



# **COMPLIANCE REVIEW REPORT**

  

## **DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**

Compliance Review Unit  
State Personnel Board  
September 17, 2021

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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 Department of Financial Protection and Innovation (DFPI) (formerly the Department of Business Oversight (DBO)) 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	In Compliance	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	In Compliance	Appointments Complied with Civil Service Laws and Board Rules
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Rules
Personal Services Contracts	Serious	Unions Were Not Notified of Personal Services Contracts
Mandated Training	Very Serious	Ethics Training Was Not Provided for All Filers
Compensation and Pay	Very Serious	Incorrect Applications of Salary Determination Laws, Rules, and CalHR Policies and Guidelines for Appointment
Compensation and Pay	Very Serious	Alternate Range Movements Did Not Comply with Civil Service Laws, Rules, and CalHR Policies and Guidelines <sup>1</sup>
Compensation and Pay	Very Serious	Incorrect Authorization of Bilingual Pay
Compensation and Pay	Very Serious	Incorrect Authorization of Pay Differentials

<sup>1</sup> Repeat Finding. The January 28, 2019, DBO Compliance Review Report identified one error in the application of an Alternate Range Movement for a single employee.

Area	Severity	Finding
Leave	Serious	Positive Paid Employees' Time and Attendance Records Were Not Properly Retained and Documented
Leave	Serious	Administrative Time Off Was Not Properly Documented
Leave	In Compliance	Leave Auditing and Timekeeping Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	In Compliance	Service and Leave Transactions 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 Timely to All Employees

### **BACKGROUND**

The DFPI serves Californians by effectively overseeing financial service providers; enforcing laws and regulations; promoting innovation and fair and honest business practices; enhancing consumer awareness; and, protecting consumers by preventing potential marketplace risks, fraud, and abuse.

The DFPI provides protection to consumers; services to businesses engaged in financial transactions; regulates a variety of financial services, products and professionals. Further, it oversees the operations of state-licensed financial institutions, including banks, credit unions, money transmitters, issuers of payment instruments and travelers' checks, and premium finance companies. Additionally, the DFPI licenses and regulates a variety of financial businesses, including securities brokers and dealers, investment advisers, deferred deposit (commonly known as payday loans), and certain fiduciaries and lenders. The DFPI also regulates the offer and sale of securities, franchises and off-exchange commodities.

## **SCOPE AND METHODOLOGY**

The scope of the compliance review was limited to reviewing the DFPI's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes<sup>2</sup>. The primary objective of the review was to determine if the DFPI'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 DFPI did not conduct any examinations during the compliance review period. The CRU reviewed the DFPI's permanent withhold actions documentation, including Withhold Determination Worksheets, State applications, class specifications, and withhold letters.

A cross-section of the DFPI's appointments were selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the DFPI 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 CRU also reviewed the DFPI's policies and procedures concerning unlawful appointments to ensure departmental practices conform to state civil service laws and Board regulations. Additionally, the DFPI did not make any additional appointments during the compliance review period.

The DFPI's appointments were also selected for review to ensure the DFPI applied salary regulations accurately and correctly processed employees' compensation and pay. The CRU examined the documentation that the DFPI 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.

The review of the DFPI's EEO program included examining written EEO policies and procedures; the EEO Officer's role, duties, and reporting relationship; the internal

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

discrimination complaint process; the reasonable accommodation program; the discrimination complaint process; and the Disability Advisory Committee.

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

The DFPI's mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, and that all supervisors, managers, and CEAs were provided sexual harassment prevention training within statutory timelines.

The CRU reviewed the DFPI'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 DFPI'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 DFPI'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 DFPI employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRU reviewed a selection of DFPI 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 DFPI's policies and processes concerning nepotism, workers' compensation, and performance appraisals. The review was limited to whether the DFPI's policies and processes adhered to procedural requirements.

The DFPI declined to have an exit conference. The CRU received and carefully reviewed the DFPI's written response on August 19, 2021, which is attached to this final compliance review report.

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<sup>3</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

### Permanent Withhold Actions

Departments are granted statutory authority to permit withhold of eligibles from lists based on specified criteria. (Gov. Code, § 18935.) Permanent appointments and promotions within the state civil service system shall be merit-based, ascertained by a competitive examination process. (Cal. Const., art. VII, § 1, subd. (b).) If a candidate for appointment is found not to satisfy the minimum qualifications, the appointing power shall provide written notice to the candidate, specifying which qualification(s) are not satisfied and the reason(s) why. The candidate shall have an opportunity to establish that s/he meets the qualifications. (Cal. Code Regs., tit. 2, § 249.4, subd. (b).) If the candidate fails to respond, or fails to establish that s/he meets the minimum qualification(s), the candidate's name shall be removed from the eligibility list. (Cal. Code Regs., tit. 2, § 249.4, subd. (b)(1), (2)), (HR Manual, section 1105.) The appointing authority shall promptly notify the candidate in writing, and shall notify the candidate of his or her appeal rights. (*Ibid.*) A permanent withhold does not necessarily permanently restrict a candidate from retaking the examination for the same classification in the future; however, the appointing authority may place a withhold on the candidate's subsequent eligibility record if the candidate still does not meet the minimum qualifications or continues to be unsuitable. (HR Manual, Section 1105). State agency human resources offices are required to maintain specific withhold documentation for a period of five years. (*Ibid.*)

During the period under review, May 1, 2020, through January 31, 2021, the DFPI conducted two permanent withhold actions. The CRU reviewed both of these permanent withhold actions, which are listed below:

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Associate Governmental Program Analyst	9PB04	12/18/19	9/14/20	Failed to Meet Minimum Qualifications
Staff Services Analyst (General)	7PB34	9/23/19	7/7/20	Failed to Meet Minimum Qualifications

<b>IN COMPLIANCE</b>	<b>FINDING NO. 1 PERMANENT WITHHOLD ACTIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES</b>
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The CRU found no deficiencies in the permanent withhold actions undertaken by the department during the compliance review period.

**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, May 1, 2020, through January 31, 2021, the DFPI made 93 appointments. The CRU reviewed 33 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Accountant I (Specialist)	Certification List	Permanent	Full Time	1
Accounting Administrator I (Supervisor)	Certification List	Permanent	Full Time	1
Associate Accounting Analyst	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Certification List	Limited Term	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	3
Attorney	Certification List	Permanent	Full Time	2
Attorney III	Certification List	Permanent	Full Time	2
Auditor I	Certification List	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Business Service Officer I (Supervisor)	Certification List	Permanent	Full Time	1
Consumer Assistance Technician	Certification List	Permanent	Full Time	1
Corporation Examiner	Certification List	Permanent	Full Time	1
Financial Institutions Examiner	Certification List	Permanent	Full Time	1
Information Technology Specialist I	Certification List	Permanent	Full Time	1
Information Technology Specialist II	Certification List	Permanent	Full Time	1
Personnel Specialist	Certification List	Limited Term	Full Time	1
Senior Financial Institutions Examiner	Certification List	Permanent	Full Time	2
Senior Legal Analyst	Certification List	Permanent	Full Time	1
Staff Services Analyst (General)	Certification List	Permanent	Full Time	3
Staff Services Manager I	Certification List	Permanent	Full Time	1
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	1
Staff Services Manager III	Certification List	Permanent	Full Time	1
Associate Management Auditor	Transfer	Permanent	Full Time	1
Attorney	Transfer	Permanent	Full Time	1
Attorney III	Transfer	Permanent	Full Time	1
Information Technology Specialist II	Transfer	Permanent	Full Time	2

<b>IN COMPLIANCE</b>	<b>FINDING No. 2 APPOINTMENTS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES</b>
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The DFPI 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 28 list appointments reviewed, the DFPI ordered a certification list of candidates ranked competitively. After properly clearing the certification lists including State Restriction of Appointments, the selected candidates were appointed based on eligibility attained by being reachable within the first three ranks of the certification lists.

The CRU reviewed five DFPI 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 DFPI verified the eligibility of each candidate to their appointed class.

The CRU found no deficiencies in the appointments that the DFPI initiated during the compliance review period. Accordingly, the CRU found that the DFPI’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).)

<b>IN COMPLIANCE</b>	<b>FINDING No. 3 EQUAL EMPLOYMENT OPPORTUNITY PROGRAM COMPLIED WITH ALL CIVIL SERVICE LAWS AND BOARD RULES</b>
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After reviewing the policies, procedures, and programs necessary for compliance with the EEO program’s role and responsibilities according to statutory and regulatory guidelines, the CRU determined that the DFPI’s EEO program provided employees with information and guidance on the EEO process including instructions on how to file

discrimination claims. Furthermore, the EEO program outlines the roles and responsibilities of the EEO Officer, as well as supervisors and managers. The EEO Officer, who is at a managerial level, reports directly to the Commissioner of the DFPI. The DFPI also provided evidence of its efforts to promote EEO in its hiring and employment practices and to increase its hiring of persons with a disability.

**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, May 1, 2020, through January 31, 2021, the DFPI had 26 PSC’s that were in effect. The CRU reviewed 16 of those, which are listed below:

Vendor	Services	Contract Dates	Contract Amount	Justification Identified?	Union Notification?
American Association of Residential Mortgage Regulators	Training Services	1/7/20-12/31/22	\$49,000	Yes	Yes
California Certified Public Accountants Education Foundation	Training Services	11/15/19-11/14/22	\$49,999	Yes	Yes

Vendor	Services	Contract Dates	Contract Amount	Justification Identified?	Union Notification?
Crown Worldwide Moving and Storage LLC.	Moving Services	1/11/21-6/30/22	\$30,000	Yes	Yes
Enterprise Networking Solutions	Information Technology Services	9/28/18-8/31/22	\$500,000	Yes	Yes
Fiduciary & Investment Risk Management Association, Inc.	Training Services	12/24/19-12/31/21	\$40,000	Yes	No
General Logistics Systems US, Inc.	Mail Delivery Services	1/1/19-11/27/21	\$200,000	Yes	Yes
Hanna Interpreting Services	Translation Services	7/1/19-6/30/21	\$9,999	Yes	Yes
Information Systems Audit & Control Association, Inc.	Training Services	4/1/19-6/30/21	\$49,999	Yes	Yes
Information Systems Audit & Control Association, Inc.	Training Services	4/1/19-6/30/21	\$49,999	Yes	Yes
Kiefer Consulting, Inc.	Information Technology Services	12/14/17-12/13/20	\$500,000	Yes	Yes
Language Line Services, Inc.	Interpreter Services	7/1/20-6/30/22	\$8,000	Yes	Yes
Providence Technology Group	Information Technology Services	9/28/18-8/31/22	\$500,000	Yes	No
Rust Consulting, Inc.	Mortgage Lending Services	2/9/18-9/30/21	\$727,061	Yes	Yes
S&P Global Market Intelligence LLC.	Financial Reporting Services	1/11/21-12/31/22	\$171,995	Yes	Yes
Securities Training Corporation	Training Services	9/18/18-6/30/21	\$40,000	Yes	Yes
Viking Shred, LLC.	Shredding Services	7/1/20-4/30/23	\$3,000	Yes	Yes

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 4 UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACTS</b>
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**Summary:** The DFPI did not notify unions prior to entering into 2 of the 16 PSC's reviewed.

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

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

**Cause:** The DFPI states that the contract analyst overlooked sending timely union notifications in two cases.

**Corrective Action:** It is the contracting department's responsibility to identify and notify any unions whose members could potentially perform the type of work to be contracted prior to executing the PSC. The PSC's reviewed during this compliance review involved mail delivery, information technology, interpreter, and training services, functions which various rank-and-file civil service classifications perform. Within 90 days of the date of this report, the DFPI 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 Government Code section 19132. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

**Mandated Training**

Each member, officer, or designated employee of a state agency who is required to file a statement of economic interest (referred to as "filers") because of the position he or she holds with the agency is required to take an orientation course on the relevant ethics statutes and regulations that govern the official conduct of state officials. (Gov. Code, §§ 11146 & 11146.1.) State agencies are required to offer filers the orientation

course on a semi-annual basis. (Gov. Code, § 11146.1.) New filers must be trained within six months of appointment and at least once during each consecutive period of two calendar years, commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3.)

Additionally, new supervisors 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 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 DFPI’s mandated training program that was in effect during the compliance review period, February 1, 2019, through January 31, 2021. The DFPI’s sexual harassment prevention training was found to be in compliance, while the DFPI’s ethics training was found to be out of compliance.

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 5 ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS</b>
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**Summary:** The DFPI did not provide/complete timely ethics training to 21 of 502 existing filers. In addition, the DFPI did not provide/complete timely ethics training to 6 of 52 new filers within 6 months of their appointment.

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

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

**Cause:** The DFPI states that in half of the cases identified, ethics training notification was sent out late as a result of staff oversight. In the other instances, despite timely notification and reminders, employees still completed the training late.

**Corrective Action:** Within 90 days of the date of this report, the DFPI 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.

## **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>4</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, May 1, 2020, through January 31, 2021, the DFPI made 93 appointments. The CRU reviewed 33 of those appointments to determine if the DFPI applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

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<sup>4</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)
Accountant I (Specialist)	Certification List	Permanent	Full Time	\$3,048.96
Accounting Administrator I (Supervisor)	Certification List	Permanent	Full Time	\$6,124.00
Associate Accounting Analyst	Certification List	Permanent	Full Time	\$6,025.00
Associate Governmental Program Analyst	Certification List	Limited Term	Full Time	\$4,673.75
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$4,673.75
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$5,108.54
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$5,628.00
Attorney	Certification List	Permanent	Full Time	\$5,224.72
Attorney	Certification List	Permanent	Full Time	\$7,818.00
Attorney III	Certification List	Permanent	Full Time	\$10,529.00
Attorney III	Certification List	Permanent	Full Time	\$9,557.17
Auditor I	Certification List	Permanent	Full Time	\$4,641.00
Business Service Officer I (Supervisor)	Certification List	Permanent	Full Time	\$4,208.10
Consumer Assistance Technician	Certification List	Permanent	Full Time	\$2,802.07
Corporation Examiner	Certification List	Permanent	Full Time	\$4,873.00
Financial Institutions Examiner	Certification List	Permanent	Full Time	\$4,930.00
Information Technology Specialist I	Certification List	Permanent	Full Time	\$6,395.00
Information Technology Specialist II	Certification List	Permanent	Full Time	\$7,925.00
Personnel Specialist	Certification List	Limited Term	Full Time	\$3,144.00
Senior Financial Institutions Examiner	Certification List	Permanent	Full Time	\$6,552.69
Senior Financial Institutions Examiner	Certification List	Permanent	Full Time	\$6,241.00
Staff Services Analyst (General)	Certification List	Permanent	Full Time	\$3,885.86
Senior Legal Analyst	Certification List	Permanent	Full Time	\$5,910.00
Staff Services Analyst (General)	Certification List	Permanent	Full Time	\$4,281.00

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Staff Services Analyst (General)	Certification List	Permanent	Full Time	\$3,686.17
Staff Services Manager I	Certification List	Permanent	Full Time	\$6,124.00
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	\$7,113.64
Staff Services Manager III	Certification List	Permanent	Full Time	\$7,960.53
Associate Management Auditor	Transfer	Permanent	Full Time	\$7,108.00
Attorney	Transfer	Permanent	Full Time	\$6,619.86
Attorney III	Transfer	Permanent	Full Time	\$9,018.91
Information Technology Specialist II	Transfer	Permanent	Full Time	\$8,958.09
Information Technology Specialist II	Transfer	Permanent	Full Time	\$8,958.09

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 6 INCORRECT APPLICATIONS OF SALARY DETERMINATION LAWS, RULES, AND CALHR POLICIES AND GUIDELINES FOR APPOINTMENT</b>
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**Summary:** The CRU found the following error in the DFPI's determination of employee compensation:

Classification	Description of Finding	Criteria
Personnel Specialist	Incorrect salary determination resulting in the employee being undercompensated.	Cal. Code Regs., tit. 2, section 599.676

**Criteria:** 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 one circumstance, the DFPI failed to comply with the requirements outlined in the state civil service pay plan. Incorrectly applying compensation laws and rules in accordance with CalHR's policies and guidelines results in civil service employees receiving incorrect and/or inappropriate pay amounts.

**Cause:** The DFPI states that the incorrect salary determination was a result of a training issue with new staff.

**Corrective Action:** Within 90 days of the date of this report, the DFPI 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 DFPI must demonstrate it has established 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.

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, 2020, through October 31, 2020, the DFPI employees made 16 alternate range movements within a classification. The CRU reviewed 12 of those alternate range movements to determine if the DFPI 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)
Attorney	A	B	Full Time	\$6,044
Corporation Examiner	A	B	Full Time	\$6,170
Corporation Examiner	A	B	Full Time	\$5,656
Corporation Examiner	A	B	Full Time	\$5,656
Financial Institutions Examiner	B	C	Full Time	\$5,940
Financial Institutions Examiner	B	C	Full Time	\$6,237
Information Technology Specialist I	B	C	Full Time	\$6,440
Information Technology Specialist I	B	C	Full Time	\$8,197

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Information Technology Specialist I	B	C	Full Time	\$6,743
Information Technology Technician	B	C	Full Time	\$5,024
Staff Services Analyst (General)	B	C	Full Time	\$4,409
Staff Services Analyst (General)	B	C	Full Time	\$4,692

<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 the following errors in the DFPI’s determination of employee compensation. This was also a finding identified in DBO’s January 28, 2019, report.

Classification	Description of Findings	Criteria
Information Technology Specialist I	Incorrect anniversary date, which resulted in the employee being overcompensated.	Cal. Code Regs., tit. 2, § 599.674
Information Technology Specialist I	Employee was placed into Range C of the Information Technology Specialist I 12 months earlier than authorized per the alternate range criteria, resulting in the employee being overcompensated.	Alternate Range Criteria 484
Information Technology Specialist I	Employee was placed into Range C of the Information Technology Specialist I 12 months earlier than authorized per the alternate range criteria, resulting in the employee being overcompensated.	Alternate Range Criteria 484

**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 three circumstances, the DFPI 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 DFPI states that the cause of the incorrect alternate range movements were the result of a training issue with new staff.

**Corrective Action:** As this is the second consecutive time this has been a finding for CCC, it is the expectation that it develops a meaningful and measurable plan to achieve compliance in this area. Within 90 days of the date of this report, the DFPI 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 DFPI 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 February 1, 2020, through October 31, 2020, the DFPI issued bilingual pay to 10 employees. The CRU reviewed all 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.
Associate Governmental Program Analyst	R01	Full Time	2
Executive Assistant	R01	Full Time	1
Financial Institutions Examiner	R01	Full Time	1
Legal Analyst	R01	Full Time	1
Legal Secretary	R01	Full Time	1
Office Assistant (Typing)	R01	Full Time	1
Senior Financial Institutions Examiner	R01	Full Time	1
Staff Services Analyst (General)	R01	Full Time	2

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 8 INCORRECT AUTHORIZATION OF BILINGUAL PAY</b>
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**Summary:** The CRU found five errors in the DFPI’s authorization of bilingual pay:

Classification	Description of Findings	Criteria
Executive Assistant	The DFPI failed to supply supporting documentation demonstrating the need for bilingual services.	Pay Differential 14
Financial Institutions Examiner	The DFPI failed to supply supporting documentation demonstrating the need for bilingual services.	Pay Differential 14
Senior Financial Institutions Examiner	The DFPI failed to supply supporting documentation demonstrating the need for bilingual services.	Pay Differential 14
Staff Services Analyst (General)	The DFPI failed to supply supporting documentation demonstrating the need for bilingual services.	Pay Differential 14
Staff Services Analyst (General)	The DFPI failed to supply supporting documentation demonstrating the need for bilingual services.	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 DFPI states that due to turnover in both the Human Resources and EEO areas, the appropriate application and processing of bilingual pay was inconsistently applied and documented.

**Corrective Action:** Within 90 days of the date of this report, the DFPI must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Pay Differential 14. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### 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, 2020, through October 31, 2020, the DFPI issued pay differentials<sup>5</sup> to eight employees. The CRU reviewed all of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount
Executive Assistant	52	\$367.30
Information Technology Specialist I	13	\$428.50
Information Technology Specialist I	13	\$345.00
Investigator	244	\$125.00
Supervising Special Investigator I	244	\$100.00

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING No. 9 INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS</b>
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**Summary:** The CRU found two errors in the eight pay differentials reviewed:

Classification	Area	Description of Findings	Criteria
Information Technology Specialist I	Recruitment and Retention	The employee was not located in a county as listed per pay differential 13, resulting in the employee being overcompensated.	Pay Differential 13
Investigator	Education	The employee did not possess a Bachelor of Arts or Bachelor of Science Degree, resulting in the employee being overcompensated.	Pay Differential 244

<sup>5</sup> For the purposes of CRU's review, only monthly pay differentials were selected for review at this time.

**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 DFPI 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 DFPI states that the two pay differential errors were the result of human error.

**Corrective Action:** Within 90 days of the date of this report, the DFPI must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with all Pay Differentials and ensure that employees are compensated correctly and that transactions are keyed accurately. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

## Leave

### Positive Paid Employees

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

An employee is appointed TAU-ATW when he/she is not expected to work all of the working days of a month. When counting 189 days, every day worked, including partial days<sup>6</sup> worked and paid absences<sup>7</sup>, are counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) The hours worked in one day is not limited by this rule. (*Ibid.*) The 12-consecutive month timeframe begins by counting the first pay period worked as the first month of the 12-consecutive month timeframe. (*Ibid.*) The employee shall serve no longer than 189 days in a 12 consecutive month period. (*Ibid.*) A new 189-days working limit in a 12-consecutive month timeframe may begin in the month immediately following the month that marks the end of the previous 12-consecutive month timeframe. (*Ibid.*)

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

For student assistants, graduate student assistants, youth aides, and seasonal classifications a maximum work-time limit of 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).)

Generally, permanent intermittent employees may work up to 1,500 hours in any calendar year. (Applicable Bargaining Unit Agreements.) However, Bargaining Unit 6 employees may work up to 2,000 hours in any calendar year.

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

At the time of the review, the DFPI had 11 positive paid employees whose hours were tracked. The CRU reviewed seven 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
Associate Accounting Analyst	Retired Annuitant	7/1/19-6/30/20	622.25 Hours

<sup>6</sup> For example, two hours or ten hours count as one day.

<sup>7</sup> For example, vacation, sick leave, compensating time off, etc.

Classification	Tenure	Time Frame	Time Worked
Associate Governmental Program Analyst	Retired Annuitant	7/1/19-6/30/20	318.5 Hours
Information Technology Specialist II	Retired Annuitant	7/1/19-6/30/20	515 Hours
Office Technician (Typing)	Retired Annuitant	7/1/19-6/30/20	921 Hours
Senior Financial Institutions Examiner	Retired Annuitant	7/1/19-6/30/20	378 Hours
Senior Financial Institutions Examiner	Retired Annuitant	7/1/19-6/30/20	932 Hours
Senior Financial Institutions Examiner	Retired Annuitant	7/1/19-6/30/20	891.5 Hours

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 10 POSITIVE PAID EMPLOYEE TIME AND ATTENDANCE RECORD WAS NOT PROPERLY DOCUMENTED</b>
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**Summary:** The DFPI had one timekeeping error when reviewing positive paid employees, resulting in an overpayment to the employee:

Classification	Number of Employees	Number of Timesheet Errors
Senior Financial Institutions Examiner	1	1

**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.) Such records shall be kept in the form and manner prescribed by the Department of Finance in connection with its powers to devise, install and supervise a modern and complete accounting system for state agencies. (*Ibid.*)

**Severity:** Serious. Failure to properly retain time and attendance records and to monitor employees' time worked results in civil service employees receiving incorrect and/or inappropriate compensation and/or benefits.

**Cause:** The DFPI states that the overpayment was the result of a staff keying error.

**Corrective Action:** Within 90 days of the date of this report, the DFPI must submit to the SPB a written corrective action response which addresses

the correction the department will implement to ensure all timesheets are accounted for and processed in conformity with California Code of Regulations, title 2, section 599.665. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Administrative Time Off

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

During the period under review, November 1, 2019, through October 31, 2020, the DFPI placed 173 employees on ATO. The CRU reviewed 50 of these ATO appointments to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	Amount of Time on ATO
Attorney III	April 2020	80 Hours
Corporation Examiner	December 2019	4 Hours
Corporation Examiner	April 2020	72 Hours
Corporation Examiner	May 2020	8 Hours
Corporation Examiner	April 2020	16 Hours
Corporation Examiner	May 2020	48 Hours
Corporation Examiner	June 2020	16 Hours
Corporation Examiner	May 2020	80 Hours
Corporation Examiner	November 2019	120 Hours
Corporation Examiner	December 2019	176 Hours
Corporation Examiner	January 2020	176 Hours
Corporation Examiner	February 2020	168 Hours
Corporation Examiner	March 2020	16 Hours
Corporation Examiner	June 2020	80 Hours
Corporation Examiner IV (Supervisor)	May 2020	62 Hours
Corporation Examiner IV (Supervisor)	March 2020	8 Hours
Corporation Examiner IV (Supervisor)	April 2020	36 Hours

Classification	Time Frame	Amount of Time on ATO
Corporation Examiner IV (Supervisor)	May 2020	44 Hours
Corporation Examiner IV (Supervisor)	April 2020	32 Hours
Corporation Examiner IV (Supervisor)	May 2020	16 Hours
Corporation Examiner IV (Supervisor)	May 2020	80 Hours
Corporation Examiner IV (Supervisor)	April 2020	20 Hours
Corporation Examiner IV (Supervisor)	May 2020	24 Hours
Corporation Examiner IV (Supervisor)	June 2020	28 Hours
Corporation Examiner IV (Supervisor)	July 2020	4 Hours
Corporation Examiner IV (Supervisor)	August 2020	4 Hours
Corporation Examiner IV (Supervisor)	August 2020	21 Hours
Corporation Examiner IV (Supervisor)	September 2020	43 Hours
Corporation Examiner IV (Supervisor)	October 2020	16 Hours
Financial Institutions Examiner	August 2020	18 Hours
Financial Institutions Examiner	September 2020	80 Hours
Financial Institutions Examiner	June 2020	80 Hours
Financial Institutions Examiner	October 2020	80 Hours
Financial Institutions Examiner	August 2020	6.75 Hours
Financial Institutions Examiner	September 2020	12.25 Hours
Financial Institutions Examiner	October 2020	18 Hours
Financial Institutions Examiner	August 2020	14 Hours
Financial Institutions Manager	September 2020	16 Hours
Financial Institutions Manager	July 2020	80 Hours
Senior Financial Institutions Examiner	April 2020	144 Hours
Senior Financial Institutions Examiner	August 2020	26 Hours
Senior Financial Institutions Examiner	September 2020	54 Hours
Senior Financial Institutions Examiner	July 2020	18 Hours
Senior Financial Institutions Examiner	August 2020	26 Hours
Senior Financial Institutions Examiner	May 2020	80 Hours
Senior Financial Institutions Examiner	August 2020	80 Hours
Staff Services Analyst (General)	March 2020	5.5 Hours
Staff Services Analyst (General)	January 2020	3 Hours
Supervising Corporation Examiner	April 2020	16 Hours
Supervising Corporation Examiner	May 2020	32 Hours

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 11 ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED</b>
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**Summary:** The DFPI did not grant ATO in conformity with the established policies and procedures. Of the 50 ATO authorizations reviewed by the CRU, 4 were found to be out of compliance for failing to document justification for ATO.

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

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 DFPI states that the cause of this finding was a result of a training issue, as staff were unaware that separate detailed documentation was required for all ATO occurrences.

**Corrective Action:** Within 90 days of the date of this report, the DFPI 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, August 1, 2020, through October 31, 2020, the DFPI reported 161 units comprised of 647 active employees. The pay periods and timesheets reviewed by the CRU are summarized below:

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
August 2020	112	19	19	0
August 2020	114	19	19	0
August 2020	221	16	16	0
August 2020	321	36	36	0
August 2020	365	53	53	0
September 2020	121	31	30	1

<b>IN COMPLIANCE</b>	<b>FINDING NO. 12 LEAVE AUDITING AND TIMEKEEPING COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU reviewed employee leave records from six different leave periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines. Based on our review, the CRU found no deficiencies. The DFPI kept complete and accurate time and attendance records for each employee and officer employed within the

department and utilized a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely.

### 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 considered to be 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>8</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>9</sup> shall be allowed credit for annual leave with pay. (Cal. Code Regs., tit. 2, § 599.752.)

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<sup>8</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>9</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.

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, February 1, 2020, through October 31, 2020, the DFPI had three employees with non-qualifying pay period transactions. The CRU reviewed all transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Type of Transaction	Time Base	Number Reviewed
Non-Qualifying Pay Period	Full Time	2
Qualifying Pay Period	Full Time	1

<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 DFPI 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 recruit, hire and assign all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. (Human Resources Manual Section 1204.) Nepotism is expressly prohibited in the state workplace because it is antithetical to California’s merit based civil service. (*Ibid.*) Nepotism is defined as the practice of an employee using his or her influence or power to aid or hinder another in the employment setting because of a personal relationship. (*Ibid.*) Personal relationships for this purpose include association by blood, adoption, marriage and/or cohabitation. (*Ibid.*) All department nepotism policies should emphasize that nepotism is antithetical to a merit-based personnel system and that the department is committed to the state policy of recruiting, hiring and assigning employees on the basis of merit. (*Ibid.*)

<b>IN COMPLIANCE</b>	<b>FINDING NO. 14 NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU verified that the policy was disseminated to all staff and emphasized the DFPI’s commitment to the state policy of recruiting, hiring and assigning employees on the basis of merit. Additionally, the DFPI’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 DFPI 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 DFPI 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 DFPI 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 89 permanent DFPI employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines. These are listed below:

Classification	Number of Positions	Date Performance Appraisals Due
Accounting Officer (Specialist)	2	12/31/2020
Administrative Assistant I	1	12/31/2020
Associate Governmental Program Analyst	12	12/31/2020
Associate Personnel Analyst	1	12/31/2020
Attorney	1	12/31/2020
Attorney III	3	12/31/2020
Attorney IV	1	12/31/2020
Consumer Services Representative	1	12/31/2020
Corporation Examiner IV (Supervisor)	3	12/31/2020
Executive Secretary II	1	12/31/2020
Financial Institutions Examiner	14	12/31/2020
Financial Institutions Manager	10	12/31/2020
Information Technology Associate	1	12/31/2020
Information Technology Manager I	2	12/31/2020
Information Technology Specialist I	5	12/31/2020
Office Services Supervisor I (General)	1	12/31/2020
Office Technician (Typing)	1	12/31/2020
Personnel Specialist	1	12/31/2020
Program Technician	1	12/31/2020
Records Management Analyst I	1	12/31/2020
Senior Financial Institutions Examiner	17	12/31/2020

Classification	Number of Positions	Date Performance Appraisals Due
Senior Legal Analyst	1	12/31/2020
Senior Personnel Specialist	1	12/31/2020
Staff Services Analyst (General)	5	12/31/2020
Staff Services Manager II (Managerial)	1	12/31/2020
Staff Services Manager II (Supervisor)	1	12/31/2020

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 16 PERFORMANCE APPRAISALS WERE NOT PROVIDED TIMELY TO ALL EMPLOYEES</b>
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- Summary:** The DFPI did not provide annual performance appraisals in a timely manner to 8 of 89 employees reviewed after the completion of the employees' probationary periods.
- Criteria:** Appointing powers shall prepare performance reports and keep them on file as prescribed by department rule. (Gov. Code, § 19992.2, subd. (a).) Each supervisor, as designated by the appointing power, shall make an appraisal in writing and shall discuss with the employee overall work performance at least once in each twelve calendar months following the end of the employee's probationary period. (Cal. Code Regs., tit. 2, § 599.798.)
- Severity:** Serious. The department does not ensure that all of its employees are apprised of work performance issues and/or goals in a systematic manner.
- Cause:** The DFPI states that although managers and supervisors were notified in advance and also sent follow-up emails prior to the due dates, some supervisors and managers failed to provide timely performance appraisals.
- Corrective Action:** Within 90 days of the date of this report, the DFPI 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 DFPI's response is attached as Attachment 1.

### **SPB REPLY**

Based upon the DFPI written response, the DFPI 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.



STATE OF CALIFORNIA

**Department of Financial Protection and Innovation**GOVERNOR **Gavin Newsom** · ACTING COMMISSIONER **Christopher S. Shultz****Date:** August 19, 2021**To:** Suzanne M. Ambrose, Executive Director  
California State Personnel Board  
801 Capitol Mall  
Sacramento, CA 95814**From:** Elle (Cheryl L.) Lepley, Human Resources Director  
Human Resources Office  
Elle Lepley (Aug 19, 2021 10:07 AM PDT)**Subject: DFPI Response to the State Personnel Board Draft Compliance Review Report**

The Department of Financial Protection and Innovation (DFPI) Human Resources Office (HRO) has reviewed all findings provided by the State Personnel Board Compliance Review Unit (CRU) in the draft Compliance Review Report received on August 12, 2021. We appreciate the collaboration and guidance that the CRU has provided throughout this process. Below are DFPI's responses to the findings.

**Finding No. 4: Unions were not notified of Personal Services Contracts.**

The CRU summary indicated that the DFPI did not notify unions prior to entering two of the 16 Personal Services Contracts reviewed.

**Cause:** The DFPI Business Operations Office identified that timely union notification was overlooked in two cases by the contract analyst.

**DFPI Response:** Internal procedures will be more strictly enforced to ensure that proposed union notification emails are submitted as far in advance of contract execution as possible. DFPI will also institute a process change to ensure that the contract analysts are notifying HRO's Labor Relations Manager of all union notifications.

**Finding No. 5: Ethics training was not provided for all filers.**

The CRU summary indicated that the DFPI did not provide ethics training in a timely manner to 20 of 502 existing filers. In addition, the DFPI did not provide ethics training to six of 52 new filers within six months of their appointment.

**Cause:** The DFPI identified that in approximately half of the cases, late notification of ethics training was a result of training staff oversight. In the other instances, training staff notified employees timely of the requirement to complete the training, and also sent follow-up reminders, though employees completed the training late.

**DFPI Response:** The DFPI implemented a Learning Management System in May of 2020, which allows both training staff and employees to more effectively track and complete training courses, to ensure timely completion and compliance. In tracking the completion of mandatory training, HRO will escalate any missing training to executive management for follow-up.

**Finding No. 6: Incorrect application of salary determination laws, rules, and CalHR policies and guidelines for appointment.**

The CRU summary indicated that there was an error in the DFPI's determination of employee compensation, resulting in an employee being undercompensated.

**Cause:** The DFPI identified that the incorrect salary determination was the result of a training issue with new staff.

**DFPI Response:** A new salary determination was completed, following the appropriate laws and rules, and the employee's Employment History record has been corrected. A new Staff Services Manager I (SSM I) was created and hired to more closely manage the Transactions Unit and is training/re-training staff, where needed. Salary determination training will also be provided to the appropriate staff.

**Finding No. 7: Alternate range movements did not comply with civil service laws, rules, and CalHR policies and guidelines.**

The CRU summary indicated that there were errors in DFPI's determination of employee compensation, resulting in three employees being overcompensated.

**Cause:** The DFPI identified that the incorrect alternate range movements were the result of a training issue with new staff.

**DFPI Response:** The alternate range movements were reviewed, and the employees' Employment History records have been corrected. A new SSMI over Transactions has been hired and is training/re-training staff, where needed. HRO will identify all classifications that the department utilizes that have deep ranges and will provide the appropriate staff with training regarding alternate range movement. HRO will also develop a system to track range changes to ensure that they are processed timely and accurately.

**Finding No. 8: Incorrect authorization of bilingual pay.**

The CRU summary indicated that there were five errors found in the DFPI's authorization of bilingual pay.

**Cause:** The DFPI HRO works in collaboration with the EEO Officer in the approval and application of bilingual pay. Due to training issues during turnover in both areas, the appropriate application and processing of bilingual pay was inconsistently applied and documented.

**DFPI Response:** HRO has drafted new procedures which identify the roles and responsibilities of bilingual pay testing and authorization and will collaborate with the EEO Officer to implement. The identified positions will be evaluated to ensure that the positions still have appropriate bilingual duties, and that proper documentation is on file.

**Finding No. 9: Incorrect authorization of pay differentials.**

The CRU summary indicated that there were two errors found in the eight pay differentials reviewed, resulting in two employees being overcompensated.

**Cause:** The DFPI has identified that the two pay differential errors were the result of human error; one was keyed incorrectly, and the other should have been removed when the employee's eligibility changed.

**DFPI Response:** The pay differentials were reviewed, and the employees' Employment History records have been corrected. A new Staff Services Manager I (SSM I) was created and hired to more closely manage the Transactions Unit and is training/re-training staff, where needed.

**Finding No. 10: Positive pay employees' time and attendance records were not properly retained and documented.**

The CRU summary indicated that the DFPI had one timekeeping error when reviewing positive paid employees, resulting in an overpayment to the employee.

**Cause:** The DFPI has identified that the overpayment was due to a staff keying error.

**DFPI Response:** The timekeeping error has been corrected and the employee has been notified of the overpayment. Staff have been reminded of the importance of double-checking their keying, in order to prevent similar issues in the future.

**Finding No. 11: Administrative time off was not properly documented.**

The CRU summary indicated that the DFPI did not grant ATO in conformity with the established policies and procedures. Of the 50 ATO authorizations reviewed by the CRU, four were found to be out of compliance for failing to document justification for ATO.

**Cause:** The DFPI has identified that the failure to obtain proper documentation for all authorized ATO was due to a training issue. The staff processing the ATO were unaware that separate detailed documentation was required for the cases identified.

**DFPI Response:** New ATO procedures have been implemented within HRO to ensure that all requests are properly documented, reviewed, and approved prior to the ATO being keyed.

**Finding No. 16: Performance appraisals were not provided timely to all employees.**

The CRU summary indicated that the DFPI did not provide annual performance appraisals in a timely manner to eight of 89 employees reviewed after the completion of the employees' probationary periods.

**Cause:** All supervisors and managers were notified, via email, eight weeks in advance of the due date for annual performance appraisals. A reminder email was sent four weeks in advance of the due date, with individual follow-up emails to supervisors, as necessary. While all required performance appraisals were submitted, not all were completed timely.

**DFPI Response:** HRO will continue to communicate the requirement and importance of timely performance appraisals to all supervisors and managers. In tracking the receipt of performance appraisals, HRO will escalate any missing performance appraisals to executive management for follow-up.

If you have any questions or need any additional information, please contact me at (916) 210-9389 or [Elle.Lepley@dfpi.ca.gov](mailto:Elle.Lepley@dfpi.ca.gov).

The Corrective Action Response (CAR) is an opportunity for departments to demonstrate necessary steps have been implemented to correct the non-compliant Findings (deficiency) found as a result of the Compliance Review.

For each non-compliant Finding, refer to the Corrective Action section of that Finding in the review report. Copies of relevant documentation demonstrating that the Corrective Action has been or is in the process of being corrected must be included with the CAR. Examples include, but are not limited to, updated internal policies or procedures (should be included for most findings), a training log for mandated training, and/or any new or updated forms, plans, or documents that have been implemented.

## CORRECTIVE ACTION RESPONSE

DEPARTMENT: Department of Financial Protection and Innovation	BRANCH/DIVISION/PROGRAM: Administration/Human Resources Office
CONTACT PERSON (NAME AND TITLE): Elle Lepley, Chief of Human Resources	CORRECTIVE ACTION RESPONSE DATE: 12/16/21

FINDING (DEFICIENCY) BY NUMBER	ACTION ITEM(S) ALREADY OR TO BE COMPLETED	TIMEFRAME(S)	POLICY/PROCEDURE
Finding as stated in the report, by number	Description of 1) completed or planned corrective action(s) and 2) of supporting documentation	Actual or Estimated Completion Date	Is a copy of the updated Policy or Procedure Included?
<b>No. 4: Unions were not notified of Personal Services Contracts.</b>	The DFPI Human Resources Office (HRO) and Business Operations Office have had multiple meetings to discuss the importance of timely union notification regarding Personal Services Contracts, and how to ensure that this step is not overlooked in the future. The current procedures are being updated to provide more clear direction to the contracts analysts on this process. As an additional measure, HRO is pursuing a system enhancement in which an email notification can be automatically sent to the Labor Relations Manager when a Personal Services Contract is initiated within our contracts system. In the interim the Business Operations Office will supply the Labor Relations Manager a report of all contracts twice a month to be made aware of all Personal Service Contracts to track notice to the Unions. If the Labor Relations Manager is notified as soon as a contract placeholder is initiated, that will allow for an additional check that timely notification is sent.	Date: December 2021	No

FINDING (DEFICIENCY) BY NUMBER	ACTION ITEM(S) ALREADY OR TO BE COMPLETED	TIMEFRAME(S)	POLICY/PROCEDURE
<b>No. 5: Ethics training was not provided for all filers.</b>	Human Resources Office will escalate any missing training to executive management for follow-up, and potential disciplinary action, if applicable. This change will ensure that employees are always in compliance with their training requirement. The Training Policy is currently being revised to include this information, and all impacted employees will be notified once the policy is finalized.	Date: 1 <sup>st</sup> Quarter of 2022	No
<b>No. 6: Incorrect applications of salary determination laws, rules, and CalHR guidelines for appointment.</b>	In October 2021, HRO Transactions staff were provided with a copy of the State Controller's Office's (SCO's) Introduction to Salary Determination Training Guide, to reinforce the training received from SCO. Staff were reminded of the importance of following the appropriate salary determination laws, rules, and guidelines when processing appointments and other applicable employee movements. Signature lines were added to the Discretionary Movement/Transfer Worksheet, so that the Personnel Specialist and Supervisor can sign off on the salary determination to ensure that the information has been reviewed before it is keyed. Attached is a copy of the revised worksheet.	Actual Completion Date: October 2021	Yes
<b>No. 7: Alternate range movements did not comply with Civil Service laws, rules, and CalHR policies and guidelines.</b>	The attached draft procedures regarding alternate ranges will be communicated and distributed to all HRO Transactions staff by January 1, 2022.	Estimated Completion Date: January 1, 2022	Yes
<b>No. 8: Incorrect authorization of bilingual pay.</b>	<p>The EEO Officer and HRO have met multiple times to refine the current bilingual process and ensure that only authorized employees are receiving the bilingual pay differential. The EEO Officer will be sending out a memo (copy attached) to the employees who have been identified as needing to recertify. If these employees are unable to provide the required documentation, their bilingual pay will be removed.</p> <p>Going forward, the EEO Officer and HRO will conduct a semi-annual joint audit of the bilingual pay program to ensure that all employees currently receiving bilingual pay have appropriate documentation on file to justify the pay differential. Both offices will maintain copies of bilingual pay documentation.</p> <p>EEO is in the process of revising the department's Bilingual Policy, then will route to the appropriate unions for review before implementation. Once the updated policy is released, HRO will implement the attached internal procedures for HRO staff to follow.</p>	Estimated Completion Date: 1 <sup>st</sup> Quarter of 2022	Yes

FINDING (DEFICIENCY) BY NUMBER	ACTION ITEM(S) ALREADY OR TO BE COMPLETED	TIMEFRAME(S)	POLICY/PROCEDURE
<b>No. 9: Incorrect authorization of pay differentials.</b>	The attached draft procedures regarding the application of pay differentials will be communicated and distributed to all HRO Transactions staff by January 1, 2022.	Estimated Completion Date: January 1, 2022	Yes
<b>No. 10: Positive paid employee time and attendance record was not properly documented.</b>	The attached draft procedures regarding positive paid employees will be communicated and distributed to all HRO Transactions staff by January 1, 2022.	Estimated Completion Date: January 1, 2022	Yes
<b>No. 11: Administrative time off was not properly documented.</b>	Updated procedures were implemented and distributed within HRO on August 9, 2021, to ensure appropriate approval and tracking of ATO. Attached is a copy of the procedures, as well as copies of the ATO tracking spreadsheets.	Actual Completion Date: August 9, 2021	Yes
<b>No. 16: Performance appraisals were not provided timely to all employees.</b>	On October 29, 2021, DFPI Performance Management sent out a notification to all supervisors and managers regarding the requirement to complete a Performance Appraisal Summary (PAS) for all non-probationary employees. Attached to the email was a copy of the Performance Appraisal Summary and Individual Development Plan Guide, which included verbiage (on page 6) regarding a new escalation process for missing PASs. Attached are copies of the notification email and the Guide. A reminder email will be sent to supervisors and managers reminding them of the due date and the new escalation procedure to ensure timely completion of PAS for all DFPI staff.	Actual Completion Date: October 29, 2021	Yes