



COMPLIANCE REVIEW REPORT

DEPARTMENT OF DEVELOPMENTAL SERVICES

Compliance Review Unit
State Personnel Board
October 24, 2022

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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.

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

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

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

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

It should be noted that this report only contains findings from this hiring authority's compliance review. Other issues found in SPB appeals and special investigations as well

as audit and review findings by other agencies such as the CalHR and the California State Auditor are reported elsewhere.

EXECUTIVE SUMMARY

The CRU conducted a routine compliance review of the Department of Developmental Services (DDS) personnel practices in the areas of examinations, appointments, EEO, PSC's, mandated training, compensation and pay, leave, and policy and processes. The following table summarizes the compliance review findings.

Area	Severity	Finding
Examinations	In Compliance	Examinations Complied with Civil Service Laws and Board Rules
Examinations	In Compliance	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	Very Serious	Unlawful Appointment by Way of Transfer
Appointments	Serious	Positions Were Not Appropriately Allocated
Appointments	Serious	Probationary Evaluations Were Not Provided for All Appointments Reviewed and Some That Were Provided Were Untimely
Appointments	Technical	Appointment Documentation Was Not Kept for the Appropriate Amount of Time
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Rules
Personal Services Contracts	Serious	Unions Were Not Notified of Personal Services Contracts
Mandated Training	Very Serious	Ethics Training Was Not Provided for All Filers ¹
Mandated Training	Very Serious	Sexual Harassment Prevention Training Was Not Provided for All Supervisors ²
Compensation and Pay	Very Serious	Incorrect Application of Salary Determination Laws, Rules, and CalHR Policies and Guidelines for Appointment

¹ Repeat finding. The DDS' January 29, 2018, compliance review report identified ethics training was not provided to 32 of 139 existing filers. Additionally, ethics training was not provided to 11 of 40 new filers within six months of appointment.

² Repeat finding. The DDS' January 29, 2018, compliance review report identified sexual harassment prevention training was not provided to 6 of 286 existing supervisors every two years and 3 of 116 new supervisors within six months of appointment.

Area	Severity	Finding
Compensation and Pay	Very Serious	Alternate Range Movements Did Not Comply with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Hire Above Minimum Requests Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Very Serious	Incorrect Authorization of Bilingual Pay
Compensation and Pay	Very Serious	Incorrect Authorization of Pay Differentials
Compensation and Pay	Very Serious	Incorrect Authorization of Out-of-Class Pay
Leave	Serious	Positive Paid Temporary Employees' Work Exceeded Time Limitations
Leave	Serious	Administrative Time Off Was Not Properly Documented
Leave	Serious	Department Did Not Certify That All Leave Records Were Reviewed
Leave	Very Serious	Incorrect Application of State Service and Leave Transaction(s)
Policy	In Compliance	Neptotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	In Compliance	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Serious	Performance Appraisals Were Not Provided to All Employees

BACKGROUND

The DDS works to ensure Californians with developmental disabilities have the opportunity to make choices and lead independent, productive lives as members of their communities in the least restrictive setting possible. Under the Lanterman Developmental Disabilities Services Act, DDS is responsible for overseeing the coordination and delivery of services and support to more than 360,000 Californians with developmental disabilities including cerebral palsy, intellectual disability, autism, epilepsy and related conditions.

Services are primarily delivered through 21 private, non-profit regional centers, and are designed to meet the needs and choices of individuals at each stage of their lives, and, to the extent possible, serve them in their home communities, providing choices that are reflective of lifestyle, cultural and linguistic backgrounds. Additionally, DDS operates one developmental center, one community facility and four acute crisis homes. These state-

operated facilities provide 24-hour services designed to increase independence, improve living skills and facilitate transitions into the community.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the DDS's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes³. The primary objective of the review was to determine if the DDS's personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR policies and guidelines, CalHR Delegation Agreements, and to recommend corrective action where deficiencies were identified.

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

A cross-section of the DDS'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 DDS provided, which included Notice of Personnel Action (NOPA) forms, Request for Personnel Actions, vacancy postings, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports. The DDS did not conduct any unlawful appointment investigations during the compliance review period. Additionally, the DDS did not make any additional appointments during the compliance review period.

The DDS's appointments were also selected for review to ensure the DDS applied salary regulations accurately and correctly processed employees' compensation and pay. The CRU examined the documentation that the DDS 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: hire above minimum (HAM) requests, bilingual pay, monthly pay differentials, alternate

³ Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

range movements, and out-of-class assignments. During the compliance review period, the DDS did not issue or authorize red circle rate requests or arduous pay.

The review of the DDS'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.

The DDS's PSC's were also reviewed.⁴ It was beyond the scope of the compliance review to make conclusions as to whether the DDS's justifications for the contracts were legally sufficient. The review was limited to whether the DDS's practices, policies, and procedures relative to PSC's complied with procedural requirements.

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

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

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

⁴If 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.

On August 8, 2022, an exit conference was held with the DDS to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the DDS's written response on August 25, 2022, 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, April 1, 2021, through September 30, 2021, the DDS conducted 50 examinations. The CRU reviewed 14 of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps.
Career Executive Assignment (CEA) A, Assistant Director, Regional Center Governance and Performance	CEA	Qualification Appraisal Panel (QAP) ⁵	4/28/21	6
Assistant Hospital Administrator	Departmental Promotional	QAP	4/8/21	2
Automotive Equipment Operator I	Departmental Open	QAP	7/12/21	5
Behavior Specialist II	Departmental Open	Training and Experience (T&E) ⁶	Continuous	8
Clinical Psychology Intern	Departmental Open	Education and Experience ⁷	5/27/21	2
Clothing Center Manager	Departmental Promotional	QAP	1/14/21	3
Community Program Specialist IV	Departmental Open	Supplemental Application ⁸	Continuous	8
Executive Secretary I	Departmental Promotional	QAP	10/12/21	2
Food Service Supervisor II	Departmental Promotional	QAP	1/14/21	4
Food Service Worker I (Safety)	Statewide Open	T&E	Continuous	31
Health Record Technician II (Supervisor)	Departmental Promotional	QAP	6/21/21	6
Senior Psychiatric Technician	Departmental Open	T&E	Continuous	4

⁵ The Qualification Appraisal Panel 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.

⁶ The Training and Experience 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.

⁷ In an Education and Experience examination, one or more raters reviews the applicants' Standard 678 application forms, and scores and ranks them according to a predetermined rating scale that may include years of relevant higher education, professional licenses or certifications, and/or years of relevant work experience.

⁸ In a Supplemental Application examination, applicants are not required to present themselves in person at a predetermined time and place. SA's are in addition to the regular application and must be completed in order to remain in the examination. SA's are also known as "rated" applications.

Classification	Exam Type	Exam Components	Final File Date	No. of Apps.
Senior Psychiatric Technician (Safety)	Departmental Open	T&E	Continuous	2
Unit Supervisor	Departmental Promotional	QAP	5/22/21	5

IN COMPLIANCE	FINDING NO. 1 EXAMINATIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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The CRU reviewed six departmental promotional and eight open examinations which the DDS administered in order to create eligible lists from which to make appointments. The DDS published and distributed examination bulletins containing the required information for all examinations. Applications received by the DDS were accepted prior to the final filing date. Applicants were notified about the next phase of the examination process. After all phases of the examination process were completed, the score of each competitor was computed, and a list of eligible candidates was established. The examination results listed the names of all successful competitors arranged in order of the score received by rank. The CRU found no deficiencies in the examinations that the DDS conducted during the compliance review period.

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).) If a candidate for appointment is found not to satisfy the minimum qualifications, the appointing power shall provide written notice to the candidate, specifying which qualification(s) are not satisfied and the reason(s) why. The candidate shall have an opportunity to establish that s/he meets the qualifications. (Cal. Code Regs., tit. 2, § 249.4, subd. (b).) If the candidate fails to respond, or fails to establish that s/he meets the minimum qualification(s), the candidate's name shall be removed from the eligibility list. (Cal. Code Regs., tit. 2, § 249.4, subd. (b)(1), (2)), (HR Manual, section 1105.) The appointing authority shall promptly notify the candidate in writing, and shall notify the candidate of his or her appeal rights. (*Ibid.*) A permanent withhold does not necessarily permanently restrict a candidate from retaking the examination for the same classification in the future; however, the appointing authority may place a withhold on the candidate's subsequent eligibility record if the candidate still does not meet the minimum qualifications or continues to be unsuitable. (HR Manual, Section 1105). State agency human resources offices are required to maintain specific withhold documentation for a period of five years. (*Ibid.*)

During the period under review, April 1, 2021, through September 30, 2021, the DDS conducted nine permanent withhold actions. The CRU reviewed those nine permanent withhold actions, which are listed below:

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Groundskeeper	3PB35	4/30/21	5/20/21	Failed to Meet Minimum Qualifications (MQ)
Groundskeeper	3PB35	4/28/21	5/20/21	Failed to Meet MQ's
Groundskeeper	3PB35	4/25/21	5/20/21	Failed to Meet MQ's
Information Technology Specialist I	7PB35	3/1/21	4/8/21	Failed to Meet MQ's
Personnel Supervisor I	0PBAE	5/13/21	7/9/21	Failed to Meet MQ's
Senior Personnel Specialist	5PB10	2/26/21	7/19/21	Failed to Meet MQ's
Senior Personnel Specialist	5PB10	7/7/21	7/19/21	Failed to Meet MQ's
Stationary Engineer	0PBDA	7/3/21	9/15/21	Failed to Meet MQ's
Stationary Engineer	0PBDA	1/24/21	9/17/21	Failed to Meet MQ's

IN COMPLIANCE	FINDING NO. 2 PERMANENT WITHHOLD ACTIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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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, subd. (b).) Interviews shall be conducted using job-related criteria. (*Ibid.*) Persons selected for appointment shall satisfy the minimum qualifications of the classification to which he or she is appointed or have previously passed probation and achieved permanent status in that same classification. (Cal. Code Regs., tit. 2, § 250, subd. (d).) While persons selected for appointment may meet some or most of the preferred or desirable qualifications, they are

not required to meet all the preferred or desirable qualifications. (*Ibid.*) This section does not apply to intra-agency job reassignments. (Cal. Code Regs., tit. 2, § 250, subd. (e).)

During the period under review, April 1, 2021, through November 1, 2021, the DDS made 245 appointments. The CRU reviewed 40 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Assistant Coordinator of Nursing Services	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst (AGPA)	Certification List	Permanent	Full Time	1
Attorney III	Certification List	Permanent	Full Time	1
Building Maintenance Worker	Certification List	Permanent	Full Time	1
Clinical Social Worker (Health Facility)	Certification List	Permanent	Full Time	1
Community Program Specialist II	Certification List	Permanent	Full Time	1
Community Program Specialist IV	Certification List	Permanent	Full Time	1
Custodian I	Certification List	Permanent	Full Time	1
Education Administrator I	Certification List	Permanent	Full Time	1
Food Service Worker I (Safety)	Certification List	Permanent	Full Time	1
Investigator	Certification List	Permanent	Full Time	1
Nurse Consultant III (Specialist)	Certification List	Permanent	Full Time	1
Painter Supervisor	Certification List	Permanent	Full Time	1
Patient Benefit and Insurance Officer I	Certification List	Permanent	Full Time	1
Peace Officer I	Certification List	Permanent	Full Time	1
Psychiatric Technician Assistant	Certification List	Permanent	Full Time	1
Psychologist (Health Facility-Clinical-Safety)	Certification List	Limited Term	Full Time	1
Research Data Specialist II	Certification List	Permanent	Full Time	1
Respiratory Care Supervisor	Certification List	Permanent	Full Time	1
Senior Psychiatric Technician	Certification List	Permanent	Full Time	1
Staff Services Manager (SSM) I	Certification List	Limited Term	Full Time	1
SSM I	Certification List	Permanent	Full Time	4

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
SSM II	Certification List	Permanent	Full Time	1
Stationary Engineer	Certification List	Permanent	Full Time	1
Stationary Engineer	Certification List	Limited Term	Full Time	1
Supervising Special Investigator I	Certification List	Permanent	Full Time	1
Training Officer II	Certification List	Permanent	Full Time	1
Automotive Pool Manager I	Reinstatement	Limited Term	Full Time	1
Labor Relations Analyst	Reinstatement	Permanent	Full Time	1
Nurse Practitioner (Safety)	Reinstatement	Permanent	Full Time	1
Property Controller I	Reinstatement	Limited Term	Full Time	1
Psychologist (Health Facility-Clinical-Safety)	Reinstatement	Limited Term	Full Time	1
Community Program Specialist II	Transfer	Permanent	Full Time	1
General Auditor III	Transfer	Permanent	Full Time	1
Information Technology Manager I	Transfer	Permanent	Full Time	1
Peace Officer I, Developmental Center	Transfer	Permanent	Full Time	1
SSM I	Transfer	Permanent	Full Time	1

SEVERITY: VERY SERIOUS	FINDING No. 3 UNLAWFUL APPOINTMENT BY WAY OF TRANSFER
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Summary: The CRU found one unlawful appointment during the course of its regular review. On May 1, 2021, the DDS appointed an employee by way of transfer from a Senior Psychiatric Technician to a Community Program Specialist II. These two classifications do not involve substantially the same level of duties or responsibilities and, as a result, the criteria specified in California Code of Regulations, title 2, section 428 was not met and, thus, the transfer is unlawful. However, the employee will be allowed to retain the position as (1) the appointment is over one year old and (2) there is no evidence of bad faith by the Department or the employee. (Cal. Code Regs., tit. 2, § 243.2)

Criteria: Government Code section 19050.4 provides, in part, that a transfer may be accomplished without examination pursuant to rule.

California Code of Regulations, title 2, section 428 provides that classes meeting the criteria established by this article shall be considered to involve substantially the same level of duties, responsibility, and salary for the purposes of Government Code section 19050.4; provided that the Board or the Executive Officer may prohibit transfer between such classes based on a specific finding that they are in a promotional relationship.

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.

Cause: There was an error in interpreting the minimum qualifications for the Community Program Specialist II classification in relation to the Senior Psychiatric Technician job duties the selected candidate was performing prior to appointment.

Corrective Action: As of June 2022, the DDS asserts the responsible analyst has been retrained to ensure that minimum qualifications are evaluated and determined correctly. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the corrective action was implemented.

SEVERITY: SERIOUS	FINDING NO. 4 POSITIONS WERE NOT APPROPRIATELY ALLOCATED
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Summary: The DDS did not appropriately allocate 5 positions in the 40 appointments reviewed. Specifically, four SSM I (Specialist) and one SSM II (Specialist) positions were assigned lower-level administrative and analyst level duties more than 50% of the time rather than performing high-level policy and project duties as contemplated in the classification specification.

Furthermore, the allocation guidelines for both these classifications are very specific as to what duties are appropriate for the Specialist levels, i.e., working on sensitive matters, working on statewide or

multi-departmental work. (CalHR's Allocation Guidelines for 4800, 4801). The documentation provided by the DDS did not support the allocation of these positions at the SSM I or II level.

Criteria: A person shall not be assigned to perform the duties of any class other than that to which his or her position is allocated, except as permitted by Section 19050.8⁹. (Gov. Code, §19818.8.)

CalHR may audit position allocations. If CalHR finds that an appointing power has allocated positions inappropriately, it may order corrective action, including, but not limited to, reallocating positions, voiding lawful personnel transactions, and revoking or restricting the appointing power's ability to allocate positions. (Gov. Code, §19818.14.)

Severity: Serious. As primary administrator of the classification plan, the appointing authority has primary responsibility for ensuring that positions are assigned duties appropriate for their classifications and for identifying and correcting misallocations. Misallocations harm the employees performing the duties in that they may not be appropriately compensated in the duties they perform and expose the state to potential liability relative to upward mobility and compensation.

Cause: The DDS acknowledges there were errors in correctly documenting level of duties and responsibilities in the duty statements used for the allocation and recruitment of these SSM I (Specialist) and SSM II (Specialist) positions. Furthermore, the DDS asserts that upon each individual appointment, all duty statements met the classification and allocation guidelines for these positions.

SPB Reply: The classification specifications for the SSM I and II positions have not been changed since 1984. Furthermore, the CRU consulted with CalHR's Personnel Management Division on the inappropriate allocation of these positions; they were in agreement that many of the duties specified in all five of the positions identified were below the level of responsibility contemplated in the classification

⁹ Gov. Code § 19050.8 proscribes rules related to the temporary assignment or loan of employees which is not applicable for the six positions at hand.

specifications. Lastly, the DDS did not submit for review any duty statements to support that the positions were properly allocated.

Corrective Action: The DDS is directed to work with CalHR’s Personnel Management Division to ensure these five positions’ duty statements and classifications are appropriate. Within 90 days of the date of this report, the DDS must submit to the SPB a written corrective action response that addresses the steps it has taken to achieve compliance in this area. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response, if applicable.

SEVERITY: SERIOUS	FINDING NO. 5 PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED AND SOME THAT WERE PROVIDED WERE UNTIMELY
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Summary: The DDS did not provide 11 probationary reports of performance for 5 of the 40 appointments reviewed by the CRU. In addition, the DDS did not provide one probationary report of performance in a timely manner, as reflected in the tables below.

Classification	Appointment Type	Number of Appointments	Total Number of Missing Probation Reports
AGPA	Certification List	1	3
Food Service Worker I (Safety)	Certification List	1	1
Painter Supervisor	Certification List	1	1
Community Program Specialist II	Transfer	1	3
General Auditor III	Transfer	1	3

Classification	Appointment Type	Number of Appointments	Total Number of Late Probation Reports
Nurse Practitioner (Safety)	Reinstatement	1	1

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 DDS acknowledges that probationary reports are not always provided to employees and that there is not a standard tracking mechanism for ensuring reports are completed.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to ensure conformity with the probationary requirements of Government Code section 19172 and California Code of Regulations, title 2, section 599.795.

SEVERITY: TECHNICAL	FINDING NO. 6 APPOINTMENT DOCUMENTATION WAS NOT KEPT FOR THE APPROPRIATE AMOUNT OF TIME
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Summary: Of the 40 appointments reviewed, the DDS did not retain 2 NOPAs.

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

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

Cause: Following the DDS' move to a new building amid the Covid-19 pandemic, some documents were not located and may have been inadvertently destroyed.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to ensure conformity with the record retention requirements of California Code of Regulations, title 2, section 26.

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).)

IN COMPLIANCE	FINDING NO. 7 EQUAL EMPLOYMENT OPPORTUNITY PROGRAM COMPLIED WITH ALL CIVIL SERVICE LAWS AND BOARD RULES
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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 DDS’s EEO program provided employees with information and guidance on the EEO process including instructions on how to file discrimination claims. Furthermore, the EEO program outlines the roles and responsibilities of the EEO Officer, as well as supervisors and managers. The EEO Officer, who is at a managerial level, reports directly to the Executive Director of the DDS. The DDS also provided evidence of its efforts to promote EEO in its hiring and employment practices and to increase its hiring of persons with a disability.

Personal Services Contracts

A PSC includes any contract, requisition, or purchase order under which labor or personal services is a significant, separately identifiable element, and the business or person performing the services is an independent contractor that does not have status as an employee of the state. (Cal. Code Regs., tit. 2, § 547.59.) The California Constitution has an implied civil service mandate limiting the state’s authority to contract with private entities to perform services the state has historically or customarily performed. Government Code section 19130, subdivision (a), however, codifies exceptions to the civil service mandate where PSC’s achieve cost savings for the state. PSC’s that are of a type enumerated in subdivision (b) of Government Code section 19130 are also permissible. Subdivision (b) contracts include, but are not limited to, private contracts for a new state function, services that are not available within state service, services that are incidental to a contract for the purchase or lease of real or personal property, and services that are of an urgent, temporary, or occasional nature.

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

During the period under review, April 1, 2021, through September 30, 2021, the DDS had 64 PSC's that were in effect. The CRU reviewed 13 of those PSC's, which are listed below:

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification?
Claude Schutz, D.P.M.	Podiatry Services	7/1/20 – 6/30/23	\$192,504	Yes	No
DialMed	Emergency Respiratory Therapist	4/1/20 - 3/30/21	\$511,000	Yes	No
Disability Rights California	Client Advocacy Services	7/1/21 – 6/30/23	\$16,608,000	Yes	No
Geiss MED	Medical Services	12/10/20 – 6/30/22	\$1,726,675	Yes	Yes
Hanna Interpreting	Interpretation, Translation and Telephone Services	7/1/20 – 6/30/22	\$299,998	Yes	Yes
Homeland Language Services	Interpretation, Translation and Telephone Services	7/1/20 – 6/30/22	\$149,999	Yes	Yes
Imaging Associates, Inc.	Ultrasound Services	7/1/21 – 6/30/24	\$115,000	Yes	No
John Blackburn, O.D.	Optometry Services	7/1/20 – 6/30/23	\$202,800	Yes	No
Mission Analytics Group, Inc.	Special Incident Report Tracking	7/1/21 – 6/30/24	\$3,568,054	Yes	No
Prudence Smith, M.D.	Radiologist Services	1/1/21 – 12/31/21	\$145,600	Yes	No
Ramu Thiagarajan, M.D.	Neurology Services	7/1/21 – 6/30/24	\$124,800	Yes	Yes

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification?
Richard I Torban, M.D.	Psychiatric Consultation Services	7/1/20 – 6/30/23	\$432,000	Yes	Yes
Therapy Staff	Occupational Therapists	5/1/20 – 6/30/21	\$600,000	Yes	No

SEVERITY: SERIOUS	FINDING NO. 8 UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACTS
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Summary: The DDS did not notify unions prior to entering into 8 of the 13 PSC's reviewed.

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

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

Cause: There was a misunderstanding in the application of the union notification process, and some union notifications were sent to an incorrect email address.

Corrective Action: The DDS provides that it has taken steps to notify unions when any PSC's are established, amended or renewed. The PSC's reviewed during this compliance review involved medical services such as podiatry, respiratory, ultrasound, optometry, radiologist, neurology, psychiatric and occupational therapy; translation services, client advocacy services and special incident report tracking services, all functions which various rank-and-file civil service classifications perform. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to achieve conformity with the requirements of Government Code section 19132.

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.)

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

The 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 DDS’s mandated training program that was in effect during the compliance review period, October 1, 2019, through September 30, 2021.

SEVERITY: VERY SERIOUS	FINDING NO. 9 ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS
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Summary: The DDS did not provide ethics training to 10 of 229 existing filers. In addition, the DDS did not provide ethics training to 19 of 25 new filers within six months of their appointment. This is the second consecutive time this has been a finding for DDS.

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: Due to the Covid-19 pandemic and significant vacancies within Human Resources, the manual tracking process in place during the audit was not consistently utilized.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to achieve conformity with Government Code section 11146.3.

SEVERITY: VERY SERIOUS	FINDING NO. 10	SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS
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Summary: The DDS did not provide sexual harassment prevention training to 20 of 48 new supervisors within 6 months of their appointment. In addition, the DDS did not provide sexual harassment prevention training to 114 of 290 existing supervisors every 2 years. This is the second consecutive time this has been a finding for DDS.

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, subds. (a) and (b); Gov. Code, § 19995.4.)

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: Due to the Covid-19 pandemic and significant vacancies within Human Resources, the manual tracking process in place during the audit was not consistently utilized.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to achieve conformity with Government Code section 19995.4.

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 rate¹⁰ 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, April 1, 2021, through November 1, 2021, the DDS made 245 appointments. The CRU reviewed 34 of those appointments to determine if the DDS applied salary regulations accurately and correctly processed employees’ compensation, which are listed below:

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Assistant Coordinator of Nursing Services	Certification List	Permanent	Full Time	\$9,829
AGPA	Certification List	Permanent	Full Time	\$5,149
Attorney III	Certification List	Permanent	Full Time	\$10,529
Building Maintenance Worker	Certification List	Permanent	Full Time	\$3,766
Clinical Social Worker (Health Facility)	Certification List	Permanent	Full Time	\$6,562
Community Program Specialist II	Certification List	Permanent	Full Time	\$5,149

¹⁰ “Rate” is any one of the salary rates in the resolution by CalHR which establishes the salary ranges and steps of the Pay Plan (Cal. Code Regs., tit. 2, section 599.666).

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Community Program Specialist IV	Certification List	Permanent	Full Time	\$6,752
Custodian I	Certification List	Permanent	Full Time	\$2,731
Education Administrator I	Certification List	Permanent	Full Time	\$9,244
Food Service Worker I (Safety)	Certification List	Permanent	Full Time	\$2,734
Investigator	Certification List	Permanent	Full Time	\$6,255
Nurse Consultant III (Specialist)	Certification List	Permanent	Full Time	\$12,966
Painter Supervisor	Certification List	Permanent	Full Time	\$5,493
Patient Benefit And Insurance Officer I	Certification List	Permanent	Full Time	\$4,732
Peace Officer I	Certification List	Permanent	Full Time	\$4,764
Psychiatric Technician Assistant	Certification List	Permanent	Full Time	\$3,032
Psychologist (Health Facility - Clinical-Safety)	Certification List	Limited Term	Full Time	\$8,215
Research Data Specialist II	Certification List	Permanent	Full Time	\$7,546
Respiratory Care Supervisor	Certification List	Permanent	Full Time	\$5,390
Senior Psychiatric Technician	Certification List	Permanent	Full Time	\$5,956
SSM I	Certification List	Limited Term	Full-Time	\$6,698
Stationary Engineer	Certification List	Permanent	Full Time	\$5,911
Stationary Engineer	Certification List	Limited Term	Full Time	\$6,206
Supervising Special Investigator I	Certification List	Permanent	Full Time	\$7,119
Training Officer II	Certification List	Permanent	Full Time	\$6,124
Automotive Pool Manager I	Reinstatement	Limited Term	Full Time	\$4,959
Labor Relations Analyst	Reinstatement	Permanent	Full Time	\$6,178
Nurse Practitioner (Safety)	Reinstatement	Permanent	Full Time	\$10,563
Property Controller I	Reinstatement	Limited Term	Full Time	\$4,114

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Psychologist (Health Facility-Clinical-Safety)	Reinstatement	Limited Term	Full Time	\$8,215
Community Program Specialist II	Transfer	Permanent	Full Time	\$6,446
General Auditor III	Transfer	Permanent	Full Time	\$7,463
Information Technology Manager I	Transfer	Permanent	Full Time	\$10,742
Peace Officer I, Developmental Center	Transfer	Permanent	Full Time	\$5,000

SEVERITY: VERY SERIOUS	FINDING NO. 11	INCORRECT APPLICATIONS OF SALARY DETERMINATION LAWS, RULES, AND CALHR POLICIES AND GUIDELINES FOR APPOINTMENT
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Summary: The CRU found the following 3 errors in the DDS's 34 appointments reviewed for employee compensation:

Classification	Description of Findings	Criteria
Custodian I	Employee did not receive a special in-grade salary adjustment (SISA) after completing six months of qualifying service resulting in underpayment.	Cal. Code Regs., tit. 2, § 599.685
Stationary Engineer	Incorrect salary determination resulting in this employee being overpaid.	Cal. Code Regs., tit. 2, § 599.673
Property Controller I	Incorrect salary determination resulting in this employee being overpaid.	Cal. Code Regs., tit. 2, § 599.674, subd. (b)
Community Program Specialist III	Incorrect merit salary adjustment (MSA) calculation resulting in overpayment.	Cal. Code Regs., tit. 2, § 599.683

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.)

Any employee who is not paid at the maximum step of the salary range shall receive an MSA equivalent to one step in the salary range on the first of the next monthly pay period following completion of 12 months of qualifying service after movement between classes which

resulted in a salary increase of one or more steps. (Cal. Code Regs., tit. 2, § 599.683.)

Certain classes designated by CalHR are eligible for a SISA. Any employee appointed to a SISA class who is paid at the minimum step of the salary range may receive a special in-grade salary adjustment to the second step of the salary range effective on the first of the next monthly pay period following completion of six months of qualifying service. (Cal. Code Regs., tit. 2, § 599.685.)

Severity: Very Serious. In four circumstances, the DDS failed to comply with the requirements outlined in the state civil service pay plan. Incorrectly applying compensation laws and rules in accordance with the CalHR's policies and guidelines results in civil service employees receiving incorrect and/or inappropriate pay amounts.

Cause: During the audit period a lack of knowledge about Personnel Transactions and gaps in supervision impeded the DDS' internal review process.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to ensure employees are compensated correctly.

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, April 1, 2021, through November 1, 2021, the DDS employees made 37 alternate range movements within a classification. The CRU reviewed 18 of those alternate range movements to determine if the DDS applied salary

regulations accurately and correctly processed each employee's compensation, which are listed below:

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Information Technology Specialist I	B	C	Full Time	\$6,762
Information Technology Specialist I	A	B	Full Time	\$7,827
Personnel Specialist	B	C	Full Time	\$4,154
Psychiatric Technician	S	T	Full Time	\$5,504
Psychiatric Technician	S	T	Full Time	\$5,579
Psychiatric Technician	S	T	Full Time	\$5,890
Psychiatric Technician	S	T	Full Time	\$5,890
Psychiatric Technician	S	T	Full Time	\$6,250
Psychiatric Technician (Safety)	S	T	Full Time	\$5,579
Psychiatric Technician (Safety)	S	T	Full Time	\$5,841
Psychiatric Technician (Safety)	T	U	Full Time	\$6,193
Psychiatric Technician (Safety)	S	T	Full Time	\$6,307
Senior Psychiatric Technician	S	T	Full Time	\$6,933
Senior Psychiatric Technician	S	T	Full Time	\$7,107
Senior Psychiatric Technician (Safety)	T	U	Full Time	\$6,587
Senior Psychiatric Technician (Safety)	T	U	Full Time	\$7,648
Staff Services Analyst (General)	B	C	Full Time	\$4,692
Student Assistant	A	D	Intermittent	\$3,184

SEVERITY: VERY SERIOUS	FINDING NO. 12	ALTERNATE RANGE MOVEMENTS DID NOT COMPLY WITH CIVIL SERVICE LAWS, RULES, AND CALHR POLICIES AND GUIDELINES
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Summary: The CRU found the following 4 errors in in the 37 alternate range movements reviewed:

Classification	# of Positions	Description of Findings	Criteria
Psychiatric Technician	2	Incorrect salary determination resulting in the employee being underpaid.	Cal. Code Regs., tit. 2, § 599.681
Psychiatric Technician (Safety)	1		
Senior Psychiatric	1		

Classification	# of Positions	Description of Findings	Criteria
Technician			

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. In four circumstances, the DDS failed to comply with the requirements outlined in the state civil service pay plan. Incorrectly applying compensation laws and rules not in accordance with CalHR’s policies and guidelines results in civil service employees receiving incorrect and/or inappropriate pay amounts.

Cause: During the audit period a lack of knowledge about Personnel Transactions and gaps in supervision impeded the internal review process.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB a written corrective action response which addresses the corrections the department has implemented to ensure that employees are compensated correctly.

Hiring Above Minimum Requests

The CalHR may authorize payment at any step above the minimum limit to classes or positions to meet recruiting problems, or to obtain a person who has extraordinary qualifications. (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.*)

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.*) 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 Government Code section 3517.5, the memorandum of understanding shall be controlling without further legislative action.¹¹ (Gov. Code, § 19836, subd. (b).)

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.*)

¹¹ 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.

During the period under review, April 1, 2021, through November 1, 2021, the DDS authorized six HAM requests. The CRU reviewed those six authorized HAM requests to determine if the DDS 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)	No. of Appts
AGPA	New to the State	Permanent	\$5,149 – \$6,446	\$6,446	2
Nurse Consultant III (Specialist)	New to the State	Temporary	\$10,360 – \$12,966	\$12,966	1
Peace Officer I	New to the State	Permanent	\$4,764 – \$5,842	\$4,764	2
Support Services Assistant (Interpreter)	New to the State	Permanent	\$3,469 – \$4,343	\$4,343	1

IN COMPLIANCE	FINDING NO. 13	HIRE ABOVE MINIMUM REQUESTS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRU found that the HAM requests the DDS 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 10 percent or more of the total time worked. According to the Pay Differential 14, the 10 percent time standard is calculated based on the time spent conversing, interpreting, or transcribing in a second language and time spent on closely related activities performed directly in conjunction with the specific bilingual transactions.

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

During the period under review, April 1, 2021, through November 1, 2021, the DDS issued bilingual pay to seven employees. The CRU reviewed those seven bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Time Base	No. of Appts.
AGPA	R01	Full Time	2
Community Program Specialist II	R01	Full Time	2
Information Officer I (Specialist)	R01	Full Time	1
Psychiatric Technician	R18	Full Time	1
Psychologist (Health Facility-Clinical)	R19	Full Time	1

SEVERITY: VERY SERIOUS	FINDING NO. 14	INCORRECT AUTHORIZATION OF BILINGUAL PAY
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Summary: The CRU found two errors in the DDS's six authorizations of bilingual pay:

Classification	Description of Finding(s)	Criteria
Community Program Specialist II	Department failed to remove bilingual pay from the employee's prior position at the time of appointment, resulting in overpayment.	Pay Differential 14
Psychiatric Technician	Department failed to supply supporting documentation demonstrating the need for bilingual services.	

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

Cause: Two employees continued to receive bilingual pay after they were appointed to new positions which were not eligible for bilingual pay.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to ensure conformity with Government Pay Differential 14.

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, April 1, 2021, through November 1, 2021, the DDS authorized 99 pay differentials¹². The CRU reviewed 29 of those pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount	No. of Appts.
AGPA	412	10%	1
Community Program Specialist III	441	\$250	1
Dental Assistant	38	\$125	1

¹² For the purposes of CRU's review, only monthly pay differentials were selected for review at this time.

Classification	Pay Differential	Monthly Amount	No. of Appts.
Investigator	219	\$800	1
Investigator	244	\$100	1
Investigator	245	6%	1
Laboratory Assistant	296	\$125	1
Nurse Consultant III (Specialist)	441	\$250	1
Peace Officer I	219	\$800	2
Peace Officer I	244	\$125	1
Personnel Specialist	441	\$250	1
Physician and Surgeon (Safety)	413	15%	2
Psychiatric Technician Instructor	232	\$300	1
Psychologist (Health Facility-Clinical-Safety)	241	\$100	1
Rehabilitation Therapist, State Facilities (Recreation-Safety)	410	\$100	1
Stationary Engineer	435	\$100	3
Stationary Engineer	436	9%	4
Supervising Special Investigator I	245	2%	1
Supervising Special Investigator I	73	3%	1
Supervising Special Investigator II	244	\$125	1
Supervising Special Investigator II	245	9%	1
Water and Sewage Plant Supervisor	338	4%	1

SEVERITY: VERY SERIOUS	FINDING NO. 15	INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS
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Summary: The CRU found 1 error in the 29 pay differentials reviewed:

Classification	Area	Description of Findings	Criteria
Supervising Special Investigator II	Education Differential	The employee's classification is not eligible to receive the pay differential.	Pay Differential 244

Criteria: A pay differential may be appropriate when a subgroup of positions within the overall job class might have unusual circumstances, competencies, or working conditions that distinguish these positions from other positions in the same class. Pay differentials are based

on qualifying pay criteria such as: work locations or shift assignments; professional or educational certification; temporary responsibilities; special licenses, skills or training; performance-based pay; incentive-based pay; or recruitment and retention. (CalHR Classification and Pay Manual Section 230.)

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

Cause: During the audit period a lack of knowledge about personnel transactions and gaps in supervision impeded the internal review process.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to ensure employees are compensated correctly and that transactions are keyed accurately.

Out-of-Class Assignments and Pay

For excluded¹³ and most rank-and-file employees, out-of-class (OOC) work is defined as performing, more than 50 percent of the time, the full range of duties and responsibilities allocated to an existing class and not allocated to the class in which the person has a current, legal appointment. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(2).) A higher classification is one with a salary range maximum that is any amount higher than the salary range maximum of the classification to which the employee is appointed. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(3).)

According to the Classification and Pay Guide, OOC assignments should only be used as a last resort to accommodate temporary staffing needs. All civil service alternatives should be explored first before using OOC assignments. However, certain MOU

¹³ "Excluded employee" means an employee as defined in Government Code section 3527, subdivision (b) (Ralph C. Dills Act) except those excluded employees who are designated managerial pursuant to Government Code section 18801.1.

provisions and the California Code of Regulations, title 2, section 599.810 allow for short-term OOC assignments to meet temporary staffing needs. Should OOC work become necessary, the assignment would be made pursuant to the applicable MOU provisions or salary regulations. Before assigning the OOC work, the department should have a plan to correct the situation before the time period outlined in applicable law, policy or MOU expires. (Classification and Pay Guide Section 375.)

During the period under review, April 1, 2021, through November 1, 2021, the DDS issued OOC pay to 45 employees. The CRU reviewed 23 of those OOC 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
AGPA	R01	SSM I	7/22/21 – 11/20/21
AGPA	R01	Health and Safety Officer	1/18/21 – 5/17/21
Carpenter Supervisor	S12	Chief of Plant Operations I	6/15/21 – 9/12/21
Community Program Specialist II	R01	Community Program Specialist IV	6/21/21 – 10/18/21
Community Program Specialist II	R01	Community Program Specialist III	4/23/21 – 6/7/21
Food Manager	S15	SSM I	4/1/20 – 5/3/21
Food Service Worker I (Safety)	R15	Cook Specialist I	3/22/21 – 4/20/21
Office Technician (Typing)	R04	Staff Services Analyst	5/10/21 – 8/31/21
Property Controller II	R04	Warehouse Manager I	7/1/21 – 9/15/21
Psychiatric Technician	R18	Senior Psychiatric Technician	7/19/21 – 11/30/21
Psychiatric Technician	R18	Senior Psychiatric Technician	2/24/21 – 5/24/21
Psychiatric Technician (Safety)	R18	Senior Psychiatric Technician (Safety)	12/4/20 – 4/2/21
Psychiatric Technician (Safety)	R18	Senior Psychiatric Technician (Safety)	8/25/21 – 12/23/21
Psychiatric Technician (Safety)	R18	Senior Psychiatric Technician (Safety)	7/15/21 – 8/5/21
Respiratory Care Practitioner	R20	Respiratory Care Supervisor	2/26/21 – 4/30/21

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Senior Account Clerk	R04	Patient Benefit and Insurance Officer I	4/1/21 – 5/31/21
Senior Psychiatric Technician	R18	Unit Supervisor	8/13/21 – 9/15/21
Senior Psychiatric Technician	R18	Unit Supervisor	5/24/21 – 6/24/21
Senior Psychiatric Technician (Safety)	R18	Unit Supervisor (Safety)	7/19/21 – 8/6/21
Senior Psychiatric Technician (Safety)	R18	Unit Supervisor (Safety)	8/9/21 – 8/31/21
Senior Psychiatric Technician (Safety)	R18	Unit Supervisor (Safety)	5/8/21 – 5/23/21
Senior Psychologist (Health Facility) (Specialist)	R19	Senior Psychologist (Supervisor)	6/5/21 – 6/28/21
Unit Supervisor (Safety)	S18	Program Assistant	7/16/21 – 8/31/21

SEVERITY: VERY SERIOUS	FINDING NO. 16	INCORRECT AUTHORIZATION OF OUT-OF-CLASS PAY
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Summary: The CRU found 17 errors in the 23 authorizations of OOC pay:

Classification	Out-of-Class Classification	Description of Findings	Criteria
AGPA	Health and Safety Officer	OOO pay was not calculated with the Personal Leave Program (PLP) 2020 reduction, which resulted in overpayment.	Human Resources (HR) Manual Section 2113
Carpenter Supervisor	Chief of Plant Operations I		
Community Program Specialist II	Community Program Specialist III		
Community Program Specialist II	Community Program Specialist IV		
Food Manager	SSM I		
Food Service Worker I (Safety)	Cook Specialist I		

Classification	Out-of-Class Classification	Description of Findings	Criteria
Office Technician (Typing)	Staff Services Analyst	OOC pay was not recalculated after the July 1, 2021, general salary increases. Additionally, the PLP 2020 reduction was not factored in the calculation, resulting in overpayment.	Pay Differential 91 and HR Manual Section 2113
Property Controller II	Warehouse Manager I	Incorrect OOC pay calculation, resulting in underpayment.	Pay Differential 91
Psychiatric Technician	Senior Psychiatric Technician	Incorrect OOC pay calculation, resulting in overpayment.	Pay Differential 99
Psychiatric Technician	Senior Psychiatric Technician	OOC pay was not calculated with the PLP 2020 reduction, resulting in overpayment.	HR Manual Section 2113
Psychiatric Technician (Safety)	Senior Psychiatric Technician (Safety)		
Respiratory Care Practitioner	Respiratory Care Supervisor		
Senior Account Clerk	Patient Benefit and Insurance Officer I		
Senior Psychiatric Technician	Unit Supervisor	Incorrect OOC pay calculation, resulting in underpayment.	Pay Differential 99
Senior Psychiatric Technician	Unit Supervisor	OOC pay was not calculated with the PLP 2020 reduction, resulting in overpayment.	HR Manual Section 2113
Senior Psychiatric Technician (Safety)	Unit Supervisor (Safety)		
Senior Psychologist (Health Facility) (Specialist)	Senior Psychologist (Supervisor)		

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

using existing eligibility lists created as the result of a civil service examination.

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

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

Severity: Very Serious. The DDS 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: During the audit period a lack of knowledge about personnel transactions and gaps in supervision impeded the internal review process.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to ensure conformity with California Code of Regulations, title 2, section 599.810 and Pay Differential 91 and 99.

Leave

Positive Paid Employees

Actual Time Worked (ATW) is a method that can be used to keep track of a Temporary Authorization Utilization (TAU) employee's time to ensure that the Constitutional limit of 9 months in any 12 consecutive months is not exceeded. The ATW method of counting time is used 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 days¹⁴ worked and paid absences¹⁵, are 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 ensure the limitations set forth are not exceeded. (Cal. Code Regs., tit. 2, § 265.1, subd. (f).)

For student assistants, graduate student assistants, youth aides, and seasonal classifications a maximum work-time limit of 1500 hours within 12 consecutive months

¹⁴ For example, two hours or ten hours count as one day.

¹⁵ For example, vacation, sick leave, compensating time off, etc.

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), regardless of the number of state employers, without reinstatement, loss or interruption of benefits.

At the time of the review, the DDS had 149 positive paid employees whose hours were tracked. The CRU reviewed 33 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Time Worked ¹⁶
Associate Personnel Analyst	Permanent	1/1/21 – 12/31/21	1,480 hours
Associate Personnel Analyst	Retired Annuitant (RA)	7/1/20 – 6/30/21	958.1 hours
Automotive Equipment Operator II	RA	7/1/20 – 6/30/21	894 hours
Chief of Plant Operation I	RA	7/1/20 – 6/30/21	1,935.5 hours
Information Technology Specialist I	RA	7/1/20 – 6/30/21	949 hours
Investigator	RA	7/1/20 – 6/30/21	861.5 hours
Licensed Vocational Nurse (Safety)	Permanent	1/1/21 – 12/31/21	1,350.75 hours
Motion Picture Operator	Permanent	1/1/21 – 12/31/21	1,111.5 hours
Nursing Coordinator	RA	7/1/20 – 6/30/21	2,273.5 hours

¹⁶ Executive Order N-25-20, signed by Governor Newsom on March 12, 2020, suspended work hour limitations on retired annuitants' hours due to the Covid-19 emergency. This expired on June 30, 2021. Appointing authorities whose employees exceeded the established work hour limitations were required to notify CalHR of such. If a positive paid employee's hours exceeded limitations, and there was no notification to CalHR, then that would result in a finding.

Classification	Tenure	Time Frame	Time Worked ¹⁶
Office Technician (Typing)	RA	7/1/20 – 6/30/21	1,047.5 hours
Patient Benefit and Insurance Officer I	RA	7/1/20 – 6/30/21	1,225.25 hours
Peace Officer I, Developmental Center	RA	7/1/20 – 6/30/21	960 hours
Program Assistant - Developmental Disabilities Programs	RA	7/1/20 – 6/30/21	1,394.25 hours
Psychiatric Technician Trainee (Safety)	Temporary	4/1/21 – 12/1/21	104 days
Psychiatric Technician Trainee (Safety)	Temporary	4/1/21 – 12/1/21	97 days
Psychiatric Technician	RA	7/1/20 – 6/30/21	1,114 hours
Psychiatric Technician	RA	7/1/20 – 6/30/21	936.5 hours
Psychiatric Technician	RA	7/1/20 – 6/30/21	1,675 hours
Psychiatric Technician	RA	7/1/20 – 6/30/21	954 hours
Psychiatric Technician	RA	7/1/20 – 6/30/21	957.75 hours
Rehabilitation Therapist, State Facilities (Recreation-Safety)	RA	7/1/20 – 6/30/21	1,625 hours
Special Consultant	RA	7/1/20 – 6/30/21	901.19 hours
Special Consultant	RA	7/1/20 – 6/30/21	1,112 hours
Special Consultant	RA	7/1/20 – 6/30/21	1,798.41 hours
Staff Services Analyst (General)	RA	7/1/20 – 6/30/21	1,084.25 hours
Stationary Engineer	RA	7/1/20 – 6/30/21	940.5 hours
Student Assistant	Temporary	2/1/2021 – 11/1/21	1,526 hours
Student Assistant	Temporary	2/1/2021 – 12/1/21	1,154 hours
Student Assistant	Temporary	2/1/2021 – 12/1/21	1,482 hours
Student Assistant	Temporary	2/1/2021 – 12/1/21	1,245 hours
Student Assistant	Temporary	4/1/2021 – 12/31/21	1,199.75 hours
Student Assistant	Temporary	2/1/2021 – 11/1/21	1,565 hours
Support Services Assistant (Interpreter)	Permanent	4/1/21 – 12/31/21	1,048 hours

SEVERITY: SERIOUS	FINDING NO. 17	POSITIVE PAID TEMPORARY EMPLOYEES' WORK EXCEEDED TIME LIMITATIONS
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Summary: The DDS did not consistently monitor the actual number of days and/or hours worked to ensure that positive paid employees did not

exceed the 1,500-hour limitation in any 12-consecutive month period.

Specifically, the following employees exceeded the 1,500-hour limitation:

Classification	Tenure	Time Frame	Time Worked	Time Worked Over Limit
Student Assistant	Temporary	2/1/21 – 11/1/21	1,526 hours	26 hours
Student Assistant	Temporary	2/1/21 – 11/1/21	1,565 hours	65 hours

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.) Time worked shall be counted on a daily basis with every 21 days worked counting as one month or 189 days equaling nine months. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) Another controlling factor limits the maximum work time for student, youth, and seasonal classifications to 1,500 hours. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

Severity: Serious. The number 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.

Cause: The DDS acknowledges there was a gap in monitoring and tracking hours worked for hourly employees.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to ensure conformity with California Code of Regulations, title 2, section 265.1.

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, July 1, 2020, through June 30, 2021, the DDS authorized 599 ATO transactions. The CRU reviewed 29 of those ATO transactions to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	Amount of Time on ATO
AGPA	8/17/20	8 hours
AGPA	9/25/20	3 hours
Automotive Equipment Operator II	9/28/20 – 9/29/20	16 hours
Carpenter I	7/10/20 – 7/23/20	80 hours
Carpenter Supervisor	12/11/20 – 12/24/20	74 hours
Custodian I	9/18/20 – 1/27/21	120 hours
Food Service Worker I (Safety)	12/11/20 – 12/15/20	40 hours
Food Service Supervisor II	8/20/20 – 8/31/20	60.75 hours
Materials and Stores Specialist	9/14/20 – 9/18/20	40 hours
Peace Officer I	1/3/21 – 7/27/21	72 hours
Peace Officer I	12/14/20 – 12/15/20	24 hours
Peace Officer I	12/26/20 – 12/31/20	48 hours
Peace Officer I	7/20/20 – 12/31/20	944 hours
Physician and Surgeon (Safety)	7/21/20 – 7/30/21	1,552 hours
Psychiatric Technician (Safety)	11/18/20 – 11/21/20	32 hours
Psychiatric Technician (Safety)	12/11/20 – 12/24/20	80 hours
Psychiatric Technician (Safety)	5/12/21 – 5/15/21	32 hours
Psychiatric Technician Assistant	11/9/20 – 11/11/20	16 hours
Psychiatric Technician	11/9/20 – 11/13/20	20 hours
Psychiatric Technician	12/26/20 – 12/28/20	24 hours
Psychiatric Technician	6/7/21 – 6/21/21	80 hours
Psychiatric Technician	4/22/21 – 4/30/21	56 hours
Psychiatric Technician	4/10/21 – 4/30/21	120 hours
Psychiatric Technician	4/12/21 – 4/29/21	112 hours

Classification	Time Frame	Amount of Time on ATO
Psychiatric Technician	11/8/20 – 11/15/20	64 hours
Psychiatric Technician	7/6/20 – 8/13/20	200 hours
Research Data Specialist I	8/25/20	8 hours
Senior Psychiatric Technician (Safety)	12/23/20 – 12/31/20	48 hours
Support Services Assistant (General)	8/18/20	1 hour

SEVERITY: SERIOUS	FINDING NO. 18	ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED
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Summary: The DDS did not grant ATO in conformity with the established policies and procedures. Of the 29 ATO authorizations reviewed by the CRU, 2 were found to be out of compliance for failing to document justification for ATO.

Additionally, the DDS did not obtain approval from CalHR prior to authorizing ATO in excess of 30 days for 2 employees.

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. Because an employee on ATO is being paid while not working, a failure to closely monitor ATO usage could result in costly abuse. The use of ATO is subject to audit and review by CalHR and other control agencies to ensure policy compliance. Findings of non-compliance may result in the revocation of delegated privileges.

Cause: The DDS acknowledges the audit finding for the two employees. For one of them, the DDS had submitted substantiation during the Compliance Review period; however, due to an error in the documents they were not reviewed.

SPB Reply: The CRU did not receive the documents from the DDS until the Compliance Review report had been finalized.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to ensure conformity with Government Code section 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.) Departments shall create an audit process to review and correct leave input errors on a monthly basis. The review of leave accounting records shall be completed by the pay period following the pay period in which the leave was keyed into the leave accounting system. (*Ibid.*) If an employee's attendance record is determined to have errors or it is determined that the employee has insufficient balances for a leave type used, the attendance record must be amended. (*Ibid.*) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*) Accurate and timely attendance reporting is required of all departments and is subject to audit. (*Ibid.*)

During the period under review, April 1, 2021, through June 30, 2021, the DDS reported 188 units comprised of 2,472.2 active employees. The pay periods and timesheets reviewed by the CRU are summarized below:

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
June 2021	100	4	4	0
June 2021	190	8	8	0
June 2021	213	22	22	0
June 2021	219	3	3	0
June 2021	290	52	52	0
June 2021	334	3	3	0
June 2021	338	2	2	0
June 2021	414	2	2	0
June 2021	434	1	1	0
June 2021	523	18	18	0
June 2021	555	19	19	0
June 2021	558	9	9	0

SEVERITY: SERIOUS	FINDING NO. 19 DEPARTMENT DID NOT CERTIFY THAT ALL LEAVE RECORDS WERE REVIEWED
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Summary: The DDS failed to certify that all leave records have been reviewed and corrected, if necessary, for 10 out of the 12 units reviewed. The DDS uses a Leave Activity and Correction Certification form only if errors have been identified for a unit/pay period; therefore, it was difficult to determine if all units and pay periods were reviewed by the DDS.

Criteria: Each appointing power shall keep complete and accurate time and attendance records for each employee and officer employed within the agency over which it has jurisdiction. (Cal. Code Regs., tit. 2, § 599.665.) Departments are directed to create an audit process to verify all leave input is keyed accurately and timely. (Human Resources Manual Section 2101.) Departments shall identify and record all errors found and shall certify that all leave records for the unit/pay period identified have been reviewed and all leave errors identified have been corrected. (*Ibid.*) Attendance records shall be

corrected by the pay period following the pay period in which the error occurred. (*Ibid.*)

Severity: Serious. Departments must document that they reviewed all leave inputted into their leave accounting system to ensure accuracy and timeliness. Failure to audit leave could put the department at risk of incurring additional costs from the initiation of collection efforts from overpayments, and the risk of liability related to recovering inappropriately credited leave hours and funds.

Cause: During the audit period a lack of knowledge about personnel transactions and gaps in supervision impeded the internal review process.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to ensure that their monthly internal audit process is documented and that all leave input is keyed accurately and timely. The DDS must incorporate completion of Leave Activity and Correction Certification forms for all leave records even when errors are not identified or corrected.

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.

Generally, an employee who has 11 or more working days of service in a monthly pay period shall be considered to have a complete month, a month of service, or continuous service.¹⁷ (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.

¹⁷ Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, and 19997.4 and California Code of Regulations, title 2, sections 599.609, 599.682, 599.683, 599.685, 599.687, 599.737, 599.738, 599.739, 599.740, 599.746, 599.747, 599.776.1, 599.787, 599.791, 599.840 and 599.843 provide further clarification for calculating state time.

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. (*Ibid.*) On the first day following a qualifying monthly pay period, excluded employees¹⁸ 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, April 1, 2021, through September 30, 2021, the DDS had 27 employees with qualifying and non-qualifying pay period transactions. The CRU reviewed 33 transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Type of Transaction	Time Base	Number Reviewed
Non-Qualifying Pay Period	Full Time	19
Qualifying Pay Period	Full Time	14

SEVERITY: VERY SERIOUS	FINDING NO. 20	INCORRECT APPLICATION OF STATE SERVICE AND LEAVE TRANSACTIONS
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Summary: The CRU found 7 errors in the 33 state service transactions:

Type of Transaction	Time base	State Service Incorrectly Posted	Leave Accruals Incorrectly Posted
Non – Qualifying Pay Period	Full Time	2	2
Qualifying Pay Period	Full Time	1	2

¹⁸ As identified in Government Code sections 19858.3, subdivisions (a), (b), or (c), or as it applies to employees excluded from the definition of state employee under Government Code section 3513, subdivision (c), or California Code of Regulations, title 2, section 599.752, subdivision (a), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

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 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.*)

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: During the audit period a lack of knowledge about personnel transactions and gaps in supervision impeded the internal review process.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to ensure that state service transactions are keyed accurately.

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 association by blood, adoption, marriage and/or cohabitation. (*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.*)

IN COMPLIANCE	FINDING NO. 21	NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRU verified that the policy was disseminated to all staff and emphasized the DDS's commitment to the state policy of recruiting, hiring and assigning employees on the basis of merit. Additionally, the DDS's nepotism policy was comprised of specific and sufficient components intended to prevent favoritism, or bias, based on a personal relationship from unduly influencing employment decisions.

Workers' Compensation

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

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

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

IN COMPLIANCE	FINDING NO. 22	WORKERS' COMPENSATION PROCESS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRU verified that the DDS provides notice to their employees to inform them of their rights and responsibilities under California's Workers' Compensation Law. Furthermore, the CRU verified that when the DDS received workers' compensation claims, they properly provided claim forms within one working day of notice or knowledge of injury.

Performance Appraisals

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

The CRU selected 50 permanent DDS employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

SEVERITY: SERIOUS	FINDING NO. 23	PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES
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Summary: The DDS did not provide annual performance appraisals to 26 of 50 employees reviewed 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: DDS does not have a formal tracking mechanism for ensuring annual performance appraisals are completed timely for all employees.

Corrective Action: The DDS asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the DDS must submit to the SPB documentation which demonstrates the actions it has taken to ensure conformity with Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798.

DEPARTMENTAL RESPONSE

The DDS' departmental response is attached as Attachment 1.

SPB REPLY

Based upon the DDS' written response, the DDS will comply with the corrective actions specified in these report findings. Within 90 days of the date of this report, a written corrective action response including documentation demonstrating implementation of the corrective actions specified, must be submitted to the CRU.

M e m o r a n d u m

Date: August 25, 2022

To: Ms. Suzanne Ambrose
Executive Director
State Personnel Board
801 Capitol Mall
Sacramento, CA 95814

Subject: Department of Developmental Services response to draft State Personnel Board Compliance Review Report

Dear Ms. Ambrose,

This letter is in response to the draft State Personnel Board (SPB) Compliance Review Report submitted to the Department of Developmental Services (DDS). DDS has reviewed the report and noted a cause and response for each finding.

Finding 3: Unlawful Appointment by way of transfer – *Very Serious*
The CRU found one unlawful appointment during the course of its regular review. On May 1, 2021, the DDS appointed an employee by way of transfer from a Senior Psychiatric Technician to a Community Program Specialist II.

Cause

There was an error in interpretation of the minimum qualifications of the Community Program Specialist II relevant to the Senior Psychiatric Technician job duties.

Response

As of June 2022, the individual has been retrained to ensure minimum qualification determination is evaluated and identified accurately. DDS will work with SPB and CalHR on the Unlawful Appointment Process.

Finding 4: Positions were not appropriately allocated – *Serious*
The DDS did not appropriately allocate 5 positions in the 40 appointments reviewed.

Cause

DDS acknowledges there were errors on correctly documenting the allocation on the duty statements upon recruitment of these positions.

Response

However, upon appointment of each individual all duties were in line with the classification specification and allocation guidelines.

Finding 5: Probationary evaluations were not provided for all appointments reviewed and some that were provided were untimely – Serious

The DDS did not provide 11 probationary reports of performance for 5 of the 40 appointments reviewed. DDS did not provide one probationary report of performance in a timely manner.

Cause

DDS recognizes that managers and supervisors are responsible for providing timely probationary reports to their employees as the final stage of the selection process and acknowledges this is not always achieved nor is there a standard tracking mechanism.

Response

DDS is proactive in providing notification to supervisors and managers on probationary report dates for employees and is building upon this with plans to implement a procedure to check in with managers and supervisors prior to the due date of employees' probationary reports. Currently DDS is in the final stages of implementing an electronic Human Resources Management (HRM) system that will send automatic notifications to all supervisors and managers for upcoming probationary dates. DDS is also drafting an Administrative Memorandum to outline the roles and responsibilities for the supervisors and managers regarding performance evaluations.

Finding 6: Appointment documentation was not kept for the appropriate amount of time – Technical

Of the 40 appointments reviewed, the DDS did not retain 2 NOPAs

Cause

Following DDS' move to a new building amid the COVID19 pandemic, some documents have not been located and are suspected to have been inadvertently destroyed.

Response

DDS is working on an electronic signature process to ensure NOPAs are returned and stored as appropriate.

Finding 8: Unions were not notified of Personal Services Contracts – Serious
The DDS did not notify unions prior to entering into 8 of the 13 PSCs reviewed.

Cause

Although DDS has a formal process for union notifications to occur, there was a misunderstanding in the application of the union notification process and some of the union notifications were sent to an incorrect email address.

Response

Training has been provided to emphasize that unions are to be informed of any staffing contracts being renewed or established.

Finding 9: Ethics training was not provided for all filers – Very Serious
The DDS did not provide ethics training to 10 of 229 existing filers. In addition, the DDS did not provide ethics training to 19 of 25 new filers within six months of their appointment. This is the second consecutive time this has been a finding for DDS.

Cause

DDS had established a manual tracking and reporting process to ensure compliance with Ethics training. However, due to the COVID-19 pandemic and significant vacancies within Human Resources (HR) the tracking process was not consistently utilized.

Response

DDS recognizes the importance of supervisory training for all supervisors, managers, and Career Executive Assignments (CEA). DDS is working on implementing a Learning Management System (LMS) which will track and send reminders for mandatory training.

Finding 10: Sexual Harassment Prevention training was not provided for all Supervisors – Very Serious

The DDS did not provide sexual harassment prevention training to 20 of 48 new supervisors within 6 months of their appointment. In addition, the DDS did not provide sexual harassment prevention training to 114 of 290 existing supervisors every 2 years. This is the second consecutive time this has been a finding for DDS.

Cause

DDS had established a manual tracking and reporting process to ensure compliance with Sexual Harassment Prevention training. Due to the COVID-19 pandemic and significant vacancies within HR the tracking process was not consistently utilized.

Response

DDS recognizes the importance of mandatory training for all supervisors DDS is working on implementing an LMS which will track and send reminders for mandatory training.

Finding 11: Incorrect applications of salary determination laws, rules and CalHR policies and guidelines for appointment – Very Serious

The CRU found following 4 errors in the DDS's 34 appointments reviewed for employee compensation.

Cause

During the audit period a lack of knowledge about Personnel Transactions and gaps in supervision impeded the internal review process.

Response

DDS has since hired knowledgeable staff and supervisors and has improved its application of laws, rules, policies and guidelines for appointment. In addition, DDS revised the movement/transfer salary worksheet to include the supervisors' name/signature for review and approval prior to the personnel specialist keying the salary change.

Finding 12: Alternate range movements did not comply with civil service laws, rules and CalHR policies and guidelines – Very Serious

The CRU found 4 errors in the 37 alternate range movements reviewed.

Cause

During the audit period a lack of knowledge about Personnel Transactions and gaps in supervision impeded the internal review process.

Response

DDS has since hired knowledgeable staff and supervisors and has improved its application of laws, rules, policies and guidelines. In addition, DDS revised the movement/transfer salary worksheet, to include the supervisors' name/signature for review and approval prior to the personnel specialist keying the salary change.

Finding 14: Incorrect authorization of Bilingual Pay – Very Serious

The CRU found two errors in the DDS 's six authorizations of bilingual pay.

Cause

The two errors were bilingual earnings not being removed upon the employee being appointed to a new position which was not eligible for bilingual pay. During the audit period a lack of knowledge about Personnel Transactions and gaps in supervision impeded the internal review process.

Response

DDS has since hired knowledgeable staff and created an improved review process for all salary related transactions.

Finding 15: Incorrect authorization of pay differentials – Very Serious

The CRU found 1 error in the 29 pay differentials reviewed.

Cause

During the audit period a lack of knowledge about Personnel Transactions and gaps in supervision impeded the internal review process.

Response

DDS has since hired knowledgeable staff and created an improved review process for all salary related transactions.

Finding 16: Incorrect authorization of out of class pay – Very Serious

The CRU found 17 errors in the 23 authorizations of OOC pay.

Cause

During the audit period a lack of knowledge about Personnel Transactions and gaps in supervision impeded the internal review process.

Response

DDS has since hired knowledgeable staff and created an improved review process for all salary related transactions. Corrections have been noted and an account receivable will be established by SCO for overpayment.

Finding 17: Positive paid temporary employees work exceeded time limitations – Serious

The DDS did not consistently monitor the actual number of days and/or hours worked in order to ensure that positive paid employees did not exceed the 1,500-hour limitation in any 12-consecutive month period.

Cause

DDS acknowledges this gap in monitoring and tracking hours for hourly employees.

Response

Currently DDS is in the final stages of implementing an electronic HRM system which will include timekeeping functions. This will allow DDS to run reports and closely monitor and track work hours for all DDS employees.

Finding 18: Administrative Time Off was not properly documented – Serious

The DDS did not grant ATO in conformity with the established policies and procedures. Of the 29 ATO authorizations reviewed by the CRU, 2 were found to

be out of compliance for failing to document justification for ATO. Additionally, the DDS did not obtain approval from CalHR prior to authorizing ATO in excess of 30 days for two employees.

Cause

DDS acknowledges the audit finding for the two employees. For one of them, DDS had submitted substantiation during the Compliance Review period however due to an error in the documents submitted it was not reviewed.

Response

All requests for ATO must come to the Personnel Officer for approval. Requests for ATO beyond the 30 days must be submitted to Headquarters and then CalHR for approval. DDS is currently drafting an Administrative Memorandum and an ATO approval form to address the process and ensure adequate documentation is maintained.

Finding 19: DDS did not certify that all leave records were reviewed – *Serious*
The DDS failed to certify that all leave records have been reviewed and corrected, if necessary, for 10 out of the 12 units reviewed.

Cause

During the audit period a lack of knowledge about Personnel Transactions and gaps in supervision impeded the internal review process. Transactions staff were not properly trained on utilizing a Leave Activity and Correction Certification form, CalHR 139.

Response

DDS has since trained the responsible staff, hired additional knowledgeable staff and created an improved review process for personnel related transactions. Currently DDS is in the final stages of implementing an electronic HRM system which will include timekeeping functions. This will allow DDS to run reports and closely monitor and track leave balances and work hours for all DDS employees.

Finding 20: Incorrect application of state service and leave transactions – *Very Serious*
The CRU found 7 errors in the 33 state service transactions.

Cause

During the audit period a lack of knowledge about Personnel Transactions and gaps in supervision impeded the internal review process.

Response

DDS has since hired knowledgeable staff and created an improved review process for personnel related transactions. Currently DDS is in the final stages of implementing an electronic HRM system which will include timekeeping

functions. This will allow DDS to run reports and closely monitor and track leave balances and state service for all DDS employees.

Finding 23: Performance appraisals were not provided to all employees – *Serious*
The DDS did not provide annual performance appraisals to 26 of 50 employees reviewed after the completion of the employee's probationary period.

Cause

DDS does not have a formal tracking mechanism for ensuring annual performance appraisals are completed as appropriate for all employees.

Response

DDS recognizes the importance of annual performance appraisals for employees. Currently DDS is in the final stages of implementing an electronic HRM system that will send automatic notifications to all supervisors and managers of upcoming performance appraisal due dates. DDS is also drafting an Administrative Memorandum to outline the roles and responsibilities for the supervisors and managers.

DDS has reviewed the draft SPB Compliance Report and is committed to addressing and taking corrective action to comply with all Human Resource related responsibilities and requirements.

DocuSigned by:
Carla Castaneda
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CARLA CASTANEDA
Chief Deputy Director or Operations

Attachments

cc: Courtney Filkill, Manager, Human Resources and Support Services Branch