



# **COMPLIANCE REVIEW REPORT**

## **DEPARTMENT OF SOCIAL SERVICES**

Compliance Review Unit  
State Personnel Board  
September 23, 2015

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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 authority's personnel practices in four areas: examinations, appointments, equal employment opportunity (EEO), and personal services contracts (PSC's) to ensure compliance with civil service laws and board regulations. The purpose of these reviews is to ensure state agencies are in compliance with merit related laws, rules, and policies and to identify and share best practices identified during the reviews. The SPB conducts these reviews on a three-year cycle.

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

## EXECUTIVE SUMMARY

The CRU conducted a routine compliance review of Department of Social Services (DSS) personnel practices in the areas of examinations, appointments, EEO, and PSC's from October 1, 2013, through March 31, 2014. The following table summarizes the compliance review findings.

| Area         | Finding                                                                          | Severity     |
|--------------|----------------------------------------------------------------------------------|--------------|
| Examinations | Job Analyses Were Not Developed or Used for the Examination Process              | Very Serious |
| Examinations | Equal Employment Opportunity Questionnaires Were Not Separated from Applications | Very Serious |
| Appointments | Probationary Evaluations Were Not Provided for All Appointments                  | Serious      |

| Area                         | Finding                                                                               | Severity      |
|------------------------------|---------------------------------------------------------------------------------------|---------------|
| Equal Employment Opportunity | Equal Employment Opportunity Program Complied with Civil Service Laws and Board Rules | In Compliance |
| Personal Services Contracts  | Personal Services Contracts Complied with Procedural Requirements                     | In Compliance |

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

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

### **BACKGROUND**

The mission of the DSS 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 DSS 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 DSS 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 DSS examinations, appointments, EEO program, and PSC's from October 1, 2013, through March 31, 2014. The primary objective of the review was to determine if DSS personnel practices, policies, and procedures complied with state civil service laws and board regulations, and to recommend corrective action where deficiencies were identified.

A cross-section of DSS examinations and appointments were selected for review to ensure that samples of various examinations and appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the DSS provided, which included examination plans, examination bulletins, job analyses (JA's), 511b's, scoring results, vacancy postings, certification lists, transfer movement

worksheets, employment history records, correspondence, and probationary evaluations.

The review of the DSS EEO program included examining written EEO policies and procedures; the EEO officer's role, duties, and reporting relationship; the internal discrimination complaint process; the upward mobility program; the reasonable accommodation program; the discrimination complaint process; and the Disability Advisory Committee (DAC). The CRU also interviewed appropriate DSS staff.

DSS PSC's were also reviewed. The DSS contracted for emergency services, business process development services, and nurse consultant services.<sup>1</sup> It was beyond the scope of the compliance review to make conclusions as to whether the DSS justifications for the contracts were legally sufficient. The review was limited to whether the DSS' practices, policies, and procedures relative to PSC's complied with procedural requirements.

On August 6, 2015, an exit conference was held with the DSS to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the DPR's written response on August 28, 2015, 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 (MQs) for determining the fitness and qualifications of employees for each class of position and for applicants for examinations. (Gov. Code, § 18931.) Within a reasonable time before the scheduled date for the examination, the designated appointing power shall announce or advertise the examination for the establishment of eligible lists. (Gov. Code, § 18933, subd. (a).)

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<sup>1</sup>If an employee organization requests the SPB to review any personal services contract during the SPB compliance review period or prior to the completion of the final compliance review report, the SPB will not audit the contract. Instead, the SPB will review the contract pursuant to its statutory and regulatory process. In this instance, none of the reviewed PSC's were challenged.

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

During the period under review, the DSS conducted 15 examinations. The CRU reviewed 10 of these examinations, which are listed below:

| Classification                                 | Exam Type   | Exam Components                                   | Final File Date | No. of Applications |
|------------------------------------------------|-------------|---------------------------------------------------|-----------------|---------------------|
| Administrative Law Judge II (Specialist)       | Promotional | Supplemental Application (SA) <sup>2</sup>        | 10/23/2013      | 28                  |
| Accounting Officer (Specialist)                | Promotional | Qualifications Appraisal Panel (QAP) <sup>3</sup> | 2/27/2014       | 15                  |
| Business Service Assistant (Specialist)        | Promotional | QAP                                               | 3/26/2014       | 40                  |
| Disability Evaluation Analyst                  | Open        | Written <sup>4</sup>                              | 5/10/2014       | 838                 |
| Disability Evaluation Analyst                  | Promotional | Written                                           | 2/12/2014       | 80                  |
| Disability Evaluation Services Administrator I | Promotional | SA                                                | 12/04/2013      | 95                  |
| Medical Consultant I                           | Open        | SA                                                | 3/31/2014       | 16                  |
| Service Assistant (Social Services)            | Open        | Written                                           | 12/09/2013      | 49                  |
| Senior Personnel Specialist                    | Promotional | QAP                                               | 11/07/2013      | 1                   |
| Personnel Supervisor I                         | Promotional | QAP                                               | 11/07/2013      | 2                   |

**FINDING NO. 1 – Job Analyses Were Not Developed or Used for the Examination Process**

<sup>2</sup> In a supplemental application (SA) examination, applicants are not required to present themselves in person at a predetermined time and place. Supplemental applications are in addition to the regular application and must be completed in order to remain in the examination. Supplemental applications are also known as "rated" applications.

<sup>3</sup> The qualification appraisal panel (QAP) interview is the oral component of an examination whereby competitors appear before a panel of two or more evaluators. Candidates are rated and ranked against one another based on an assessment of their ability to perform in a job classification.

<sup>4</sup> A written examination is a testing procedure in which candidates' job-related knowledge and skills are assessed through the use of a variety of item formats. Written examinations are either objectively scored or subjectively scored.

**Summary:** A JA is required for each civil service examination. The DSS did not provide JA's for the Accounting Officer (Specialist) and Service Assistant (Social Services) civil service examinations. In addition, the JA's provided for the two Disability Evaluation Analyst civil service examinations were dated in 1994, and thus are no longer relevant, especially given changes in technology over the past two decades.

| Classification                      | List Active Date | List Expiration Date | No. of Eligibles |
|-------------------------------------|------------------|----------------------|------------------|
| Accounting Officer (Specialist)     | 4/8/2014         | 4/8/2015             | 15               |
| Disability Evaluation Analyst       | 3/13/2014        | 3/3/2015             | 38               |
| Disability Evaluation Analyst       | 6/2/2014         | 6/2/2015             | 428              |
| Service Assistant (Social Services) | 3/3/2014         | 3/3/2015             | 5                |

**Criteria:** The Merit Selection Manual (MSM), which is incorporated in California Code of Regulations, title 2, section 50, mandates the development and use of a job analysis for the examination process. A "[j]ob analysis shall serve as the primary basis for demonstrating and documenting the job-relatedness of examination processes conducted for the establishment of eligible lists within the State's civil service." (MSM (Oct. 2003), § 2200, p. 2.) The MSM requires that JAs adhere to the legal and professional standards outlined in the JA section of the MSM, and that certain elements must be included in the JA studies. (*Ibid.*) Those requirements include the following: (1) that the JA be performed for the job for which the subsequent selection procedure is developed and used; (2) the methodology utilized be described and documented; (3) the job analytic data be collected from a variety of current sources; (4) job tasks be specified in terms of importance or criticality, and their frequency of performance; (5) and job tasks must be sufficiently detailed to derive the requisite knowledge, skills, abilities (KSAs), and personal characteristics that are required to perform the essential tasks and functions of the job classification. (MSM, § 2200, pp. 2-3.)

**Severity:** Very Serious. The examinations may not have been job-related or legally defensible.

**Cause:** The DSS states that the inconsistency in the availability of job analyses for examinations may be attributed to the lack of available employee resources and staff turnover.

**Action:** To correct this deficiency, prior to administering any future examinations, the DSS must create and develop each examination based upon a job analysis that meets the requirements of the MSM. The DSS must submit a written corrective action plan for ensuring compliance with the development of job analyses. Furthermore, the CRU finds that the appointments made from the examinations that were administered without a JA were made in good faith, and do not merit being voided.

**FINDING NO. 2 – Equal Employment Opportunity Questionnaires Were Not Separated from Applications**

**Summary:** Out of nine exams reviewed, six exams included applications where EEO questionnaires were not separated from the STD 678 employment application. Specifically, 39 of the 265 applications reviewed included EEO questionnaires that were not separated from the STD 678 employment application.

**Criteria:** Government Code section 19704 makes it unlawful for a hiring department to require or permit any notation or entry to be made on any application indicating or in any way suggesting or pertaining to any protected category listed in Government Code section 12940, subdivision (a) (e.g., a person's race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status). Applicants for employment in state civil service are asked to provide voluntarily ethnic data about themselves where such data is determined by the California Department of Human Resources to be necessary to an assessment of the ethnic and sex fairness of the selection process and to the planning and monitoring of affirmative action efforts. (Gov. Code, § 19705.) The EEO questionnaire of the state application form (STD 678) states, "This questionnaire will be separated from the application prior to the examination and will not be used in any employment decisions."

**Severity:** Very Serious. The applicants' protected classes were visible, subjecting the agency to potential liability.

**Cause:** The DSS states that the inconsistency in the removal of the EEO questionnaires may be due to the lack of a specific checkbox on the exam file closure checklist.

**Action:** It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the DSS submit to the CRU a written corrective action plan that the department will implement to ensure that future EEO questionnaires are separated from all applications. Copies of any relevant documentation should be included with the plan.

### 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.) Appointments made from eligible lists, by way of transfer, or by way of reinstatement, must be made on the basis of merit and fitness, which requires consideration of each individual's job-related qualifications for a position, including his or her knowledge, skills, abilities, experience, and physical and mental fitness. (Cal. Code Regs., tit. 2, § 250, subd. (a).)

During the compliance review period, the DSS made 487 appointments. The CRU reviewed 104 of those appointments, which are listed below:

| Classification                                                          | Appointment Type   | Tenure       | Time Base | No. of Appointments |
|-------------------------------------------------------------------------|--------------------|--------------|-----------|---------------------|
| Accounting Trainee                                                      | Certification List | Permanent    | Full Time | 1                   |
| Administrative Law Judge II (Specialist), Department of Social Services | Certification List | Permanent    | Full Time | 1                   |
| Associate Governmental Program Analyst                                  | Certification List | Limited Term | Full Time | 1                   |
| Investigator                                                            | Certification List | Permanent    | Full Time | 2                   |
| Investigator                                                            | Certification List | Limited Term | Full Time | 1                   |
| Labor Relations Specialist                                              | Certification List | Permanent    | Full Time | 1                   |
| Legal Analyst                                                           | Certification List | Permanent    | Full Time | 1                   |

| Classification                                 | Appointment Type        | Tenure       | Time Base | No. of Appointments |
|------------------------------------------------|-------------------------|--------------|-----------|---------------------|
| Licensing Program Manager I                    | Certification List      | Permanent    | Full Time | 8                   |
| Licensing Program Manager II                   | Certification List      | Permanent    | Full Time | 1                   |
| Licensing Program Manager II                   | Certification List      | Limited Term | Full Time | 2                   |
| Management Services Technician                 | Certification List      | Limited Term | Full Time | 2                   |
| Office Assistant (Typing)                      | Certification List      | Permanent    | Full Time | 1                   |
| Office Technician (Typing)                     | Certification List      | Permanent    | Full Time | 9                   |
| Social Service Consultant II                   | Certification List      | Permanent    | Full Time | 1                   |
| Staff Programmer Analyst (Specialist)          | Certification List      | Permanent    | Full Time | 1                   |
| Staff Services Analyst (General)               | Certification List      | Permanent    | Full Time | 13                  |
| Staff Services Manager III                     | Certification List      | Permanent    | Full Time | 1                   |
| Systems Software Specialist I                  | Certification List      | Permanent    | Full Time | 1                   |
| Systems Software Specialist II (Technical)     | Certification List      | Permanent    | Full Time | 1                   |
| Training Officer II                            | Certification List      | Permanent    | Full Time | 1                   |
| Career Executive Assignment (C.E.A.)           | Information List        | Permanent    | Full Time | 3                   |
| Medical Consultant I                           | Mandatory Reinstatement | Permanent    | Full Time | 1                   |
| Research Program Specialist I                  | Mandatory Reinstatement | Permanent    | Full Time | 2                   |
| Senior Legal Analyst                           | Mandatory Reinstatement | Permanent    | Full Time | 1                   |
| Staff Services Analyst                         | Mandatory Reinstatement | Permanent    | Full Time | 3                   |
| Staff Services Manager III                     | Mandatory Reinstatement | Permanent    | Full Time | 1                   |
| Investigator                                   | Reinstatement           | Permanent    | Full Time | 2                   |
| Staff Services Analyst (General)               | Reinstatement           | Permanent    | Full Time | 3                   |
| Administrative Law Judge II (Specialist)       | Transfer                | Permanent    | Full Time | 3                   |
| Associate Accounting Analyst                   | Transfer                | Permanent    | Full Time | 2                   |
| Associate Accounting Analyst                   | Transfer                | Limited Term | Full Time | 1                   |
| Disability Evaluation Analyst                  | Transfer                | Permanent    | Full Time | 2                   |
| Disability Evaluation Services Administrator I | Transfer                | Permanent    | Full Time | 2                   |
| Executive Secretary I                          | Transfer                | Permanent    | Full Time | 1                   |

| Classification                         | Appointment Type | Tenure       | Time Base    | No. of Appointments |
|----------------------------------------|------------------|--------------|--------------|---------------------|
| Investigator                           | Transfer         | Permanent    | Full Time    | 2                   |
| Legal Analyst                          | Transfer         | Permanent    | Full Time    | 1                   |
| Office Technician (Typing)             | Transfer         | Permanent    | Full Time    | 4                   |
| Office Technician (Typing)             | Transfer         | Limited Term | Full Time    | 1                   |
| Program Technician II                  | Transfer         | Permanent    | Full Time    | 4                   |
| Program Technician II                  | Transfer         | Permanent    | ¾ Time       | 1                   |
| Research Analyst II (General)          | Transfer         | Permanent    | Full Time    | 4                   |
| Research Program Specialist I          | Transfer         | Permanent    | Full Time    | 1                   |
| Senior Personnel Specialist            | Transfer         | Permanent    | Full Time    | 1                   |
| Senior Programmer Analyst (Specialist) | Transfer         | Limited Term | Full Time    | 1                   |
| Social Service Consultant III          | Transfer         | Permanent    | Full Time    | 1                   |
| 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                   |
| Staff Services Manager III             | Transfer         | Temporary    | Intermittent | 2                   |

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

**Summary:** The DSS did not prepare, complete, and/or retain required probationary appraisals of performance for 20 of the 104 appointments reviewed by the CRU.

| Classification                           | Appointment Type   | No. of Appointments | No. of Uncompleted Prob. Reports |
|------------------------------------------|--------------------|---------------------|----------------------------------|
| Accounting Trainee                       | Certification List | 1                   | 3                                |
| Legal Analyst                            | Certification List | 1                   | 1                                |
| Administrative Law Judge II (Specialist) | Certification List | 1                   | 1                                |
| Office Technician (Typing)               | Certification List | 4                   | 8                                |
| Licensing Program Manager I              | Certification List | 2                   | 2                                |
| Staff Services Analyst (General)         | Certification List | 2                   | 2                                |
| Executive Secretary I                    | Transfer           | 1                   | 3                                |
| Research Analyst II (General)            | Transfer           | 3                   | 4                                |
| Staff Services Analyst (General)         | Transfer           | 1                   | 1                                |

| Classification                   | Appointment Type | No. of Appointments | No. of Uncompleted Prob. Reports |
|----------------------------------|------------------|---------------------|----------------------------------|
| Office Technician (Typing)       | Transfer         | 2                   | 2                                |
| Staff Services Analyst (General) | Reinstatement    | 2                   | 2                                |
| Total                            |                  | 20                  | 29                               |

**Criteria:** A new probationary period is not required when an employee is appointed by reinstatement with a right of return. (Cal. Code Regs., tit. 2, § 322, subd. (d)(2).) However, the service of a probationary period is required when an employee enters state civil service by permanent appointment from an employment list. (Cal. Code Regs., tit. 2, § 322, subd. (a).) In addition, unless waived by the appointing power, a new probationary period is required when an employee is appointed to a position under the following circumstances: (1) without a break in service in the same class in which the employee has completed the probationary period, but under a different appointing power; and (2) without a break in service to a class with substantially the same or lower level of duties and responsibilities and salary range as a class in which the employee has completed the probationary period. (Cal. Code Regs., tit. 2, § 322, subd. (c)(1) & (2).)

During the probationary period, the appointing power is required to evaluate the work and efficiency of a probationer at sufficiently frequent intervals to keep the employee adequately informed of progress on the job. (Gov. Code, § 19172; Cal. Code Regs., tit. 2, § 599.795.) The appointing power must prepare a written appraisal of performance each one-third of the probationary period. (Cal. Code Regs., tit. 2, § 599.795.)

**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 DSS states that the inconsistency in the availability of probation reports may be attributed to a lack of tracking the receipt of the probationary reports.

**Action:** It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the DSS submit to the CRU a written corrective action plan that addresses how the CDA will ensure full compliance from supervisory/managerial staff to meet with the probationary requirements of Government Code § 19172.

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

Because the EEO Officer investigates and ensures proper handling of discrimination, sexual harassment, and other employee complaints, the position requires separation from the regular chain of command, as well as regular and unencumbered access to the head of the organization.

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

The CRU reviewed the DSS EEO program that was in effect during the compliance review period. In addition, the CRU interviewed appropriate DSS staff.

**FINDING NO. 4 – Equal Employment Opportunity Program Complied with Civil Service Laws and Board Rules**

After reviewing the policies, procedures, and programs necessary for compliance with the EEO program's role and responsibilities according to statutory and regulatory guidelines, the CRU determined that the DSS EEO program provided employees with information and guidance on the EEO process including instructions on how to file discrimination claims. Furthermore, the EEO program also outlines the roles and responsibilities of the EEO Officer, as well as supervisors and managers. The EEO Officer, who is at the managerial level, reports directly to the director of the DSS. The DSS also provided evidence showing its efforts to promote EEO in its hiring and employment practices, to increase its hiring of persons with disabilities, and to offer upward mobility opportunities for its entry-level staff. In addition, the DSS has an established DAC. Accordingly, the DSS 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 Reg., tit. 2, § 547.59.) The California Constitution has an implied civil service mandate limiting the state's authority to contract with private entities to perform services the state has historically or customarily performed. Government Code section 19130, subdivision (a), however, codifies exceptions to the civil service mandate where PSC's achieve cost savings for the state. PSC's that are of a type enumerated in subdivision (b) of Government Code section 19130 are also permissible. Subdivision (b) contracts include private contracts for a new state function, services that are not available within state service, services that are incidental to a contract for the purchase or lease of real or personal property, and services that are of an urgent, temporary, or occasional nature.

For cost-savings PSC's, a state agency is required to notify 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 compliance review period, the DSS had six PSC's that were in effect. The CRU reviewed three of those contracts, which were subject to the Department of General Services (DGS) approval and thus our procedural review, and are listed below:

| Vendor                     | Services                              | Contract Dates               | Contract Amount | Sufficient Justification |
|----------------------------|---------------------------------------|------------------------------|-----------------|--------------------------|
| HFS Consultants            | Emergency Services                    | October 2013 – January 2014  | \$49,999        | Yes                      |
| ICF Incorporated, LLC      | Business Process Development Services | November 2013 – October 2016 | \$1,428,000     | Yes                      |
| Siracusa Enterprises, Inc. | Nurse Consultant Services             | November 2013 – October 2014 | \$83,000        | Yes                      |

**FINDING NO. 5 – Personal Services Contracts Complied with Procedural Requirements**

When a state agency requests approval from the DGS for a subdivision (b) contract, the agency must include with its contract transmittal a written justification that includes *specific and detailed factual information* that demonstrates how the contract meets one or more conditions specified in Government Code section 19131, subdivision (b). (Cal. Code Reg., tit. 2, § 547.60.)

The total amount of all the PSCs reviewed was \$1,560,999. It was beyond the scope of the review to make conclusions as to whether the DSS justifications for the contract were legally sufficient. For all PSC's subject to DGS approval, the DSS provided specific and detailed factual information in the written justifications as to how each of the three contracts met at least one condition set forth in Government Code section 19131, subdivision (b). Accordingly, the DSS PSC's complied with procedural requirements.

**DEPARTMENTAL RESPONSE**

The DSS' response is attached as Attachment 1.

**SPB REPLY**

Based upon the DSS written response, the DSS will comply with the CRU recommendations and findings. The DSS submitted corrective action plans for all three departmental findings.

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



EDMUND G. BROWN JR.  
GOVERNOR



WILL LIGHTBOURNE  
DIRECTOR

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August 24, 2015

TO: COMPLIANCE REVIEW UNIT  
State Personnel Board

FROM: NICOLE CARR, Chief   
Human Resource Services Branch

SUBJECT: STATE PERSONNEL BOARD COMPLIANCE REVIEW – DEPARTMENT  
RESPONSE

The California Department of Social Services (CDSS) thanks the Compliance Review Unit (CRU) audit team for their dedication and professionalism throughout the compliance review process. In response, the CDSS Human Resource Service Branch (HRSB) has been diligently working to promote and observe merit system best practices.

Since the initiation of the 2014 audit the HRSB has made the following significant process improvements:

- Launched the Human Resource University to provide merit system training to all division Human Resources Liaisons and hiring managers;
- Developed a Hiring Supervisor's Merit Based Selection Checklist;
- Developed a Request for Personnel Action Checklist;
- Developed an Examination Documentation File Checklist; and most recently,
- Launched the Human Resource Management Letter (HRML) process to facilitate best practices and merit information communications throughout the CDSS.

These checklists and communication processes will significantly improve procedural compliance and are expected to result in confirmation of best practices in future CRU audits. The CDSS responses to the CRU audit findings are provided below.

**Finding 1: Job Analyses Were Not Developed or Used for the Examination Process**

The CDSS acknowledges that of the 15 examinations reviewed, four were found to be non-compliant due to either missing or aged Job Analyses on file.

**Corrective Action:**

Since January 2014, the CDSS has completed 12 Job Analysis and has implemented a best practice to build in timeframes to allow for a Job Analysis prior to releasing an examination announcement.

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Finding 2: Equal Employment Opportunity (EEO) Questionnaires Were Not Separated from Examination Applications

The CDSS acknowledges that 39 of the 265 examination applications tested included the EEO questionnaire. These 39 applications were contained within secured examination files within a restricted examination file room. Examination applications are received, processed, scored and filed by the certified Examination Analyst, only. This Examination Analyst is required to key in the EEO Questionnaire information into the CalHR Examination Legacy System. As such, the Examination Analyst is exposed to this information as a matter of business process. At no time was this information exposed to hiring supervisors or used in employment decisions.

**Corrective Action:**

The CDSS has implemented a new Examination File "Checklist" that will be attached to the front of each examination file. The checklist includes the requirement to confidentially destroy each EEO Questionnaire upon keying the information into the CalHR Examination Legacy system. The Examination Analyst is required to initial each item on the checklist prior to closing out the file.

Finding 3: Probationary Evaluations Were Not Provided For All Appointments

The CDSS recognizes the importance of the Probationary Period reporting for both the newly appointed employee and the organization. The CRU tested 104 appointments and discovered that 20 employees did not receive all three Probationary Reports as required by Government Code 19172 and California Code of Regulations, title 2, §599.795.

**Corrective Action:**

The CDSS will be releasing a HRML to all Managers and Supervisors to reinforce the legal requirement to provide timely performance feedback to newly appointed employees. Additionally, a new HRU training module, entitled "Performance Management," presents this critical supervisor responsibility. This new training class was provided to one Division with another presentation scheduled in October, 2015. Finally, a new process is being activated to more closely track compliance with the Probationary Report requirement while also providing monthly update reports to the executive management team.

The CDSS promotes the Merit Principle and is actively engaging its Managers and Supervisors in a partnership of compliance. Together, we strive to ensure all Merit System principles, practices, laws and rules are observed in order to ensure an objective and fair appointment system. Thank you for the opportunity to revisit our processes in support of our Human Resource Services Branch process improvement goals and objectives.

c: Brian Dougherty  
Maureen Graber