



COMPLIANCE REVIEW REPORT

**BUSINESS, CONSUMER SERVICES AND
HOUSING AGENCY**

Compliance Review Unit
State Personnel Board
July 7, 2016

TABLE OF CONTENTS

Introduction	1
Executive Summary	1
Background	2
Scope and Methodology.....	2
Findings and Recommendations.....	3
Equal Employment Opportunity	3
Mandated Training.....	4
Departmental Response.....	5
SPB Reply.....	5

INTRODUCTION

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

Pursuant to Government Code section 18661, the SPB's Compliance Review Unit (CRU) conducts compliance reviews of appointing authority's personnel practices in 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. The SPB conducts these reviews on a three-year cycle.

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

EXECUTIVE SUMMARY

The CRU conducted a routine compliance review of Business, Consumer Services and Housing Agency (BCSH) personnel practices in the areas of EEO from October 1, 2014, through September 30, 2015, and mandated training from October 1, 2013, through September 30, 2015. There were no examinations conducted, no civil service appointments made, and no PSC's executed during the compliance review period. The following table summarizes the compliance review findings.

Area	Finding	Severity
Equal Employment Opportunity	Equal Employment Opportunity Program Complied with Civil Service Laws and Board Rules	In Compliance
Mandated Training	Mandated Training Complied with Statutory Requirements	In Compliance

A color-coded system is used to identify the severity of the violations as follows:

- Red = Very Serious
- Orange = Serious
- Yellow = Non-serious or Technical
- Green = In Compliance

BACKGROUND

The BCSH, through its departments, licenses and regulates professionals and businesses in California to protect consumers; preserves, expands, and funds safe and affordable housing opportunities; investigates and researches earthquake related issues in order to reduce earthquake risks. Additionally, the BCSH protects the civil rights of all Californians from acts of hate violence and unlawful discrimination in employment, housing, and public accommodations.

The BCSH oversees the following state departments – the Department of Fair Employment and Housing, the Department of Consumer Affairs, the Department of Alcoholic Beverage Control, the Department of Housing and Community Development, the California Housing Finance Agency, the Department of Business Oversight, the Seismic Safety Commission, the Alcoholic Beverage Control Appeals Board, and the Horse Racing Board.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the BCSH EEO program from October 1, 2014, through September 30, 2015, and mandated training from October 1, 2013, through September 30, 2015. The primary objective of the review was to determine if BCSH personnel practices, policies, and procedures complied with state civil service laws and board regulations, and to recommend corrective action where deficiencies were identified.

The BCSH did not conduct any examinations or make any civil service appointments during the compliance review period. The BCSH also did not execute any PSC's subject to the Department of General Services approval and thus our procedural review during the compliance review period.

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

In addition, the BCSH's mandated training was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, and that all supervisors were provided basic supervisory and sexual harassment prevention training within statutory timelines.

On June 22, 2016, an exit conference was held with the BCSH to explain and discuss the CRU's initial findings and recommendations. The BCSH was found to be in compliance in all areas reviewed during the compliance review period. Therefore, no departmental response is required.

FINDINGS AND RECOMMENDATIONS

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

Because the EEO Officer investigates and ensures proper handling of discrimination, sexual harassment and other employee complaints, the position requires separation from the regular chain of command, as well as regular and unencumbered access to the head of the organization. In a state agency with less than 500 employees, like the BCSH, the EEO Officer may be the Personnel Officer.

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

The CRU reviewed the BCSH EEO program that was in effect during the compliance review period.

FINDING NO. 1 – Equal Employment Opportunity Program Complied with 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 CRU determined that the BCSH'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 and is the Personnel Officer, reports directly to the Secretary of the BCSH. In addition, the BCSH has an established DAC. The BCSH completed a workforce analysis, which was submitted to the CRU. The BCSH also provided evidence of its efforts to promote EEO in its hiring and employment practices, to increase its hiring of persons with a disability, and to offer upward mobility opportunities for its entry-level staff. Accordingly, the BCSH EEO program complied with civil service laws and board rules.

Mandated Training

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

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

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

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

FINDING NO. 2 – Mandated Training Complied with Statutory Requirements

The BCSH provided ethics training to its two new filers within six months and semiannual ethics training to its nine existing filers during the two-year calendar year period commencing in 2013. The BCSH had no new supervisors during the compliance review period. Furthermore, the BCSH provided sexual harassment prevention training to its nine existing supervisors every two years. Thus, the BCSH complied with mandated training requirements within statutory timelines.

DEPARTMENTAL RESPONSE

No departmental response was required since all areas reviewed were in compliance.

SPB REPLY

The BCSH was found to be in compliance in all areas reviewed during the compliance review period. Therefore, no further action is required.