria. (*Ibid.*) Persons selected for appointment shall satisfy the minimum qualifications of the classification to which he or she is appointed or have previously passed probation and achieved permanent status in that same classification. (Cal. Code Regs., tit. 2, § 250, subd. (d).) While persons selected for appointment may meet some or most of the preferred or desirable qualifications, they are not required to meet all the preferred or desirable qualifications. (*Ibid.*) This section does not apply to intra-agency job reassignments. (Cal. Code Regs., tit. 2, § 250, subd. (e).)

During the period under review, January 1, 2023, through September 30, 2023, the CUIAB made 82 appointments. The CRU reviewed 25 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Administrative Law Judge	Certification List	Permanent	Full Time	1
Administrative Law Judge	Certification List	Limited Term	Full Time	6
Attorney IV	Certification List	Permanent	Full Time	1
Information Technology Associate	Certification List	Permanent	Full Time	2
Information Technology Specialist I	Certification List	Permanent	Full Time	1
Information Technology Supervisor II	Certification List	Permanent	Full Time	1
Legal Support Supervisor I	Certification List	Permanent	Full Time	1
Management Services Technician	Certification List	Permanent	Full Time	1
Management Services Technician	Certification List	Limited Term	Full Time	2
Office Assistant (General)	Certification List	Permanent	Full Time	1



Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Office Assistant (Typing)	Certification List	Limited Term	Full Time	1
Office Technician (Typing)	Certification List	Permanent	Full Time	3
Program Technician III	Certification List	Permanent	Full Time	1
Management Services Technician	Permissive Reinstatement	Permanent	Full Time	1
Office Technician (Typing)	Permissive Reinstatement	Permanent	Full Time	1
Administrative Law Judge	Transfer	Limited Term	Full Time	1

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 1 PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED</b>
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**Summary:** The CUIAB did not provide 3 probationary reports of performance for 1 of the 25 appointments reviewed by the CRU, as reflected in the table below. This is the second consecutive time this has been a finding for the CUIAB.

Classification	Appointment Type	No. of Appointments	Total No. of Missing Probation Reports
Management Services Technician	Certification List	1	3

**Criteria:** The service of a probationary period is required when an employee enters or is promoted in the state civil service by permanent appointment from an employment list; upon reinstatement after a break in continuity of service resulting from a permanent separation; or after any other type of appointment situation not specifically excepted from the probationary period. (Gov. Code, § 19171.) During the probationary period, the appointing power shall evaluate the work and efficiency of a probationer in the manner and at such periods as the department rules may require. (Gov. Code, § 19172.) A report of the probationer's performance shall be made to the employee at sufficiently frequent intervals to keep the employee adequately informed of progress on the job. (Cal. Code Regs., tit. 2, § 599.795.) A written appraisal of performance shall be made to the Department within 10 days after the end of each one-third portion of the probationary period. (*Ibid.*) The Board's record retention rules require that appointing powers retain all probationary reports for five years

from the date the record is created. (Cal. Code Regs., tit. 2, § 26, subd. (a)(3).)

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

**Cause:** The CUIAB provides it implemented its electronic Talent Management System (TMS) in May 2023 in response to the CRU's June 2022 report. The TMS was not fully implemented at the time of this review resulting in the CUIAB being unable to locate all probationary reports.

**Corrective Action:** The CUIAB asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the CUIAB must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure conformity with Government Code section 19172.

### **Equal Employment Opportunity**

Each state agency is responsible for an effective EEO program. (Gov. Code, § 19790.) The appointing power for each state agency has the major responsibility for monitoring the effectiveness of its EEO program. (Gov. Code, § 19794.) To that end, the appointing power must issue a policy statement committed to EEO; issue procedures for filing, processing, and resolving discrimination complaints; 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).)

<b>SEVERITY:</b> <b>VERY SERIOUS</b>	<b>FINDING NO. 2 EQUAL EMPLOYMENT OPPORTUNITY OFFICER'S DUTY STATEMENT DOES NOT REFLECT EEO DUTIES</b>
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**Summary:** A Staff Services Manager (SSM) II serves as the CUIAB's EEO Officer. Although the CUIAB's EEO program outlines the roles and responsibilities of the EEO Officer, the SSM II's duty statement provided by the CUIAB does not contain EEO Officer related duties.

**Criteria:** The appointing power must appoint, at the managerial level, an EEO Officer, who shall report directly to, and be under the supervision of, the Director of the department to develop, implement, coordinate, and monitor the department's EEO program. (Gov. Code, § 19795, subd. (a).) The EEO Officer shall, among other duties, analyze and report on appointments of employees, bring issues of concern regarding EEO to the appointing power and recommend appropriate action, and perform other duties necessary for the effective implementation of the agency EEO plans. (Gov. Code, § 19795, subd. (a).)

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

**Cause:** The CUIAB acknowledges the duty statement does not reflect EEO duties and is committed to updating the duty statement accordingly.

**Corrective Action:** Within 90 days of the date of this report, the CUIAB must submit to the SPB a written corrective action response including an updated duty statement for the EEO Officer. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

## **Personal Services Contracts**

A PSC includes any contract, requisition, or purchase order under which labor or personal services is a significant, separately identifiable element, and the business or person performing the services is an independent contractor that does not have status as an employee of the state. (Cal. Code Regs., tit. 2, § 547.59.) The California Constitution has an implied civil service mandate limiting the state's authority to contract with private entities to perform services the state has historically or customarily performed. Government Code section 19130, subdivision (a), however, codifies exceptions to the civil service mandate where PSC's achieve cost savings for the state. PSC's that are of a type enumerated in subdivision (b) of Government Code section 19130 are also permissible. Subdivision (b) contracts include, but are not limited to, private contracts for a new state function, services that are not available within state service, services that are incidental to a contract for the purchase or lease of real or personal property, and services that are of an urgent, temporary, or occasional nature.

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

During the period under review, March 1, 2023, through November 30, 2023, the CUIAB had 11 PSC's that were in effect. The CRU reviewed nine of those, which are listed below:

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Adaptive Technology Solution	Scanner Hardware Maintenance	\$1,968	Yes	Yes
AmeriVet Logistics, Inc.	Mail Courier	\$20,400	Yes	Yes
Auerbach International Inc.	Document Translation Services	\$10,000	Yes	Yes
Global Knowledge	Online Training Services	\$8,200	Yes	No
HSB Solutions	Network On-site or Remote Engineering Design and Support Services	\$33,600	Yes	Yes

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Modern Express Courier	Mail Courier	\$21,600	Yes	Yes
Sontiq	Credit Monitoring/Identity Theft Protection	\$16,575	Yes	Yes
StormWind, LLC	Technical Training	\$17,250	Yes	Yes
West Coast Executive Level Training LLC	De-escalation Training	\$1,500	Yes	Yes

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 3 UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACT</b>
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**Summary:** The CUIAB did not notify unions prior to entering into one of the nine PSC's reviewed.

**Criteria:** Before a state agency executes a contract or amendment to a contract for personal services conditions specified within Government Code section 19130, subdivision (b), the agency shall notify all organizations that represent state employees who perform or could perform the type of work that is called for within the contract, unless exempted under Government Code section 19132, subdivision (b)(1). (Cal. Code Regs., tit. 2, § 547.60.2.)

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

**Cause:** The CUIAB states the error was due to a lack of oversight to ensure the union notification was sent.

**Corrective Action:** Departments are responsible for notifying all organizations that represent state employees who perform or could perform the type of work to be contracted prior to executing a PSC. The PSC's reviewed during this compliance review involved several services and functions which various rank-and-file civil service classifications perform. Within 90 days of the date of this report, the CUIAB must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure

conformity with the requirements of California Code of Regulations section 547.60.2. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### **Mandated Training**

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

Upon the initial appointment of any employee designated in a supervisory position, the employee shall be provided a minimum of 80 hours of training, as prescribed by the CalHR. (Gov. Code, § 19995.4, subd. (b).) The training addresses such topics as the role of the supervisor, techniques of supervision, performance standards, and sexual harassment and abusive conduct prevention. (Gov. Code, §§ 12950.1, subds. (a) 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 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 Board may conduct reviews of any appointing power’s personnel practices to ensure compliance with civil service laws and Board regulations. (Gov. Code, § 18661, subd. (a).) In particular, the Board may audit personnel practices related to such matters as selection and examination procedures, appointments, promotions, the management of probationary periods, and any other area related to the operation of the merit principle in state civil service. (*Ibid.*) Accordingly, the CRU reviews documents and records related to training that appointing powers are required by the afore-cited laws to provide its employees.

The CRU reviewed the CUIAB’s mandated training program that was in effect during the compliance review period, December 1, 2021, through November 30, 2023. The CUIAB’s supervisory training was found to be in compliance, while the CUIAB’s ethics training and sexual harassment prevention training were found to be out of compliance.

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 4 ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS</b>
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**Summary:** The CUIAB did not provide ethics training to 41 of 191 existing filers. In addition, the CUIAB did not provide ethics training to 2 of 33 new filers within 6 months of their appointment. This is the second consecutive time this has been a finding for the CUIAB.

**Criteria:** New filers must be provided ethics training within six months of appointment. Existing filers must be trained at least once during each consecutive period of two calendar years commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3, subd. (b).)

**Severity:** Very Serious. The department does not ensure that its filers are aware of prohibitions related to their official position and influence.

**Cause:** The CUIAB states that they began tracking training compliance through monthly reports as a result of the previous compliance review; however, they did not have sufficient time to fully implement this new process during the period under review.

**Corrective Action:** Within 90 days of this report, the CUIAB must submit to the SPB a written correction action response which addresses the corrections the department will implement to demonstrate conformity with Government Code section 11146.3. Copies of relevant

documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 5 SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES</b>
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**Summary:** The CUIAB provided sexual harassment prevention training to all six new supervisors within six months of their appointment. However, the CUIAB did not provide sexual harassment prevention training to 33 of 51 existing supervisors every 2 years.

In addition, the CUIAB did not provide sexual harassment prevention training to 49 of 95 existing non-supervisors every 2 years.

**Criteria:** Each department must provide its supervisors two hours of sexual harassment prevention training every two years and non-supervisory employees one hour of sexual harassment prevention training every two years. New employees 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 and existing employees 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 CUIAB states that it began tracking training compliance through monthly reports as a result of the findings from the previous compliance review; however, they did not have sufficient time to fully implement the "Corrective Action Response<sup>10</sup>" from the 2022 review.

**SPB Reply:** The CUIAB's June 2022, Compliance Review Report did not identify deficiencies in this area and had no follow-up activities identified on

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<sup>10</sup> The Corrective Action Response, due 90 days after a report is issued, details the follow-up activities a department has conducted to ensure future compliance.



its Corrective Action Response. It is unknown why the CUIAB implemented a new process which caused deficiencies.

**Corrective Action:** Within 90 days of the date of this report, the CUIAB 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 rate<sup>11</sup> 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, January 1, 2023, through September 30, 2023, the CUIAB made 82 appointments. The CRU reviewed 11 of those appointments to determine if the CUIAB applied salary regulations accurately and correctly processed employees’ compensation, which are listed below:

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Administrative Law Judge	Certification List	Limited Term	Full Time	\$10,468
Information Technology Associate	Certification List	Permanent	Full Time	\$5,968
Information Technology Associate	Certification List	Permanent	Full Time	\$5,426
Information Technology Supervisor II	Certification List	Permanent	Full Time	\$10,125

<sup>11</sup> “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).

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Management Services Technician	Certification List	Permanent	Full Time	\$3,711
Office Assistant (General)	Certification List	Permanent	Full Time	\$2,786
Office Technician (Typing)	Certification List	Permanent	Full Time	\$3,532
Office Technician (Typing)	Certification List	Permanent	Full Time	\$3,789
Program Technician III	Certification List	Permanent	Full Time	\$4,726
Administrative Law Judge	Transfer	Limited Term	Full Time	\$12,125
Management Services Technician	Permissive Reinstatement	Permanent	Full Time	\$4,428

<b>IN COMPLIANCE</b>	<b>FINDING NO. 6 SALARY DETERMINATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the salary determinations that were reviewed. The CUIAB 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, January 1, 2023, through September 30, 2023, the CUIAB made 10 alternate range movements within a classification. The CRU reviewed eight of those alternate range movements to determine if the CUIAB 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)
Administrative Law Judge	A	B	Full Time	\$10,994
Administrative Law Judge	A	B	Full Time	\$10,994
Administrative Law Judge	A	B	Full Time	\$10,994
Administrative Law Judge	A	B	Full Time	\$10,995
Administrative Law Judge	A	B	Full Time	\$10,995
Administrative Law Judge	A	B	Full Time	\$11,323
Administrative Law Judge	M	B	Full Time	\$14,180
Information Technology Specialist I	A	B	Full Time	\$8,387

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 7 ALTERNATE RANGE MOVEMENTS DID NOT COMPLY WITH CIVIL SERVICE LAWS, RULES, AND CALHR POLICIES AND GUIDELINES</b>
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**Summary:** The CRU found two errors in the eight alternate range movements reviewed:

Classification	Description of Finding(s)	Criteria
Administrative Law Judge (2 Positions)	Employees should not have received a 5% increase when appointed to their new range, resulting in the employees being overcompensated.	Cal. Code Regs., tit. 2, section 599.674, subd. (a)

**Criteria:** Alternate ranges are designed to recognize increased competence in the performance of class duties based upon experience obtained while in the class. The employee gains status in the alternate range as though each range were a separate classification. (Classification and Pay Guide Section 220.)

Departments are required to calculate and apply salary rules for each appointed employee accurately based on the pay plan for the state civil service. All civil service classes have salary ranges with minimum and maximum rates. (Cal. Code Regs., tit. 2, § 599.666.)

**Severity:** Very Serious. In two circumstances, the CUIAB failed to comply with the requirements outlined in the state civil service pay plan. Incorrectly applying compensation laws and rules not in accordance with CalHR's policies and guidelines results in civil service employees receiving incorrect and/or inappropriate pay amounts.

**Cause:** The CUIAB states that the errors were due to a lack of oversight on alternate range movement requests.

**Corrective Action:** Within 90 days of the date of this report, the CUIAB must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that employees are compensated correctly. The CUIAB must establish an audit system to correct current compensation transactions as well as future transactions. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### 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, January 1, 2023, through September 30, 2023, the CUIAB issued bilingual pay to 49 employees. The CRU reviewed 28 of these bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Time Base	No. of Appts.
Legal Support Supervisor I	S04	Full Time	3
Management Services Technician	R01	Full Time	6
Office Assistant (Typing)	R04	Full Time	1
Office Technician (General)	R04	Full Time	1
Office Technician (Typing)	R04	Full Time	7

Classification	Bargaining Unit	Time Base	No. of Appts.
Program Technician III	R04	Full Time	4
Seasonal Clerk	R04	Intermittent	1
Senior Legal Typist	R04	Full Time	4
Staff Services Analyst	R01	Full Time	1

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 8 INCORRECT AUTHORIZATION OF BILINGUAL PAY</b>
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**Summary:** The CRU found 17 errors in the 28 bilingual pay authorizations reviewed. This is the second consecutive time this has been a finding for the CUIAB.

Classification	Description of Findings	Criteria
Legal Support Supervisor I (2 Positions)	Department failed to provide certification that the employee's duties required use of bilingual skills for at least 10% of their time.	Pay Differential 14
Management Services Technician (4 Positions)	Department failed to provide certification that the employee's duties required use of bilingual skills for at least 10% of their time.	Pay Differential 14
Program Technician III	Department failed to provide certification that the employee's duties required use of bilingual skills for at least 10% of their time.	Pay Differential 14
Office Assistant (Typing)	Department failed to provide certification that the employee's duties required use of bilingual skills for at least 10% of their time. In addition, department failed to provide supporting documentation that the employee has been tested and certified bilingual.	Pay Differential 14 and Government Code section 7296
Office Technician (Typing) (5 Positions)	Department failed to provide certification that the employee's duties required use of bilingual skills for at least 10% of their time.	Pay Differential 14
Seasonal Clerk	Department failed to provide certification that the employee's duties required use of bilingual skills for at least 10% of their time.	Pay Differential 14
Senior Legal Typist (3 positions)	Department failed to provide certification that the employee's duties required use of bilingual skills for at least 10% of their time.	Pay Differential 14

**Criteria:** For any state agency, a "qualified" bilingual employee, person, or interpreter is someone who CalHR has tested and certified, someone

who was tested and certified by a state agency or other approved testing authority, and/or someone who has met the testing or certification standards for outside or contract interpreters as proficient in both the English language and the non-English language to be used. (Gov. Code, § 7296, subd. (a)(3).)

An individual must be in a position that has been certified by the department as a position which requires the use of bilingual skills on a continuing basis averaging 10 percent of the time spent either conversing, interpreting or transcribing in a second language and time spent on closely related activities performed directly in conjunction with specific bilingual transactions. (Pay Differential 14.)

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

**Cause:** The CUIAB states that a new bilingual pay checklist was established as a result of the previous compliance review; however, they did not have sufficient time to fully implement this new process during the period under review.

**SPB Reply:** The CUIAB's September 29, 2022, Corrective Action Response indicated it had completed and implemented a process for ensuring that bilingual pay is properly authorized and documented. The review period of this area, January 2023 – September 2023, occurred after CUIAB implemented its new process.

**Corrective Action:** The CUIAB asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the CUIAB must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure conformity with Government Code section 7296, and/or Pay Differential 14.

## 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, January 1, 2023, through September 30, 2023, the CUIAB authorized 222 pay differentials.<sup>12</sup> The CRU reviewed 25 of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount
Administrative Law Judge (14 Positions)	84	5%
Information Technology Specialist I	441	\$250
Legal Support Supervisor I (2 Positions)	141	Two Steps Above the Maximum Salary Rate of the Class
Legal Support Supervisor II	141	Two Steps Above the Maximum Salary Rate of the Class
Management Services Technician (2 Positions)	441	\$250
Senior Legal Typist	141	Two Steps Above the Maximum Salary Rate of the Class
Senior Legal Typist (4 Positions)	441	\$250

<sup>12</sup> For the purposes of CRU's review, only monthly pay differentials were selected for review at this time.

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 9 INCORRECT AUTHORIZATION OF PAY DIFFERENTIAL</b>
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**Summary:** The CRU found 1 error in the 25 pay differentials reviewed. This is the second consecutive time this has been a finding for the CUIAB.

Classification	Area	Description of Finding(s)	Criteria
Senior Legal Typist	Geographic Recruitment and Retention Pay	The employee did not work in a county eligible to receive the geographic recruitment and retention pay, resulting in the employee being overcompensated.	Pay Differential 441

**Criteria:** A pay differential may be appropriate 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. 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. (CalHR Classification and Pay Manual Section 230.)

**Severity:** Very Serious. The CUIAB 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 CUIAB acknowledges there was an error associated with a geographical pay transaction. The pay differential was keyed in 2020 and was not properly applied at that time.

**Corrective Action:** The CUIAB asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the CUIAB must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure conformity with Pay Differential 441 and ensure that employees are compensated correctly and that transactions are keyed accurately.



## 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 days<sup>13</sup> worked and paid absences<sup>14</sup>, 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-days working limit in a 12-consecutive month timeframe may begin in the month immediately following the month that marks the end of the previous 12-consecutive month timeframe. (*Ibid.*)

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

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

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.

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<sup>13</sup> For example, two hours or ten hours count as one day.

<sup>14</sup> For example, vacation, sick leave, compensating time off, etc.

At the time of the review, the CUIAB had 65 positive paid employees whose hours were tracked. The CRU reviewed 25 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Time Worked
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	151 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	939 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	781.5 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	224 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	928 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	546 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	957 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	851 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	954.95 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	960 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	155 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	350 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	949.5 Hours
Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	878 Hours
Associate Governmental Program Analyst	Retired Annuitant	7/1/22-6/30/23	960 Hours
Information Technology Specialist I	Retired Annuitant	7/1/22-6/30/23	771 Hours
Management Services Technician	Retired Annuitant	7/1/22-6/30/23	171 Hours
Office Technician (Typing)	Retired Annuitant	7/1/22-6/30/23	575 Hours
Seasonal Clerk	Temporary	10/1/22-9/30/23	1,794.5 Hours
Seasonal Clerk	Temporary	6/1/22-5/31/23	2,072 Hours
Seasonal Clerk	Temporary	11/1/22-10/31/23	1,875 Hours
Senior Legal Typist	Retired Annuitant	7/1/22-6/30/23	66 Hours
Senior Legal Typist	Retired Annuitant	7/1/22-6/30/23	790 Hours
Staff Services Manager II (Supervisory)	Retired Annuitant	7/1/22-6/30/23	724.45 Hours
Supervising Administrative Law Judge	Retired Annuitant	7/1/22-6/30/23	7 Hours

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 10 POSITIVE PAID TEMPORARY EMPLOYEES' WORK EXCEEDED TIME LIMITATIONS</b>
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**Summary:** The CUIAB did not consistently monitor the actual number of hours worked to ensure that positive paid employees did not exceed the 1,500-hour limitation in any 12-consecutive month period.

Specifically, the following employees exceeded the 1,500-hour limitation:

Classification	Tenure	Time Frame	Time Worked	Time Worked Over Limit
Seasonal Clerk	Temporary	10/1/22-9/30/23	1,794.5 Hours	294.5 Hours
Seasonal Clerk	Temporary	6/1/22-5/31/23	2,072 Hours	572 Hours
Seasonal Clerk	Temporary	11/1/22-10/31/23	1,875 Hours	375 Hours

**Criteria:** If any employee is appointed to an intermittent time base position on a TAU basis, there are two controlling time limitations that must be considered. The first controlling factor is the constitutional limit of nine months in any 12 consecutive months for temporary appointments that cannot be extended for any reason. (Cal Const., art. VII, § 5.) Time worked shall be counted on a daily basis with every 21 days worked counting as one month or 189 days equaling nine months. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) Another controlling factor limits the maximum work time for student, youth, and seasonal classifications to 1,500 hours. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

**Severity:** Serious. The number of days or hours an individual may work in a temporary appointment is limited in the state civil service. TAU appointments are distinguished from other appointments as they can be made in the absence of an appropriate employment list.

**Cause:** The CUIAB states that they tracked positive paid employee hours by calendar year instead of a 12-month consecutive period based on the language specified in the Memorandum of Understanding (MOU) for Seasonal Clerks.

**SPB Reply:** Although the previous MOU states “calendar year,” the constitutional requirement of 12 consecutive months is controlling. In addition, one of the three Seasonal Clerks still exceeded the 1,500 hour limitation during the 2023 calendar year.

**Corrective Action:** Within 90 days of the date of this report, the CUIAB must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with California Code of Regulations, title 2, section 265.1. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Administrative Time Off

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

During the period under review, September 1, 2022, through August 31, 2023, the CUIAB authorized 16 ATO transactions. The CRU reviewed 14 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
Legal Support Supervisor I	10/20/22-10/21/22	18 Hours
Management Services Technician	5/18/23	2 Hours
	5/30/23	2 Hours
	7/12/23	2 Hours
	8/5/23	2 Hours
Management Services Technician	9/2/22	8 Hours
Management Services Technician	9/1/22-9/2/22	10.5 Hours
	12/22/22-1/2/23	72 Hours
Management Services Technician	11/9/22-11/10/22	8.5 Hours
	12/1/22	8 Hours
	8/22/23	1 Hour
Management Services Technician	9/2/22	8 Hours
Management Services Technician	5/17/23	2 Hours
	8/31/23	8 Hours
Office Technician (Typing)	9/1/22-9/2/22	11.75 hours

Classification	Time Frame	Amount of Time on ATO
Office Technician (Typing)	9/29/22	2 Hours
	11/9/22-11/10/22	8.5 Hours
	12/1/22	8 Hours
	1/4/23	1 Hour
	2/7/23	2.75 Hours
Office Technician (Typing)	3/1/23	8 Hours
Office Technician (Typing)	5/26/23	4.75 Hours
	8/21/23	3.5 Hours
Office Technician (Typing)	9/1/22	3.5 Hours
Program Technician III	9/1/22-9/2/22	11.75 Hours
Seasonal Clerk	6/21/23	3 Hours
	8/15/23	3 Hours

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 11 ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED</b>
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**Summary:** The CUIAB did not grant ATO in conformity with the established policies and procedures. Of the 14 ATO authorizations reviewed by the CRU, 10 were found to be out of compliance for failing to document justification for ATO. This is the second consecutive time this has been a finding for the CUIAB.

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

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

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

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

**Cause:** The CUIAB states that they provided the SPB with thorough documentation to justify the ATO authorizations.

**SPB Reply:** The documentation provided for the office closures, severe weather, and state of emergency did not include a list of impacted employees. To address this, the CUIAB submitted organizational charts with revision dates of 2024; the ATO approvals occurred in 2022 and 2023. In addition, for the severe weather and natural disaster ATO approvals, the CUIAB did not identify the counties the employees reside in nor what specifically prevented the employees from working. Further, seven ATO authorizations were for dates not specified in the office closure emails.

**Corrective Action:** Within 90 days of the date of this report, the CUIAB must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 19991.10 and Human Resources Manual Section 2121. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### Leave Auditing and Timekeeping

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

Departments are directed to create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. (Human

Resources Manual Section 2101.) Departments shall create an audit process to review and correct leave input errors on a monthly basis. The review of leave accounting records shall be completed by the pay period following the pay period in which the leave was keyed into the leave accounting system. (*Ibid.*) If an employee’s attendance record is determined to have errors or it is determined that the employee has insufficient balances for a leave type used, the attendance record must be amended. (*Ibid.*) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*) Accurate and timely attendance reporting is required of all departments and is subject to audit. (*Ibid.*)

During the period under review, June 1, 2023, through August 31, 2023, the CUIAB reported 18 units comprised of 466 active employees in the June 2023 pay period, 464 active employees in the July 2023 pay period, and 462 active employees in the August 2023 pay period. The pay periods and timesheets reviewed by the CRU are summarized below:

Timesheet Leave Period	Unit Reviewed	No. of Employees	No. of Timesheets Reviewed	No. of Missing Timesheets
June 2023	365	28	28	0
July 2023	306	15	15	0
July 2023	335	26	26	0
August 2023	365	29	29	0

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 12 DEPARTMENT HAS NOT IMPLEMENTED A MONTHLY INTERNAL AUDIT PROCESS TO VERIFY ALL LEAVE INPUT IS KEYED ACCURATELY AND TIMELY</b>
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**Summary:** The CUIAB failed to implement a monthly internal audit process to verify all timesheets were keyed accurately and timely and to certify that all leave records have been reviewed and corrected if necessary. This is the second consecutive time this has been a finding for the CUIAB.

**Criteria:** Each appointing power shall keep complete and accurate time and attendance records for each employee and officer employed within the agency over which it has jurisdiction. (Cal. Code Regs., tit. 2, § 599.665.) Departments are directed to create an audit process to verify all leave input is keyed accurately and timely. (Human Resources Manual Section 2101.) Departments shall identify and record all errors found and shall certify that all leave records for the

unit/pay period identified have been reviewed and all leave errors identified have been corrected. (*Ibid.*) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*)

**Severity:** Serious. Departments must document that they reviewed all leave inputted into their leave accounting system to ensure accuracy and timeliness. Failure to audit leave could put the department at risk of incurring additional costs from the initiation of collection efforts from overpayments, and the risk of liability related to recovering inappropriately credited leave hours and funds.

**Cause:** The CUIAB states that as a result of the findings from its June 27, 2022, Compliance Review Report, a new checklist was developed in June 2023 to ensure that the CalHR 139 form is completed. The CUIAB asserts they did not have sufficient time to fully implement its Correction Action Response before the review at hand.

**SPB Reply:** In its September 29, 2022, Corrective Action Response to the June 27, 2022, Compliance Review Report, the CUIAB represented it had implemented a monthly internal audit and correction process in March 2021, well before the review period in question.

However, assuming that the CUIAB made a determination that further revisions to its process were subsequently necessary, if they developed a new checklist in June 2023, there would have been sufficient time for the CUIAB to internally audit the June 2023-August 2023 periods of review.

**Corrective Action:** Within 90 days of the date of this report, the CUIAB must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that their monthly internal audit process was documented and that all leave input is keyed accurately and timely. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

State Service



The state recognizes two different types of absences while an employee is on pay status, paid or unpaid. The unpaid absences can affect whether a pay period is a qualifying or non-qualifying pay period for state service and leave accruals.

Generally, an employee who has 11 or more working days of service in a monthly pay period shall be considered to have a complete month, a month of service, or continuous service.<sup>15</sup> (Cal. Code Regs., tit. 2, § 599.608.) Full time and fractional employees who work less than 11 working days in a pay period will have a non-qualifying month and will not receive state service or leave accruals for that month.

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

For each qualifying monthly pay period, the employee shall be allowed credit for vacation with pay on the first day of the following monthly pay period. (Cal. Code Regs., tit. 2, § 599.608.) When computing months of total state service to determine a change in the monthly credit for vacation with pay, only qualifying monthly pay periods of service before and after breaks in service shall be counted. (Cal. Code Regs., tit. 2, § 599.739.) Portions of non-qualifying monthly pay periods of service shall not be counted nor accumulated. (*Ibid.*) On the first day following a qualifying monthly pay period, excluded employees<sup>16</sup> shall be allowed credit for annual leave with pay. (Cal. Code Regs., tit. 2, § 599.752.)

Permanent intermittent employees also earn leave credits on the pay period following the accumulated accrual of 160 hours worked. Hours worked in excess of 160 hours in a monthly pay period, are not counted or accumulated towards leave credits.

During the period under review, January 1, 2023, through September 30, 2023, the CUIAB had 12 employees with qualifying and non-qualifying pay period transactions. The CRU reviewed eight transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

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<sup>15</sup> Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, and 19997.4 and California Code of Regulations, title 2, sections 599.609, 599.682, 599.683, 599.685, 599.687, 599.737, 599.738, 599.739, 599.740, 599.746, 599.747, 599.776.1, 599.787, 599.791, 599.840 and 599.843 provide further clarification for calculating state time.

<sup>16</sup> As identified in Government Code sections 19858.3, subdivisions (a), (b), or (c), or as it applies to employees excluded from the definition of state employee under Government Code section 3513, subdivision (c), or California Code of Regulations, title 2, section 599.752, subdivision (a), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

Type of Transaction	Time base	No. Reviewed
Non-Qualifying Pay Period	Full Time	8

<b>IN COMPLIANCE</b>	<b>FINDING NO. 13 SERVICE AND LEAVE TRANSACTIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU determined that the CUIAB ensured employees with non-qualifying pay periods did not receive vacation/sick leave, annual leave, and/or state service accruals. The CRU found no deficiencies in this area.

### **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.*)

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 14 DEPARTMENT’S NEPOTISM POLICY DOES NOT CONTAIN ALL REQUIRED COMPONENTS</b>
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**Summary:** The CUIAB’s nepotism policy does not contain all required components. Specifically, the CUIAB’s nepotism policy does not include:

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 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.
5. A statement that prohibits the direct or first-line supervision of an employee with whom the supervisor has a personal relationship.
6. A process for addressing issues of direct supervision when personal relationships between employees exist.

**Criteria:**

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. (Human Resources Manual Section 1204). All department nepotism policies shall include six specific components which emphasize that nepotism is antithetical to merit-based civil service and include definitions and prohibitions integral to upholding the merit system. (Cal. Code Regs., tit. 2, § 87.)

**Severity:**

Very Serious. Nepotism is expressly prohibited in the state workplace because it is antithetical to California’s merit based civil service. Departments must take proactive steps to ensure that the hiring, transferring, and promoting of all employees is done on the basis of merit and fitness in accordance with civil service statutes. Maintaining a current written nepotism policy that addresses all requirements outlined in civil service statute, rules and regulations, and its dissemination to all staff, is the cornerstone for achieving these outcomes.

**Cause:**

The CUIAB acknowledges that their nepotism policy does not include all required components and is committed to updating the policy accordingly.

**Corrective Action:** Within 90 days of the date of this report, the CUIAB must submit to the SPB a written corrective action response which includes an updated nepotism policy which contains requirements outlined in Human Resources Manual section 1204, and documentation demonstrating that it has been distributed to all staff.

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 (State Fund) office to discuss the status of volunteers. (*Ibid.*)

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

<b>IN COMPLIANCE</b>	<b>FINDING NO. 15 WORKERS' COMPENSATION PROCESS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU verified that the CUIAB provides notice to their employees to inform them of their rights and responsibilities under California's Workers' Compensation Law. Furthermore, the CRU verified that when the CUIAB 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 CRU selected 64 permanent CUIAB employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

<b>SEVERITY:</b> <b>SERIOUS</b>	<b>FINDING NO. 16 PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES</b>
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**Summary:** The CUIAB did not provide annual performance appraisals to 30 of 64 employees reviewed after the completion of the employee’s probationary period. This is the second consecutive time this has been a finding for the CUIAB.

**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 CUIAB states that their TMS to monitor performance appraisals was not fully implemented, resulting in incomplete performance appraisals.

**Corrective Action:** Within 90 days of the date of this report, the CUIAB must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 19992.2 and California Code of

Regulations, title 2, section 599.798. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### **DEPARTMENTAL RESPONSE**

The CUIAB's written response is attached as Attachment 1.

### **SPB REPLY**

Based upon the CUIAB's written response, the CUIAB 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 CRU.



ADMINISTRATIVE SERVICES

MEMORANDUM

**To: Suzanne Ambrose**  
**State Personnel Board**

**Date: April 5, 2024**

**From: Robert Silva, Chief of Administrative Services**  
**California Unemployment Insurance Appeals Board**

**Subject: Response to Compliance Review Report**

The Employment Development Department (EDD) and California Unemployment Insurance Appeals Board (CUIAB) take compliance issues very seriously and has taken steps to ensure both current and future compliance with the State Personnel Board (SPB) audit findings. This memorandum serves as a response to the findings of the 2024 Compliance Review Report.

Finding No. 1	PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED
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Summary: The CUIAB did not provide 3 probationary reports of performance for one of the 25 appointments reviewed by the Compliance Review Unit (CRU).

Cause:

The CUIAB recognizes the importance of completing probationary reports for new appointments. The CUIAB was unable to locate the probationary reports for one Management Services Technician. After the findings from the June 27, 2022 compliance review, the CUIAB implemented the EDD’s electronic Talent Management System (TMS) on May 1, 2023, to monitor probationary reports. The CUIAB did not have sufficient time to fully implement the Corrective Action Response from the 2022 compliance review before the 2023 compliance review began. The CUIAB will continue to ensure sufficient completion of probationary reports in the TMS by tracking the statuses of probationary reports through monthly reports.



# ADMINISTRATIVE SERVICES

## MEMORANDUM

Finding No. 2	EQUAL EMPLOYMENT OPPORTUNITY OFFICER'S DUTY STATEMENT DOES NOT REFLECT EEO DUTIES
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Summary: The EEO Officer's duty statement did not contain EEO Officer-related duties.

Cause:

The CUIAB recognizes the importance of clearly reflecting EEO-related duties on the EEO Officer's duty statement. The CUIAB will update the EEO Officer's duty statement to clearly reflect EEO-related duties.

Finding No. 3	UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACT
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Summary: The CUIAB did not notify the unions prior to entering into one of the nine Personal Services Contracts (PSCs) reviewed.

Cause:

As the contract processing entity for CUIAB, the EDD recognizes the importance of notifying unions for all PSCs with vendors. The error may have been caused by lack of oversight to ensure the union notification was sent or by lack of retention of the union notification that was sent. The Single Point of Contact (SPOC) that was responsible for submitting the union notification for the Global Knowledge PSC cannot verify as they have since separated from the EDD.

Finding No. 4	ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS
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ADMINISTRATIVE SERVICES

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Summary: Ethics training was not provided for 41 of 191 existing filers and 2 of 33 new filers.

Cause:

The CUIAB recognizes the importance of timely Ethics training for filers of Statements of Economic Interest. After the findings from the June 27, 2022 compliance review, the CUIAB began tracking compliance through monthly reports, beginning in October 2023. The CUIAB did not have sufficient time to fully implement the Corrective Action Response from the 2022 compliance review before the 2023 compliance review began.

Finding No. 5	SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES
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Summary: Sexual Harassment Prevention training was not provided to 33 of 51 existing supervisors every 2 years and 49 of 95 existing non-supervisory employees every 2 years.

Cause:

The CUIAB recognizes the importance of timely and regular Sexual Harassment Prevention training for all employees. After the findings from the June 27, 2022 compliance review, the CUIAB began tracking compliance for required trainings through monthly reports, beginning in October 2023. The CUIAB did not have sufficient time to fully implement the Corrective Action Response from the 2022 compliance review before the 2023 compliance review began.

Finding No. 7	ALTERNATE RANGE MOVEMENTS DID NOT COMPLY WITH CIVIL SERVICE LAWS, RULES, AND CALHR POLICIES AND GUIDELINES
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# ADMINISTRATIVE SERVICES

## MEMORANDUM

Summary: The CRU found two errors in the CUIAB's eight alternate range movements reviewed.

Cause:

As the personnel transaction processing entity for CUIAB, the EDD recognizes the importance of ensuring that the appropriate alternate range movement is applied, and the computation for each are validated. The errors were caused by a lack of oversight on alternate range movement requests. The EDD will work to ensure any future alternate range movements are correctly calculated and reviewed by a supervisor.

Finding No. 8	INCORRECT AUTHORIZATION OF BILINGUAL PAY
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Summary: The CRU found 17 errors in the CUIAB's 28 authorizations of bilingual pay.

Cause:

As the personnel transaction processing entity for the CUIAB, the EDD recognizes the importance of ensuring that bilingual positions are utilizing bilingual skills at least 10 percent of the time. During the compliance review, the EDD was unable to locate the DE 897s for 17 bilingual employees. After the findings from the June 27, 2022 compliance review, the EDD established a new checklist form in July 2023 to ensure sufficient justification is provided when bilingual pay is being added to a new position. The CUIAB did not have sufficient time to fully implement the Corrective Action Response from the 2022 compliance review before the 2023 compliance review began.

Finding No. 9	INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS
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Summary: The CRU found one error in the 25 pay differentials reviewed.



ADMINISTRATIVE SERVICES

MEMORANDUM

Cause:

As the personnel transaction processing entity for CUIAB, the EDD recognizes the importance of ensuring that the appropriate pay differential is applied and the computation for each are validated. The error that was found was associated with a geographical pay transaction that was keyed on July 1, 2020. After the findings from the June 27, 2022 compliance review, the EDD established a new process in October 2022 to require a certification form and supporting documents to request payment of conditional pay differentials. The error that was found has been corrected.

Finding No. 10	POSITIVE PAID TEMPORARY EMPLOYEES' WORK EXCEEDED TIME LIMITATIONS
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Summary: The CUIAB failed to implement a monthly internal audit process to ensure that positive paid employees did not exceed the 1,500-hour limitation in a 12-consecutive month period. Specifically, 3 of 65 positive paid temporary employees exceeded the 1,500-hour limitation.

Cause:

The CUIAB recognizes the importance of enforcing the 1,500-hour limitation for all positive paid employees. The CUIAB authorized the three temporary employees to work more than 1,500 hours in a 12-consecutive month period as they had previously counted hours by calendar year, which was the rule specified in the Memorandum of Understanding (MOU) between SEIU and the State. As of July 1, 2023, the language in the SEIU MOU was changed from allowing employees to work 1,500 hours in a calendar year to the language in the California Code of Regulations that allows 1,500 hours in a 12-consecutive month period, effective January 1, 2024. Therefore, the CUIAB will update its tracking system to monitor hours worked in a consecutive 12-month period beginning January 1, 2024, rather than by calendar year for all positive paid employees.

Finding No. 11	ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED
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# ADMINISTRATIVE SERVICES

## MEMORANDUM

Summary: The CUIAB did not grant Administrative Time Off (ATO) in conformity with the established policies and procedures. Of the 14 ATO transactions reviewed by the CRU, 10 were found to be out of compliance for failing to document the justification for the ATO requests.

Cause:

The CUIAB recognizes the importance of retaining documentation regarding the authorization of ATO. The SPB states that the CUIAB did not retain thorough documentation to sufficiently justify authorization of ATO. The CUIAB initially submitted screen prints of the ATO request and approval dates and information regarding the ATO usage, however the SPB determined that this documentation did not thoroughly document the ATO usage. The CUIAB has now provided the SPB with thorough documentation to sufficiently justify authorization of ATO. Furthermore, the CUIAB will update its ATO procedures to sufficiently document the justification for the ATO requests.

Finding No. 12	DEPARTMENT HAS NOT IMPLEMENTED A MONTHLY INTERNAL AUDIT PROCESS TO VERIFY ALL LEAVE INPUT IS KEYED ACCURATELY AND TIMELY
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Summary: The CUIAB failed to implement a monthly internal audit process to verify all timesheets were keyed accurately and timely and to certify that all leave records have been reviewed and corrected if necessary.

Cause:

As the personnel transaction processing entity for CUIAB, the EDD recognizes the importance of ensuring the accuracy of all leave input keyed. As we await the full implementation of an enterprise-wide system that would meet this requirement, the EDD has implemented the process to validate the items keyed monthly. After the findings from the June 27, 2022 compliance review, the EDD established a new checklist in June 2023 to ensure the CalHR 135 form is completed. The CUIAB did not have sufficient time to fully implement the Corrective Action Response from the 2022 compliance review before the 2023 compliance review began.



# ADMINISTRATIVE SERVICES

## MEMORANDUM

Finding No. 14	DEPARTMENT'S NEPOTISM POLICY DOES NOT CONTAIN ALL REQUIRED COMPONENTS
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Summary: The CUIAB's nepotism policy does not contain all required components.

Cause:

The CUIAB recognizes the importance of enforcing a sufficient nepotism policy. The CUIAB will modify their nepotism policy to include all required components.

Finding No. 16	PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES
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Summary: The CUIAB did not provide annual performance appraisals to 30 of 64 employees reviewed after the completion of the employee's probationary period.

Cause:

The CUIAB recognizes the importance of completing performance appraisals on its employees. After the findings from the June 27, 2022 compliance review, the CUIAB implemented the EDD's electronic TMS to monitor performance evaluations on May 1, 2023. The CUIAB did not have sufficient time to fully implement the Corrective Action Response from the 2022 compliance review before the 2023 compliance review began. The CUIAB will continue to ensure sufficient completion of performance appraisals in the TMS by tracking the statuses of performance appraisals through monthly reports.

If you have any questions or need additional information, please contact Haley Versoza at (916) 651-7095 or [Haley.Versoza@edd.ca.gov](mailto:Haley.Versoza@edd.ca.gov).

/s/ Robert Silva, Chief of Administrative Services  
Administrative Services