



COMPLIANCE REVIEW REPORT

OFFICE OF EMERGENCY SERVICES

Compliance Review Unit
State Personnel Board
September 12, 2019

TABLE OF CONTENTS

Introduction	1
Executive Summary	2
Background	3
Scope and Methodology.....	4
Findings and Recommendations.....	6
Examinations	6
Appointments.....	9
Equal Employment Opportunity	16
Personal Services Contracts.....	17
Mandated Training.....	19
Compensation and Pay.....	23
Leave	42
Policy and Processes.....	50
Departmental Response.....	53
SPB Reply	53

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. Those employees provide critical services to the people of California, including but not limited to, protecting life and property, managing emergency operations, providing education, promoting the public health, and preserving the environment. The SPB provides direction to departments through the Board's decisions, rules, policies, and consultation.

Pursuant to Government Code section 18661, the SPB's Compliance Review Unit (CRU) conducts compliance reviews of appointing authorities' personnel practices in five areas: examinations, appointments, equal employment opportunity (EEO), personal services contracts (PSC's), and mandated training, to ensure compliance with civil service laws and Board regulations. The purpose of those 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.

Effective July 1, 2012, the Governor's Reorganization Plan Number One (GRP1) of 2011 consolidated all of the functions of the Department of Personnel Administration and the merit-related operational functions of the State Personnel Board (SPB) into the California Department of Human Resources (CalHR).

Pursuant to Government Code section 18502(c), the CalHR and the SPB may "delegate, share, or transfer between them responsibilities for programs within their respective jurisdictions pursuant to an agreement." The CalHR and the SPB, 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 the CalHR provides policy direction. Many of those 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. Those reviews will help to avoid and prevent potential costly litigation related to improper personnel practices, and deter waste, fraud, and abuse.

The SPB conducts those 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 the California Governor’s Office of Emergency Services’ (Cal OES) personnel practices in the areas of examinations, appointments, EEO, PSC’s, mandated training, compensation and pay, leave, and policy and processes.¹ The following table summarizes the compliance review findings.

Area	Finding
Examinations	Examinations Complied with Civil Service Laws and Board Rules
Examinations	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	Probationary Evaluations Were Not Provided for All Appointments Reviewed
Appointments	Appointment Documentation Was Not Kept for the Appropriate Amount of Time
Equal Employment Opportunity	Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Regulations
Personal Services Contracts	Unions Were Not Notified of Personal Services Contracts
Mandated Training	Ethics Training Was Not Provided for All Filers
Mandated Training	Supervisory Training Was Not Provided for All Supervisors
Mandated Training	Sexual Harassment Prevention Training Was Not Provided for All Supervisors
Compensation and Pay	Incorrect Application of Salary Determination Laws, Board Rules, and/or CalHR Policies and Guidelines for Appointments
Compensation and Pay	Incorrect Application of Salary Determination Laws, Board Rules, and/or CalHR Policies and Guidelines for Alternate Range Movement
Compensation and Pay	Hiring Above Minimum Requests Complied with Civil Service Laws, Board Rules, and/or Policies and Guidelines

¹ Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

Area	Finding
Compensation and Pay	Error in Issuing Arduous Pay
Compensation and Pay	Errors in Issuing Bilingual Pay
Compensation and Pay	Incorrect Authorization of Pay Differential
Compensation and Pay	Errors in Issuing Out-of-Class Pay
Leave	Administrative Time Off Was Not Properly Documented
Leave	Department Has Not Implemented a Monthly Internal Audit Process to Verify Timesheets are Keyed Accurately and Timely
Leave	Leave Reduction Plans Were Not Provided to Employees Whose Leave Balances Exceeded Established Limits
Leave	Service and Leave Transactions Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Policy	Neptotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Performance Appraisals Were Not Provided to All Employees

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 Cal OES began as the State War Council in 1943. With an increasing emphasis on emergency management, it officially became the Office of Emergency Services (OES) in 1970. In 2004, the California Legislature merged the OES and the Governor's Office of Criminal Justice Planning, which was responsible for providing state and federal grant funds to local communities to prevent crime and help crime victims.

In 2003, with the State increasing its focus on terrorism prevention after the attacks of 9/11, the Governor's Office of Homeland Security (OHS) was established through an Executive Order by Governor Gray Davis.

In 2009, the California Legislature merged the powers, purposes, and responsibilities of the former OES with those of the OHS into the newly-created California Emergency Management Agency (Cal EMA).

On July 1, 2013, Governor Edmund G. Brown Jr.'s Reorganization Plan #2 eliminated the Cal EMA and restored it to the Governor's Office, renaming it the California Governor's Office of Emergency Services (Cal OES), and merging it with the Office of Public Safety Communications.

Today, the Cal OES performs its broader mission by administering numerous programs that support our stakeholders, protect our communities, and help create a resilient California.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the Cal OES' examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes.² The primary objective of the review was to determine if the Cal OES' personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, the CalHR's policies and guidelines, and the CalHR's Delegation Agreements, and to recommend corrective action where deficiencies were identified.

A cross-section of the CAL OES' examinations were selected for review to ensure that samples of various examination types, classifications, and levels were reviewed. The CRU examined the documentation that the CAL OES provided, which included examination plans, examination bulletins, job analyses, and scoring results.

The Cal OES did not conduct any permanent withhold actions during the compliance review period.

A cross-section of the Cal OES' appointments were 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.

CRU examined the documentation that the Cal OES 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 Cal OES did not conduct any unlawful appointment investigations or make any additional appointments during the compliance review period.

The Cal OES' appointments were also selected for review to ensure the Cal OES applied salary regulations accurately and correctly processed employees' compensation and pay. The CRU examined the documentation that the Cal OES provided, which included employees' employment and pay history and any other relevant documentation such as certifications, degrees, and/or the appointee's application. Additionally, the CRU reviewed specific documentation for the following personnel functions related to compensation and pay: hiring above minimum (HAM) requests, red circle rate requests, bilingual pay, monthly pay differentials, and out-of-class assignments.

During the compliance review period, the Cal OES did not issue or authorize any arduous pay.

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

The Cal OES' mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, and that all supervisors were provided supervisory training and sexual harassment prevention 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 CRU also identified the Cal OES' employees whose current annual leave, or vacation leave credits, exceeded established limits. The CRU reviewed a cross-section of those identified employees to ensure that employees who have significant "over-the-cap" leave balances have a leave reduction plan in place. Additionally, the CRU asked the Cal OES to provide a copy of their leave reduction policy.

The CRU reviewed the Cal OES' Leave Activity and Correction certification forms to verify that the Cal OES created a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely. The CRU selected a small cross-section of the Cal OES' units in order to ensure they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the Cal OES' employees' employment and pay history, state service records, and leave accrual histories to ensure employees with non-qualifying pay periods did not receive vacation/sick leave and/or annual leave accruals or state service credit. Additionally, the CRU reviewed a selection of the Cal OES' employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered.

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

On June 14, 2019, an exit conference was held with the Cal OES to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the Cal OES' revised written response on August 29, 2019, 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.) 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 in the office of the department or a designated appointing power as directed by the examination announcement. (Gov. Code, § 18934.) Generally, 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, March 1, 2018 through August 30, 2018, the Cal OES conducted 25 examinations. The CRU reviewed seven of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Career Executive Assignment (CEA) A, Headquarters Response	CEA	Statement of Qualifications (SOQ) ⁴	3/5/2018	10
CEA B, Statewide Response	CEA	SOQ	4/6/2018	9
Coordinator - Law Enforcement	Open	Supplemental Application (SA)	3/29/2018	5
Disaster Assistance Programs Specialist II	Open	Written	10/20/2017	2
Disaster Assistant Programs Specialist II	Open	Written	4/10/2018	10
Emergency Management Coordinator/Instructor II	Open	Training and Experience (T&E) ⁵	1/20/2018	19
Senior Coordinator (Fire and Rescue Services)	Open	SA	3/21/2018	27

FINDING NO. 1 – Examinations Complied with Civil Service Laws and Board Rules

⁴ In a Statement of Qualifications (SOQ) 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.

⁵ The Training and Experience (T&E) examination is administered either online or in writing, and asks the applicant to answer multiple-choice questions about his or her level of training and/or experience performing certain tasks typically performed by those in this classification. Responses yield point values.

The CRU reviewed the CEA, departmental promotional and open examinations which the Cal OES administered in order to create eligible lists from which to make appointments. The Cal OES published and distributed examination bulletins containing the required information for all examinations. Applications received by the Cal OES 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 CRU found no deficiencies in the examinations that the Cal OES conducted during the compliance review period.

Permanent Withhold Actions

During the review period, the Cal OES conducted eight permanent withhold actions that the CRU reviewed, which are listed below:

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Employee Placed on Withhold
Telecommunications Technician	9PB3501	10/22/2017	10/22/2018	Failed to Meet Minimum Qualifications
Telecommunications Technician	9PB3501	10/24/2017	10/24/2018	Failed to Meet Minimum Qualifications
Telecommunications Technician	9PB3501	1/22/2018	1/22/2019	Failed to Meet Minimum Qualifications
Telecommunications Technician	9PB3501	10/23/2017	10/23/2018	Failed to Meet Minimum Qualifications
Telecommunications Technician	9PB3501	10/29/2017	10/29/2018	Failed to Meet Minimum Qualifications
Telecommunications Technician	9PB3501	9/17/2017	9/17/2018	Failed to Meet Minimum Qualifications
Telecommunications Technician	9PB3501	9/2/2017	9/2/2018	Failed to Meet Minimum Qualifications

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Employee Placed on Withhold
Senior Telecommunications Technician	9PB3502	9/2/2017	9/2/2018	Failed to Meet Minimum Qualifications

FINDING NO. 2 – Permanent Withhold Actions Complied with Civil Service Laws and Board Rules

The CRU found no deficiencies in the permanent withhold actions undertaken by the Cal OES during the compliance review period.

Appointments

In all cases not excepted or exempted by Article VII of the California Constitution, the appointing power must fill positions by appointment, including cases of transfers, reinstatements, promotions, and demotions in strict accordance with the Civil Service Act and Board rules. (Gov. Code, § 19050.) The hiring process for eligible candidates chosen for job interviews shall be competitive and be designed and administered to hire candidates who will be successful. (Cal. Code Regs., tit. 2, § 250 (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 (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 (e).)

During the period under review, July 1, 2017 through March 31, 2018, the Cal OES made 351 appointments. The CRU reviewed 62 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
CEA A, Assistant Director, Administrative Services	CEA	CEA	Full Time	1
CEA A, Technical and Support Services	CEA	CEA	Full Time	1
Accountant I (Specialist)	Certification List	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Accounting Administrator I	Certification List	Limited Term	Full Time	1
Accounting Officer (Specialist)	Certification List	Limited Term	Full Time	1
Accounting Technician	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	1
Associate Information Systems Analyst (Specialist)	Certification List	Limited Term	Full Time	1
Associate Personnel Analyst	Certification List	Limited Term	Full Time	1
Attorney III	Certification List	Permanent	Full Time	1
Coordinator (Fire and Rescue Services)	Certification List	Permanent	Full Time	1
Coordinator – Law Enforcement	Certification List	Permanent	Full Time	1
Data Processing Manager II	Certification List	Limited Term	Full Time	1
Disaster Assistance Programs Specialist I	Certification List	Limited Term	Full Time	1
Disaster Assistance Programs Specialist II	Certification List	Permanent	Full Time	1
Emergency Services Coordinator	Certification List	Permanent	Full Time	1
Information Technology Supervisor I	Certification List	Limited Term	Full Time	1
Office Assistant (Typing)	Certification List	Permanent	Full Time	1
Office Technician (General)	Certification List	Permanent	Full Time	1
Office Technician (Typing), Limited Examination and Appointment Program (LEAP)	Certification List	Temporary Authorization Utilization (TAU)	Full Time	1
Personnel Specialist	Certification List	Permanent	Full Time	1
Personnel Technician I	Certification List	Permanent	Full Time	1
Personnel Technician I - LEAP	Certification List	TAU	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Program Manager I	Certification List	Limited Term	Full Time	1
Program Manager III	Certification List	Permanent	Full Time	1
Research Analyst I (Geographic Information Systems)	Certification List	Permanent	Full Time	1
Research Analyst II (General)	Certification List	Permanent	Full Time	1
Senior Accounting Officer (Specialist)	Certification List	Limited Term	Full Time	1
Senior Coordinator (Law Enforcement)	Certification List	Permanent	Full Time	1
Senior Emergency Services Coordinator	Certification List	Permanent	Full Time	1
Senior Management Auditor	Certification List	Permanent	Full Time	1
Senior Programmer Analyst (Specialist)	Certification List	Limited Term	Full Time	1
Staff Services Analyst (General)	Certification List	Permanent	Full Time	1
Staff Services Manager I	Certification List	Permanent	Full Time	1
Staff Services Manager II	Certification List	Permanent	Full Time	1
Staff Services Manager III	Certification List	Permanent	Full Time	1
Support Services Assistant (General)	Certification List	Permanent	Full Time	1
Telecommunication Maintenance Supervisor I	Certification List	Permanent	Full Time	1
Telecommunications Systems Manager II (Supervisor)	Certification List	Permanent	Full Time	1
Telecommunications Technician Trainee	Certification List	Limited Term	Full Time	1
Warehouse Manager I	Certification List	Limited Term	Full Time	1
Associate Information Systems Analyst (Specialist)	Emergency	Emergency	Intermittent	1
Office Assistant (General)	Emergency	Emergency	Intermittent	1
Program Manager I	Emergency	Emergency	Intermittent	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Associate Accounting Analyst	Permissive Reinstatement	Limited Term	Full Time	1
Disaster Assistance Programs Specialist I	Permissive Reinstatement	Limited Term	Full Time	1
Disaster Assistance Programs Specialist II	Permissive Reinstatement	Limited Term	Full Time	1
Heavy Truck Driver	Permissive Reinstatement	Permanent	Full Time	1
Personnel Specialist	Permissive Reinstatement	Limited Term	Full Time	1
Associate Information Systems Analyst (Specialist)	Training and Development	Permanent	Full Time	1
Emergency Services Coordinator	Training and Development	Permanent	Full Time	2
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	1
Coordinator (Communications)	Transfer	Permanent	Full Time	1
Emergency Management Coordinator II	Transfer	Permanent	Full Time	1
Emergency Notification Controller	Transfer	Permanent	Full Time	1
Emergency Services Coordinator	Transfer	Permanent	Full Time	1
Staff Programmer Analyst (Specialist)	Transfer	Permanent	Full Time	1
Staff Services Management Auditor	Transfer	Permanent	Full Time	1
Telecommunication Systems Analyst II	Transfer	Permanent	Full Time	1
Telecommunications Technician	Transfer	Permanent	Full Time	1
Warehouse Manager I	Certification List	Limited Term	Full Time	1

The Cal OES measured each applicant's ability to perform the duties of the job by conducting hiring interviews and selecting the best-suited candidates. For each of the list appointments reviewed, the Cal OES ordered a certification list of candidates ranked competitively. After properly clearing the certification lists including State Restriction of

Appointments (SROA)⁶, the selected candidates were appointed based on eligibility attained by being reachable within the first three ranks of the certification lists.

The CRU reviewed the Cal OES appointments made to positions via emergency appointment. When emergency appointments are made under Government Code Section 19888.1, the appointing power shall establish and retain records consisting of the name of the appointee, the duties of the position, the reason for the appointment and such further data as may be required by the executive officer for the purpose of ensuring compliance with the provisions of this article. (Cal. Code of Regs., tit. 2, § 301.) No person may serve under an emergency appointment for more than 60 working days in any 12 consecutive calendar months. (Cal. Code of Regs., tit. 2, § 303.) Service for extreme emergencies under section 302.1 may be exempted from this limit by the CalHR. The Cal OES followed applicable laws and rules in making the emergency appointments.

The Cal OES made appointments via permissive reinstatement. An appointing power may, in his or her discretion, reinstate any person having probationary or permanent status who was separated from his or her position by: (1) resignation; (2) service retirement; (3) termination from limited-term, temporary, career executive assignment, or exempt appointment; (4) absence without leave, whether voluntary or involuntary, for five consecutive working days is an automatic resignation from state service, as of the last date on which the employee worked; or (5) without a break in continuity of state service to accept another civil service or exempt appointment. (Gov. Code, § 19140.) The Cal OES followed applicable law and rule in making the permissive reinstatement appointments.

Eligibility for training and development assignments (T&D) shall be limited to employees who (1) have permanent status in their present class; or (2) who have probationary status and who previously had permanent status and who, since such permanent status, had no break in service due to a permanent separation. (Gov. Code, § 438, subs. (a)(1)(2).) The CRU found no deficiencies in the T&D assignments that the Cal OES made.

The Cal OES made appointments via TAU. Generally, when no employment list exists from which a position may be filled, an appointing power may fill the position by temporary appointment. (Gov. Code, § 19058.) If fewer than three names of persons willing to accept an appointment are on the open eligible list for the class to which a position belongs and no

⁶ The state restriction of appointments (SROA) program is intended to prevent the layoff and separation of skilled and experienced employees from state service. The SROA program assists in placing affected employees by temporarily restricting the methods of appointment available to appointing powers. Employees on SROA lists are granted preferential consideration over all other types of appointments, except appointments from reemployment lists and mandatory reinstatements.

other employment list for such class is available, a temporary appointment may be allowed. (Cal. Code Regs., tit. 2, § 265) A TAU appointment shall not exceed nine months in a 12-month period. (Cal. Const., art. VII, § 5.) In addition, when a temporary appointment is made to a permanent position, an appropriate employment list shall be established for each class to which a temporary appointment is made before the expiration of the appointment. (Gov. Code, § 19058.) The Cal OES followed applicable law and rule in making the TAU appointments.

The CRU reviewed appointments the Cal OES made via transfer. A transfer of an employee from a position under one appointing power to a position under another appointing power may be made, if the transfer is to a position in the same class or in another class with substantially the same salary range and designated as appropriate by the executive officer. (Cal. Code Regs., tit. 2, § 425.) No other type of transaction which has the same general effect as a transfer, such as reinstatement following resignation, shall be used to circumvent the above provisions. (*Ibid.*) The Cal OES verified the eligibility of each candidate to their appointed class.

However, in reviewing the Cal OES' appointments that were made during the compliance review period, the CRU determined the following:

FINDING NO. 3 – Probationary Evaluations Were Not Provided for All Appointments Reviewed

Summary: 12 probationary reports were not prepared, completed and/or retained.

Classification	Appointment Type	Number of Appointments Missing Probation Reports	Total Number of Missing Probation Reports
Accountant I (Specialist)	Certification List	1	2
Coordinator (Fire and Rescue Services)	Certification List	1	1
Disaster Assistance Programs Specialist II	Certification List	1	3
Research Analyst II (General)	Certification List	1	1
Senior Coordinator – Law Enforcement	Certification List	1	1
Staff Services Manager I	Certification List	1	1

Classification	Appointment Type	Number of Appointments Missing Probation Reports	Total Number of Missing Probation Reports
Support Services Assistant (General)	Certification List	1	1
Telecommunications Systems Analyst II	Transfer	1	2
Total		8	12

Criteria: The service of a probationary period is required when an employee enters in the state civil service by permanent appointment from an employment list. (Gov. Code, § 19171.) 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 of 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.*)

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

Cause: Managers and supervisors are not properly trained on or held accountable to the importance of Government Code section 19171 and the California Code of Regulations section 599.795.

Action: The Cal OES established the Performance Management Unit to follow-up with each manager/supervisor to ensure probation reports are completed timely. However, the Cal OES must continue to monitor the completion of probation reports to ensure conformity with the law and rule.

FINDING NO. 4 – Appointment Documentation Was Not Kept for the Appropriate Amount of Time

- Summary:** 12 NOPA's were not retained in 62 appointment files.
- Criteria:** 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. (Cal. Code Regs., tit. 2, § 26.) Those records are required to be readily accessible and retained in an orderly and systematic manner. (*Ibid.*)
- Severity:** Non-Serious or Technical. Without documentation, the CRU could not verify if the appointments were properly conducted.
- Cause:** The Transactions Unit has had a huge turnover the past two years; due to this, there is lack of processes for tracking and maintaining NOPAs.
- Action:** The Cal OES is establishing written processes to ensure conformity with the California Code of Regulations, title 2, section 26. However, it is recommended that, within 60 days of the Executive Officer's approval of the findings and recommendations, the Cal OES provide copies of relevant documentation including the written processes for the maintenance and retention of NOPAs.

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 by providing access to all required files, documents and data. (*Ibid.*) In addition, the appointing power of each state agency and the director of each department shall 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.

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. 5 – Equal Employment Opportunity Program Complied with Civil Service Laws and Board Regulations

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 Cal OES’ 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 Director of the Cal OES. In addition, the Cal OES has an established DAC, which reports to the director on issues affecting persons with disabilities. The Cal OES also provided evidence of its efforts to promote EEO in its hiring and employment practices, and to increase its hiring of persons with disabilities, and to offer upward mobility opportunities for its entry-level staff. Accordingly, the Cal OES’ EEO program complied with civil service laws and Board rules.

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 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 the SPB of its intent to execute such a contract. (Gov. Code, § 19131.) For subdivision (b) contracts, the SPB reviews the adequacy of the proposed or executed contract at the request of an employee organization representing state employees. (Gov. Code, § 19132.)

During the period under review, March 1, 2018 through August 30, 2018, the Cal OES had 106 PSC's that were in effect. The CRU reviewed 13 PSCs.

FINDING NO. 6 – Unions Were Not Notified of Personal Services Contract

Summary: The Cal OEs did not notify unions prior to executing nine PSC's.

Vendor	Services	Contract Dates	Contract Amount	Union was Notified
California Institute of Technology	Operation and Maintenance of California Integrated Seismic Network	9/1/17 - 6/30/20	\$2,303,638.00	No
Celer Systems, Inc.	Project Management Services for Mutual Aid Reimbursement System (MARS)	5/17/16 - 5/31/21	\$240,000.00	No
Chapman Equipment Solutions, Inc.	Heavy Equipment Maintenance	9/11/17 - 9/10/19	\$22,000.00	No
Collins Electrical Company Inc.	Electrical Services	1/1/18 - 12/31/21	\$49,999.99	No
Environmental Science Associates	National Historic Preservation Act Reviews	9/1/17 - 8/31/18	\$727,850.00	No
Filler Security Strategies Inc.	Homeland Security Grant Program Consultation and Training	1/1/18 - 12/31/18	\$150,000.00	No
NBS	Rate Setting Consultation Services	8/28/17 - 6/30/19	\$100,000.00	No

Vendor	Services	Contract Dates	Contract Amount	Union was Notified
Nexgen Asset Management	Data Migration and Configuration Services	12/15/17 - 11/14/18	\$14,640.00	No
QualApps	Mentoring Services for Design and Development of MARS	1/2/18 - 12/31/18	\$228,480.00	No

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

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

Cause: The electronic system used to obtain union information was not working properly, causing the Contract Unit to believe these contracts did not need to go to the respective unions.

Action: The electronic system has been fixed and Contract Unit staff have been trained to identify when a contract needs to be sent to the respective unions. However, the Cal OES must continue to monitor the PCS's to ensure conformity with Government Code section 19132, subdivision (b)(1).

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), (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).) As to the sexual harassment and abusive-conduct prevention component, the training must thereafter be provided to supervisors once every two years. (Gov. Code, § 12950.1.)

Within 12 months of the initial appointment of an employee to a management or Career Executive Assignment (CEA) position, the employee shall be provided leadership training and development, as prescribed by the 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.*) Thereafter, for both categories of appointment, the employee must be provided a minimum of 20 hours of leadership training on a biannual basis. (*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 CRU reviews documents and records related to training that appointing powers are required by the afore-cited laws to provide its employees.

The CRU reviewed all the training records for the Cal OES' mandated training program that was in effect during the compliance review period.

FINDING NO. 7 – Ethics Training Was Not Provided for All Filers

Summary: The Cal OES did not provide ethics training to 27 of 214 existing filers. In addition, the Cal OES did not provide ethics training to 111 of 216 new filers within six months of their appointment.

Criteria: New filers must be provided ethics training within six months of appointment. (Gov. Code, § 11146.1.) Existing filers must be trained at least once during each consecutive two calendar year period, commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3, subd. (b).)

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

Cause: The Cal OES did not have a reliable system in place to identify all new and existing filers, which caused some filers not to meet the ethics training requirement.

Action: The Cal OES has implemented a process and procedures to ensure the mandatory requirement for ethics training for new and existing filers. However, the Cal OES must continue to monitor the ethics training to ensure conformity with Government Code sections 11461.3 and 11461.1, respectively.

FINDING NO. 8 – Supervisory Training Was Not Provided for All Supervisors

Summary: The Cal OES did not provide basic supervisory training to 18 of 39 new supervisors within twelve months of appointment.

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 completion of the initial training, supervisory employees shall receive a minimum 20 hours of leadership training biennially. (Gov. Code, § 19995.4, subd. (c).)

Severity: Very Serious. The department does not ensure its leaders are properly trained. Without proper training, leaders may not properly carry out their leadership roles, including managing employees.

Cause: All Cal OES employees are assigned to one of three Incident Support/Operation Readiness Teams and, when requested, must respond to fill an activation/deployment assignment, during which their regular duties cease so they can support the saving and sustaining of lives, protecting property and the environment, and economic recovery. During the SPB review, the Cal OES staff provided emergency responses related to 11 activations.

Action: The Cal OES has implemented a process to track supervisory training. However, the Cal OES must continue to monitor supervisory training to ensure conformity with Government Code section 19995.4 subdivision (b). Within 60 days of the Executive Officer's approval of the findings and recommendations, copies of relevant documentation including the tracking process and standard operating procedures must be submitted to the CRU.

FINDING NO. 9 – Sexual Harassment Prevention Training Was Not Provided for All Supervisors

Summary: The Cal OES did not provide sexual harassment prevention training to 21 of 31 new supervisors within six months of their appointment. Additionally, the Cal OES did not provide sexual harassment prevention training to seven of nine existing supervisors every two years.

Criteria: Each department must provide its supervisors two hours of sexual harassment prevention training every two years. (Gov. Code, § 12950.1, subd. (a).) New supervisors must be provided sexual harassment prevention training within six months of appointment. (*Ibid.*)

Severity: Very Serious. The department does not ensure its new supervisors are properly trained to respond to sexual harassment or unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature. This limits the department's

ability to retain a quality workforce, impacts employee morale and productivity, and subjects the department to liability.

Cause: The Office of Civil Rights, EEO and Health and Safety provides supervisors online sexual harassment prevention training every two years and within six months of appointment for new supervisors. Some supervisors have difficulty completing the training in a timely manner due to workloads and extended absences.

Action: The Cal OES has a process in place to ensure supervisors complete sexual harassment training timely. However, it is recommended that within 60 days of the Executive Officer's approval of these recommendations, the Cal OES submit corrective actions to improve their current process. Furthermore, the Cal OES must continue to monitor the sexual harassment training to ensure conformity with Government Code section 12950.1, subdivision (a). Copies of any relevant documentation including any process improvements that have been implemented must be submitted to the CRU.

Compensation and Pay

Salary Determination

The pay plan for state civil service consists of salary ranges and steps established by the CalHR. (Cal. Code Regs., tit. 2, § 599.666.) Several salary rules dictate how departments calculate and determine an employee's salary rate⁷ upon appointment depending on the appointment type, the employee's state employment and pay history, and tenure.

Typically, agencies appoint employees to the minimum rate of the salary range for the class. Special provisions for appointments above the minimum exist to meet special recruitment needs and to accommodate employees who transfer into a class from another civil service class and are already receiving salaries above the minimum.

During the period under review, July 1, 2017 through March 31, 2018, the Cal OES made 351 appointments. The CRU reviewed 37 of those appointments to determine if the Cal OES applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

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

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Accountant I (Specialist)	Certification List	Permanent	Full Time	\$3,120
Accounting Officer (Specialist)	Certification List	Limited Term	Full Time	\$4,177
Accounting Officer (Specialist)	Certification List	Limited Term	Full Time	\$4,553
Accounting Technician	Certification List	Permanent	Full Time	\$2,868
Associate Accounting Analyst	Certification List	Limited Term	Full Time	\$6,605
Associate Accounting Analyst	Transfer	Limited Term	Full Time	\$6,290
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$4,784
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$5,816
Associate Governmental Program Analyst	Certification List	Limited Term	Full Time	\$5,538
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$6,287
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	\$5,228
Associate Information Systems Analyst (Specialist)	Certification List	Limited Term	Full Time	\$5,022
Associate Information Systems Analyst (Specialist)	Emergency	Emergency	Intermittent	\$5,022
Associate Personnel Analyst	Certification List	Limited Term	Full Time	\$4,784
Attorney III	Certification List	Permanent	Full Time	\$9,854
Coordinator - Law Enforcement	Certification List	Permanent	Full Time	\$8,122
Coordinator - Communications	Certification List	Permanent	Full Time	\$6,165
Disaster Assistance Program Specialist II	Certification List	Permanent	Full Time	\$4,913
Disaster Assistance Programs Specialist I	Reinstatement	Limited Term	Full Time	\$4,356

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Emergency Management Coordinator/Instructor II	Transfer	Permanent	Full Time	\$7,746
Emergency Services Coordinator	Transfer	Permanent	Full Time	\$5,888
Heavy Truck Driver	Transfer	Permanent	Full Time	\$3,876
Information Technology Supervisor I	Certification List	Limited Term	Full Time	\$5,844
Office Assistant (Typing)	Certification List	Permanent	Full Time	\$2,526
Office Technician (General)	Certification List	Permanent	Full Time	\$2,921
Office Technician (General)	Reinstatement	Limited Term	Full Time	\$3,802
Office Technician (Typing), Limited Examination and Appointment Program (LEAP)	Certification List	Temporary	Full Time	\$2,921
Personnel Technician - LEAP	Temporary	Temporary	Full Time	\$2896
Program Manager I	Emergency	Emergency	Intermittent	\$5,773
Program Manager II	Certification List	Permanent	Full Time	\$8,290
Senior Telecommunications Technician	Certification List	Permanent	Full Time	\$7,664
Staff Programmer Analyst (Specialist)	Certification List	Limited Term	Full Time	\$6,411
Staff Programmer Analyst (Specialist)	Transfer	Permanent	Full Time	\$7,242
Staff Services Analyst	Certification List	Permanent	Full Time	\$3,802
Telecommunication Technician Trainee	Certification List	Limited Term	Full Time	\$4,354
Telecommunications Systems Manager I (Specialist)	Certification List	Permanent	Full Time	\$7,141
Warehouse Manager I	Certification List	Limited Term	Full Time	\$4,846

The CRU found no deficiencies in 35 out of 37 salary determinations that the Cal OES made during the compliance review period. The Cal OES appropriately calculated and

processed 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.

FINDING NO. 10 – Incorrect Application of Salary Determination Laws, Board Rules, and/or CalHR Policies and Guidelines for Appointments

Summary: Two errors were found in employee compensation.

Classification	Description of Finding(s)	Criteria
Personnel Technician, LEAP	An employee's increase was incorrect due to rounding error. Employee was overpaid.	CCR tit. 2, § 599.676
Coordinator, Communications	An employee received a higher increase than what they were entitled to. Employee was overpaid.	CCR tit. 2, § 599.674(a)

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

Severity: Very Serious. Failure to comply with the state civil service pay plan, by incorrectly applying compensation laws and rules not in accordance with CalHR's policies and guidelines, results in a civil service employee receiving incorrect and/or inappropriate compensation.

Cause: Due to the high turnover of the Transactions Unit staff, Personnel Specialists have been unable to attend the Salary Determination training offered by the State Controller's Office.

Action: The Cal OES has submitted a corrective action plan to mitigate salary determination errors. However, the Cal OES must continue to monitor salary determinations to ensure conformity with the California Code of Regulations, title 2, section 599.666. Within 60 days of the Executive Officer's approval of the findings and recommendations, copies of relevant documentation including the new processes and tools for the Personnel Specialists to utilize must be submitted to the CRU.

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. (California Civil Service 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, July 1, 2017 through March 31, 2018, the Cal OES made 22 alternate range movements within a classification. The CRU reviewed 11 of those alternate range movements to determine if the Cal OES applied salary regulations accurately and correctly processed employee's compensation, which are listed below:

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Disaster Assistance Programs Specialist I	Range A	Range B	Full Time	\$4,166
Information Technology Associate	Range B	Range D	Full Time	\$5,439
Information Technology Associate	Range B	Range C	Full Time	\$5,767
Information Technology Specialist I	Range B	Range C	Full Time	\$7,616
Information Technology Specialist I	Range B	Range C	Full Time	\$7,435
Information Technology Technician	Range A	Range C	Full Time	\$4,394
Personnel Specialist	Range B	Range C	Full Time	\$3,677
Staff Services Analyst	Range A	Range B	Full Time	\$3,550
Staff Services Analyst (General)	Range A	Range B	Full Time	\$4,030
Staff Services Management Auditor	Range B	Range C	Full Time	\$3,908
Telecommunications Systems Analyst I	Range A	Range B	Full Time	\$3,317

FINDING NO. 11 – Incorrect Application of Salary Determination Laws, Board Rules, and/or CalHR Policies and Guidelines for Alternate Range Movement

Summary: One error was found in employee compensation.

Classification	Description of Finding(s)	Criteria
Information Technology Associate	An employee’s increase was miscalculated. A rounding error resulted in overpayment.	CCR tit. 2, § 599.676

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

Severity: Very Serious. Failure to comply with the state civil service pay plan by incorrectly applying compensation laws and rules not in accordance with CalHR’s policies and guidelines, results in a civil service employee receiving incorrect and/or inappropriate compensation.

Cause: Due to the high turnover of the Transactions Unit staff, Personnel Specialists have been unable to attend the Salary Determination training offered by the State Controller’s Office.

Action: The Cal OES has submitted a corrective action plan to mitigate salary determination errors. However, the Cal OES must continue to monitor salary determinations to ensure conformity with the California Code of Regulations, title 2, section 599.666. Within 60 days of the Executive Officer’s approval of the findings and recommendations, copies of relevant documentation including the new processes and tools for the Personnel Specialists to utilize must be submitted to the CRU.

Hiring Above Minimum Requests

The CalHR may authorize payment at any step above-the minimum limit to classes or positions to meet recruiting problems, to obtain a person who has extraordinary qualifications, to correct salary inequities, or to give credit for prior state service. (Gov.

Code § 18936.) For all employees new to state service, appointing authorities are delegated to approve HAMS for extraordinary qualifications without review/approval by CalHR's Personnel Services Branch. (Human Resources Manual Section 1707.) Appointing authorities may request HAMS for state employees with extraordinary qualifications. (*Ibid.*) Delegated HAM authority does not apply to current state employees. (*Ibid.*)

Persons with extraordinary qualifications should contribute to the work of the department significantly beyond that which other applicants offer. (*Ibid.*) Extraordinary qualifications may provide expertise in a particular area of a department's program. This expertise should be well beyond the minimum qualifications of the class. (*Ibid.*) Unique talent, ability or skill as demonstrated by previous job experience may also constitute extraordinary qualifications. (*Ibid.*) The scope and depth of such experience should be more significant than its length. (*Ibid.*) The degree to which a candidate exceeds minimum qualifications should be a guiding factor, rather than a determining one. When a number of candidates offer considerably more qualifications than the minimum, it may not be necessary to pay above the minimum to acquire unusually well-qualified people. (*Ibid.*) The qualifications and hiring rates of state employees already in the same class should be carefully considered, since questions of salary equity may arise if new higher entry rates differ from previous ones. (*Ibid.*) Recruitment difficulty is a factor to the extent that a specific extraordinary skill should be difficult to recruit, even though some applicants are qualified in the general skills of the class. (*Ibid.*)

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action.⁸ (Gov. Code § 19836 subd. (b).)

Appointing authorities may request/approve HAMS for former Legislative employees who are appointed to a civil service class and received eligibility for appointment pursuant to Government Code section 18990. (Human Resources Manual Section 1707.) The salary received upon appointment to civil service shall be in accordance with the salary rules specified in the California Code of Regulations. (*Ibid.*) A salary determination is completed comparing the maximum salary rate of the former legislative class and the maximum salary rate of the civil service class to determine applicable salary and anniversary regulation. (*Ibid.*) Typically, the legislative employees are compensated at a higher rate of pay; therefore, they will be allowed to retain the rate they last received, not to exceed the maximum of the civil service class. (*Ibid.*)

⁸ Except that if the provisions of the a memorandum of understanding requires the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Appointing authorities may request/approve HAMs for former exempt employees appointed to a civil service class. (Human Resources Manual Section 1707.) The salary received upon appointment to civil service shall be in competitive with the employee's salary in the exempt appointment. (*Ibid.*) For example: An employee appointed to a civil service class which is preceded by an exempt appointment may be appointed at a salary rate comparable to the exempt appointment up to the maximum of the salary range for the civil service class. (*Ibid.*)

During the period under review, July 1, 2017 through March 31, 2018, the Cal OES authorized 13 HAM requests. The CRU reviewed nine of those authorized HAM requests to determine if the Cal OES correctly applied Government Code section 19836 and appropriately verified, approved and documented the candidate's extraordinary qualifications, which are listed below:

Classification	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Attorney I	Certification List	Permanent	\$5,387 - \$9,385	\$6,951
Coordinator (Fire and Rescue Services)	Certification List	Permanent	\$6833 - \$8,600	\$8,600
Coordinator (Fire and Rescue Services)	Certification List	Permanent	\$6833 - \$8,600	\$8,003
Coordinator - Law Enforcement	Certification List	Permanent	\$7,038 - \$8,858	\$8,858
Emergency Services Coordinator	Certification List	Permanent	\$4,095 - \$5,087	\$6,139
Information Technology Specialist I	Certification List	Permanent	\$4,921 - \$6,595	\$6,047
Program Manager I	Certification List	Permanent	\$5,605 - \$6,974	\$6,974
Program Manager I	Certification List	Permanent	\$5,773 - \$7,183	\$7,183
Telecommunications Systems Manager II (Supervisor)	Certification List	Permanent	\$6,246 - \$8,150	\$8,150

FINDING NO. 12 – Hiring Above Minimum Requests Complied with Civil Service Laws, Board Rules, and/or Policies and Guidelines

The CRU found that all HAM requests the Cal OES made during the compliance review period satisfied civil service laws, Board rules and/or policies and guidelines.

Arduous Pay

Effective July 1, 1994, appointing authorities were provided the discretion to provide additional compensation for employees exempt from the Fair Labor Standards Act (FLSA) who perform arduous work that exceeds the normal demands of state service employment. (Human Resources Manual Section 1702.) The work must be extraordinarily demanding, time consuming, and significantly exceed employees' normal workweek. The employee cannot be entitled to receive any other sort of compensation such as overtime. Eligible employees are FLSA-exempt employees who do not receive compensation in recognition of hours worked in excess of 40 hours per week. The duration of the arduous period must be at least two weeks or more. (*Ibid.*)

Excluded and represented employees who are FLSA-exempt and assigned to Work Week Group E are eligible to receive up to four (4) months of pay per fiscal year, or per event for emergencies, if the following conditions are met:⁹

- There is a nonnegotiable deadline or extreme urgency;
- Work exceeds normal work hours and normal productivity;
- Work is unavoidable;
- Work involves extremely heavy workload;
- Employee is eligible for no other compensation, and
- The circumstances that support this pay differential are documented.

Departments have delegated authority to approve arduous pay for excluded employees who are FLSA-exempt, but the CalHR's approval is required for any arduous pay issued to represented employees.

Although departments have delegated authority to approve arduous pay,¹⁰ they are required to fill out CalHR Form 777, documenting the circumstances, assessment and rationale behind all arduous pay approvals. (*Ibid.*) A new Form 777 should be filled out

⁹ Applicable Memorandum of Understandings or Bargaining Unit Agreements detail other specific criteria.
¹⁰ Pay Letter 94-32 established Pay Differential 62 regarding arduous pay for Bargaining Units 1, 7, 9, 17, 19, and 21, and Excluded employees.

for every employee receiving the pay differential, every time an employee is approved to receive a new pay differential, and every time an employee wants to extend their arduous pay. (*Ibid.*) Extensions are only granted in rare circumstances. (*Ibid.*) Departments must keep the Form 777 on file and retain the form for five years after the approval date. (*Ibid.*)

During the period under review, July 1, 2017 through March 31, 2018, the Cal OES issued Arduous Pay to 62 employees. The CRU reviewed arduous pay authorizations for 21 of those employees to ensure compliance with applicable CalHR policies and guidelines, which are listed below:

Classification	Collective Bargaining Identifier	Work Week Group	Time Base	Arduous Pay Compensation	No. of Months Received
Accounting Administrator III	M01	E	Full Time	\$600	1
Assistant Director, Recovery	E99	E	Full Time	\$3,000	5
Assistant Director, Response	E99	E	Full Time	\$2,100	4
Assistant to the Governor, Governor's Office	E99	E	Full Time	\$900	1
CEA A, Regional Administrator	M01	E	Full Time	\$1200	1
CEA B, Regional Administrator	M01	E	Full Time	\$900	2
Chief, Fire and Rescue Services	M07	E	Full Time	\$1200	1
Chief, Emergency Management	E99	E	Full Time	\$1,200	2
Chief, Officer of Legislative and External Affairs	E99	E	Full Time	\$1,500	2
Deputy Director, Logistics Management	E99	E	Full Time	\$1,500	3
Emergency Management Coordinator/Instructor II	R07	E	Full Time	\$900	2
Information Officer II	S01	E	Full Time	\$1,500	3
Program Manager I	S07	E	Full Time	\$1,200	5
Program Manager I	S07	E	Full Time	\$1,800	9

Classification	Collective Bargaining Identifier	Work Week Group	Time Base	Arduous Pay Compensation	No. of Months Received
Program Manager I	S07	E	Full Time	\$2,100	5
Program Manager I	S07	E	Full Time	\$1,200	5
Program Manager I	S07	E	Full Time	\$1,500	2
Program Manager II	S07	E	Full Time	\$2,700	6
Senior Coordinator (Fire And Rescue Services)	S07	E	Full Time	\$600	1
Special Advisor	E99	E	Full Time	900	1
Staff Services Manager I	S01	E	Full Time	\$1,500	2

FINDING NO. 13 – Error in Issuing Arduous Pay

Summary: One employee’s arduous pay for October 2017 was incorrectly keyed. As of August 2, 2018, the Cal OES had collected the overpayment.

Classification	Area	Description of Finding(s)	Criteria
Program Manager II	Arduous Pay	The Cal OES incorrectly keyed one month’s payment when the employee was not entitled to arduous pay. Employee was overpaid.	Pay Differential 62

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

Severity: Very Serious. Failure to comply with the state civil service pay plan by incorrectly applying compensation laws and rules not in accordance with the CalHR’s policies and guidelines results in civil service employees receiving incorrect and/or inappropriate compensation.

Cause: Justification was provided in order to authorize arduous pay. However, the employee was not entitled to arduous pay during

October 2017. A keying error was made, which resulted in an overpayment.

Action: As of August 2018, the Cal OES collected the overpayment. Therefore, no further action is required at this time. However, the Cal OES must continue to monitor the arduous pay issued to ensure conformity with California Code of Regulations, title 2, section 599.666.

Bilingual Pay

A certified bilingual position is a position where the incumbent uses bilingual skills on a continuous basis and averages ten percent or more of the total time worked. According to Pay Differential 14, the ten 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 specific bilingual transactions.

Typically, the department must review the position's duty statement to confirm the percentage of time spent 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, July 1, 2017 through March 31, 2018, the Cal OES authorized bilingual pay to four employees that the CRU reviewed to ensure compliance with applicable CalHR policies and guidelines, which are listed below:

Classification	Bargaining Unit	Time Base
Associate Governmental Program Analyst – Retired Annuitant (RA)	R01	Intermittent
Information Officer I (Specialist)	R01	Full Time
Management Services Technician	R01	Full Time
Staff Services Manager I	S01	Intermittent

FINDING NO. 14 – Errors in Issuing Bilingual Pay

Summary: Three employees received bilingual pay at their previous departments, which carried over when they transferred to their new agency.

Classification	Description of Finding(s)	Criteria
Associate Governmental Program Analyst – RA	Employee transferred to the Cal OES. Personnel Specialists were new and not trained to check if employee was receiving bilingual pay at previous department, which resulted in overpayment.	Pay Differential 14
Management Services Technician	Employee transferred to the Cal OES. Personnel Specialists were new and not trained to check if employee was receiving bilingual pay at previous department, which resulted in overpayment.	Pay Differential 14
Staff Services Manager I	Employee transferred to the Cal OES. Personnel Specialists were new and not trained to check if employee was receiving bilingual pay at previous department, which resulted in overpayment.	Pay Differential 14

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

Severity: Very Serious. Failure to comply with the state civil service pay plan by incorrectly applying compensation laws and rules not in accordance with the CalHR’s policies and guidelines results in civil service employees receiving incorrect and/or inappropriate pay amounts.

Cause: The RPA documentation and the duty statements inaccurately reflected bilingual designations. One employee had a previous bilingual designation from their former department that carried over when they were appointed to the Cal OES. The other two employees were Retired Annuitants who either had previous bilingual designations or were separated from the Cal OES and their employment history was no longer accessible.

Action: The Cal OES has submitted a corrective action plan that includes secondary review to ensure accurate keying of transactions and the immediate correction of identified errors. However, the Cal OES must continue to monitor bilingual pay to ensure conformity with Pay Differential 14. Within 60 days of the Executive Officer’s approval of these findings and written recommendations, copies of any relevant documentation including in-house training and tools and resources provided to staff must be submitted to the CRU.

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. (Classification and Pay Manual Section 230.) 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 those positions from other positions in the same class. (*Ibid.*) 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. (*Ibid.*)

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, July 1, 2017 through March 31, 2018, the Cal OES issued pay differentials¹¹ to 176 employees. The CRU reviewed 27 of those pay differentials to ensure compliance with applicable CalHR policies and guidelines, which are listed below:

Classification	Pay Differential	Monthly Amount
Assistant Telecommunications Engineer	261	\$200

¹¹ For the purposes of CRU’s review, only monthly pay differentials were selected for review at this time.

Classification	Pay Differential	Monthly Amount
Assistant Telecommunications Engineer	244	\$75
Associate Telecommunications Engineer	261	\$300
Associate Telecommunications Engineer	261	\$300
Associate Telecommunications Engineer	261	\$300
Associate Telecommunications Engineer	261	\$300
Associate Telecommunications Engineer	261	\$300
Associate Telecommunications Engineer	261	\$300
Associate Telecommunications Engineer	261	\$300
Associate Telecommunications Engineer	261	\$300
Associate Telecommunications Engineer	261	\$300
Chief (Fire and Rescue Services)	73	8% of salary
Coordinator (Fire And Rescue Services)	245	3% of salary
Coordinator (Fire And Rescue Services)	244	\$75
Coordinator (Fire And Rescue Services)	244	\$125
Coordinator (Fire And Rescue Services)	244	\$75
Coordinator - Law Enforcement	244	\$125
Coordinator - Law Enforcement	244	\$100
Electrical Engineer	261	\$300
Senior Coordinator (Fire And Rescue Services)	244	\$75
Senior Coordinator (Fire And Rescue Services)	244	\$125
Senior Coordinator - Law Enforcement	244	\$100
Telecommunications Maintenance Supervisor I	290	\$500
Telecommunications Maintenance Supervisor I	290	\$500
Telecommunications Maintenance Supervisor I	290	\$500
Telecommunications Maintenance Supervisor I	290	\$500
Telecommunications Maintenance Supervisor I	290	\$500

FINDING NO. 15 – Incorrect Authorization of Pay Differential

Summary: One employee was not qualified to receive the pay differential.

Classification	Area	Description of Finding	Criteria
Assistant Telecommunications Engineer	Education	The employee was appointed to a classification that was not eligible to receive the pay differential. Employee was overpaid.	Pay Differential 244

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

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

Cause: Due to a high turnover in the Transactions Unit, knowledge and experience is limited.

Action: The Cal OES has submitted a corrective action plan that includes secondary review to ensure accurate keying of transactions and immediate correction of identified errors. However, the Cal OES must continue to monitor transactions to ensure conformity with Pay Differential 244. Within 60 days of the Executive Officer’s approval of these findings and written recommendations, copies of any relevant documentation including in-house training and tools and resources provided to staff must be submitted to the CRU.

Out-of-Class Assignments and Pay

For excluded¹² 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.)

¹² “Excluded employee” means an employee as defined in section 3572(b) of the Government Code (Ralph C. Dills Act) except those excluded employees who are designated managerial pursuant to section 18801.1 of the Government Code.

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 California Code of Regulations, 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 provision or CalHR regulation. Before assigning the OOC work, the department should have a plan to correct the situation before the 120-day time period expires. (Classification and Pay Guide Section 375.)

During the period under review, July 1, 2017 through March 31, 2018, the Cal OES issued out-of-class pay¹³ to 17 employees. The CRU reviewed 12 of those OOC assignments to ensure compliance with applicable CalHR policies and guidelines, which are listed below:

Classification	Bargaining Unit	OOO Classification	Time Frame
Associate Governmental Program Analyst	BU 1	Emergency Services Coordinator	10/9/17 - 1/31/18
Associate Telecommunications Engineer	BU 9	Senior Telecommunications Engineer	11/1/16 - 8/28/17
Staff Services Manager I	Excluded	Staff Services Manager II (Supervisory)	1/16/18 - 5/15/18
Office Technician (Typing)	BU 4	Staff Services Analyst	7/1/17 - 8/30/17
Staff Services Manager II (Supervisory)	Excluded	Staff Services Manager III	2/5/18 - 4/5/18
Attorney III	BU 2	Assistant Chief Counsel	1/22/18 - 5/21/18
Program Manager I	Excluded	CEA, Inland Regional Administrator	9/11/17- 9/10/18
Digital Composition Specialist III	BU 14	Audio Visual Specialist (Technical)	1/1/18 - 4/30/18
Management Services Technician	BU 1	Communication Operator	8/11/17 - 12/8/17
Emergency Services Coordinator	BU 7	Senior Emergency Services Coordinator	10/9/17 - 9/30/18
Emergency Services Coordinator	BU 7	Program Manager I	9/25/2017 - 1/22/18
Emergency Services Coordinator/Instructor II	BU 7	CEA A	1/31/18 - 5/30/18

¹³ Excluding bilingual and arduous pay.

FINDING NO. 16 – Errors in Issuing of Out-of-Class Payments

Summary: The CRU found 10 errors in OOC payments.

Classification	Out-of-Class Classification	Description of Findings	Criteria
Associate Governmental Program Analyst	Emergency Services Coordinator	The employee was overpaid due to math errors.	Pay Differential 91
Associate Telecommunications Engineer	Senior Telecommunications Engineer	The employee was overpaid due to a math error.	Pay Differential 92
Staff Services Manager I	Staff Services Manager II (Supervisory)	No explanation why the payments did not correspond with the dates the employee worked OOC assignments.	Pay Differential 101
Office Technician (Typing)	Staff Services Analyst	The employee was overpaid due to math errors.	Pay Differential 91
Staff Services Manager II (Supervisory)	Staff Services Manager III	The employee was underpaid due to math errors.	Pay Differential 101
Attorney III	Assistant Chief Counsel	No explanation why the payments did not correspond to the out-of-class timeframe was provided.	Pay Differential 101
Program Manager I	CEA, Inland Regional Administrator	The employee was underpaid due to mathematical errors.	Pay Differential 101
Management Services Technician	Communication Operator	The employee was overpaid due to mathematical errors.	Pay Differential 91
Emergency Services Coordinator	Senior Emergency Services Coordinator	The employee was overpaid due to a mathematical error.	Pay Differential 92

Classification	Out-of-Class Classification	Description of Findings	Criteria
Emergency Services Coordinator	Program Manager I	The employee was underpaid due to a mathematical error.	Pay Differential 92

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

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

Cause: The Classification and Pay and Transactions Units failed to communicate when employees working on OOC assignments accepted promotions to the higher classification. Therefore, the timeframes for two OOC assignments did not align with the OOC payments. This communication gap will be resolved when the standard operating procedure is established.

Eight OOC payment errors were due to mathematical errors. It was further discovered that there were inconsistencies with both units determining the rate of pay for OOC assignments. Classification and Pay staff is not authorized by the SCO to attend the Salary Determination training. As a result, Classification and Pay staff provided mathematically incorrect OOC compensation to the Transactions Unit, which consequently keyed in the incorrect amount. To further compound the issue, there were rarely any checks or balances to prevent mathematical errors from being entered.

Action: The Cal OES has submitted a corrective action plan with checks and balances to OOC pay differentials are paid accurately. However, the Cal OES must also correct the employees' pay errors; either by paying the underpaid employees the amounts they are due or by setting up an Accounts Receivable to collect the overpayments. Furthermore, the Cal OES must continue to monitor OOC payments

to ensure conformity with applicable pay differentials. Within 60 days of the Executive Officer’s approval of these findings and written recommendations, copies of any relevant documentation including the standard operating procedure and the improved OOC processes must be submitted to the CRU.

Leave

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 be granted when employees need time off for reasons such as blood or organ donation; extreme weather permitting safe travel to work; states of emergency; voting; and when employees need time off to attend special events. (*Ibid.*)

During the period under review, February 1, 2017 through January 31, 2018, the Cal OES placed 33 employees on ATO. The CRU reviewed 16 of these ATO appointments to ensure compliance with applicable laws, regulations and the CalHR’s policy and guidelines.

FINDING NO. 17 – Administrative Time Off Was Not Properly Documented

Summary: Nine employees’ ATO hours were incorrectly keyed into the Leave Accounting System (LAS) and/or their timesheets did not match the timeframe on each employee’s ATO notice.

Classification	Time Frame	No. of Days on ATO
Associate Governmental Program Analyst	2/13/2017 – 2/15/2017	3
Associate Information Systems Analyst (Specialist)	7/7/2017 – 8/4/2017	29
Disaster Assistance Programs Specialist I	10/10/2017 – 11/1/2017	23
Emergency Services Coordinator	11/28/2017 – 12/8/2017	11
Emergency Services Coordinator	7/26/2017 – 8/2/2017	8

Classification	Time Frame	No. of Days on ATO
Senior Emergency Services Coordinator	4/5/2017 – 4/11/2017	7
Senior Emergency Services Coordinator	10/9/2017 – 10/10/2017	2
Senior Management Auditor	12/16/2016 – 3/15/2017	90
Telecommunications Technician	3/24/2017 – 4/17/2017	25

Criteria: Appointing authorities are authorized to approve ATO for up to five (5) working days under Government Code section 19991.10, and 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 approval will be for an additional 30 calendar days. (*Ibid.*) The appointing authority is responsible for submitting ATO extension requests to the CalHR at least 5 working days prior to the expiration date of the approved leave. (*Ibid.*)

When requesting an extension, the appointing authority requests 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 the CalHR denies a request to extend ATO, or the appointing authority fails to request approval from the CalHR to extend ATO, the employee must be returned to work in some capacity. (*Ibid.*)

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

Severity: Serious. Because an employee in ATO is being paid while not working, a failure to closely monitor ATO usage could result in costly abuse. Use of ATO is subject to audit and review by the CalHR and by other control agencies to ensure it is being utilized appropriately. Failure to grant ATO in conformity with the procedures in this policy may result abuse and be cause for the CalHR revoking the appointing authority’s delegation to utilize ATO without first obtaining approval from the CalHR.

Cause: Keying into LAS was done incorrectly and timesheets were not monitored against the ATO notices. When issues arose with incorrect timesheets or the ATO documented therein, no follow up occurred with Performance Management or the HR Chief to resolve timesheet errors or ensure accurate ATO timeframes. When ATO ended early because of adverse action, the Performance Management Unit did not follow up with an amended notice to the Transactions Unit.

Action: The Cal OES has submitted a corrective action plan to reconcile the ATO approvals against the LAS and correct ATO discrepancies timely. However, the Cal OES must also correct the employees' leave errors in the LAS. Furthermore, the Cal OES must continue to monitor ATO to ensure conformity with Human Resources Manual Section 2121. Within 60 days of the Executive Officer's approval of these findings and written recommendations, copies of any relevant documentation including the quarterly MIRS reports used to reconcile ATO must be submitted to the CRU.

Leave

Leave Auditing and Timekeeping

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

Departments are directed to create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. (Human Resources Manual Section 2101.) 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, November 1, 2017 through January 31, 2018, the CRU reviewed timesheets for one pay period, which is summarized as follows:

Timesheet Leave Period	No. of Units Reviewed	Number of Employees	No. of Timesheets Reviewed	No. of Missing Timesheets
January 2018	30	230	221	9

FINDING NO. 18 – Department Has Not Implemented a Monthly Internal Audit Process to Verify Timesheets are Keyed Accurately and Timely

Summary: The CRU found 21 discrepancies between the leave balances in the Leave Accounting System (LAS) and timekeeping records. Furthermore, Leave Activity and Correction Certification forms for all 30 units reviewed were not completed.

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.)

Severity: Serious. In order for department leave accounting reports to reflect accurate data, the review of the leave accounting records and corrections, if necessary, are to be completed by the pay period following the pay period in which the leave was keyed into the leave accounting system. This means corrections are to be made prior to the next monthly leave activity report being produced.

Cause: The Transactions Unit has been severely understaffed for the past two years and training and written processes are lacking.

Action: The Cal OES has submitted a corrective action plan to review, audit and reconcile timesheets on a monthly basis. However, the Cal OES must also correct the employees’ leave balances. Furthermore, the Cal OES must continue to review all leave input monthly to ensure conformity with Human Resources Manual Section 2101. Within 60 days of the Executive Officer’s approval of these findings and written recommendations, copies of any relevant documentation including the new processes to ensure leave is input accurately and timely must be submitted to the CRU.

Leave Reduction Efforts

Departments must create a leave reduction policy for their organization and monitor employee's leave to ensure compliance with the departmental leave policy; and ensure employees who have significant "over-the-cap" leave balances have a leave reduction plan in place. (Human Resources Manual Section 2124.)

Applicable bargaining Unit Agreement and the California Code of Regulations prescribe the maximum amount of vacation or annual leave permitted. If a represented employee is not permitted to use all of the vacation to which he or she is entitled in a calendar year, "the employee may accumulate the unused portion."¹⁴ (Cal. Code. Regs., tit. 2, § 599.737.) If it appears an excluded employee will have a vacation or annual leave balance that will be above the maximum amount"¹⁵ as of January 1 of each year, the appointing power shall require the supervisor to notify and meet with each employee so affected by the preceding July 1, to allow the employee to plan time off, consistent with operational needs, sufficient to reduce their balance to the amount permitted by the applicable regulation by January 1. (Cal. Code Regs., tit. 2, § 599.742.1.)

It is the intent of the state to allow employees to utilize credited vacation or annual leave each year for relaxation and recreation. (Cal. Code Regs., tit. 2, § 599.742.1), ensuring employees maintain the capacity to optimally perform their jobs." For excluded employees, "the employee shall also be notified by July 1 that, if the employee fails to take off the required number of hours by January 1, the appointing power shall require the employee to take off the excess hours over the maximum permitted by the applicable regulation at the convenience of the agency during the following calendar year. (*Ibid.*) To both comply with existing civil service rules and adhere to contemporary human resources principles, state managers and supervisors must cultivate healthy work-life balance by granting reasonable employee vacation and annual leave requests when operationally feasible.

As of December 2017, 375 Cal OES employees exceeded the established limits of vacation or annual leave. The CRU reviewed 24 of those employees' leave reduction plans to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

¹⁴ For represented employees, the established limit for annual or vacation leave accruals is 640 hours; however, for bargaining unit 06 there is no established limit and for bargaining unit 05 the established limit is 816 hours.

¹⁵ Excluded employees shall not accumulate more than 80 days.

Classification	Collective Bargaining Identifier	Total Hours Over Established Limit	Leave Reduction Plan Provided
Administrative Assistant II	R01	108.33	No
Associate Governmental Program Analyst	R01	140.5	No
Associate Telecommunications Engineer	FR09	154	No
Associate Telecommunications Engineer	R09	323	No
Career Executive Assignment	M01	1,055.5	No
Chief (Fire & Rescue Services)	M07	2,701.13	No
Coordinator – Communications	R07	486.25	No
Deputy Director, Crisis Communications and Public Affairs	E99	398	No
Program Manager III	M07	161	No
Senior Telecommunications Engineer	S09	161	No
Senior Telecommunications Engineer	S09	77	No
Senior Telecommunications Technician	R12	199.5	No
Senior Telecommunications Technician	R12	1,240	No
Staff Services Analyst (General)	R01	183	No
Staff Services Manager I	S01	416	No
Staff Services Manager II (Managerial)	M01	729	No
Staff Services Manager II (Supervisory)	S01	378	No
Staff Services Manager II (Supervisory)	S01	730	No
Staff Services Manager III	M01	4	No
Staff Services Manager III	M01	562	No
Telecommunications Maintenance Supervisor I	S12	511	No
Telecommunications Maintenance Supervisor II	S12	818	No
Telecommunications Maintenance Supervisor III	S12	60.5	No
Telecommunications Technician	R12	230	No
Total		11,826.71	

FINDING NO. 19 – Leave Reduction Plans Were Not Provided to Employees Whose Leave Balances Exceeded Established Limits

- Summary:** The Cal OES did not provide leave reduction plans for all 24 employees whose leave balances significantly exceeded established limits. Additionally, the CalOES did not provide a general departmental policy addressing leave reduction.
- Criteria:** It is the policy of the state to foster and maintain a workforce that has the capacity to effectively produce quality services expected by both internal customers and the citizens of California. (Human Resources Manual Section 2124.) Therefore, appointing authorities and state managers and supervisors must create a leave reduction policy for the organization and monitor employees' leave to ensure compliance with the departmental leave policy. Employees who have significant "over-the-cap" leave balances must have a leave reduction plan in place and be actively reducing hours." (*Ibid.*)
- Severity:** Non-Serious or Technical. California state employees have accumulated significant leave hours creating an unfunded liability for departmental budgets. The value of this liability increases with each passing promotion and salary increase. Accordingly, leave balances exceeding established limits need to be addressed immediately.
- Cause:** Due to the lack of a leave reduction policy and staffing changes, the leave reduction plans were not tracked or maintained.
- Action:** The Cal OES has submitted a corrective action plan to ensure employees with excessive leave balances have a leave reduction plan in place and are actively reducing their hours to ensure conformity with Human Resources Manual Section 2124. Within 60 days of the Executive Officer's approval of these findings and written recommendations, copies of any relevant documentation including the departmental leave reduction policy and processes to track employee's leave balances and usage must be submitted to the CRU.

State Service

The state recognizes two different types of absences while an employee is on pay status: paid or unpaid.

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.)

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 additional qualifying monthly pay period, the employee shall be allowed credit for vacation with pay on the first day of the following monthly pay period. (Cal. Code Regs., tit. 2, § 599.608.) When computing months of total state service to determine a change in the monthly credit for vacation with pay, only qualifying monthly pay periods of service before and after breaks in service shall be counted. (Cal. Code Regs., tit. 2, § 599.739.) Portions of non-qualifying monthly pay periods of service shall not be counted nor accumulated. (*Ibid.*) On the first day following a qualifying monthly pay period, excluded 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, July 1, 2017 through March 31, 2018, the Cal OES had eight employees with non-qualifying pay period transactions. The CRU reviewed 28 transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

¹⁶ Except as provided in sections 599.609 and 599.776.1(b) of those regulations, in the application of Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, 19997.4 and sections 599.682, 599.683, 599.685, 599.687, 599.737, 599.738, 599.739, 599.740, 599.746, 599.747, 599.787, 599.791, 599.840 and 599.843 of those regulations.

¹⁷ As identified in Government Code sections 19858.3(a), 19858.3(b), or 19858.3(c) as it applies to employees excluded from the definition of state employee under section Government Code 3513(c), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

Type of Transaction	Time Base	No. Reviewed
Non-Qualifying Pay Period	Full Time	1
Qualifying Pay Period	Full Time	27

FINDING NO. 20 – Service and Leave Transactions Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found no deficiencies in the service and leave transactions reviewed. The Cal OES ensured employees with non-qualifying pay periods did not receive vacation/sick leave, annual leave, and/or state service accruals.

Policy and Processes

Nepotism

It is the policy of the State of California to recruit, hire and assign all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. (Human Resources Manual Section 1204.) Nepotism is expressly prohibited in the state workplace because it is antithetical to California’s merit based civil service. (*Ibid.*) Nepotism is defined as the practice of an employee using his or her influence or power to aid or hinder another in the employment setting because of a personal relationship. (*Ibid.*) Personal relationships for this purpose include but are not limited to, association by blood, adoption, marriage and/or cohabitation. (*Ibid.*) In addition, there may be personal relationships beyond this general definition that could be subject to those policies. (*Ibid.*) All departmental nepotism policies should emphasize that nepotism is antithetical to a merit-based personnel system and that the department is committed to the state policy of recruiting, hiring and assigning employees on the basis of merit. (*Ibid.*)

FINDING NO. 21 – Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU verified that the Cal OES’ nepotism policy was disseminated to all staff and emphasized the Cal OES’ commitment to the state policy of recruiting, hiring and assigning employees on the basis of merit. Additionally, the Cal OES’ 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 a 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 Cal OES did not employ volunteers during the compliance review period.

FINDING NO. 22 – Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU verified that the Cal OES provides notice to their employees to inform them of their rights and responsibilities under California's Workers' Compensation law. Furthermore, the CRU verified that when the Cal OES received notice or knowledge of an injury or work-related illness, the Cal OES provided the employee with claim forms within one working day.

Performance Appraisals

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

The CRU selected 90 permanent Cal OES employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines, which are listed below:

In reviewing the Cal OES performance appraisals policies and processes, the CRU determined the following:

FINDING NO. 23 – Performance Appraisals Were Not Provided to All Employees

Summary: 28 of 90 employees were not provided performance appraisals at least once in each twelve calendar months after the completion of the employee’s probationary period.

Classification	Date Performance Appraisals Due
Accounting Administrator I (Supervisor)	1/31/2017
Associate Telecommunications Engineer	7/1/2017
Associate Telecommunications Engineer	12/31/2017
Associate Telecommunications Engineer	2/9/2017
Coordinator - Law Enforcement	1/1/2017
Coordinator (Fire & Rescue Services)	1/24/2017
Coordinator (Fire & Rescue Services)	12/31/2017
Disaster Assistance Programs Specialist II	8/1/2017
Disaster Assistance Programs Specialist II	12/31/2017
Emergency Management Coordinator/Instructor II	7/1/2017
Emergency Services Coordinator	4/15/2017
Emergency Services Coordinator	12/31/2017
Environmental Scientist	9/30/2017
Information Technology Associate	9/17/2017
Information Technology Associate	4/14/2017
Information Technology Specialist I	11/5/2017
Office Technician (Typing)	10/1/2017
Office Technician (Typing)	1/3/2017
Program Technician	7/18/2017
Research Program Specialist II	6/30/2017
Senior Emergency Management Coordinator	1/21/2017
Staff Services Analyst (General)	12/2/2017
Staff Services Analyst (General)	12/4/2017
Staff Services Manager III	4/15/2017
Telecommunications Maintenance Supervisor I	8/1/2017
Truck Driver	1/30/2017

Classification	Date Performance Appraisals Due
Warehouse Worker	12/31/2017
Warehouse Worker	6/1/2017

Criteria: Appointing powers are required to prepare performance reports and keep them on file as prescribed by department rule. (Gov. Code § 19992.2). Each supervisor, as designated by the appointing power, shall make an appraisal in writing and shall discuss with the employee overall work performance at least once in each twelve calendar months. (Cal. Code Regs., tit. 2, § 599.798.)

Severity: Serious. The department does not ensure that all of its employees are apprised of work performance issues and/or goals in a systematic manner.

Cause: Managers and supervisors are not properly trained or held accountable to the importance of Government Code section 19992.2 and the California Code of Regulations, title 2, section 599.798.

Action: The Cal OES has a process in place to ensure the timely submission of performance appraisals and will implement refresher training to remind managers and supervisors of the importance of completing annual performance appraisals timely. However, the Cal OES must continue to monitor performance appraisals to ensure conformity with law and rule.

DEPARTMENTAL RESPONSE

The Cal OES' response is attached as Attachment 1.

SPB REPLY

It is further recommended that the Cal OES will comply with the afore-stated recommendations and submit documentation to the CRU within 60 days that shows the corrective actions have been implemented.



July 22, 2019

REVISED DEPARTMENTAL RESPONSE

Suzanne M. Ambrose, Executive Officer
State Personnel Board
Policy and Compliance Review Division
801 Capitol Mall
Sacramento, CA 95814

Dear Ms. Ambrose:

The California Governor's Office of Emergency Services (Cal OES) received the State Personnel Board (SPB) Draft Compliance Review Report (Report) via e-mail on June 10, 2019. The SPB conducted a routine compliance review of Cal OES' personnel practices in the areas of examinations, appointments, Equal Employment Opportunity (EEO), Personnel Services Contracts (PSC), mandated training, compensation and pay, leave, and policy and processes. SPB's Report identified 16 findings requiring corrective action. Cal OES appreciates the opportunity to provide the status of its corrective action plan. The areas requiring corrective action are as follows:

Finding No. 3 Probationary Evaluations Were Not Provided for All Appointments Reviewed

Cal OES did not prepare, complete, and/or retain 12 probationary reports.

Cause: Managers and supervisors are not properly trained on or held accountable to the importance of Government Code §19171 and California Code of Regulations §599.795.

Corrective Action: Cal OES recently established the Performance Management Unit, which will focus on guiding, training, and coordinating the final step of the selection process by way of probation reports.

The Performance Management Unit will ensure all managers and supervisors are reminded of the importance of completing probation reports for all new hires. Cal OES will implement refresher training by way of brown bag lunch sessions or other innovative training tools (webinars, checklists, and other tools) to ensure managers are educated



Suzanne M. Ambrose

July 22, 2019

Page 2 of 8

on the importance of Government Code §19171 and California Code of Regulations §599.795. Upon hire, Human Resources will notify the manager/supervisor of the employee's probation due dates, a copy of the Standard (Std.) 636 form, and instructions for completion.

The Performance Management Unit will follow up with the manager/supervisor prior to each probation due date to ensure the manager/supervisor is on track and documenting the employee's performance during the probationary period.

Finding No. 4 Appointment Documentation Was Not Kept for the Appropriate Amount of Time

Cal OES did not retain 12 Notices of Personnel Action (NOPAs) in 62 appointment files.

Cause: The Transactions Unit has had a huge turnover the past two years; due to this, there is a lack of processes for tracking and maintaining NOPAs.

Corrective Action: The Transactions Unit is establishing written processes to ensure appropriate maintenance and retention of NOPAs.

Finding No. 6 Unions Were Not Notified of Personal Services Contracts

Cal OES did not notify unions before executing nine PSCs.

Cause: The electronic system used to obtain Union information was not working properly, causing the Contract Unit to believe these contracts did not need to go to the respective unions.

Corrective Action: The electronic system has been fixed and the Contract Unit staff have been trained to identify when a contract needs to be sent to the respective unions.

Finding No. 7 Ethics Training Was Not Provided for All Filers

Cal OES did not provide ethics training to 27 of 214 existing filers. Additionally, Cal OES did not provide ethics training to 111 of 216 new filers within six months of their appointment.

Cause: Cal OES did not have a reliable system in place to identify all new and existing filers, which caused some filers not to meet the ethics training requirement.

Corrective Action: Starting in 2019, Cal OES has addressed the gaps and will ensure new filers are provided ethics training within six months of appointment, and existing filers are trained at least once during each consecutive period of two calendar years.

Cal OES currently has an Associate Governmental Program Analyst (AGPA) in the Legal Affairs office assigned to this task. Human Resources notifies the AGPA when there is a new hire. The AGPA then sends the new filer an email notifying them of their ethics training requirement. Bi-annually, the Chief Counsel sends an email to all existing filers notifying them of their on-going ethics training requirement. The AGPA tracks who has completed the training and follows up with filers who are not in compliance.

This procedure will ensure Cal OES filers are provided ethics training within six month of appointment and existing filers are trained once during each consecutive period of two calendar years.

Finding No. 8 Supervisory Training Was Not Provided for All Supervisors

Cal OES did not provide basic supervisory training to 18 of 39 new supervisors within twelve months of appointment.

Cause: Cal OES' primary responsibility is to mitigate, plan and prepare for, coordinate, and support response and recovery activities for all disasters. Cal OES must be ready at all times to staff Regional Emergency Operations Centers (REOCs), the State Operations Center (SOC), or a Joint Field Office (JFO) with trained and experienced staff. All Cal OES employees are assigned to one of three Incident Support/Operation Readiness Teams and when requested must respond to fill an activation/deployment assignment where their regular duties cease so they can support in saving and sustaining lives, protecting property and the environment, and economic recovery. During the period under SPB review, Cal OES staff provided emergency response related to 11 activations.

Corrective Action: Cal OES implemented standard operating procedures and cross training to ensure backup of compliance tracking duties to mitigate any further risks. In addition, Cal OES is currently working on a contract with California Department of Human Resources (CalHR) to provide mandated supervisory training through the California Leadership Academy. In response to SPB's finding, Cal OES has taken immediate action to correct the issue by referring supervisors to attend supervisor training at CalHR. However, in the event of multiple disasters/emergencies that require staff deployment/activation, it will be difficult to meet and comply with the supervisory training requirement within the first six months and no later than twelve months of initial appointment.

Finding No. 9 Sexual Harassment Prevention Training Was Not Provided for All Supervisors

Cal OES did not provide sexual harassment prevention training to 21 of 31 new supervisors within six months of their appointment. Additionally, Cal OES did not provide sexual harassment prevention training to seven of nine existing supervisors every two years.

Cause: The Office of Civil Rights, EEO, and Health and Safety provides supervisors an online sexual harassment prevention training every two years and within six months of appointment for new supervisors. Some supervisors have difficulty completing the training in a timely manner due to workloads and extended absences.

Corrective Action: The Office of Civil Rights, EEO, and Health and Safety will continue to provide supervisors with two hours of online sexual harassment prevention training every two years. Additionally, new supervisors will be provided online sexual harassment prevention training within six months of appointment. The Office of Civil Rights, EEO, and Health and Safety will continue to remind supervisors to complete the online training and track training completion.

As of June 7, 2019, all Cal OES supervisors have completed their assigned 2018 Harassment Training. The manager listing with training completion dates has been provided as supporting documentation (Attachment 1).

Finding No. 10 Incorrect Application of Salary Determination Laws, Rules, and CalHR Policies and Guidelines for Appointments

Two employees were receiving incorrect salaries.

Cause: Due to high turnover of the Transactions Unit staff, Personnel Specialists have been unable to attend the Salary Determination training offered by the State Controller's Office.

Corrective Action: Human Resources will register Personnel Specialists to attend the Salary Determination training offered by the State Controller's Office as soon as available. In addition, Human Resources will develop in-house training, processes, and tools for the Personnel Specialists to utilize. The new processes will include a secondary review and approval of the salary determinations prior to keying.

Finding No. 11 Incorrect Application of Salary Determination Laws, Rules, and CalHR Policies and Guidelines for Alternate Range Movement

One employee was overcompensated due to a rounding error.

Cause: Due to high turnover of the Transactions Unit staff, Personnel Specialists have been unable to attend the Salary Determination training offered by the State Controller's Office.

Corrective Action: Human Resources will register Personnel Specialists to attend the Salary Determination training offered by in the State Controller's Office as soon as available. In addition, Human Resources will develop in-house training, processes, and

tools for the Personnel Specialists to utilize. The new processes will include a secondary review and approval of the salary determinations prior to keying.

Finding No. 13 Error in Issuing Arduous Pay

One employee incorrectly received arduous pay.

Cause: Justification was provided in order to authorize arduous pay. However, the employee was overpaid for October 2017. Around June 2018, the Transactions Unit identified that they had overpaid a Cal OES employee for the October 2017 pay period. They identified the overpayment of \$600.00 in the October 2017 pay period. There was no documentation in the file authorizing payment for the employee in October 2017. In the notes of the Payroll Adjustment Notice – Accounts Receivable from Std. 674 form, they noted that, “overpayment for Arduous Pay for 10/17 pay period in the amount of \$600.00...was keyed in error, employee is not entitled to arduous pay for the 10/17 pay period.”

Corrective Action: The Transactions Unit submitted documentation to correct the pay and on August 2, 2018, Cal OES collected the overpaid funds.

Finding No. 14 Error in Issuing Bilingual Pay

Three employees received bilingual pay at their previous agency, which carried over when they transferred to their new agency.

Cause: Of the three employees identified who did not qualify to receive bilingual pay, the Request for Personnel Action documentation and duty statements did not accurately reflect bilingual designations. One employee had a previous bilingual designation from a former department that carried over when they were appointed to Cal OES. The other two employees were Retired Annuitants who either had previous bilingual designations or were separated from Cal OES and employment history was no longer accessible.

Corrective Action: Personnel Specialists will receive in-house training, with tools and resources to identify what pay differentials to remove and when. Documents keyed will have secondary review to ensure keying is accurate. Identified errors will be corrected immediately.

Finding No. 15 Incorrect Authorization of Pay Differentials

One employee did not qualify to receive a pay differential.

Cause: Due to high turnover in the Transactions Unit, knowledge and experience is limited.

Corrective Action: Personnel Specialists will receive in-house training, with tools and resources to identify what pay differentials to remove and when. Documents keyed will have secondary review to ensure keying is accurate. Identified errors will be corrected immediately.

Finding No. 16 Errors in Issuing Out-of-Class Pay

The Compliance Review Unit (CRU) found 10 errors in OOC payments.

Cause: Several errors in overpayments were due to mathematical errors. Of the ten errors in OOC payments, eight were due to mathematical errors. Two of the errors provided no explanation of conflicting timeframes provided in the documentation because the Classification and Pay and Transactions Units failed to communicate when employees working on OOC assignments accepted promotions to the higher classification. Therefore, the timeframes for two OOC assignments did not align with payments. This communication gap will be resolved with the standard operating procedure once established.

It was further discovered that there were inconsistencies with both units in determining the rate of pay for the OOC assignments. Classification and Pay is not authorized by the State Controller's Office to attend Salary Determination training. As a result, Classification and Pay provided mathematically incorrect OOC compensation to the Transactions Unit to key in. To compound the issue, there were rarely any checks or balances and mathematical errors were keyed.

Corrective Action: Human Resources established a workgroup to develop and implement a standard operating procedure for OOC assignments. The cross-functional team is revising current processes to ensure that both Transactions and Classification and Pay understand the math behind OOC payments and to establish checks and balances. Transactions Unit staff who are trained in Salary Determinations will ensure proper payment of OOC salaries to employees authorized by Classification and Pay to receive OOC pay.

Finding No. 17 Administrative Time Off (ATO) Was Not Properly Documented

Seven Employees' ATO hours were not keyed correctly into the Leave Accounting System (LAS). In addition, seven timesheets did not match the timeframe when the ATO was granted.

Cause: Keying into LAS was not done correctly and timesheets were not monitored against the ATO notices. When issues arose with incorrect timesheets or the ATO documented therein, no follow up occurred with Performance Management or the Human Resources Chief to resolve timesheet errors or ensure accurate ATO timeframes. When ATO ended early because of adverse action, the Performance

Management Unit did not follow up with an amended ATO notice to the Transactions Unit.

Corrective Action: Upon service of adverse actions to employees currently on ATO, the Performance Management Unit will ensure that ATO is properly amended and documented to the Personnel Specialist. In addition, the Human Resources Chief will track all ATO and Management Information Retrieval System (MIRS) reports will be processed quarterly to compare LAS and ATO approvals. Discrepancies between the reports will be corrected through timesheets.

Finding No. 18 Department Has Not Implemented a Monthly Internal Audit Process to Verify Timesheets are Keyed Accurately and Timely

The CRU found 21 discrepancies between the leave balances in the LAS and timekeeping records. Additionally, nine timesheets were not provided. Furthermore, Leave Activity and Correction Certification forms for all 30 units reviewed were not completed.

Cause: The Transactions Unit has been severely understaffed for the past two years and training and written processes are lacking.

Corrective Action: Cal OES will develop processes for reviewing, auditing and reconciling timesheets; LAS; and incorporate a secondary review to ensure Leave Activity and Correction Certification forms are completed and retained.

Finding No. 19 Leave Reduction Plans Were Not Provided for All Employees Whose Leave Balances Exceeded Established Limits

Cal OES was unable to provide leave reduction plans for all 24 employees whose leave balances significantly exceeded established limits. Additionally, Cal OES did not provide a general departmental policy addressing leave reduction.

Cause: Due to the lack of a leave reduction policy and staffing changes, the leave reduction plans were not tracked or maintained.

Corrective Action: Cal OES will establish a leave reduction policy and processes to maintain and track employees leave reduction plans.

Finding No. 23 Performance Appraisals Were Not Provided to All Employees

Cal OES did not provide performance appraisals to 28 of 90 employees reviewed at least once in each twelve calendar months after the completion of the employee's probationary period.

Suzanne M. Ambrose

July 22, 2019

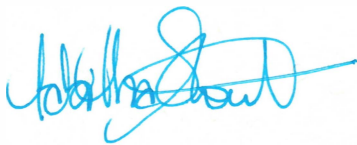
Page 8 of 8

Cause: Managers and supervisors are not properly trained on or held accountable to the importance of Government Code §19902.2 and California Code of Regulations §599.798.

Corrective Action: Cal OES will ensure that all managers and supervisors are reminded of the importance of completing annual performance appraisals for all subordinate employees. Implement refresher training by way of brown bag lunch sessions or other innovative training tools (webinars, checklists, and other tools) to ensure managers are educated on the importance of Government Code §19902.2 and California Code of Regulations §599.798. Human Resources will continue the practice of notifying all managers and supervisors of the annual performance appraisal due date of July 31.

Cal OES appreciates the assistance and guidance provided by SPB. If you have additional questions or concerns, please contact Ralph Zavala, Cal OES Internal Audits Office Chief, at (916) 845-8437.

Sincerely,



TABITHA STOUT
Assistant Director, Administrative Services

cc:

Mark Ghilarducci, Director
Timothy Perry, Chief of Staff
Grace Koch, Chief Deputy Director
Sheila Braverman, Chief, Human Resources
Ralph Zavala, Chief, Internal Audits Office