



COMPLIANCE REVIEW REPORT

CALIFORNIA SECRETARY OF STATE

Compliance Review Division
State Personnel Board
March 5, 2026

TABLE OF CONTENTS

INTRODUCTION	1
EXECUTIVE SUMMARY	2
BACKGROUND	4
SCOPE AND METHODOLOGY	4
FINDINGS AND RECOMMENDATIONS	6
EXAMINATIONS	6
APPOINTMENTS	7
EQUAL EMPLOYMENT OPPORTUNITY	11
PERSONAL SERVICES CONTRACTS	12
MANDATED TRAINING	14
COMPENSATION AND PAY	17
LEAVE	24
POLICY AND PROCESSES	29
DEPARTMENTAL RESPONSE	31
CORRECTIVE ACTIONS	31

INTRODUCTION

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

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

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

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

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

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

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

EXECUTIVE SUMMARY

The CRD conducted a routine compliance review of the California Secretary of State (SOS) 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	Compliance	Finding
Examinations	In Compliance	Examinations Complied with Civil Service Laws and Board Rules
Appointments	Out of Compliance	Promotion-in-Place Was Not Properly Documented
Appointments	Substantial Compliance ¹	Probationary Evaluations Complied With Civil Service Laws, Board Rules, and CalHR Policies and Guidelines with Two Exceptions
Appointments	Substantial Compliance	Department Complied with Records Retention Requirements with Two Exceptions
Appointments	In Compliance	Unlawful Appointment Investigations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Rules
Personal Services Contracts	In Compliance	Personal Services Contracts Complied with Procedural Requirements
Mandated Training	Out of Compliance	Ethics Training Was Not Provided for All Filers

¹The department has achieved 90% or more compliance in this area and has provided a response sufficient to address full compliance in the future; therefore, no corrective action is required.

Area	Compliance	Finding
Mandated Training	Out of Compliance	Sexual Harassment Prevention Training Was Not Provided for All Employees
Mandated Training	Out of Compliance	Supervisory Training Was Not Provided for All Supervisors, Managers, and CEAs
Compensation and Pay	In Compliance	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	Substantial Compliance	Alternate Range Movements Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines with One Exception
Compensation and Pay	In Compliance	Bilingual Pay Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Out of Compliance	Incorrect Authorization of Pay Differentials
Compensation and Pay	Out of Compliance	Incorrect Authorization of Out-of-Class Pay
Leave	In Compliance	Positive Paid Employees' Tracked Hours Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	Out of Compliance	Administrative Time Off Was Not Properly Documented
Leave	Out of Compliance	Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input is Keyed Accurately and Timely
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

Area	Compliance	Finding
Policy	In Compliance	Performance Appraisal Policy and Processes Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

BACKGROUND

The SOS is comprised of nearly 800 people who are dedicated to making government more transparent and accessible in the areas of elections, business, political campaigning, legislative advocacy, and historical records.

The SOS seeks to improve the lives of Californians and businesses by going above and beyond to foster trust in democracy, share the state’s rich history, promote economic growth, and invest in the future by delivering quality services, accessible resources, and trusted information. The SOS wants to be accessible and helpful to the everyday small businesses, to the change-maker trying to better their community, and to the voter seeking to exercise their individual power.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the SOS’s examinations, appointments, EEO program, PSC’s, mandated training, compensation and pay, leave, and policy and processes². The primary objective of the review was to determine if the SOS’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 actions where deficiencies were identified.

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

A cross-section of the SOS’s appointments was selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The

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

CRD examined the documentation that the SOS provided, which included Notice of Personnel Action (NOPA) forms, Request for Personnel Actions (RPA's), vacancy postings, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports. The CRD also reviewed the SOS's policies and procedures concerning unlawful appointments to ensure departmental practices conform to state civil service laws and Board regulations.

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

The review of the SOS's EEO program included examining written EEO policies and procedures; the EEO Officer's role, duties, and reporting relationship; the internal discrimination complaint process; the reasonable accommodation program; the discrimination complaint process; and the Disability Advisory Committee (DAC).

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

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

³If an employee organization requests the SPB to review any personal services contract during the SPB compliance review period or prior to the completion of the final compliance review report, the SPB will not audit the contract. Instead, the SPB will review the contract pursuant to its statutory and regulatory process. In this instance, none of the reviewed PSC's were challenged.

The CRD reviewed the SOS's monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely and ensure the department certified that all leave records have been reviewed and corrected if necessary. The CRD selected a small cross-section of the SOS'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 SOS'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 CRD reviewed a selection of the SOS employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRD reviewed a selection of SOS positive paid employees whose hours are tracked during the compliance review period in order to ensure that they adhered to procedural requirements.

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

The CRD received and carefully reviewed the SOS's written response on February 19, 2026, which is attached to this final compliance review report.

FINDINGS AND RECOMMENDATIONS

Examinations

Examinations to establish an eligible list must be competitive and of such character as fairly to test and determine the qualifications, fitness, and ability of competitors to perform the duties of the class of position for which he or she seeks appointment. (Gov. Code, § 18930.) Examinations may be assembled or unassembled, written or oral, or in the form of a demonstration of skills, or any combination of those tests. (*Ibid.*) The Board establishes minimum qualifications for determining the fitness and qualifications of employees for each class of position and for applicants for examinations. (Gov. Code, § 18931, subd. (a).) Within a reasonable time before the scheduled date for the examination, the designated appointing power shall announce or advertise the examination for the establishment of eligible lists. (Gov. Code, § 18933, subd. (a).) The advertisement shall contain such information as the date and place of the examination and the nature of the minimum qualifications. (*Ibid.*) Every applicant for examination shall file an application with the department or a designated appointing power as directed by the examination announcement. (Gov. Code, § 18934, subd. (a)(1).) The final earned

rating of each person competing in any examination is to be determined by the weighted average of the earned ratings on all phases of the examination. (Gov. Code, § 18936.) Each competitor shall be notified in writing of the results of the examination when the employment list resulting from the examination is established. (Gov. Code, § 18938.5.)

During the period under review, February 1, 2025, through October 31, 2025, the SOS conducted two examinations. The CRD reviewed the two examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Career Executive Assignment (CEA) B, Chief, Management Services Division	CEA	Statement of Qualifications (SOQ) ⁴	8/1/25	21
CEA B, Chief, Risk, Audits, and Investigations Bureau	CEA	SOQ	8/1/25	15

FINDING NO. 1	EXAMINATIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
----------------------	--

The CRD reviewed two open CEA examinations which the SOS administered in order to create eligible lists from which to make appointments. The SOS published and distributed examination bulletins containing the required information for all examinations. Applications received by the SOS were accepted prior to the final filing date. Applicants were notified about the next phase of the examination process. After all phases of the examination process were completed, the score of each competitor was computed, and a list of eligible candidates was established. The examination results listed the names of all successful competitors arranged in order of the score received by rank. The CRD found no deficiencies in the examinations that the SOS conducted during the compliance review period.

Appointments

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

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, October 1, 2024, through June 30, 2025, the SOS made 116 appointments. The CRD reviewed 22 of these appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Accountant Trainee	Certification List	Permanent	Full Time	1
Associate Budget Analyst	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	1
Attorney	Certification List	Permanent	Full Time	1
Attorney IV	Certification List	Permanent	Full Time	1
Executive Assistant	Certification List	Permanent	Full Time	1
Information Technology Associate	Certification List	Permanent	Full Time	1
Information Technology Specialist I	Certification List	Permanent	Full Time	1
Information Technology Supervisor II	Certification List	Permanent	Full Time	1
Office Assistant (Typing) (Limited Examination and Appointment Program)	Certification List	Limited Term	Full Time	1
Program Technician II	Certification List	Permanent	Full Time	2
Program Technician II (Limited Examination and Appointment Program)	Certification List	Limited Term	Full Time	1
Senior Accounting Officer (Specialist)	Certification List	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Staff Services Analyst	Certification List	Permanent	Full Time	2
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 Governmental Program Analyst	Training and Development Assignment	Permanent	Full Time	1
Mailing Machines Operator I	Training and Development Assignment	Permanent	Full Time	1
Information Technology Specialist I	Transfer	Permanent	Full Time	1

FINDING NO. 2	PROMOTION-IN-PLACE WAS NOT PROPERLY DOCUMENTED
----------------------	---

Summary: The SOS made one appointment utilizing the promotion-in-place (PIP) process in which not all requirements of the PIP were met. Specifically, the SOS failed to inform the other eligible employee in the unit not selected for the PIP of the reasons for the decision.

Criteria: California Code of Regulations, title 2, section 242, subdivision (b) requires the department to inform those eligible employees not selected for the promotion in place of the reasons for the decision in person and in writing.

FINDING NO. 3	PROBATIONARY EVALUATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES WITH TWO EXCEPTIONS
----------------------	--

Summary: The SOS did not provide in a timely manner 2 of the 43 probationary reports of performance reviewed by the CRD.

Criteria: The service of a probationary period is required when an employee enters or is promoted in the state civil service by permanent appointment from an employment list. (Gov. Code, § 19171.) During the probationary period, the appointing power shall evaluate the work and efficiency of a probationer in the manner and at such periods as the department rules may require. (Gov. Code, § 19172.) A report of the probationer's performance shall be made to the employee at

sufficiently frequent intervals to keep the employee adequately informed of progress on the job. (Cal. Code Regs., tit. 2, § 599.795.) A written appraisal of performance shall be made to the Department within 10 days after the end of each one-third portion of the probationary period. (*Ibid.*) The Board’s record retention rules require that appointing powers retain all probationary reports for five years from the date the record is created. (Cal. Code Regs., tit. 2, § 26, subd. (a)(3).)

FINDING NO. 4	DEPARTMENT COMPLIED WITH RECORDS RETENTION REQUIREMENTS WITH TWO EXCEPTIONS
----------------------	--

Summary: Of the 22 appointments reviewed, the SOS did not retain 2 NOPAs.

Criteria: As specified in section 26 of the Board’s Regulations, appointing powers are required to retain records related to affirmative action, equal employment opportunity, examinations, merit, selection, and appointments for a minimum period of five years from the date the record is created. These records are required to be readily accessible and retained in an orderly and systematic manner. (Cal. Code Regs., tit. 2, § 26.)

Unlawful Appointment Investigations

Departments that entered into an Unlawful Appointment Investigation Delegation Agreement between their executive management and the CalHR have the authority to manage their own unlawful appointment investigations. The Delegation Agreement defines the reporting requirements, responsibilities, obligations, and expectations of the department in this process. The delegation agreement mandates that departments maintain up-to-date records on each unlawful appointment investigation including, at a minimum: the specific facts surrounding the appointment in question, a description of the circumstances which may have resulted in the unlawful appointment, copies of relevant appointment documents, and any documentation which may demonstrate that the agency and employee acted in good faith when the appointment was offered and accepted. Departments must also maintain a tracking system to monitor its unlawful appointments.

During the period under review, February 1, 2025, through October 31, 2025, the SOS conducted one unlawful appointment investigation. The CRD reviewed the unlawful appointment investigation, which is listed below:

Classification	Date Investigation Initiated	Date Investigation Concluded
Staff Services Manager I	4/9/25	6/10/25

FINDING NO. 5	UNLAWFUL APPOINTMENT INVESTIGATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
----------------------	---

The SOS’s unlawful appointment investigation was found to comply with the rules set forth in the signed Delegation Agreement with the CalHR.

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).)

FINDING NO. 6	EQUAL EMPLOYMENT OPPORTUNITY PROGRAM COMPLIED WITH ALL CIVIL SERVICE LAWS AND BOARD RULES
----------------------	--

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 CRD determined that the SOS’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 Chief Deputy of the SOS. The SOS 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, February 1, 2025, through October 31, 2025, the SOS had 24 PSC’s that were in effect. The CRD reviewed 14 of these, which are listed below:

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Bay Master Appliance Services LLC	Preventative Maintenance and Repair Services for Grill	\$101,838	Yes	Yes

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Cooperative Personnel Services Human Resources Consulting	Statewide Training Services	\$35,000	Yes	Yes
ExamWorks, LLC	Fitness for Duty Evaluation	\$20,000	Yes	Yes
Forensic QDE Lab, LLC	Forensic Handwriting Analysis	\$4,975	Yes	Yes
Good People Inc.	Statewide Special Elections Temporary Staffing	\$200,000	Yes	Yes
Guardian Public Safety Background Investigations, Inc.	Background Investigation	\$8,000	Yes	Yes
Magellan Health Services of California, Inc.	Provide Critical Incident Stress Debriefing to Employees	\$10,000	Yes	Yes
Mergent Systems, Inc.	Preventative Maintenance and Repair Services for Auditorium Equipment	\$45,000	Yes	Yes
Millennium Franchise Group, LLC	Volume Testing of Voting Systems	\$240,000	Yes	Yes
Prisma International, Inc.	Translation Services	\$997,000	Yes	Yes
Prisma International, Inc.	Translation Services	\$506,856	Yes	Yes
Shaw Law Group, PC	Statewide Training Services	\$15,000	Yes	Yes
Tecuity, Inc.	Online Application Maintenance and Support	\$1,638,550	Yes	Yes
Viking Shred, LLC	Confidential Destruction Services	\$7,580	Yes	Yes

FINDING NO. 7	PERSONAL SERVICES CONTRACTS COMPLIED WITH PROCEDURAL REQUIREMENTS
----------------------	--

The total dollar amount of all the PSC's reviewed was \$3,829,799. It was beyond the scope of the review to make conclusions as to whether SOS justifications for the contract were legally sufficient. For all PSC's reviewed, the SOS provided specific and detailed factual information in the written justifications as to how each of the contracts met at least one condition set forth in Government Code section 19130, subdivision (b). Additionally, SOS complied with proper notification to all organizations that represent state employees who perform or could perform the type or work contracted as required by California Code of Regulations section 547.60.2. Accordingly, the SOS PSC's complied with civil service laws and board rules.

Mandated Training

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

Upon the initial appointment of any employee designated in a supervisory position, the employee shall be provided a minimum of 80 hours of training, as prescribed by the CalHR. (Gov. Code, § 19995.4, subd. (b).) The training addresses such topics as the role of the supervisor, techniques of supervision, performance standards, and sexual harassment and abusive conduct prevention. (Gov. Code, §§ 12950.1, subds. (a) and (b), & 19995.4, subd. (b).) Additionally, the training must be successfully completed within the term of the employee's probationary period or within six months of the initial appointment, unless it is demonstrated that to do so creates additional costs or that the training cannot be completed during this time period due to limited availability of supervisory training courses. (Gov. Code, § 19995.4, subd. (c).)

Within 12 months of the initial appointment of an employee to a management or CEA position, the employee shall be provided leadership training and development, as prescribed by CalHR. (Gov. Code, § 19995.4, subds. (d) & (e).) For management

employees the training must be a minimum of 40 hours and for CEAs the training must be a minimum of 20 hours. (*Ibid.*)

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

The Legislature encourages the state and its agencies to consult on a government-to-government basis with federally recognized tribes and with nonfederally recognized tribes and tribal organizations in order to allow tribal officials the opportunity to provide meaningful and timely input in the development of policies, programs, and projects that have tribal implications. (Gov. Code, § 11019.81, sub. (c).) Each official specified in Government Code section 11019.81 subdivision (f)⁵ shall complete tribal consultations training by January 1, 2025, or, for officials appointed after that date, within six months of their appointment or confirmation of appointment, whichever is later. (Gov. Code, § 11019.81, sub. (h).) Each official shall retake the training annually. (*Ibid.*)

The Board may conduct reviews of any appointing power's personnel practices to ensure compliance with civil service laws and Board regulations. (Gov. Code, § 18661, subd. (a).) In particular, the Board may audit personnel practices related to such matters as selection and examination procedures, appointments, promotions, the management of probationary periods, and any other area related to the operation of the merit principle in state civil service. (*Ibid.*) Accordingly, the CRD reviews documents and records related to training that appointing powers are required by the afore-cited laws to provide its employees.

The CRD reviewed the SOS's mandated training program that was in effect during the compliance review period, November 1, 2023, through October 31, 2025. The SOS's tribal consultations training was found to be in compliance, while the SOS's ethics training, sexual harassment prevention training, and supervisory training were found to be out of compliance.

⁵ Within the executive branch, the following officials have authority to represent the state in a tribal government-to-government consultation: the governor, the attorney general, each constitutional officer and statewide elected official, the director of each state agency and department, the chair and executive officer of each state commission and task force, and the chief counsel of any state agency. (Gov. Code, § 11019.81, sub. (f) (1).) Each authorized official may formally designate another agency official to conduct preliminary tribal consultations, and each designated official may have the authority to act on behalf of the state during a government-to-government consultation. (Gov. Code, § 11019.81, sub. (f) (2).)

FINDING NO. 8	ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS⁶
----------------------	--

Summary: The SOS provided ethics training to all 75 existing filers reviewed. However, the SOS did not provide ethics training to 8 of 49 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).)

FINDING NO. 9	SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES⁷
----------------------	---

Summary: The SOS provided sexual harassment prevention training to all 76 existing non-supervisors. However, the SOS did not provide sexual harassment prevention training to 8 of 46 new supervisors within 6 months of their appointment. In addition, the SOS did not provide sexual harassment prevention training to 1 of 118 existing 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.)

FINDING NO. 10	SUPERVISORY TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS, MANAGERS, AND CEAS⁸
-----------------------	--

Summary: The SOS provided basic supervisory training to all 26 new supervisors within 12 months of appointment. However, the SOS did not provide CEA training to 1 of 2 new CEAs within 12 months of appointment.

⁶ Repeat finding; see reports dated December 16, 2022, and March 25, 2020.
⁷ Repeat finding; see reports dated December 16, 2022, and March 25, 2020.
⁸ Repeat finding; see reports dated December 16, 2022, and March 25, 2020.

Criteria: Each department must provide its new supervisors a minimum of 80 hours of supervisory training within the probationary period.(Gov. Code, § 19995.4, subd. (b).)

Upon initial appointment of an employee to a Career Executive Assignment position, each employee must receive 20 hours of leadership training within 12 months of appointment. (Gov. Code, § 19995.4, subd. (e).)

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 rate⁹ 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, October 1, 2024, through June 30, 2025, the SOS made 116 appointments. The CRD reviewed 10 of these appointments to determine if the SOS applied salary regulations accurately and correctly processed employees’ compensation.

FINDING NO. 11	SALARY DETERMINATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
-----------------------	---

The CRD found no deficiencies in the salary determinations that were reviewed. The SOS 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.

⁹ “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).

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, October 1, 2024, through June 30, 2025, the SOS made 16 alternate range movements within a classification. The CRD reviewed 13 of these alternate range movements to determine if the SOS applied salary regulations accurately and correctly processed each employee’s compensation, which are listed below:

Classification	Prior Range	Current Range	Salary (Monthly Rate)
Information Technology Associate	A	B	\$5,266
Information Technology Specialist I	A	B	\$7,432
Information Technology Specialist I	A	B	\$8,899
Information Technology Specialist I	A	B	\$6,971
Information Technology Specialist I	B	C	\$9,785
Information Technology Specialist I	B	C	\$7,635
Staff Services Analyst	B	C	\$5,335
Staff Services Analyst	B	C	\$4,868
Staff Services Analyst	B	C	\$4,868
Staff Services Analyst	B	C	\$4,868
Staff Services Analyst	B	C	\$5,030
Staff Services Analyst	A	B	\$4,933
Staff Services Management Auditor	B	C	\$5,367

FINDING NO. 12	ALTERNATE RANGE MOVEMENTS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES WITH ONE EXCEPTION
-----------------------	--

Summary: The CRD found 1 error in the 13 alternate range movements reviewed:

Classification	Description of Finding	Criteria
Staff Services Analyst	Incorrect range change date determined resulting in the employee being undercompensated. In addition, the anniversary date was not updated after the range change effective date resulting in the employee being overcompensated.	Alternate Range Criteria 069 and Cal. Code Regs., tit. 2, section 599.676

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.)

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, October 1, 2024, through June 30, 2025, the SOS issued bilingual pay to 13 employees. The CRD reviewed 10 of these bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines, which are listed below:

Classification	No. of Appts.
Associate Governmental Program Analyst	1
Program Technician II	6
Supervising Program Technician II	2
Supervising Program Technician III	1

FINDING NO. 13	BILINGUAL PAY AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
-----------------------	--

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

Pay Differentials

A pay differential is special additional pay recognizing unusual competencies, circumstances, or working conditions applying to some or all incumbents in select classes. A pay differential may be appropriate in those instances when a subgroup of positions within the overall job class might have unusual circumstances, competencies, or working conditions that distinguish these positions from other positions in the same class. Typically, pay differentials are based on qualifying pay criteria such as: work locations or shift assignments; professional or educational certification; temporary responsibilities; special licenses, skills or training; performance-based pay; incentive-based pay; or, recruitment and retention. (Classification and Pay Manual Section 230.)

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

During the period under review, October 1, 2024, through June 30, 2025, the SOS authorized one pay differential¹⁰. The CRD reviewed the pay differential to ensure compliance with applicable CalHR policies and guidelines, which is listed below:

Classification	Pay Differential	Monthly Amount
Supervising Special Investigator II	244	\$240

FINDING NO. 14	INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS
-----------------------	---

Summary: The CRD found an error in the one pay differential reviewed:

Classification	Description of Finding	Criteria
Supervising Special Investigator II	The employee's classification is not eligible to receive the pay differential resulting in the employee being overcompensated.	Pay Differential 244

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.)

Out-of-Class Assignments and Pay

For excluded¹¹ and most rank-and-file employees, out-of-class (OOC) work is defined as performing, more than 50 percent of the time, the full range of duties and responsibilities allocated to an existing class and not allocated to the class in which the person has a current, legal appointment. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(2).) A higher classification is one with a salary range maximum that is any amount higher than the

¹⁰ For the purposes of CRD's review, only monthly pay differentials were selected for review at this time.
¹¹ "Excluded employee" means an employee as defined in Government Code section 3527, subdivision (b) (Ralph C. Dills Act) except those excluded employees who are designated managerial pursuant to Government Code section 18801.1.

salary range maximum of the classification to which the employee is appointed. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(3).)

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

During the period under review, October 1, 2024, through June 30, 2025, the SOS issued OOC pay to seven employees. The CRD reviewed six of these OOC assignments to ensure compliance with applicable MOU provisions, salary regulations, and CalHR policies and guidelines, which are listed below:

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Accounting Administrator I (Supervisor)	S01	Accounting Administrator II	11/18/24-11/30/24
Program Technician II	R04	Supervising Program Technician II	10/1/24-1/5/25
Program Technician II	R04	Supervising Program Technician II	10/14/24-2/10/25
Program Technician II	R04	Supervising Program Technician II	2/6/25-6/5/25
Staff Services Manager I (Specialist)	S01	Information Officer II	10/28/24-2/24/25
Staff Services Manager III	M01	CEA B	1/1/25-6/30/25

FINDING NO. 15	INCORRECT AUTHORIZATION OF OUT-OF-CLASS PAY¹²
-----------------------	---

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

¹² Repeat finding; see reports dated December 16, 2022, and March 25, 2020.

Classification	Out-of-Class Classification	Description of Findings	Criteria
Accounting Administrator I (Supervisor)	Accounting Administrator II	The employee was not entitled to OOC pay resulting in the employee being overcompensated. Specifically, the employee was incorrectly compensated for working OOC less than 15 working days.	Pay Differential 101
Program Technician II	Supervising Program Technician II	Incorrect OOC rate determined resulting in the employee being overcompensated.	Pay Differential 91
Program Technician II	Supervising Program Technician II	Incorrect OOC pay determined resulting in the employee being overcompensated. Specifically, the employee was compensated for the whole month of February when the OOC concluded on 2/10/25.	Pay Differential 91

Criteria: An employee may be temporarily required to perform out-of-class work by his/her department for up to one hundred twenty (120) calendar days in any twelve (12) consecutive calendar months when it determines that such an assignment is of unusual urgency, nature, volume, location, duration, or other special characteristics; and, cannot feasibly be met through use of other civil service or administrative alternatives. Departments may not use out-of-class assignments to avoid giving civil service examinations or to avoid using existing eligibility lists created as the result of a civil service examination.

Employees may be compensated for performing duties of a higher classification provided that: the assignment is made in advance in writing and the employee is given a copy of the assignment; and the duties performed by the employee are not described in a training and development assignment or by the specification for the class to which the excluded employee is appointed and, are fully consistent with the

types of jobs described in the specification for the higher classification; and the employee does not perform such duties for more than 120 days in a fiscal year. (Cal. Code Regs., tit. 2, § 599.810, subd. (b)(1)(3)(4).)

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

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 days¹³ worked and paid absences¹⁴, 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

¹³ For example, two hours or ten hours count as one day.

¹⁴ For example, vacation, sick leave, compensating time off, etc.

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.

At the time of the review, the SOS had nine positive paid employees whose hours were tracked. The CRD 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	Hours Worked
Associate Governmental Program Analyst	Retired Annuitant	7/1/24-6/30/25	682.5
Attorney III	Retired Annuitant	7/1/24-6/30/25	402.75
Information Technology Manager I	Retired Annuitant	7/1/24-6/30/25	959.5
Information Technology Manager I	Retired Annuitant	7/1/24-6/30/25	908
Information Technology Specialist II	Retired Annuitant	7/1/24-6/30/25	656
Staff Services Manager I	Retired Annuitant	7/1/24-6/30/25	220.75
Staff Services Manager III	Retired Annuitant	7/1/24-6/30/25	914

FINDING NO. 16	POSITIVE PAID EMPLOYEES' TRACKED HOURS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
-----------------------	---

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

Administrative Time Off

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

During the period under review, August 1, 2024, through July 31, 2025, the SOS authorized 18 ATO transactions. The CRD reviewed 16 of these ATO transactions to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines.

FINDING NO. 17	ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED¹⁵
-----------------------	---

Summary: The SOS did not grant ATO in conformity with the established policies and procedures. Of the 16 ATO authorizations reviewed by the CRD, 13 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

¹⁵ Repeat finding; see report dated December 16, 2022.

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.)*

Leave Accounting

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

During the period under review, May 1, 2025, through July 30, 2025, the SOS reported 63 units. The CRD reviewed 16 units within 3 pay periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

FINDING NO. 18	DEPARTMENT HAS NOT IMPLEMENTED A MONTHLY INTERNAL AUDIT PROCESS TO VERIFY ALL LEAVE INPUT IS KEYED ACCURATELY AND TIMELY
-----------------------	---

Summary: The SOS 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.

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.*)

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.¹⁶ (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

¹⁶ 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.

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 employees¹⁷ 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, 2025, through September 30, 2025, the SOS had four employees with qualifying and non-qualifying pay period transactions. The CRD reviewed five transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

FINDING NO. 19	SERVICE AND LEAVE TRANSACTIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
-----------------------	---

The CRD determined that the SOS ensured employees with non-qualifying pay periods did not receive vacation/sick leave, annual leave, and/or state service accruals. The CRD 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

¹⁷ 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.

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.*)

FINDING NO. 20	NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
-----------------------	--

The CRD verified that the policy was disseminated to all staff and emphasized the SOS’s commitment to the state policy of hiring, transferring, and promoting employees on the basis of merit. Additionally, the SOS’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 (State Fund) office to discuss the status of volunteers. (*Ibid.*)

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

FINDING NO. 21	WORKERS' COMPENSATION PROCESS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
-----------------------	--

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

Performance Appraisals

According to Government Code section 19992.2, subdivision (a), appointing powers must "prepare performance reports." Furthermore, California Code of Regulations, title 2, section 599.798, directs supervisors to conduct written performance appraisals and discuss overall work performance with permanent employees at least once in each twelve calendar months after the completion of the employee's probationary period.

The CRD selected 68 permanent SOS employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

FINDING NO. 22	PERFORMANCE APPRAISAL POLICY AND PROCESSES COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
-----------------------	--

The CRD found no deficiencies in the 68 performance appraisals reviewed. Accordingly, the SOS performance appraisal policy and processes satisfied civil service laws, Board rules, policies and guidelines.

DEPARTMENTAL RESPONSE

The SOS's departmental response is attached as Attachment 1.

CORRECTIVE ACTIONS

A written corrective action response addressing all areas identified as out of compliance, along with supporting documentation demonstrating the implementation of the specified corrective actions, must be submitted to the CRD within 90 days of the date of this report.



SHIRLEY N. WEBER, Ph.D.

CALIFORNIA SECRETARY OF STATE

Human Resources Bureau | Management Services Division | 1500 11th Street, Suite 475
Sacramento, CA 95814 | Tel 916.653.6947 | Fax HumanResourcesFax@sos.ca.gov | www.sos.ca.gov

February 19, 2026

Suzanne Ambrose
Executive Officer
State Personnel Board
801 Capitol Mall
Sacramento, CA 95814

Dear Suzanne Ambrose,

The Secretary of State (SOS) appreciates the opportunity to respond to the State Personnel Board's draft Compliance Review Report received on January 29, 2026. The SOS's responses to the findings identified in the draft report are provided below.

FINDING NO. 2 PROMOTION-IN-PLACE WAS NOT PROPERLY DOCUMENTED

Summary: The SOS made one appointment utilizing the promotion-in-place (PIP) process in which not all requirements of the PIP were met. Specifically, the SOS failed to inform the other eligible employees in the unit not selected for the PIP of the reasons for the decision.

Cause: The promotion in place opportunity was approached as an internal recruitment. All employees in the unit were informed of the opportunity and provided the opportunity to compete for the PIP. Two candidates responded, submitting responses to the supplemental questions as indicated in the employee communication. Both candidates were scored and the selected candidate received the higher score and was chosen for the PIP. The other employee was informed verbally, but the manager did not provide written notice to the employee not chosen, outlining the reasons for the decision.

Corrective Action: To ensure hiring managers are familiar with the process, the Career Opportunities Section team will review the PIP process with hiring managers during regularly scheduled recruitment meetings with divisions and during each PIP opportunity. This will be added to our calendar as one of our review topics in the upcoming weeks.

FINDING NO. 8 ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS

Summary: The SOS provided ethics training to all 75 existing filers reviewed. However, the SOS did not provide ethics training to 8 of 49 new filers within 6 months of their appointment.

Cause: While employees were individually notified of ethics training requirements, the prior process relied primarily on direct employee notification and did not include escalation to upper management as training due dates approached.

Corrective Action: The Secretary of State recognizes the importance of timely completion of mandatory ethics Training. Secretary Weber, along with the Chief Deputy Secretary of State, has reinforced expectations regarding timely completion of all mandatory training and reporting requirements during executive staff meetings.

To strengthen oversight and ensure timely compliance, the Human Resources Bureau has modified the ethics training notification and tracking process to align with the monitoring procedures used for probationary reports of performance. In addition to notifying employees individually, the Human Resources Bureau will begin providing monthly ethics training tracking reports to division chiefs and assistant division chiefs identifying training requirements and completion deadlines for employees within their respective divisions. These reports will also be distributed to the Deputy Secretary of State, Operations, and the Chief of the Management Services Division to ensure executive-level visibility.

As training due dates approach, the Human Resources Bureau will further escalate notifications by including direct supervisors and the division chief when employees are nearing noncompliance. This escalation process is intended to prompt timely supervisory follow up prior to the expiration of the six-month completion period.

In addition, ethics training requirements and timelines are reinforced through supervisory onboarding resources developed by the Human Resources Bureau. These combined measures are designed to improve awareness, strengthen accountability, and ensure ethics training is completed timely in accordance with statutory requirements.

As part of the Performance Appraisal Summary (PAS) process, the Human Resources Bureau has created a CEA Report Card to evaluate division level compliance with mandatory requirements, including ethics training. This report card will be provided to the Chief of each Division as well as the Chief Deputy Secretary of State and the Deputy Secretary of State, Operations to use in their yearly evaluations of the CEA and exempt employees. The intent is to provide an additional accountability mechanism for division chiefs; the results of the report may impact annual performance appraisals and possible salary increases for the CEAs and exempt leaders.

FINDING NO. 9 SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES

Summary: The SOS provided sexual harassment prevention training to all 76 existing non-supervisors. However, the SOS did not provide sexual harassment prevention training to 8 of 46 new supervisors within 6 months of their appointment. In addition, the SOS did not provide sexual harassment prevention training to 1 of 118 existing supervisors every 2 years.

Cause: The Secretary of State has established monitoring procedures utilizing KnowBe4 software that sends out monthly reminders directly contacting the supervisors to notify them of their due dates. Despite these efforts, a small number of supervisors did not submit Sexual Harassment Prevention Training by the required due date. This indicates a need for additional layers of accountability and reinforcement at the division and supervisory levels to ensure consistent, timely compliance.

While all new leadership employees are notified of Sexual Harassment Prevention Training requirements during their New Employee Orientation, subsequently in writing via email, and with

an enrollment notification from SOS' on-line training software KnowBe4, some new supervisory employees did not complete the training timely.

Corrective Action: The Secretary of State recognizes the importance of timely completion of mandatory Sexual Harassment Prevention Training. Secretary Weber, along with the Chief Deputy Secretary of State, has reinforced expectations regarding timely completion of all mandatory training and reporting requirements during executive staff meetings.

To further strengthen compliance and accountability, the Human Resources Bureau will work with each division to designate a divisional representative(s) to assist with timely completion of mandatory trainings. Beginning in 2026, designated representatives will be included in communications to assist with monitoring due dates and following up with supervisors prior to deadlines.

All supervisors are required to attend in-person Shaw Law Sexual Harassment training every 2 years. KnowBe4 provides mandatory online training for new employees as well as rank and file staff.

The Human Resources Bureau will begin using a CEA Report Card to evaluate division level compliance with mandatory requirements, including Sexual Harassment Prevention Training. This report card provides an additional accountability mechanism for division chiefs; the results of this report may directly impact annual performance appraisals and possible salary increases.

As training due dates approach, the Human Resources Bureau will further escalate notifications by including direct supervisors and the division chief when employees are nearing noncompliance. This escalation process is intended to prompt timely supervisory follow up prior to the expiration of the completion period.

Finally, the Human Resources Bureau will be developing and distributing an onboarding guide for supervisors and managers that outlines mandatory training obligations to ensure expectations are clearly communicated. These measures aim to reinforce accountability and require new supervisors to complete Sexual Harassment Prevention Training within six months of their appointment.

FINDING NO. 10 SUPERVISORY TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS, MANAGERS, AND CEAS

Summary: The SOS provided basic supervisory training to all 26 new supervisors within 12 months of appointment. However, the SOS did not provide CEA training to 1 of 2 new CEAs within 12 months of appointment.

Cause: While all new leadership employees are notified of Mandatory Leadership Development Training requirements during their New Employee Orientation and subsequently in writing via email some new supervisory employees do not complete their training timely.

Corrective Action: The Secretary of State recognizes the importance of timely completion of Mandatory Leadership Development Training for newly appointed supervisors. Secretary Weber, along with the Chief Deputy Secretary of State, and the Deputy Secretary of State, Operations, has reinforced expectations regarding timely completion of all mandatory training and reporting requirements during executive staff meetings.

To strengthen oversight and ensure timely compliance, the Human Resources Bureau has modified the Mandatory Leadership Development Training notification and tracking processes to align with the procedures and tools used for other mandatory processes such as probationary reports of performance, with the goal of streamlining all tracking and monitoring processes to alleviate confusion and simplify processes.

Moving forward, as training due dates approach, the Human Resources Bureau will escalate notifications by including direct supervisors and the division chief when employees are nearing non-compliance. This escalation process is intended to prompt timely supervisory follow up prior to the expiration of the six-month completion period.

To further strengthen compliance and accountability, the Human Resources Bureau will work with each division to designate a divisional representative(s) to assist with timely completion of Mandatory Leadership Development Training. Beginning in 2026, designated representatives will be included in training compliance related communications to assist with monitoring due dates and following up with supervisors prior to training due dates.

The Human Resources Bureau has also implemented a "CEA Report Card" to evaluate division level compliance with mandatory requirements, such as Mandatory supervisory/managerial/CEA training. This report card provides an additional accountability mechanism for division chiefs and employees as the results of this report card may directly impact annual performance appraisals and possible salary increases.

Finally, the Human Resources Bureau will be developing and distributing an onboarding guide for supervisors and managers that outlines critical responsibilities such as completing mandatory development training requirements to ensure expectations are clearly communicated and reinforced in multiple resources provided to staff and/or supervisors.

These measures aim to reinforce accountability and ensure newly appointed CEAs receive 20 hours of leadership training.

FINDING NO. 14 INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS

Summary: The CRD found an error in the one pay differential reviewed: Supervising Special Investigator II - The employee's classification is not eligible to receive the pay differential resulting in the employee being overcompensated.

Cause: The employee was receiving an educational pay differential (L8EP J) of \$240.00 in their prior position, however, due to an inadvertent oversight, the pay differential was not removed for this employee upon appointment to Supervising Special Investigator II..

Corrective Action: The team has been educated on the importance of reviewing the entire record when processing employment history transactions to ensure all coding is correct. The team is performing an audit of all employees with pay differentials. The manager reviews all transactions to ensure accuracy and error rates are being tracked.

FINDING NO. 15 INCORRECT AUTHORIZATION OF OUT-OF-CLASS PAY

Summary: The CRD found three errors in the six OOC pay assignments reviewed: Accounting Administrator II - The employee was not entitled to OOC pay, OOC less than 15 working days. Supervising Program Technician II - Incorrect OOC rate

Supervising Program Technician II - Incorrect OOC pay, the employee was compensated for the whole month of February when the OOC concluded on 2/10/25.

Cause: The OOC criteria for Rank and File (two weeks) was confused with the OOC criteria for supervisory employees (three weeks).

Corrective Action: The team has been educated and procedures improved to include this step to identify appropriate entitlements.

FINDING NO. 17 ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED

Summary: The SOS did not grant ATO in conformity with the established policies and procedures. Of the 16 ATO authorizations reviewed by the CRD, 13 were found to be out of compliance for failing to document justification for ATO.

Cause: Due to the wildfires in Los Angeles County on 1/9/25 and 1/10/25 the Secretary of State's (SOS) Los Angeles office was closed on these dates. The Los Angeles office was temporarily closed in part due to the poor air quality caused by the wildfires in Los Angeles at the time and no remote work was feasible for the impacted employees to perform while the Los Angeles office was temporarily closed. Administrative Time Off (ATO) was not formally requested by the eight referenced staff due to Executive Leadership proactively authorizing their ATO.

Four cases involved ATO inaccurately being used.

Corrective Action: Management confirmed that the Los Angeles office was temporarily closed on 1/9/2025 and 1/10/2025; and 16 hours of ATO was proactively authorized for the eight impacted employees after consulting with Executive Leadership. ATO will be formally documented and justified going forward.

Three (3) of the four (4) erroneous timesheets have been corrected to show no ATO. The fourth is pending. HR will work to educate employees and attendance coordinators to be more diligent when ATO is being used and to consult with HR. Mini-trainings, meeting reminders, and a knowledge article will be drafted to address the misuse of ATO.

FINDING NO. 18 DEPARTMENT HAS NOT IMPLEMENTED A MONTHLY INTERNAL AUDIT PROCESS TO VERIFY ALL LEAVE INPUT IS KEYED ACCURATELY AND TIMELY

Summary: The SOS 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: Due to high staff turnover and transition to electronic filing processes, former staff members did not properly perform reviews and/or save documents.

Corrective Action: The team, now fully staffed, completes monthly timesheet audits and the California Leave Accounting System (CLAS) error messages. All audit documents are being maintained electronically, and the team has reimplemented the CalHR 139 - Leave Activity and Correction Certification form to help document and manage errors and improve educational resources for employees and attendance coordinators to mitigate errors.

The SOS takes compliance issues seriously and is committed to adhering to the rules and regulations of the State of California. Thank you for your efforts, collaboration, and for the opportunity to respond to this draft report.

Should you have any questions or need additional information, please contact Ashley Boyer, Assistant Personnel Officer, at aboyer@sos.ca.gov or Jose Aguiniga, Division Chief, at jaquiniga@sos.ca.gov.

Regards,



Ashley Boyer | Assistant Personnel Officer
Human Resources Bureau

cc: Jose Aguiniga, Chief, Management Services Division
Greg Harrison, CIA, CISA, Chief, Risk Management, Audits & Investigations