



COMPLIANCE REVIEW REPORT

**CALIFORNIA DEPARTMENT OF SOCIAL
SERVICES**

Compliance Review Unit
State Personnel Board
August 12, 2019

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INTRODUCTION

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

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

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), CalHR and SPB may "delegate, share, or transfer between them responsibilities for programs within their respective jurisdictions pursuant to an agreement." CalHR and 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 CalHR provides policy direction. Many of these delegated practices are cost drivers to the state and were not being monitored on a statewide basis.

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

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

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

EXECUTIVE SUMMARY

The CRU conducted a routine compliance review of the California Department of Social Services (CDSS)’s personnel practices in the areas of examinations, appointments, EEO, PSC’s, mandated training, compensation and pay, leave, and policy and processes¹. The following table summarizes the compliance review findings.

Area	Finding
Examinations	Candidates Who Did Not Meet the Minimum Qualifications Were Admitted Into the Examination
Examinations	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	Unlawful Appointments
Appointments	Probationary Evaluations Were Not Provided for All Appointments Reviewed
Appointments	Department Inappropriately Backdated Appointment
Appointments	Appointment Documentation Was Not Kept for the Appropriate Amount of Time
Equal Employment Opportunity	Equal Employment Opportunity Program Complied with Civil Service Laws and Board Rules
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 Compensation Laws, Rules, and CalHR 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	Alternate Range Movements Did Not Comply with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Hiring Above Minimum Requests Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Incorrect Authorization of Bilingual Pay
Compensation and Pay	Errors in Applying Pay Differentials
Compensation and Pay	Incorrect Authorization of Out-of-Class Pay
Leave	ATW Employee Exceeded the Nine Month in Any Twelve Consecutive Month Limitation
Leave	ATW Employee Attendance Record Was Not Properly Retained and/or Documented
Leave	Administrative Time Off (ATO) Was Not Properly Documented
Leave	Department Did Not Retain Employee Time and Attendance Records
Leave	Errors in Leave Balances and/or Timekeeping Records
Leave	Leave Activity and Correction Certification Forms Were Not Completed For All Leave Records Reviewed
Leave	Leave Reduction Plans Were Not Provided to Employees Whose Leave Balances Exceeded Established Limits
Leave	Incorrect Application of 715 Transaction
Policy	Nepotism Policy Needs to Be Updated to Comply with Statewide Policy
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
Policy	Administrative Hearing and Medical Interpreter Program Complied with Statutory Requirements (Language may be revised)

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 mission of the CDSS is to serve, aid, and protect needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence. The CDSS is comprised of more than 4,200 employees statewide who are responsible for the oversight and administration of programs serving California's most vulnerable residents. The CDSS strives to provide resources, aid, services, and protection to California's needy children and adults. These objectives are carried out through the 4,200 employees located in 51 offices statewide, 58 county welfare departments, offices, and a host of community-based organizations.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the CDSS's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes². The primary objective of the review was to determine if CDSS personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR policies and guidelines, CalHR Delegation Agreements, and to recommend corrective action where deficiencies were identified.

A cross-section of the CDSS's 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 CDSS provided, which included examination plans, examination bulletins, job analyses, and scoring results. The CRU also reviewed the CDSS's Permanent Withhold Actions documentation, including Withhold Determination Worksheets, State applications (STD 678), class specifications, and Withhold letters.

A cross-section of the CDSS's appointments were selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the CDSS provided, which included Notice of

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

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 CRU also reviewed the CDSS's policies and procedures concerning unlawful appointments to ensure departmental practices conform to state civil service laws and Board regulations. The CDSS did not make any additional appointments during the compliance review period.

The CDSS's appointments were also selected for review to ensure the CDSS applied salary regulations accurately and correctly processed employees' compensation and pay. The CRU examined the documentation that the CDSS 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, bilingual pay, monthly pay differentials, and out-of-class assignments. During the compliance review period, the CDSS did not issue or authorize red circle rate requests and arduous pay.

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

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

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

The CRU also identified the CDSS's employees whose current annual leave, or vacation leave credits, exceeded established limits. The CRU reviewed a cross-section of these identified employees to ensure that employees who have significant "over-the-cap" leave

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.

balances have a leave reduction plan in place. Additionally, the CRU asked the CDSS to provide a copy of their leave reduction policy.

The CRU reviewed the CDSS's Leave Activity and Correction certification forms to verify that the CDSS 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 CDSS's units in order to ensure they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the CDSS's employees' employment and pay history, state service records, and leave accrual histories to ensure employees with non-qualifying pay periods did not receive vacation/sick leave and/or annual leave accruals or state service credit. Additionally, the CRU reviewed a selection of the CDSS employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Additionally, the CRU reviewed a selection of CDSS employees tracked by actual time worked (ATW) during the compliance review period in order to ensure that ATW was appropriately utilized.

Moreover, the CRU reviewed the CDSS's policies and processes concerning nepotism, workers' compensation, performance appraisals, and Administrative Hearing and Medical Interpreter Program. The review was limited to whether the CDSS's policies and processes adhered to procedural requirements.

On Monday, July 1, 2019, an exit conference was held with the CDSS to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the CDSS's written response on Monday, July 15, 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, subd. (a).) Within a reasonable time before the scheduled date for the examination, the designated appointing power shall announce or advertise the examination for the establishment of eligible lists. (Gov. Code, § 18933, subd. (a).) The

advertisement shall contain such information as the date and place of the examination and the nature of the minimum qualifications. (*Ibid.*) Every applicant for examination shall file an application with the department or a designated appointing power as directed by the examination announcement. (Gov. Code, § 18934, subd. (a)(1).) The final earned rating of each person competing in any examination is to be determined by the weighted average of the earned ratings on all phases of the examination. (Gov. Code, § 18936.) Each competitor shall be notified in writing of the results of the examination when the employment list resulting from the examination is established. (Gov. Code, § 18938.5.)

During the period under review, September 1, 2017 through February 28, 2018, the CDSS conducted 12 examinations. The CRU reviewed six of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Administrative Law Judge II (Specialist)	Open	Training and Experience (T&E) ⁴	11/15/2016	33
Adoptions Specialist	Open	T&E	12/29/2017	29
Medical Consultant I (Psychiatrist)	Open	T&E	Continuous	3
Welfare Fraud Prevention Coordinator	Open	T&E	10/4/2017	16
Financial Management & Contracts Branch Chief, Administration Division, CEA A	Open	Statement of Qualifications (SOQ) ⁵	10/18/2017	19
Program Administrator Children's Residential Program, Community Care Licensing Division, CEA A	Open	SOQ	10/27/2017	26

⁴ 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.

⁵ In a Statement of Qualifications (SOQ's) 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.

FINDING NO. 1 – Candidates Who Did Not Meet the Minimum Qualifications Were Admitted Into the Examination

Summary: The CDSS admitted three candidates who did not meet minimum qualifications into the Welfare Fraud Prevention Coordinator exam. Specifically, all three candidates lacked the required experience in public assistance and fraud prevention.

Criteria: According to Human Resources Manual Section 3002, during the examination process and before appointment, information submitted in the application process from all candidates, except those who are on reemployment lists or who have reinstatement rights, must be evaluated for verification of meeting the minimum qualifications of the classification established by the Board.

Additionally, except as otherwise provided by law or regulation, any person who establishes that he or she satisfies the minimum qualifications for any state position, as defined in Government Code section 18522, is eligible, regardless of his or her age, to take any civil service examination given for that position. (Cal. Code Reg., tit. 2, § 171.2.)

Severity: Very Serious. Failure to verify minimum qualifications for candidates during the examination process may result in an unlawful appointment that wastes resources and incurs costs to the state.

Cause: The CDSS acknowledges that an exam analyst admitted three candidates into the Welfare Fraud Prevention Coordinator Examination who did not meet minimum qualifications. Please note that none of the candidates were appointed from the list, and no unlawful appointments resulted from the errors. The error was due to staff turnover, inadequate staffing, and lack of training. The exam analyst and prior management no longer work at CDSS.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDSS submit to the CRU a written corrective action plan that the department will implement to ensure that future candidates are screened for meeting minimum qualifications prior to taking the examination. Copies of any relevant documentation should be included with the plan.

Permanent Withhold Actions

Departments are granted statutory authority to permit withhold of eligibles from lists based on specified criteria. (Gov. Code, § 18935.) Permanent appointments and promotions within the state civil service system shall be merit-based, ascertained by a competitive examination process. (Cal. Const., art. VII, § 1, subd. (b).) Once a candidate has obtained list eligibility, a department may discover information pertaining to that eligible which raises concerns regarding his/her eligibility or suitability for employment with the state. (CalHR Withhold Manual, p. 3.) A permanent withhold action is valid for the duration of the eligible's list eligibility. (*Ibid.*) Departments are required to maintain a separate file for each withhold action and the file should include a copy of the withhold notification letter sent to the eligible, as well as all supporting documentation which form the basis of the withhold action. (CalHR Withhold Manual, p. 2.)

During the review period, the CDSS conducted 35 permanent withhold actions. The CRU reviewed 10 of these permanent withhold actions, which are listed below:

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Employee Placed on Withhold
Associate Governmental Program Analyst	9PB04	5/8/2017	5/8/2018	Failed to Meet Minimum Qualifications
Associate Governmental Program Analyst	9PB04	4/22/2017	4/22/2018	Failed to Meet Minimum Qualifications
Associate Governmental Program Analyst	9PB04	7/20/2017	8/20/2018	Failed to Meet Minimum Qualifications
Investigator	1PB02	8/25/2017	8/25/2018	Failed to Meet Minimum Qualifications
Investigator	1PB02	1/23/2017	1/23/2018	Failed to Meet Minimum Qualifications
Licensing Program Analyst	4PB34	8/9/2017	8/9/2018	Failed to Meet Minimum Qualifications
Licensing Program Manager II	5PB0101	8/11/2017	8/11/2018	Failed to Meet Minimum Qualifications
Licensing Program Manager II	9PB04	1/28/2018	1/28/2019	Failed to Meet Minimum Qualifications

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Employee Placed on Withhold
Research Analyst II (General)	4PB3302	4/6/2017	4/6/2018	Failed to Meet Minimum Qualifications
Senior Legal Typist	5PB41	2/17/2017	2/17/2018	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 department during the compliance review period.

Appointments

In all cases not excepted or exempted by Article VII of the California Constitution, the appointing power must fill positions by appointment, including cases of transfers, reinstatements, promotions, and demotions in strict accordance with the Civil Service Act and Board rules. (Gov. Code, § 19050.) The hiring process for eligible candidates chosen for job interviews shall be competitive and be designed and administered to hire candidates who will be successful. (Cal. Code Regs., tit. 2, § 250 (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, September 1, 2017 through February 28, 2018, the CDSS made 683 appointments. The CRU reviewed 97 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Accounting Administrator I (Supervisor)	Certification List	Permanent	Full Time	2
Accounting Administrator II	Certification List	Permanent	Full Time	2

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Administrative Law Judge I, DSS	Certification List	Permanent	Full Time	2
Adoptions Supervisor	Certification List	Permanent	Full Time	1
Associate Accounting Analyst	Certification List	Permanent	Full Time	2
Associate Administrative Analyst (Accounting Systems)	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	5
Associate Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	2
Associate Personnel Analyst	Certification List	Permanent	Full Time	4
Attorney	Certification List	Permanent	Full Time	1
Attorney III	Certification List	Permanent	Full Time	3
Data Processing Manager I	Certification List	Permanent	Full Time	1
Data Processing Manager II	Certification List	Permanent	Full Time	2
Disability Evaluation Services Administrator III	Certification List	Permanent	Full Time	1
Executive Secretary I	Certification List	Permanent	Full Time	1
Information Technology Specialist I	Certification List	Permanent	Full Time	1
Licensing Program Analyst	Certification List	Permanent	Full Time	5
Licensing Program Manager I	Certification List	Permanent	Full Time	3
Licensing Program Manager II	Certification List	Permanent	Full Time	1
Licensing Program Manager III	Certification List	Permanent	Full Time	1
Office Assistant (Typing)	Certification List	Limited Term	Full Time	2
Office Technician (General)	Certification List	Permanent	Full Time	1
Office Technician (Typing)	Certification List	Permanent	Full Time	3
Office Technician (Typing) - LEAP	Certification List	Temporary	Full Time	2
Personnel Specialist	Certification List	Permanent	Full Time	1
Personnel Supervisor II	Certification List	Permanent	Full Time	1
Research Data Specialist II	Certification List	Permanent	Full Time	1
Senior Accounting Officer, Specialist	Certification List	Permanent	Full Time	2

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Senior Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	1
Senior Legal Analyst	Certification List	Permanent	Full Time	1
Senior Legal Typist	Certification List	Permanent	Full Time	2
Senior Programmer Analyst (Specialist)	Certification List	Permanent	Full Time	1
Staff Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	2
Staff Services Analyst (General)	Certification List	Permanent	Full Time	3
Staff Services Manager I	Certification List	Permanent	Full Time	4
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	4
Supervising Governmental Auditor II	Certification List	Permanent	Full Time	1
Supervising Special Investigator I	Certification List	Permanent	Full Time	1
Supervising Special Investigator II	Certification List	Permanent	Full Time	1
Systems Software Specialist II (Technical)	Certification List	Permanent	Full Time	2
Office Assistant (Typing)	Permissive Reinstatement	Permanent	Full Time	1
Administrative Law Judge I	Transfer	Permanent	Full Time	1
Associate Accounting Analyst	Transfer	Permanent	Full Time	1
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	1
Associate Personnel Analyst	Transfer	Permanent	Full Time	1
Business Service Assistant (Specialist)	Transfer	Permanent	Part Time	1
Disability Evaluation Analyst III	Transfer	Permanent	Full Time	1
Disability Evaluation Services Administrator I	Transfer	Permanent	Full Time	1
Investigator	Transfer	Permanent	Full Time	1
Licensing Program Analyst	Transfer	Permanent	Full Time	4
Office Assistant (Typing)	Transfer	Permanent	Full Time	1
Office Technician (Typing)	Transfer	Permanent	Full Time	1
Program Technician	Transfer	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Special Investigator Assistant	Transfer	Permanent	Full Time	1
Staff Services Analyst (General)	Transfer	Permanent	Full Time	2
Staff Services Manager I	Transfer	Permanent	Full Time	1

FINDING NO. 3 – Unlawful Appointments

Summary:

The CDSS made three unlawful appointments during the compliance review period. The CDSS made one appointment utilizing the certification list for Associate Governmental Program Analyst in which the hired candidate did not meet the classification minimum qualifications. Specifically, the candidate did not have the required professional analytical experience to meet the required qualifications. Additionally, a candidate who did not have permanent or probationary status was transferred to a permanent Office Assistant (Typing) position. Lastly, a candidate who should have been hired through the LEAP process was processed as a list appointment to the Office Technician (Typing) classification, despite not being in a reachable rank.

The CRU notified CalHR with the discovery of two unlawful appointments on October 9, 2018, and October 22, 2018. Both appointments were within the one-year limitation with the potential to void the appointment. However, the investigation was not concluded until April 18, 2019, over the one-year limitation despite direction from CalHR. The third unlawful appointment was not reported to CalHR as it was discovered after the one-year limitation. CDSS violated the terms of their unlawful appointment process delegation agreement by not conducting their investigations within the time period prescribed. CalHR sent a memorandum reminding CDSS of their delegated responsibilities and warning that any violation of the terms of the unlawful appointment delegation agreement may result in the termination of the department's delegated authority.

Criteria: Pursuant to Government Code section 18931, subdivision (a), the Board shall establish minimum qualifications for determining the fitness and qualifications of employees for each class of position.

Article VII, Section 1, subdivision (b) of the California Constitution requires that permanent appointment and promotion shall be made under a general system based on merit ascertained by competitive examination. Therefore, a transfer may only be made if the employee has held a permanent appointment made as a result of a competitive examination in the same class or a class substantially the same as the class to which the person is transferring.

If a candidate is selected for appointment who is eligible on both a non-LEAP employment list and a LEAP-referral list, the candidate may elect from which list he or she will be appointed. All laws and regulations applicable to LEAP, including the LEAP job examination period, probationary period, and appraisals, shall apply if a candidate is selected for appointment from a LEAP-referral list. All laws and regulations applicable to probationary periods and appraisals shall apply if a candidate is selected for appointment from a non-LEAP employment list. (Cal. Code Regs., tit. 2, § 158.)

Additionally, a class in which the certification of eligibles is under Government Code sections 19057.1, 19057.2 and 19057.3, the appointing power shall fill a vacancy in a class by selection from the eligibles in the three highest ranks certified who are willing to accept employment under the conditions of employment specified. (Cal. Code Regs., tit. 2, § 254, subd. (a).)

Severity: Very Serious. An unlawful appointment provides the employee with an unfair and unearned appointment advantage over other employees whose appointments have been processed in compliance with the requirements of civil service law. Unlawful appointments which are not corrected also create appointment inconsistencies that jeopardize the equitable administration of the civil service merit system.

When an unlawful appointment is voided, the employee loses any tenure in the position, as well as seniority credits, eligibility to take promotional examinations, and compensation at the voided

appointment level. If “bad faith” is determined on the part of the appointing power, civil or criminal action may be initiated. An unlawful appointment may not be voided if the effective date of the appointment is past one year, and both appointing power and employee have acted in good faith.

Cause: The CDSS states they agree with this finding and understands how serious and detrimental unlawful appointments can be both to the employee and the equitable administration of the civil service system. The appointments were reviewed and employees were notified of their “Good Faith” Unlawful Appointments. These appointments were made due to staff errors.

Action: The CRU referred these unlawful appointments to the CalHR Personnel Management Division. The Personnel Management Division worked with CDSS on the findings with instructions to investigate and take corrective action. Within 60 days of the Executive Officer’s approval of these findings and recommendations, the CDSS must submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure the department will improve its hiring practices. Copies of any relevant documentation should be included with the plan.

FINDING NO. 4 – Probationary Evaluations Were Not Provided for All Appointments Reviewed

Summary: The CDSS did not provide 42 probationary reports of performance for 36 of the 97 appointments reviewed by the CRU, as reflected in the table below.

Classification	Appointment Type	Number of Appointments Missing Probation Reports	Total Number of Missing Probation Reports
Accounting Administrator I (Supervisor)	Certification List	1	1
Accounting Administrator II	Certification List	2	2
Associate Governmental Program Analyst	Certification List	1	1

Classification	Appointment Type	Number of Appointments Missing Probation Reports	Total Number of Missing Probation Reports
Associate Information Systems Analyst (Specialist)	Certification List	1	1
Associate Personnel Analyst	Certification List	1	2
Data Processing Manager II	Certification List	1	2
Disability Evaluation Services Administrator III	Certification List	1	1
Executive Secretary I	Certification List	1	2
Licensing Program Manager III	Certification List	1	1
Licensing Program Analyst	Certification List	1	1
Office Technician (General)	Certification List	1	2
Office Technician (Typing)	Certification List	1	1
Personnel Supervisor II	Certification List	1	1
Senior Accounting Officer, Specialist	Certification List	1	1
Senior Legal Analyst	Certification List	1	2
Senior Legal Typist	Certification List	2	3
Senior Programmer Analyst (Specialist)	Certification List	1	1
Staff Information Systems Analyst (Specialist)	Certification List	1	1
Staff Services Manager I	Certification List	2	2
Staff Services Manager II (Supervisory)	Certification List	3	3
Supervising Governmental Auditor II	Certification List	1	1
Supervising Special Investigator II	Certification List	1	1
Office Assistant (Typing)	Permissive Reinstatement	1	1

Classification	Appointment Type	Number of Appointments Missing Probation Reports	Total Number of Missing Probation Reports
Administrative Law Judge I	Transfer	1	1
Associate Accounting Analyst	Transfer	1	1
Licensing Program Analyst	Transfer	3	3
Office Assistant (Typing)	Transfer	1	1
Office Technician (Typing)	Transfer	1	1
Special Investigator Assistant	Transfer	1	1
Total		36	42

Criteria: The service of a probationary period is required when an employee enters or is promoted in the state civil service by permanent appointment from an employment list; upon reinstatement after a break in continuity of service resulting from a permanent separation; or after any other type of appointment situation not specifically excepted from the probationary period. (Gov. Code, § 19171.) During the probationary period, the appointing power shall evaluate the work and efficiency of a probationer in the manner and at such periods as the department rules may require. (Gov. Code, § 19172.) A report of the probationer's performance shall be made to the employee at sufficiently frequent intervals to keep the employee adequately informed of progress on the job. (Cal. Code Regs., tit. 2, § 599.795.) A written appraisal of performance shall be made to the Department within 10 days after the end of each one-third portion of the probationary period. (*Ibid.*) The Board's record retention rules require that appointing powers retain all probationary reports for five years from the date the record is created. (Cal. Code Regs., tit. 2, § 26, subd. (a)(3).)

Severity: Serious. The probationary period is the final step in the selection process to ensure that the individual selected can successfully perform the full scope of their job duties. Failing to use the probationary period to assist an employee in improving his or her

performance or terminating the appointment upon determination that the appointment is not a good job/person match is unfair to the employee and serves to erode the quality of state government.

Cause: The CDSS states they recognize the importance of probationary reports for both the employee and the organization. The CDSS acknowledges that supervisors and managers have missed opportunities to provide feedback to their employees.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDSS submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the probationary requirements of Government Code section 19171 and 19172.

FINDING NO. 5 – Department Inappropriately Backdated Appointment

Summary: An employee transferred into a Licensing Program Analyst (LPA) position and then gained personal list eligibility while serving in the position. Instead of keying the employee's list appointment on, or after, the date they gained personal list eligibility to the LPA position, the CDSS inappropriately voided the original transfer and backdated the list appointment to a date when the employee did not have personal list eligibility.

Criteria: "Personal list eligibility" means a candidate's individual eligibility for appointment from an employment list that has not expired. (Cal. Code Regs., tit. 2, § 80.2). Eligible lists shall be established as a result of free competitive examinations open to persons who lawfully may be appointed to any position within the class for which these examinations are held and who meet the minimum qualifications requisite to the performance of the duties of that position as prescribed by the specifications for the class or by rule. (Gov. Code, § 18900.) Additionally, eligibility from a continuous examination may be deemed to be established as of the date of examination. (Gov. Code, § 18939.)

Severity: Serious. The employee must have personal list eligibility at time of certification. Backdating the employee's list appointment to a date prior to the employee establishing personal list eligibility renders the certification list appointment unlawful as it is unsubstantiated by certification records.

Cause: The CDSS states there was an oversight in receiving and processing the Request for Personnel Actions (RPA) from hiring supervisors.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDSS submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the probationary requirements of California Code of Regulations, title 2, section 80.2.

FINDING NO. 6 – Appointment Documentation Was Not Kept for the Appropriate Amount of Time

Summary: Of the 97 appointments reviewed, the CDSS did not retain the following: 15 NOPAs; two sets of interview questions and responses, and one hired candidate's complete application.

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

Severity: Non-Serious or Technical. Without documentation, the CRU could not verify if the appointments were properly conducted.

Cause: The CDSS states this oversight was the result of staff error and high turnover. The CDSS makes every attempt to retain records for the appropriate amount of time as indicated in the Records Retention Schedule.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDSS submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the record retention requirements of California Code of Regulations, title 2, section 26. Copies of any relevant documentation should be included with the plan.

Equal Employment Opportunity

Each state agency is responsible for an effective EEO program. (Gov. Code, § 19790.) The appointing power for each state agency has the major responsibility for monitoring the effectiveness of its EEO program. (Gov. Code, § 19794.) To that end, the appointing power must issue a policy statement committed to EEO; issue procedures for filing, processing, and resolving discrimination complaints; and cooperate with the CalHR, in accordance with Civil Code section 1798.24, subdivisions (o) and (p), by providing access to all required files, documents and data necessary to carry out these mandates. (*Ibid.*) In addition, the appointing power must appoint, at the managerial level, an EEO Officer, who shall report directly to, and be under the supervision of, the director of the department to develop, implement, coordinate, and monitor the department's EEO program. (Gov. Code, § 19795, subd. (a).)

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

FINDING NO. 7 – Equal Employment Opportunity Program Complied With All Civil Service Laws and Board Rules

After reviewing the policies, procedures, and programs necessary for compliance with the EEO program's role and responsibilities according to statutory and regulatory guidelines, the CRU determined that the CDSS 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 CDSS. In addition, the CDSS has an established DAC, which reports to the Director on issues affecting persons with

disabilities. The CDSS also provided evidence of its efforts to promote EEO in its hiring and employment practices, and to increase its hiring of persons with disabilities. Accordingly, the CDSS 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 but are not limited to private contracts for a new state function, services that are not available within state service, services that are incidental to a contract for the purchase or lease of real or personal property, and services that are of an urgent, temporary, or occasional nature.

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

During the period, September 1, 2017 through February 28, 2018, the CDSS had eight PSC’s that were in effect. The CRU reviewed all eight of those, which are listed below:

Vendor	Services	Contract Dates	Contract Amount	Justification Identified?
Abilaire Solutions LLC	IT Services	9/1/17 - 8/31/19	\$524,925.00	Yes
Big Picture Research and Consulting	Child Welfare Review Panel	7/1/17 - 6/30/19	\$431,774.00	Yes
California State University, Sacramento College of Continuing Education	Conference	7/1/15 - 9/30/16	\$800,000.00	Yes

Vendor	Services	Contract Dates	Contract Amount	Justification Identified?
Foundation of California Community Colleges	Training	10/1/17 - 9/30/19	\$11,465,298.00	Yes
National Council in Crime and Delinquency	Independent Evaluations	9/1/15 - 6/30/20	\$5,324,706.00	Yes
Poverello House	Meal Services	8/1/17- 6/30/18	\$1,000,000.00	Yes
The Highlands Consulting Group, LLC	IT Services	12/18/17 - 7/31/19	\$1,200,000.00	Yes
Wind Dancer Moving Company	Service/ Maintenance	10/1/17 - 6/30/18	\$140,000.00	Yes

FINDING NO. 8 – Unions Were Not Notified of Services Contracts

Summary: The CDSS did not notify unions prior to entering into four of the eight PSC's.

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 section 19132, subdivision (b)(1).)

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

Cause: The CDSS states that they did not notify unions prior to entering into four of the eight personal services contracts (PSCs). The CDSS has identified an internal review process that contributed to delays or oversights.

Action: It is the contracting department's responsibility to identify and notify any unions whose members could potentially perform the work to be contracted prior to executing the PSC. It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDSS submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the requirements of

Government Code section 19132. Copies of any relevant documentation should be included with the plan.

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 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 the CDSS's mandated training program that was in effect during the compliance review period. The CDSS's ethics training, supervisory training and sexual harassment prevention training were found to be out of compliance.

FINDING NO. 9 – Ethics Training Was Not Provided for All Filers

Summary: The CDSS did not provide ethics training to 84 of 832 existing filers. In addition, the CDSS did not provide ethics training to three of 100 new filers within six months of their appointment.

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

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

Cause: The CDSS states they previously handled Ethics as a manual process. It had been the responsibility of the employee's direct supervisor or manager to ensure compliance and track completion of training, which resulted in a lack of compliance.

Action: The CDSS must take appropriate steps to ensure that filers are provided ethics training within the time periods prescribed. It is therefore recommended that no later than 60 days after the SPB's Executive Officer's approval of these findings and recommendations, the CDSS must establish a plan to ensure compliance with ethics training mandates and submit to the SPB a corrective action plan.

FINDING NO. 10 – Supervisory Training Was Not Provided for All Supervisors

- Summary:** The CDSS did not provide basic supervisory training to 28 of 80 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. Upon completion of the initial training, supervisory employees shall receive a minimum 20 hours of leadership training biannually. (Gov. Code, § 19995.4, subds. (b) and (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:** The CDSS states they acknowledge that 28 first time supervisors did not complete their mandated 80-hour supervisory training within 12 months of appointment. Out of the 28, the completion date of training could not be confirmed for only 4 supervisors. The other 24 did complete the training, albeit after the 12-month period. Availability of training slots has been a consistent challenge for the CDSS, as CSU Sacramento and CalHR courses are often full. We believe this will continue to be a challenge as CalHR becomes the sole training provider. The CDSS invites the SPB to coordinate with CalHR to ensure training is regularly available.
- Action:** The CDSS must take appropriate steps to ensure that new supervisors are provided supervisory training within the twelve months. It is therefore recommended that no later than 60 days after the SPB’s Executive Officer’s approval of these findings and recommendations, the CDSS must establish a plan to ensure compliance with supervisory training mandates and submit to the SPB a corrective action plan.

FINDING NO. 11 – Sexual Harassment Prevention Training Was Not Provided for All Supervisors

- Summary:** The CDSS did not provide sexual harassment prevention training to 93 of 224 new supervisors within six months of their appointment. In

addition, the CDSS did not provide sexual harassment prevention training to 137 of 401 existing supervisors every two years.

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

Severity: Very Serious. The department does not ensure that all new and existing 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 litigation.

Cause: The CDSS states they experienced an issue with the online vendor who inadvertently shut down access to the training. During the time period covered by the compliance review, the CDSS was still playing catch up to get new and existing supervisors through the training. All supervisors did receive the training, just not as timely as desired due to availability of the training.

Action: The CDSS must take appropriate steps to ensure that its supervisors are provided sexual harassment prevention training within the time periods prescribed. It is therefore recommended that no later than 60 days after the SPB's Executive Officer's approval of these findings and recommendations, the CDSS must establish a plan to ensure compliance with sexual harassment training mandates and submit to the SPB a corrective action plan.

Compensation and Pay

Salary Determination

The pay plan for state civil service consists of salary ranges and steps established by CalHR. (Cal. Code Regs., tit. 2, § 599.666.) Several salary rules dictate how departments

calculate and determine an employee's salary rate⁶ 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, September 1, 2017 through February 28, 2018, the CDSS made 683 appointments. The CRU reviewed 51 of those appointments to determine if the CDSS applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Accounting Administrator I (Supervisor)	Certification List	Permanent	Full Time	\$5,689
Accounting Administrator I (Supervisor)	Certification List	Permanent	Full Time	\$6,105
Administrative Law Judge I, DSS	Certification List	Permanent	Full Time	\$8,638
Associate Accounting Analyst	Certification List	Permanent	Full Time	\$5,274
Associate Administrative Analyst Accounting Systems	Certification List	Permanent	Full Time	\$5,022
Attorney III	Certification List	Permanent	Full Time	\$8,856
Attorney III	Certification List	Permanent	Full Time	\$9,854
Disability Evaluation Services Administrator III	Certification List	Permanent	Full Time	\$7,593
Executive Secretary I	Certification List	Permanent	Full Time	\$3,381
Information Technology Specialist I	Certification List	Permanent	Full Time	\$6,057
Licensing Program Analyst	Certification List	Permanent	Full Time	\$4,033

⁶ "Rate" is any one of the salary rates in the resolution by CalHR which establishes the salary ranges and steps of the Pay Plan (CA CCR Section 599.666).

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Licensing Program Analyst	Certification List	Permanent	Full Time	\$5,005
Licensing Program Analyst	Certification List	Permanent	Full Time	\$5,023
Licensing Program Manager I	Certification List	Permanent	Full Time	\$6,287
Licensing Program Manager II	Certification List	Permanent	Full Time	\$7,634
Office Assistant (Typing)	Certification List	Permanent	Full Time	\$2,526
Office Assistant (Typing)	Certification List	Permanent	Full Time	\$2,526
Personnel Supervisor II	Certification List	Permanent	Full Time	\$4,984
Senior Accounting Officer (Specialist)	Certification List	Permanent	Full Time	\$4,835
Senior Legal Typist	Certification List	Permanent	Full Time	\$3,839
Staff Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	\$6,602
Staff Services Analyst (General)	Certification List	Permanent	Full Time	\$3,977
Staff Services Analyst (General)	Certification List	Permanent	Full Time	\$4,839
Staff Services Manager I	Certification List	Permanent	Full Time	\$5,689
Staff Services Manager I	Certification List	Permanent	Full Time	\$6,107
Staff Services Manager I	Certification List	Permanent	Full Time	\$6,287
Staff Services Manager I	Certification List	Permanent	Full Time	\$6,287
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	\$7,421
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	\$7,421
Supervising Governmental Auditor II	Certification List	Permanent	Full Time	\$7,793
Supervising Special Investigator II	Certification List	Permanent	Full Time	\$8,230
System Software Specialist II	Certification List	Permanent	Full Time	\$6,628

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Systems Software Specialist II (Technical)	Certification List	Permanent	Full Time	\$6,071
Administrative Law Judge I, DSS	Transfer	Permanent	Full Time	\$10,865
Associate Accounting Analyst	Transfer	Permanent	Full Time	\$5,274
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	\$5,988
Business Service Assistant (Specialist)	Transfer	Permanent	Part-Time	\$3,838
Disability Evaluation Analyst III	Transfer	Permanent	Full Time	\$5,023
Investigator	Transfer	Permanent	Full Time	\$6,282
Licensing Program Analyst	Transfer	Permanent	Full Time	\$3,947
Licensing Program Analyst	Transfer	Permanent	Full Time	\$4,388
Licensing Program Analyst	Transfer	Permanent	Full Time	\$4,835
Licensing Program Analyst	Transfer	Permanent	Full Time	\$5,801
Office Assistant (Typing)	Transfer	Permanent	Full Time	\$3,165
Office Technician (Typing)	Transfer	Permanent	Full Time	\$2,921
Program Technician	Transfer	Permanent	Full Time	\$3,398
Special Investigator Assistant	Transfer	Permanent	Full Time	\$3,264
Staff Services Analyst (General)	Transfer	Permanent	Full Time	\$4,406
Staff Services Analyst (General)	Transfer	Permanent	Full Time	\$3,805
Staff Services Manager I	Transfer	Permanent	Full Time	\$7,068
Associate Personal Analyst	Transfer (Voluntary Demotion)	Permanent	Full Time	\$5,988

The CRU found no deficiencies in 49 out of 51 salary determinations that the CDSS made during the compliance review period. The CDSS 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.

However, the CDSS incorrectly applied compensation laws, rules and/or CalHR policies and guidelines for two salary determinations reviewed.

FINDING NO. 12 – Incorrect Application of Salary Determination Laws, Rules, and CalHR Policies and Guidelines for Appointment

Summary: The CRU found the following errors in the CDSS’s determination of employee compensation:

Classification	Description of Finding(s)	Criteria
Information Technology Specialist I	Upon the employee’s initial appointment to state service as an Information Technology Specialist (ITS) I, the employee was entitled to the minimum of the salary range via rule 599.673. The employee was given a salary at the rate of \$6,057 by the department. The employee should have received a salary at the rate of \$4,921 which is the minimum salary range of the ITS I classification since there was not a HAM approval.	599.673
Staff Services Analyst (General)	When transferring from the Warehouse Worker classification to the Staff Services Analyst (SSA) classification, the department placed the employee in range B of the SSA classification. The employee should have been placed in range A according to rule 599.433(b)(4) requiring that movement into the “to” series should be to the range which is immediately higher in pay than the “from” classification. Additionally, the employee’s transfer eligibility based the employee’s prior classification was \$3,994 which only allows for movement into range A of the SSA classification.	599.433 (b)(1) & (4)

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. The CDSS failed to comply, in two circumstances, with the state civil service pay plan. Incorrectly applying compensation laws and rules in accordance with CalHR’s policies

and guidelines results in civil service employees receiving incorrect and/or inappropriate pay amounts.

Cause: Due to staff error and high turnover, two out of 51 salary determinations were incorrect.

Action: The CDSS must take appropriate steps to ensure that employees are compensated correctly. It is therefore recommended that no later than 60 days after the SPB’s Executive Officer’s approval of these findings and recommendations, the CDSS must establish an audit system to correct current compensation transactions well as future transactions. In addition, the CDSS must set up an accounts receivable for the overcompensation and correct the employees’ employment history.

Alternate Range Movement Salary Determination (within same classification)

If an employee qualifies under established criteria and moves from one alternate range to another alternate range of a class, the employee shall receive an increase or a decrease equivalent to the total of the range differential between the maximum salary rates of the alternate ranges. (Cal. Code Regs., tit. 2, § 599.681.) However, in many instances, the CalHR provides salary rules departments must use when employees move between alternate ranges. These rules are described in the alternate range criteria. (CalHR Pay Scales). When no salary rule or method is cited in the alternate range criteria, departments must default to Rule 599.681.

During the period under review, June 1, 2017 through November 30, 2017, the CDSS made 43 alternate range movements within a classification⁷. The CRU reviewed 15 of those alternate range movements to determine if the CDSS applied salary regulations accurately and correctly processed employee’s compensation, which are listed below:

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Assistant Information Systems Analyst	Range B	Range C	Full Time	\$4,578
Attorney	Range B	Range C	Full Time	\$6,190
Disability Evaluation Analyst	Range B	Range C	Full Time	\$3,977

⁷ 335 transactions.

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Licensing Program Analyst	Range B	Range D	Full Time	\$4,447
Licensing Program Analyst	Range C	Range D	Full Time	\$5,081
Licensing Program Analyst	Range C	Range D	Full Time	\$4,447
Licensing Program Analyst	Range C	Range D	Full Time	\$4,447
Licensing Program Analyst	Range C	Range D	Full Time	\$4,447
Licensing Program Analyst	Range C	Range D	Full Time	\$5,128
Licensing Program Analyst	Range C	Range D	Full Time	\$4,447
Licensing Program Analyst	Range A	Range B	Full Time	\$3,364
Personnel Specialist	Range B	Range C	Full Time	\$4,091
Staff Services Analyst	Range A	Range B	Full Time	\$3,550
Staff Services Analyst	Range B	Range C	Full Time	\$3,977
Staff Services Analyst	Range B	Range C	Full Time	\$4,360

The CRU found no deficiencies in 11 out of 15 salary determinations for alternate range movements that the CDSS made during the compliance review period. The CDSS appropriately calculated and processed the salaries for each alternate range movement and correctly determined employees' anniversary dates ensuring that subsequent merit salary adjustments will satisfy civil service laws, Board rules and CalHR policies and guidelines.

However, the CDSS incorrectly applied compensation laws, rules and/or CalHR policies and guidelines for four alternate range movements reviewed.

FINDING NO. 13 – Alternate Range Movements Did Not Comply with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

Summary: The CRU found the following errors in the CDSS's compensation determinations:

Classification	Description of Finding	Criteria
Assistant Information Systems Analyst	The employee's original appointment date was overlooked which resulted in employee receiving alternate range change prior to the one-year requirement.	Alternate Range Criteria 278
Licensing Program Analyst	The department miscalculated the employee's qualifying pay periods which resulted in the employee receiving the alternate range change late.	Alternate Range Criteria 196 & 599.608

Classification	Description of Finding	Criteria
Licensing Program Analyst	The department failed to establish a new anniversary date when keying employee's alternate range change. This resulted in an earlier anniversary date, which caused a premature Merit Salary Adjustment date.	599.674 (b)
Staff Services Analyst	The department failed to establish a new anniversary date when keying employee's alternate range change. This resulted in an earlier anniversary date, which caused a premature Merit Salary Adjustment date.	599.676

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

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

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

Cause: Due to staff error and high turnover, four out of 15 alternate range criteria transactions were incorrect.

Action: The CDSS must take appropriate steps to ensure that employees are compensated correctly. It is therefore recommended that no later than 60 days after the SPB's Executive Officer's approval of these findings and recommendations, the CDSS must establish an audit system to correct current compensation transactions well as future transactions. In addition, the CDSS must set up an accounts receivable for the overcompensation and correct the employees' employment history.

Hiring Above Minimum Requests

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 resulting from actions by the department or State Personnel Board, or to give credit for prior state service in connection with appointments, promotions, reinstatements, transfers, reallocations, or demotions. Other salary adjustments within the salary range for the class may be made upon the application of the appointing power and with the approval of the director. Adjustments within the salary range authorized by this section may be either permanent or temporary and may be made retroactive to the date of application for this change. (Gov. Code § 19836.) For all employees new to state service, departments are delegated to approve HAMs for extraordinary qualifications. (Human Resources Manual Section 1707.) Appointing authorities may request HAMs for current 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. (*Ibid.*) 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. (*Ibid.*) 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).)

⁸ Except that if the provisions of the 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 and 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.*)

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 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, September 1, 2017 through February 28, 2018, the CDSS authorized 12 HAM requests. The CRU reviewed seven of those authorized HAM requests to determine if the CDSS correctly applied Government Code section 19836 and appropriately verified, approved and documented candidates’ extraordinary qualifications, which are listed below:

Classification	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Administrative Law Judge I, DSS	Certification List	New to the State	No Range	\$8,703
Adoptions Specialist	Certification List	New to the State	No Range	\$5,680
Associate Governmental Program Analyst	Certification List	New to the State	No Range	\$5,400
Associate Information Systems Analyst (Specialist)	Certification List	New to the State	No Range	\$6,273
Associate Personnel Analyst	Certification List	New to the State	No Range	\$5,400

Classification	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Senior Information Systems Analyst (Specialist)	Certification List	New to the State	No Range	\$7,730
Staff Services Manager I	Certification List	New to the State	No Range	\$6,800

FINDING NO. 14 – Hire Above Minimum Requests Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found that the HAM requests the CDSS made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

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 the 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 the specific bilingual transactions.

Typically, the department must review the position duty statement to confirm the percentage of time performing bilingual skills and verify the monthly pay differential is granted to a certified bilingual employee in a designated bilingual position. The position, not the employee, receives the bilingual designation and the department must verify that the incumbent successfully participated in an Oral Fluency Examination prior to issuing the additional pay.

During the period under review, June 1, 2017 through November 30, 2017, the CDSS issued Bilingual Pay to 260 employees. The CRU reviewed 40 of these bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Time Base
Adoption Specialist	R19	Full-Time
Adoption Specialist	R19	Full-Time
Adoption Specialist	R19	Full-Time

Classification	Bargaining Unit	Time Base
Associate Governmental Program Analyst	R01	Full-Time
Associate Governmental Program Analyst	R01	Full-Time
Associate Governmental Program Analyst	R01	Full-Time
Associate Governmental Program Analyst	R01	Full-Time
Associate Governmental Program Analyst	R01	19/20
Business Services Assistant (Specialist)	R01	Full-Time
Disability Evaluation Analyst III	R01	Full-Time
Disability Evaluation Analyst III	R01	007/008
Disability Evaluation Analyst III	R01	Full-Time
Disability Evaluation Analyst III	R01	Full-Time
Disability Evaluation Analyst III	R01	Full-Time
Disability Evaluation Analyst III	R01	3/4
Disability Evaluation Analyst III	R01	3/4
Disability Evaluation Analyst III	R01	Full-Time
Disability Evaluation Services Administrator I	S01	Full-Time
Investigator	R07	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Analyst	R19	Full-Time
Licensing Program Manager	S19	Full-Time
Licensing Program Manager	S19	Full-Time
Licensing Program Manager	S19	Full-Time
Office Technician (Typing)	R04	Full-Time
Program Technician II	R04	Full-Time
Senior Legal Analyst	R01	Full-Time
Specialist Investigator Assistant	R07	Full-Time
Staff Services Analyst (General)	R01	Full-Time
Staff Services Analyst (General)	R01	Full-Time
Supervising Special Investigator I	S07	Full-Time

In reviewing the CDSS's bilingual pay practices that were in effect during the compliance review period, the CRU determined the following:

FINDING NO. 15 – Incorrect Authorization of Bilingual Pay

Summary: The CRU found the following errors in the CDSS’s authorization of bilingual pay:

Classification	Description of Finding(s)	Criteria
Associate Governmental Program Analyst	The department failed to supply supporting documentation (Bilingual Pay Authorization Form) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Differential 14
Investigator	The department failed to supply supporting documentation (Bilingual Pay Authorization Form) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Differential 14
Licensing Program Analyst	The department failed to certify that the position requires the use of bilingual skills prior to the employee receiving bilingual pay in this position.	Differential 14
Licensing Program Analyst	The department failed to supply supporting documentation (Bilingual Pay Authorization Form) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Differential 14
Licensing Program Manager	The department failed to provide employee’s oral fluency exam results to certify that employee is a qualified bilingual employee.	Gov. Code, § 7296

Criteria: For any state agency, a “qualified” bilingual employee, person, or interpreter is someone who CalHR has tested and certified, someone who was tested and certified by a state agency or other approved testing authority, and/or someone who has met the testing or certification standards for outside or contract interpreters as proficient in both the English language and the non-English language to be used. (Gov. Code, § 7296 subd. (a)(1)(2)(3).) An individual must be in a position that has been certified by the department as a position which requires the use of bilingual skills on a continuing

basis averaging 10 percent of the time spent either conversing, interpreting or transcribing in a second language and time spent on closely related activities performed directly in conjunction with specific bilingual transactions. (Pay Differential 14.)

Severity: Very Serious. The CDSS was unable to provide documentation demonstrating that the position meets the requirements of Pay Differential 14 and/or Government Code Section 7296.

Cause: Due to staff error and high turnover, there was an oversight in ensuring the bilingual pay differential was applied correctly.

Action: The CDSS must take appropriate steps to ensure that employees are compensated correctly. It is therefore recommended that no later than 60 days after the SPB's Executive Officer's approval of these findings and recommendations, the CDSS must submit a written corrective action plan that addresses the corrections the department will implement to ensure conformity with Government Code section 7296 and/or Pay Differential 14. Copies of any relevant documentation should be included with the plan. In addition, the CDSS must establish accounts receivables for the employees who were not authorized for the bilingual pay differential.

Pay Differentials

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

California State Civil Service Pay Scales Section 14 describes the qualifying pay criteria for the majority of pay differentials. However, some of the alternate range criteria in the pay scales function as pay differentials. Generally, departments issuing pay differentials should, in order to justify the additional pay, document the following: the effective date of the pay differential, the collective bargaining unit identifier, the classification applicable to

the salary rate and conditions along with the specific criteria, and any relevant documentation to verify the employee meets the criteria.

During the period under review, June 1, 2017 through November 30, 2017, the CDSS issued pay differentials⁹ to 176 employees. The CRU reviewed 45 of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount
Administrative Law Judge I, DSS	84	5%
Administrative Law Judge I, DSS	84	5%
Administrative Law Judge I, DSS	84	5%
Administrative Law Judge I, DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Specialist), DSS	84	5%

⁹ For the purposes of CRU's review, only monthly pay differentials were selected for review at this time.

Classification	Pay Differential	Monthly Amount
Administrative Law Judge II (Specialist), DSS	84	5%
Administrative Law Judge II (Supervisor), DSS	84	5%
Administrative Law Judge II (Supervisor), DSS	84	5%
Legal Support Supervisor I	141	2-Steps Above Maximum
Senior Legal Typist	141	1-Step Above Maximum
Investigator	173	\$200
Investigator	173	\$200
Investigator	244	\$75
Investigator	244	\$125
Investigator	244	\$125
Investigator	244	\$125
Investigator	244	\$125
Investigator	244	\$125
Investigator	244	\$125
Supervising Special Investigator I	244	\$125
Supervising Special Investigator I	244	\$125
Supervising Special Investigator I	244	\$125
Supervising Special Investigator I	245	3%
Investigator	245	8%
Investigator	245	8%
Supervising Special Investigator I	245	8%
Associate Governmental Program Analyst	412	10% PERSable
CEA A	412	10% PERSable
Research Program Specialist II	412	10% PERSable
Research Program Specialist II	412	10% PERSable
Research Program Specialist III	412	10% PERSable
Staff Services Manager I	412	10% PERSable

FINDING NO. 16 – Errors in Applying Pay Differentials

Summary: The CRU found the following errors in the CDSS’s authorization of pay differentials:

Classification	Area	Description of Finding(s)	Criteria
Administrative Law Judge II (Specialist), DSS	National Judicial College Differential Pay	The employee does not possess a certificate from the National Judicial College for completion of training courses pertaining to administrative law of adjudication skills in order to receive the pay differential.	Pay Differential 84
Administrative Law Judge II (Specialist), DSS	National Judicial College Differential Pay	The employee does not possess a certificate from the National Judicial College for completion of training courses pertaining to administrative law of adjudication skills in order to receive the pay differential.	Pay Differential 84

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

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

Cause: Due to staff error and high turnover, there was an oversight in ensuring pay differentials are applied correctly when employees transfer from other agencies.

Action: The CDSS must take appropriate steps to ensure that employees are compensated correctly. It is therefore recommended that no later than 60 days after the SPB’s Executive Officer’s approval of these

findings and recommendations, the CDSS must submit a written corrective action plan that addresses the corrections the department will implement to ensure conformity with Pay Differential 14. Copies of any relevant documentation should be included with the plan. In addition, CDSS must set up accounts receivables for the employees who were not authorized for the pay differential.

Out-of-Class Assignments (OOC) and Pay

For excluded¹⁰ 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 (a)(2).) A higher classification is one with a salary range maximum that is any amount higher than the salary range maximum of the classification to which the employee is appointed. (Cal. Code Regs., tit. 2, § 599.810 (a)(3).)

According to the Classification and Pay Guide, OOC assignments should only be used as a last resort to accommodate temporary staffing needs. All civil service alternatives should be explored first before using OOC assignments. However, certain MOU provisions and the California Code of Regulations, title 2, section 599.810 allow for short-term OOC assignments to meet temporary staffing needs. Should OOC work become necessary, the assignment would be made pursuant to the applicable MOU provisions or salary regulations. Before assigning the OOC work, the department should have a plan to correct the situation before the 120-day time period expires. (Classification and Pay Guide Section 375.)

During the period under review, June 1, 2017 through November 30, 2017, the CDSS issued out-of-class pay¹¹ to 24 employees. The CRU reviewed 13 of these out-of-class assignments to ensure compliance with applicable MOU provisions, salary regulations, and CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Administrative Law Judge I	R02	Administrative Law Judge II (Specialist)	07/14/17 - 09/6/17

¹⁰ “Excluded employee” means an employee as defined in section 3527(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.

¹¹ Excluding bilingual and arduous pay.

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Associate Governmental Program Analyst	R01	Staff Services Manager I	5/16/17 - 9/12/17
Associate Governmental Program Analyst	R01	Staff Services Manager I	6/26/17 - 7/18/17
Associate Governmental Program Analyst	R01	Staff Services Manager I (Specialist)	5/9/2017 - 7/31/17
Associate Governmental Program Analyst	R01	Staff Services Manager I	8/7/17 - 12/7/17
Associate Governmental Program Analyst	R01	Staff Services Manager I	8/2/17 - 9/30/17
Licensing Program Manager III	M01	CEA A, Branch Chief	1/1/17 - 12/31/17
Office Technician (Typing)	R04	Business Services Supervisor II	10/2/17 - 1/29/18
Staff Services Analyst (General)	R01	Staff Services Manager I	5/5/17 - 7/10/17
Staff Services Manager I	S01	Staff Services Manager II	7/24/17 - 2/21/18
Staff Services Manager II	S01	Staff Services Manager III	12/1/16 - 12/31/17
Supervising Special Investigator I	S07	Supervising Special Investigator II	6/1/17 - 9/1/17
Supervising Special Investigator II	S07	CEA A, Branch Chief	1/1/17 - 6/30/17

FINDING NO. 17 – Incorrect Authorization of Out-of-Class Pay

Summary: The CRU found the following errors in the CDSS’s authorization of the out-of-class pay:

Classification	Out-of-Class Classification	Description of Finding(s)	Criteria
Administrative Law Judge I	Administrative Law Judge II (Specialist)	The CDSS incorrectly determined the OOC pay issued in the July, August, and September 2017 pay periods.	Pay Differential 91

Classification	Out-of-Class Classification	Description of Finding(s)	Criteria
Associate Governmental Program Analyst	Staff Services Manager I	The CDSS incorrectly determined the OOC pay issued in the July and August 2017 pay periods.	Pay Differential 91
Associate Governmental Program Analyst	Staff Services Manager I	The CDSS incorrectly determined the OOC pay issued in the June and July 2017 pay periods.	Pay Differential 91
Associate Governmental Program Analyst	Staff Services Manager I (Specialist)	The CDSS incorrectly determined the OOC pay issued in the May and June 2017 pay periods.	Pay Differential 91
Licensing Program Manager III	CEA A, Branch Chief	The CDSS issued OOC pay to a managerial employee prior to the 90-day wait period. Additionally, the DSS authorized 12 months of OOC pay, exceeding the nine-month OOC pay limitation for managerial employees.	Pay Differential 101
Office Technician (Typing)	Business Services Supervisor II	The CDSS incorrectly determined the OOC pay issued in the October 2017 and January 2018 pay periods.	Pay Differential 91
Staff Services Manager I	Staff Services Manager II	The CDSS incorrectly determined the OOC pay issued in the February 2018 pay period.	Pay Differential 91
Staff Services Manager II	Staff Services Manager III	The CDSS inappropriate authorized 13 months of OOC pay exceeding the 12 months limitation.	Pay Differential 101

Classification	Out-of-Class Classification	Description of Finding(s)	Criteria
Supervising Special Investigator I	Supervising Special Investigator II	The CDSS incorrectly determined the OOC pay issued in the June, July, August, and September pay periods.	Pay Differential 101

Criteria: Employees may be compensated for performing duties of a higher classification provided that: the assignment is made in advance in writing and the employee is given a copy of the assignment; and the duties performed by the employee are not described in a training and development assignment and further, taken as a whole are fully consistent with the types of jobs described in the specification for the higher classification; and the employee does not perform the such duties for more than 120 days in a fiscal year. (Cal. Code Regs., tit. 2, § 599.810 (b)(1)(3)(4).)

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

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

Cause: The CDSS understands the seriousness of incorrectly applying compensation laws and rules. The incorrect authorizations of out-of-

class pay was the result of staff error, and provided by a manager who is no longer with the CDSS.

Action: The CDSS must take appropriate steps to ensure that employees are compensated correctly. It is therefore recommended that no later than 60 days after the SPB's Executive Officer's approval of these findings and recommendations, the CDSS must submit a written corrective action plan that addresses the corrections the department will implement to ensure conformity with California Code of Regulations, title 2, section 599.810 and Pay Differential 101. Copies of any relevant documentation should be included with the plan. In addition, the CDSS must set up accounts receivables for the OOC payments that were not correctly issued.

Leave

Positive Paid Employees

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

An employee is appointed TAU-ATW when he/she is not expected to work all of the working days of a month. When counting 189 days, every day worked, including partial days¹² worked and paid absences,¹³ is counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) The hours worked in one day is not limited by this rule. (*Ibid.*) The 12-consecutive month timeframe begins by counting the first pay period worked as the first month of the 12-consecutive month timeframe. (*Ibid.*) The employee shall serve no longer than 189 days in a 12 consecutive month period. (*Ibid.*) A new 189-days working limit in a 12-consecutive month timeframe may begin in the month immediately following the month that marks the end of the previous 12-consecutive month timeframe. (*Ibid.*)

It is an ATW appointment because the employee does not work each workday of the month, and it might become desirable or necessary for the employee to work beyond nine calendar months. The appointing power shall monitor and control the days worked to

¹² For example, two hours or ten hours counts as one day.

¹³ For example, vacation, sick leave, compensating time off, etc.

ensure the limitations set forth are not exceeded.¹⁴ (Cal. Code Regs., tit. 2, § 265.1, subd. (f).)

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

Generally, permanent intermittent employees may work up to 1500 hours in any calendar year. (Applicable Bargaining Unit Agreements.) However, Bargaining Unit 6 employees may work up to 2000 hours in any calendar year.

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

At the time of the review, the CDSS had 62 employees on ATW. The CRU reviewed 20 of those ATW appointments to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Classification	Time Base	Time Frame	Time Worked
Seasonal Clerk	Intermittent	2/6/17-10/31/17	1,316.25
Seasonal Clerk	Intermittent	6/1/17-2/28/18	1,548.50
Seasonal Clerk	Intermittent	8/2/17-1/30/18	998.50
Seasonal Clerk	Intermittent	2/5/17-2/4/18	1,383
Seasonal Clerk	Intermittent	2/1/17-10/31/17	1,175.50
Seasonal Clerk	Intermittent	6/1/2017-2/28/2018 6/1/2017-2/28/2018	1,560
Seasonal Clerk	Intermittent	4/4/17-1/30/18	1,461.50
Seasonal Clerk	Intermittent	3/20/17-2/28/18	1,699.25
Seasonal Clerk	Intermittent	12/5/16-12/4/17	744
Seasonal Clerk	Intermittent	3/27/17-2/28/18	1,686

¹⁴ “California Code of Regulation section 265.1 became effective July 1, 2017, and did not apply at the time of all of these appointments. The current regulation sets forth the method for counting time for temporary appointments. The cap under the current regulation is 189 days.

Classification	Time Base	Time Frame	Time Worked
Seasonal Clerk	Intermittent	3/2/17-2/28/18	1,908
Seasonal Clerk	Intermittent	2/1/17-6/30/17	864
Seasonal Clerk	Intermittent	2/1/17-5/4/17	415.25
Seasonal Clerk	Intermittent	5/1/17-2/28/18	1,452.15
Seasonal Clerk	Intermittent	4/1/17-12/31/17	1,309
Seasonal Clerk	Intermittent	2/1/17-1/24/18	1,643.50
Seasonal Clerk	Intermittent	5/1/16-4/5/17	1,597
Seasonal Clerk	Intermittent	2/1/17-4/17/17	430
Seasonal Clerk	Intermittent	12/7/16-12/6/17	1,666
Seasonal Clerk	Intermittent	6/1/17-1/31/18	1,108

In reviewing the CDSS's ATW policies and practices that were in effect during the compliance review period, the CRU determined the following.

FINDING NO. 18 – ATW Employee Exceeded the Nine Month in Any Twelve Consecutive Month Limitation

Summary: The CDSS did not monitor eight ATW employee's actual number of days worked in order to ensure the employee did not exceed the 1500 hours, and or 189 days in any 12-consecutive month period.

Classification	Time Base	Time Frame	Hours Worked	Hours Over
1. Seasonal Clerk	Intermittent	6/1/17-2/28/18	1,548.50	48.5
2. Seasonal Clerk	Intermittent	5/1/16-4/5/17	1,560	60
3. Seasonal Clerk	Intermittent	3/20/17-2/28/18	1,699.25	199.25
4. Seasonal Clerk	Intermittent	3/27/17-2/28/18	1,686	186
5. Seasonal Clerk	Intermittent	3/2/17-2/28/18	1,908	408
6. Seasonal Clerk	Intermittent	2/1/17-1/24/18	1,643.50	143.5
7. Seasonal Clerk	Intermittent	5/1/16-4/5/17	1,597	97

Classification	Time Base	Time Frame	Hours Worked	Hours Over
8. Seasonal Clerk	Intermittent	5/1/16-4/5/17	1,666	166
TOTAL				1,308.25

Criteria: If any employee is appointed to an intermittent time base position on a TAU basis, there are two controlling time limitations that must be considered. The first controlling factor is the constitutional limit of nine months in any 12 consecutive months for temporary appointments that cannot be extended for any reason. (Cal Const., art VII § 5.) The nine month period may be computed on a calendar or actual basis. When computing time worked, 189 days equals nine months. (Cal. Code Regs., tit. 2, § 265.1 subd. (b).)¹⁵ Another controlling factor limits the maximum work time for student, youth, and seasonal classifications to 1500 hours. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

Severity: Serious. The amount of days or hours an individual may work in a temporary appointment is limited in the state civil service. TAU appointments are distinguished from other appointments as they can be made in the absence of an appropriate employment list. Intermittent appointments are not to be used to fill full-time or part-time positions. Such use would constitute illegal circumvention of these eligible lists.

Cause: Due to staff error and high turnover, the Payroll Unit team did not track the number of days worked in a timely manner.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDSS submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure all positive paid employee's hours are tracked and processed in conformity with California Code of Regulations, title 2, section 265.1, subd. (a).

¹⁵ California Code of Regulations section 265.1 became effective on July 1, 2017, and did not apply at the time of all of these appointments. The current regulation sets forth the method for counting time for temporary appointments.

FINDING NO. 19 – ATW Employee Attendance Record Was Not Properly Retained and/or Documented

Summary: The CDSS failed to retain 38 timesheets from 12 employees in order to document and monitor employees' time worked. Additionally the CDSS did not correctly key seven timesheets into the Uniform State Payroll System, as a result two employees were overcompensated and three employees were undercompensated.

Criteria: Each appointing power shall keep complete and accurate time and attendance records for each employee and officer employed within the agency over which it has jurisdiction. (Cal. Code Regs., tit. 2, § 599.665.) Such records shall be kept in the form and manner prescribed by the Department of Finance in connection with its powers to devise, install and supervise a modern and complete accounting system for state agencies." (*Ibid.*)

If an employee's attendance record is determined to have errors the attendance record must be amended. Attendance records shall be corrected by the pay period following the pay period in which the error occurred. Accurate and timely attendance reporting is required of all departments and is subject to audit. (Human Resources Manual Section 2101).

Severity: Serious. ATW employees' attendance records are not only used to monitor employee's actual number of days worked to ensure the employee do not exceed the 189 days in any 12-consecutive month period limitation but employee's timesheets are also referred to when compensating employees at the end of each pay period via the Uniform State Payroll System. The department cannot verify and substantiate ATW employees' time and compensation without such documentation.

Cause: Due to staff error and high turnover, ATW employee attendance records were not properly retained, and seven timesheets were keyed incorrectly for five employees.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDSS submit

to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure all timesheets are accounted for and processed in conformity with California Code of Regulations, title 2, section 599.665.

Administrative Time Off

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

During the period under review, December 1, 2016 through November 30, 2017, the CDSS placed 149 employees on ATO. The CRU reviewed 21 of these ATO authorizations to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	No. of Days on ATO
Associate Governmental Program Analyst	10/14/16 – 4/11/17	180
Associate Governmental Program Analyst	11/15/17 – 1/13/18	60
Associate Management Auditor	11/03/16 – 1/31/17	90
Associate Personnel Analyst	4/12/17 – 4/18/17	7
Disability Evaluation Analyst	9/18/17 – 9/22/17	5
Disability Evaluation Analyst	9/08/17 – 9/14/17	7
Disability Evaluation Analyst	5/11/17 – 5/18/17	8
Licensing Program Analyst	8/18/17 – 8/24/17	7
Licensing Program Analyst	10/19/17 – 10/31/17	13
Licensing Program Analyst	9/22/17 – 9/29/17	8
Licensing Program Analyst	12/29/16 – 4/27/17	120

Classification	Time Frame	No. of Days on ATO
Licensing Program Analyst	10/09/17 – 10/16/17	8
Licensing Program Analyst	10/09/17 – 10/18/17	10
Office Assistant (Typing)	12/19/16 – 12/23/16	5
Office Assistant (Typing)	6/24/16 – 7/1/16	8
Office Technician (Typing)	10/14/16 – 4/12/17	180
Office Technician (Typing)	10/09/17 – 10/13/17	5
Office Technician (Typing)	10/20/17 – 10/27/17	8
Program Technician II	8/02/17 – 8/31/17	30
Senior Legal Typist	6/20/17 – 6/28/17	9
Staff Service Manager I	1/17/17 – 1/23/17	7

FINDING NO. 20 – Administrative Time Off (ATO) Was Not Properly Documented

Summary: The CDSS did not grant and document ATO in conformity with the established policies and procedures. Specifically, the CDSS did not retain six timesheets for four employees who were on ATO. Additionally, four employees' ATO hours were incorrectly keyed into the Leave Accounting System. Lastly, one employee's ATO timeframe established by the ATO plan did not match the timeframe on the employee's timesheet.

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

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

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

Severity: Serious. Use of ATO is subject to audit and review by 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 in CalHR revoking the appointing authority's delegation to utilize ATO without first obtaining approval from CalHR.

Cause: Due to staff error and high turnover, there was an oversight in properly documenting and applying ATO.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDSS submits to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the requirements of Government Code 19991.10 and Human Resources Manual Section 2121.

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, October 1, 2017 through November 30, 2017, the CDSS reported 263 units comprised of 4,377 active employees during the October 2017 pay period and 263 units comprised of 4,377 active employees during the November 2017 pay period. The pay periods and timesheets reviewed by the CRU are summarized as follows:

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
October 2017	54	788	777	19

FINDING NO. 21 – Department Did Not Retain Employee Time and Attendance Records

Summary: The CDSS did not provide the following timesheets:

Timesheet Leave Period	Number of Missing Timesheets
October 2017	19

In addition, a special investigation found that for one employee timesheets were submitted intermittently dating back to September 2016. According to the department, reconciled timesheets were submitted for pay periods September 2016 through December 2018 based on call out records and emails. Of these reconciled timesheets, 19 out of 28 remain unsigned and unsubstantiated. This number is distinct from the numbers represented in the table above.

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.) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*)

Severity: Technical. All employees must submit attendance records each pay period, regardless if leave was used. Without documentation, the CRU could not verify if the CDSS entered employees' leave into their leave accounting system accurately.

Cause: Due to staff error and high turnover, the CDSS was found to be missing 19 timesheets out of 777 reviewed.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDSS submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure all timesheets are accounted for and processed in conformity with California Code of Regulations, title 2, section 599.665.

FINDING NO. 22 – Errors in Leave Balances and/or Timekeeping Records

Summary: The CRU found eight discrepancies out of 777 timesheets reviewed between the leave balances in the Leave Accounting System (LAS) and timekeeping records. Additionally, corrections to 14 leave balances were not keyed into the LAS by the pay period following the pay period that the errors occurred in.

Criteria: In accordance with the Human Resources Manual Section 2101, departments must create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. 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. Attendance records shall be corrected by the pay period following the pay period in which the error occurred. Accurate and timely attendance reporting is required of all departments and is subject to audit.

Severity: Technical. Without sufficient processes to verify the accuracy of leave accounting data entered, departments may make erroneous leave accounting transactions that remain undetected or are never

identified. These errors put the department at risk of additional costs such as the initiation of collection efforts on overpayment, the risk of litigation related to recovering inappropriately credited leave hours and funds, and/or the increase of state's pension payments.

Cause: Due to staff error and high turnover, the CDSS acknowledges eight inaccuracies in leave balance and/or timekeeping records out of 777 timesheets reviewed.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDSS submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with Human Resources Manual Section 2101.

FINDING NO. 23 – Leave Activity and Correction Certification Forms Were Not Completed For All Leave Records Reviewed

Summary: The CDSS failed to provide completed Leave Activity and Correction Certification forms for 52 of 54 units reviewed during the October 2017 pay period.

Criteria: Departments are responsible for maintaining accurate and timely leave accounting records for their employees. (Cal. Code Regs., tit. 2, § 599.665.) Departments shall identify and record all errors found using a Leave Activity and Correction form. (*Ibid.*) Furthermore, departments shall certify that all leave records for the unit/pay period identified on the certification form have been reviewed and all leave errors identified have been corrected. (*Ibid.*)

Severity: Non-serious or Technical. Departments must document that they reviewed all leave inputted into their leave accounting system to ensure accuracy and timeliness. For post audit purposes, the completion of Leave Activity and Correction Certification forms demonstrates compliance with CalHR policies and guidelines.

Cause: The CDSS acknowledges it did not have a documented process for conducting monthly leave audits during the review period.

Action: The CDSS must take appropriate steps to ensure that their monthly internal audit process was documented. It is therefore recommended that no later than 60 days after the SPB’s Executive Officer’s approval of these findings and recommendations, the CDSS must incorporate completion of Leave Activity and Correction Certification forms for all leave records even when errors are not identified or corrected.

Leave Reduction Efforts

Departments must create a leave reduction policy for their organization and monitor employees’ 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 (BU) Agreements 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.”¹⁶ (Cal. Code Regs., tit. 2, § 599.737.) “If it appears an exempt employee will have a vacation or annual leave balance that will be above the maximum amount¹⁷ 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, prior to 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 exempt 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

¹⁶ For represented employees, the established limit for annual or vacation leave accruals is 640 hours, however for bargaining units 06 there is no established limit and for bargaining unit 05 the established limit is 816 hours.

¹⁷ Excluded employees shall not accumulate more than 80 days.

reasonable employee vacation and annual leave requests when operationally feasible. (Human Resources Manual Section 2124.)

As of December 2017, 149 CDSS employees exceeded the established limits of vacation or annual leave. The CRU reviewed 30 of those employees' leave reduction plans to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Classification	Collective Bargaining Identifier	Total Hours Over Established Limit	Leave Reduction Plan Provided
Administrative Law Judge II (Specialist), DSS	R02	1,040	Yes
Administrative Law Judge II (Specialist), DSS	R02	1,497	Yes
Administrative Law Judge II (Specialist), DSS	R02	869.98	Yes
Administrative Law Judge II (Specialist), DSS	R02	874	Yes
Administrative Law Judge II (Specialist), DSS	R02	1,461	Yes
Administrative Law Judge II (Supervisor), DSS	S02	1,892	No
Administrative Law Judge II (Supervisor), DSS	S02	1,363	Yes
Associate Governmental Program Analyst	R01	1,569	No
Associate Governmental Program Analyst	R01	992	Yes
Associate Governmental Program Analyst	R01	888	Yes
CEA	M01	1,253.50	Yes
CEA	M01	831.25	Yes
CEA	M01	830	Yes
Data Processing Manager II	S01	1,006.50	Yes
Executive Assistant	R04	821	No
Licensing Program Analyst	R19	1,820	Yes
Licensing Program Analyst	R19	1,099	Yes
Licensing Program Manager I	S19	1,433.70	Yes
Licensing Program Manager I	S19	37	Yes
Licensing Program Manager II	S19	1,402.50	Yes
Licensing Program Manager II	S19	1,119	Yes

Classification	Collective Bargaining Identifier	Total Hours Over Established Limit	Leave Reduction Plan Provided
Licensing Program Manager II	S19	875	Yes
Licensing Program Manager III	M19	1,068.50	Yes
Senior Legal Analyst	R01	1,403.50	Yes
Staff Services Manager II	M01	1,137.50	No
Staff Services Manager III	M01	1,785.50	Yes
Staff Services Manager III	M01	1,152	Yes
Supervising Special Investigator I	S07	866.50	Yes
Supervising Special Investigator II	S07	943	Yes
System Software Specialist II	S01	1,402	Yes
Total		34,732.93	

FINDING NO. 24 – Leave Reduction Plans Were not Provided to Employees Whose Leave Balances Exceeded Established Limits

Summary: Although the CDSS made a reasonable effort to ensure that all employees over the maximum vacation or annual leave hours had leave reduction plans in place, the CDSS did not provide (a) leave reduction plan(s) for four employees reviewed whose leave balances significantly exceeded established limits.

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 Online 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; and; ensure employees who have significant “over-the-cap” leave balances have a leave reduction plan in place and are 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: The Department has provided reports to Programs regarding the 640 cap since 2012; however, it was not until January 2019 that the tracking was monitored.

Action: The CDSS must take appropriate steps to ensure employees who have significant “over-the-cap” leave balances have a leave reduction plan in place and are actively reducing hours. It is therefore recommended that no later than 60 days after the SPB’s Executive Officer’s approval of these findings and recommendations, the CDSS must establish a policy and plan to address leave reduction efforts.

State Service

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

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.¹⁸ (Cal. Code Regs., tit. 2, § 599.608.) Full time and fractional employees who work less than 11 working days in a pay period will have a non-qualifying month and will not receive state service or leave accruals for that month.

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

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

¹⁸ Except as provided in sections 599.609 and 599.776.1(b) of these 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 these regulations.

(*Ibid.*) On the first day following a qualifying monthly pay period, excluded employees¹⁹ 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, June 1, 2017 through November 30, 2017, the CDSS had 47 employees with 715 transactions²⁰. The CRU reviewed 26 715 transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Type of 715 Transaction	Time base	Number Reviewed
Qualifying Pay Period	Full-Time	3
Non-Qualifying Pay Period	Full-Time	23

FINDING NO. 25 – Incorrect Application of Non-qualifying Pay Period Transaction

Summary: During the period under review, three employees received state service and/or leave accruals for a non-qualifying pay period.

Criteria: In the application of Government Code section 19837, an employee shall be considered to have a month of state service if the employee either: (1) has had 11 or more working days of service in a monthly pay period; or (2) would have had 11 or more working days of service in a monthly pay period but was laid off or on a leave of absence for the purpose of lessening the impact of an impending layoff. (Cal. Code of Regs., tit.2, § 599.608.) Absences from state service resulting from permanent separation for more than 11 consecutive working days which fall into two consecutive pay periods shall disqualify one of the pay periods. (*Ibid.*)

¹⁹ As identified in Government Code sections 19858.3(a), 19858.3(b), or 19858.3(c) or as it applies to employees excluded from the definition of state employee under Government Code section 3513(c) or California Code of Regulations section 599.752 subdivision (a), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

²⁰ 715 transaction code is used for: temporary leaves of 30 calendar days or less (per SPB Rule 361) resulting in a non-qualifying pay period; used for qualifying a pay period while on NDI; used for qualifying a pay period while employee is on dock and furlough.

Hourly or daily rate employees working in a state agency 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.) When an employee has a break in service or changes to full-time, any combination of time worked which does not equal one qualifying month of full-time service shall not be accumulated or counted. (*Ibid.*)

Severity: Very Serious. For audit purposes, accurate and timely attendance reporting is required of all departments. If the length of an informal leave results in a non-qualifying pay period, a state service transaction must be processed. Inappropriately authorizing state service credits and leave accruals to employees who did not earn them results in a monetary loss for the department.

Cause: The CDSS acknowledges incorrect application of the 715 transaction due to staff error and high turnover.

Action: The CDSS must take appropriate steps to ensure state service Transactions are keyed accurately. It is therefore recommended that no later than 60 days after the SPB's Executive Officer's approval of these findings and recommendations, the CDSS must establish an audit system to key and correct state service transactions.

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 these policies. (*Ibid.*) All department nepotism policies should emphasize that nepotism is antithetical to a

merit-based personnel system and that the department is committed to the state policy of recruiting, hiring and assigning employees on the basis of merit. (*Ibid.*)

FINDING NO. 26 – Nepotism Policy Needs to Be Updated to Comply with Statewide Policy

Summary: After reviewing the CDSS’s nepotism policy in effect during the compliance review period, the CRU found the policy to be lacking in several missing components outlined in CalHR statewide guidance on nepotism policies.

1. Whether the policy will require current employees to notify their supervisor or other appropriate person when working assignments are in conflict with the nepotism policy.

2. Whether the policy will include guidelines for addressing instances when a personal relationship arises during employment and how the department will address a personal relationship in violation of the policy (e.g., which employee will be transferred or reassigned and the process in carrying out that transfer or reassignment).

3. Whether the policy will require notification of employment candidates in the interview or in the job posting and whether new employees will be required to certify they do not currently have a personal relationship in violation of the policy.

4. Whether the policy includes guidelines for addressing nepotism complaints from employees such as who to report them to, who will investigate allegations, etc.

Criteria: It is the policy of the State of California to recruit, hire and assign all employees on the basis of fitness and merit in accordance with civil service statutes, rules and regulations. (Human Resources Manual Section 1204). All department 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.*)

Severity: Very Serious. Departments must take proactive steps to ensure that the recruitment, hiring, and assigning of all employees is done on the basis of merit and fitness in accordance with civil service statutes.

The maintaining of a current written nepotism policy, and its dissemination to all staff, is the basis for achieving these ends.

Cause: The CDSS acknowledges that the previous Nepotism policy did not address all points required by CalHR.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDSS submit to the CRU a written corrective action plan that includes the department's updated nepotism policy in accordance with the Human Resources Manual Section 1204.

Workers' Compensation

Employers shall provide to every new employee, either at the time of hire or by the end of the first pay period, written notice concerning the rights, benefits, and obligations under workers' compensation law. (Cal. Code Regs., tit. 8, § 9880 subd. (a).) This notice shall include the right to predesignate their personal physician or medical group; a form that the employee may use as an optional method for notifying the employer of the name of employee's "personal physician," as defined by Labor Code Section 4600. (Cal. Code Regs., tit. 8, § 9880 subd. (c)(7)(8).) Additionally, within one working day of receiving notice or knowledge that the employee has suffered a work related injury or illness, employers shall provide a claim form and notice of potential eligibility for benefits to the injured employee. (Labor Code, § 5401 subd. (a).)

Public employers may choose to extend workers' compensation coverage to volunteers that perform services for the organization. (Human Resources Manual Section 1415.) Workers' compensation coverage is not mandatory for volunteers as it is for employees. (*Ibid.*) This is specific to the legally uninsured state departments participating in the Master Agreement. (*Ibid.*) Departments with an insurance policy for workers' compensation coverage should contact their State Compensation Insurance Fund (State Fund) office to discuss the status of volunteers. (*Ibid.*)

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

FINDING NO. 27 – Workers’ Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU verified that the CDSS provides notice to their employees to inform them of their rights and responsibilities under CA Workers’ Compensation Law. Furthermore, the CRU verified that when the CDSS received worker’s compensation claims, they properly provided claim forms within one working day of notice or knowledge of injury.

Performance Appraisals

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

The CRU selected 75 permanent CDSS employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations and CalHR policy and guidelines. These are listed below:

Classification	Date Performance Appraisals Due
Accounting Administrator I (Specialist)	12/31/2017
Accounting Officer (Specialist)	2/23/2017
Adoptions Specialist	1/4/2017
Associate Governmental Program Analyst	2/3/2017
Associate Governmental Program Analyst	1/14/2017
Associate Governmental Program Analyst	1/14/2017
Associate Governmental Program Analyst	3/31/2017
Associate Governmental Program Analyst	3/20/2017
Associate Governmental Program Analyst	3/1/2017
Associate Governmental Program Analyst	3/1/2017
Associate Governmental Program Analyst	3/1/2017
Associate Governmental Program Analyst	3/1/2017
Associate Governmental Program Analyst	3/9/2017
Associate Governmental Program Analyst	3/9/2017
Associate Governmental Program Analyst	3/1/2017
Associate Governmental Program Analyst	1/26/2017

Classification	Date Performance Appraisals Due
Associate Governmental Program Analyst	3/15/2017
Associate Governmental Program Analyst	3/31/2017
Associate Governmental Program Analyst	2/18/2017
Associate Personnel Analyst	3/1/2017
Attorney III	3/3/2017
Disability Evaluation Analyst III	3/1/2017
Disability Evaluation Services Administrator II	2/4/2017
General Auditor III	12/29/2017
Information Technology Associate	3/1/2017
Information Technology Specialist I	12/31/2017
Information Technology Specialist I	2/17/2017
Information Technology Specialist I	12/16/2017
Investigator	1/29/2018
Legal Analyst	3/1/2017
Licensing Program Analyst	3/31/2017
Licensing Program Analyst	1/4/2017
Licensing Program Analyst	1/4/2017
Licensing Program Analyst	12/30/2017
Licensing Program Analyst	2/1/2017
Licensing Program Analyst	12/30/2017
Licensing Program Analyst	3/10/2017
Licensing Program Analyst	1/20/2017
Licensing Program Analyst	12/30/2017
Licensing Program Analyst	2/16/2017
Licensing Program Analyst	3/24/2017
Licensing Program Analyst	12/31/2017
Licensing Program Analyst	3/1/2017
Licensing Program Analyst	3/22/2017
Licensing Program Analyst	12/29/2017
Licensing Program Manager I	12/31/2017
Licensing Program Manager I	3/15/2017
Licensing Program Manager I	2/15/2017
Licensing Program Manager I	12/31/2017
Licensing Program Manager II	12/31/2017

Classification	Date Performance Appraisals Due
Medical Consultant I, Department Of Social Services	12/31/2017
Office Assistant (General)	1/16/2017
Office Assistant (General)	1/30/2017
Office Assistant (Typing)	1/3/2017
Office Assistant (Typing)	3/20/2017
Office Technician (Typing)	3/24/2017
Office Technician (Typing)	12/31/2017
Personnel Specialist	3/8/2017
Program Manager II, Office Of Emergency Services	12/15/2017
Research Analyst II -General-	3/20/2017
Research Program Specialist I	1/25/2017
Senior Accounting Officer (Specialist)	3/31/2017
Senior Accounting Officer (Specialist)	2/4/2017
Social Service Consultant III	3/8/2017
Staff Services Manager I	2/15/2017
Staff Services Manager I	12/25/2017
Staff Services Manager I	3/31/2017
Staff Services Manager I	1/29/2017
Staff Services Manager I	3/15/2017
Staff Services Manager I	1/1/2017
Staff Services Manager I	3/31/2017
Staff Services Manager I	12/15/2017
Staff Services Manager I	12/28/2017
Staff Services Manager I	12/15/2017
Staff Services Manager III	3/25/2017

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

FINDING NO. 28 – Performance Appraisals Were Not Provided to All Employees

Summary: The CDSS did not provide performance appraisals to 68 of 75 employees reviewed at least once in each twelve calendar months after the completion of the employee’s probationary period.

Criteria: “Appointing powers shall prepare performance reports and keep them on file as prescribed by department rule.” (Gov. Code § 19992.2 subd. (a).) Each supervisor, as designated by the appointing power, shall make an appraisal in writing and shall discuss with the employee overall work performance at least once in each twelve calendar months following the end of the employee's probationary period. (Cal. Code Regs., tit.2, § 599.798.)

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

Cause: The CDSS recognizes the importance of performance appraisals for both the employee and the organization. The CDSS acknowledges that supervisors and managers have missed opportunities to provide feedback to their employees.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the CDSS submit to the SPB a written corrective action plan that addresses the corrections the department will implement to ensure conformity with Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798. Copies of any relevant documentation should be included with the plan.

Administrative Hearing and Medical Interpreter Program

According to Government Code section 11435.15, specific state agencies shall provide language assistance in adjudicative proceedings. “Language assistance” means oral interpretation or written translation into English of a language other than English or of English into another language for a party or witness who cannot speak or understand English or who can do so only with difficulty. (Gov. Code, § 11435.05.)

The hearing, or any medical examination conducted for the purpose of determining compensation or monetary award, shall be conducted in English. (Gov. Code, § 11435.20, subd. (a).) If a party or the party's witness does not proficiently speak or understand English and before commencement of the hearing or medical examination requests language assistance, an agency subject to the language assistance requirement

of this article shall provide the party or witness an interpreter. (Gov. Code, § 11435.20, subd. (b).)

An interpreter used in a hearing shall be certified pursuant to Government Code section 11435.30. However, if an interpreter certified pursuant to section 11435.30 cannot be present at the hearing, the hearing agency shall have discretionary authority to provisionally qualify and use another interpreter. (Gov. Code, § 11435.55, subd. (a).)

An interpreter used in a medical examination shall be certified pursuant to Government Code section 11435.35. However, if an interpreter certified pursuant to section 11435.35 cannot be present at the medical examination, the physician provisionally may use another interpreter if that fact is noted in the record of the medical evaluation. (Gov. Code, § 11435.55, subd. (b).)

FINDING NO. 29 – Administrative Hearing and Medical Interpreter Program Complied with Statutory Requirements

The CRU found no deficiencies in the Administrative Hearing and Medical Interpreter Program. Accordingly, the CDSS Administrative Hearing and Medical Interpreter Program complied with statutory requirements.

DEPARTMENTAL RESPONSE

The CDSS's response is attached as Attachment 1.

SPB REPLY

Based upon the CDSS's written response, the CDSS will comply with the CRU recommendations and findings and provide the CRU with an action plan.

It is further recommended that the CDSS comply with the afore-stated recommendations within 60 days of the Executive Officer's approval and submit to the CRU a written report of compliance



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



Attachment 1

GAVIN NEWSOM
GOVERNOR

July 18, 2019

Suzanne M. Ambrose
Executive Director
State Personnel Board
801 Capitol Mall
Sacramento, CA 95814

Dear Ms. Ambrose:

Pursuant to Government Code Section 18661, the State Personnel Board's (SPB) Compliance Review Unit (CRU) conducted a compliance review of the California Department of Social Services' (CDSS) personnel practices in the areas of examinations, appointments, Equal Employment Opportunity, Personal Services Contracts, mandated training, compensation and pay, leave, and policy and processes. The CDSS has reviewed the draft report and prepared responses to the findings.

Finding No. 1 – Candidates Who Did Not Meet Minimum Qualifications Were Admitted in to the Exam

Cause: The CDSS acknowledges that an exam analyst admitted three candidates into the Welfare Fraud Prevention Coordinator Examination who did not meet minimum qualifications. Please note that none of the candidates were appointed from the list, and no unlawful appointments resulted from the errors. The error was due to staff turnover, inadequate staffing, and lack of training. The exam analyst and prior management no longer work at CDSS.

Remedy: The CDSS is providing additional training and checklist tools to ensure staff are trained. Additionally, supervisors now review all exam lists to ensure compliance.

Finding No. 3 – Unlawful Appointments

Cause: The CDSS agrees with this finding and understands how serious and detrimental unlawful appointments can be both to the employee and the equitable administration of the civil service system. The appointments were reviewed and employees were notified of their "Good Faith" Unlawful Appointments. These appointments were made due to staff errors.

Remedy: Additional quality review and training is being provided on an ongoing basis for all Human Resource Services Branch (HRSB) staff.

Finding No. 4 – Probationary Evaluations Were Not Provided for all Appointments Reviewed

Cause: The CDSS recognizes the importance of probationary reports for both the employee and the organization. The CDSS acknowledges that supervisors and managers have missed opportunities to provide feedback to their employees.

Remedy: The HRSB has been proactive in prompting managers and supervisors about due dates of probationary reports. The Quality Assurance Unit provides monthly Management Information Retrieval System (MIRS) reports identifying employees who are due for their probation evaluations to every Attendance Coordinator. In addition, the CDSS runs an established Human Resource University, where the Performance Management Unit provides ongoing training for managers and supervisors specific to probationary periods. We will continue to reiterate the importance of completing probationary evaluations in a timely manner to all supervisors and managers.

Finding No. 5 – Department Inappropriately Backdated Appointment

Cause: There was an oversight in receiving and processing the Request for Personnel Actions (RPA) from hiring supervisors.

Remedy: The CDSS is currently revising the RPA processes and procedures to avoid any future backdating of appointments, and will continue to provide hiring supervisors with training regarding recruitment processes.

Finding No. 6 – Appointment Documentation Was Not Kept for the Appropriate Amount of Time

Cause: This oversight was the result of staff error and high turnover. The CDSS makes every attempt to retain records for the appropriate amount of time as indicated in the Records Retention Schedule.

Remedy: The CDSS recently instituted a process to track the Notice of Personnel Actions (NOPAs) that have not been signed by employees by retaining them in the Official Personnel File until replaced by the signed copy. Additionally, all NOPAs are now mailed to the employees' home with return envelopes enclosed for faster turnaround. The CDSS will continue to remind Attendance Coordinators, Personnel Liaisons and Personnel Specialists regarding the importance of timely submission and retention of NOPAs.

Finding No. 8 – Unions Were Not Notified of Service Contracts

Cause: The CRU identified that the CDSS did not notify unions prior to entering into four of the eight personal services contracts (PSCs). The CDSS has identified an internal review process that contributed to delays or oversights.

Remedy: To correct the four oversights identified, the CDSS will no longer conduct lengthy internal reviews to determine union notification and will simply send union notification for all outside contracts.

Finding No. 9 – Ethics Training Was Not Provided for All Filers

Cause: The CDSS previously handled Ethics as a manual process. It had been the responsibility of the employee's direct supervisor or manager to ensure compliance and track completion of training, which resulted in a lack of compliance.

Remedy: Effective April 2019, the CDSS contracted with SouthTech Systems and added the Ethics Module to our electronic Conflict of Interest e-Disclosure reporting system. This new module allows the CDSS to send automated e-mail notifications explaining the Ethics training procedures, how often employees must complete Ethics training, and the consequences of not filing. The HR Filing Officer can also send "manual" notifications as needed. The system allows the CDSS to track training progress and electronically store certificates uploaded by the employee once it has been confirmed by the designated COI Filing Officer. Automated notifications will begin in January 2020.

Finding No. 10 – Supervisory Training Was Not Provided for All Supervisors

Cause: The CDSS acknowledges that 28 first time supervisors did not complete their mandated 80-hour supervisory training within 12 months of appointment. Out of the 28, the completion date of training could not be confirmed for only 4 supervisors. The other 24 did complete the training, albeit after the 12-month period. Availability of training slots has been a consistent challenge for the CDSS, as CSU Sacramento and CalHR courses are often full. We believe this will continue to be a challenge as CalHR becomes the sole training provider. The CDSS invites the SPB to coordinate with CalHR to ensure training is regularly available.

Remedy: The CDSS recognizes the importance of training throughout the organization. The CDSS offers robust in-house training through the Human Resources University. Please see the attached course offering, which lists mandatory and recommended courses to supplement the required 80 hours. To assist with the tracking of the training requirements, the CDSS executed a contract with Blackboard for a learning management system, which will be available in late 2019.

Finding No. 11 – Sexual Harassment Prevention Training Was Not Provided for all Supervisors

Cause: The CDSS experienced an issue with the online vendor who inadvertently shut down access to the training. During the time period covered by the compliance review, the CDSS was still playing catch up to get new and existing supervisors through the training. All supervisors did receive the training, just not as timely as desired due to availability of the training.

Remedy: The CDSS does not anticipate further issues with access to the online training, and this year will be implementing a more efficient tracking system for all department training records, including Sexual Harassment Prevention Training.

Finding No. 12 – Incorrect Application of Salary Determination Laws, Rules, and CalHR Policies and Guidelines for Appointment

Cause: Due to staff error and high turnover, two out of 51 salary determinations were incorrect.

Remedy: Through the recently instituted Payroll Academy, payroll staff are now required to attend mandatory Salary Determinations training classes. The CDSS is also implementing a second review process, which will ensure all Salary Determinations with alternate range criteria will be scrutinized prior to approval and processing.

Finding No. 13 – Alternate Range Movements Did Not Comply with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

Cause: Due to staff error and high turnover, four out of 15 alternate range criteria transactions were incorrect.

Remedy: Through the recently instituted Payroll Academy, payroll staff are now required to attend mandatory Salary Determinations training classes. The CDSS is also implementing a second review process, which will ensure all Salary Determinations with alternate range criteria will be scrutinized prior to approval and processing.

Finding No. 15 – Incorrect Authorization of Bilingual Pay

Cause: Due to staff error and high turnover, there was an oversight in ensuring the bilingual pay differential was applied correctly.

Remedy: The CDSS is currently revising the processes and procedures relating to application pay differentials. The CDSS acknowledges the importance of completing and certifying the STD. 897 form prior to the employee receiving bilingual pay and is committed to following this procedure.

Finding No. 16 – Errors in Applying Pay Differentials

Cause: Due to staff error and high turnover, there was an oversight in ensuring proper pay differentials are applied correctly when employees transfer from other agencies.

Remedy: The CDSS is currently revising the processes and procedures relating to application of pay differentials.

Finding No. 17 – Incorrect Authorization of Out-of-Class Pay

Cause: The CDSS understands the seriousness of incorrectly applying compensation laws and rules. The incorrect authorizations of out-of-class pay was the result of staff error, and provided by a manager who is no longer with the CDSS.

Remedy: The manager who approved the incorrect timeframes is no longer with the CDSS and the errors have resulted in additional quality review and training.

Finding No. 18 – ATW Employee Exceeded the Nine Month in Any Twelve Consecutive Month Limitation

Cause: Due to staff error and high turnover, the Payroll Unit team did not track the number of days worked in a timely manner.

Remedy: The CDSS is currently revising its internal processes and procedures to avoid any discrepancies in exceeding the allowable nine-month limitation. The CDSS will continue to provide employees and supervisors with additional training regarding the limit on days worked. Furthermore, the CDSS will explore other tracking mechanisms to accurately monitor actual number of days worked.

Finding No. 19 – ATW Employee Attendance Record Was Not Properly Retained and/or Documented

Cause: Due to staff error and high turnover, ATW employee attendance record were not properly retained, and seven timesheets were keyed incorrectly for five employees.

Remedy: The CDSS is currently updating its processes and procedures to prevent this from occurring in the future. The CDSS will remind Attendance Clerks and Supervisors to submit timely attendance records during the Attendance Clerks monthly training. The CDSS will also explore other tracking mechanisms to streamline this process.

Finding No. 20 – Administrative Time Off (ATO) Was Not Properly Documented

Cause: Due to staff error and high turnover, there was an oversight in properly documenting and applying ATO.

Remedy: The CDSS is currently exploring and ATO tracking process to avoid any future payment errors. Furthermore, CDSS has instituted training via the newly established Payroll Academy to ensure compliance with the required civil services rules and regulations.

Finding No. 21 – Department Did Not Retain Employee Time and Attendance Records

Cause: Due to staff error and high turnover, the CDSS was found to be missing 19 timesheets out of 777 reviewed.

Remedy: The CDSS has updated timekeeping audit procedures to provide additional review, and will continue to educate Attendance Coordinators on the importance of submitting time and attendance recodes timely.

Finding No. 22 – Errors in Leave Balance and/or Timekeeping Records

Cause: Due to staff error and high turnover, the CDSS acknowledges eight inaccuracies in leave balance and/or timekeeping records out of 777 timesheets reviewed.

Remedy: The CDSS has updated timekeeping audit procedures to provide additional review for accuracy.

Finding No. 23 – Leave Activity and Correction Certification Forms Were Not Completed For All Leave Records Reviewed

Cause: The CDSS acknowledges it did not have a documented process for conducting monthly leave audits during the review period.

Remedy: The CDSS has implemented an audit process, and monthly audits are now being conducted by a dedicated Audits/Training Unit.

Finding No. 24 – Leave Reduction Plans Were Not Provided to Employees Whose Leave Balances Exceeded Established Limits

Cause: The Department has provided reports to Programs regarding the 640 cap since 2012, however, it was not until January 2019 that the tracking was monitored.

Remedy: In January 2019, the Department implemented more stringent accountability in regard to employees over the 640 cap utilizing leave. This has reduced the number of employees over the cap. The Chief Deputy Director personally reviews and approves all plans with balances over 1000 to ensure reductions are occurring.

Finding No. 25 – Incorrect Application of 715 Transaction

Cause: The CDSS acknowledges incorrect application of the 715 transaction due to staff error and high turnover.

Remedy: The CDSS will provide the 715 transaction training to all Personnel Specialists via its Payroll Academy, and Personnel Supervisors will review and monitor all transactions for new Personnel Specialists.

Finding No. 26 – Nepotism Policy Needs to Be Updated to Comply with Statewide Policy

Cause: The CDSS acknowledges that the previous Nepotism policy did not address all points required by CalHR.

Remedy: The Nepotism policy has been updated to reflect statewide policy and was released June 2019.

Finding No. 28 – Performance Appraisals Were Not Provided to all Employees

Cause: The CDSS recognizes the importance of performance appraisals for both the employee and the organization. The CDSS acknowledges that supervisors and managers have missed opportunities to provide feedback to their employees.

Remedy: The HRSB has been proactive in prompting managers and supervisors about due dates of performance evaluations. The Quality Assurance Unit provides monthly MIRS reports identifying employees who are due for their performance evaluations to every Attendance Coordinator. In addition, the CDSS runs an established Human Resource University, where the Performance Management Unit provides ongoing training for managers and supervisors specific to performance evaluations. We will continue to reiterate the importance of completing performance evaluations in a timely manner to all supervisors and managers.

The California Department of Social Services (CDSS) thanks the CRU for their dedication and professionalism throughout the audit process. If you have further questions, please contact Emily Taylor, Personnel Officer, Human Resource Services Branch, at (916) 657-3298 or emily.taylor@dss.ca.gov.

Sincerely,

Original to be signed by

Emily Taylor, Personnel Officer
Human Resource Services Branch
Administration Division
California Department of Social Services

Attachment

cc: Pat Leary, Chief Deputy Director
California Department of Social Services

Kären Dickerson, Deputy Director
Administration Division
California Department of Social Services