



COMPLIANCE REVIEW REPORT

CALIFORNIA PRISON INDUSTRY AUTHORITY

Compliance Review Unit
State Personnel Board
October 30, 2020

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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 California Prison Industry Authority (CALPIA) personnel practices in the areas of examinations, EEO, PSC’s, mandated training, compensation and pay, leave, and policy and processes. The following table summarizes the compliance review findings.

Area	Finding
Examinations	Examinations Complied with Civil Service Laws and Board Rules
Examinations	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Equal Employment Opportunity	Complainants Were Not Notified of the Reasons for Delays in Decisions Within the Prescribed Time Period
Personal Services Contracts	Unions Were Not Notified of Personal Services Contracts
Personal Services Contracts	Written Justification Was Not Provided for All Personal Services Contracts
Mandated Training	Ethics Training Was Not Provided for All Filers
Mandated Training	Supervisory Training Was Not Provided for All New Supervisors
Mandated Training	Sexual Harassment Prevention Training Was Not Provided for All Supervisors
Compensation and Pay	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	Exception to Salary Rules Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	Alternate Range Movements Did Not Comply with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Hiring Above Minimum Requests Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Pay Differential Documentation Was Not Kept for the Appropriate Amount of Time

Area	Finding
Leave	Department Did Not Properly Monitor Time Worked for All Positive Paid Employees
Leave	Positive Paid Employees Time and Attendance Records Were Not Properly Retained and/or Documented
Leave	ATO Was Not Properly Authorized and/or Documented
Leave	Incorrectly Posted Leave Usage and/or Leave Credit
Leave	Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input Is Keyed Accurately and Timely
Leave	Department Did Not Retain Employee Time and Attendance Records
Leave	Incorrect Application of State Service and Leave Transactions
Policy	Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Injured Employee Did Not Receive Claim Form Within One Working Day of Notice or Knowledge of Injury
Policy	Performance Appraisals Were Not Provided to All Employees

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

- Red = Very Serious
- Orange = Serious
- Yellow = Technical
- Green = In Compliance

BACKGROUND

The California Prison Industry Authority (CALPIA) is a self-supporting, customer-focused business that reduces recidivism, increases prison safety, and enhances public safety by providing offenders productive work and training opportunities. The CALPIA offenders receive industry-accredited certifications that employers seek.

The CALPIA manages more than 100 manufacturing, service and consumable enterprises in 35 CDCR institutions, with more than 7,500 offender assignments in manufacturing, agricultural, consumable, service and support functions, including warehouse and administration. The goods and services produced by the CALPIA's

enterprises are sold predominately to departments of the State of California and other government entities. The CALPIA employs approximately 1,000 employees at 35 institutions, including CALPIA's Central Office located in Folsom, California.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the CALPIA's examinations, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes¹. The primary objective of the review was to determine if the CALPIA'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 CALPIA'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 CALPIA provided, which included examination plans, examination bulletins, job analyses, and scoring results. The CRU also reviewed the CALPIA's Permanent Withhold Actions documentation, including Withhold Determination Worksheets, State applications (STD 678), class specifications, and Withhold letters.

Additionally, the CRU reviewed the CALPIA's application of salary regulations to determine if employees' compensation and pay was processed accurately and correctly. The CRU examined the documentation that the CALPIA provided, which included employees' employment and pay history and any other relevant documentation such as certifications, degrees, and/or the appointee's application. Additionally, the CRU reviewed specific documentation for the following personnel functions related to compensation and pay: hiring above minimum (HAM) requests and monthly pay differentials.

During the compliance review period, the CALPIA did not issue or authorize red circle rates, arduous pay, bilingual pay, or out-of-class assignments.

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

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

The CALPIA's PSC's were also reviewed.² It was beyond the scope of the compliance review to make conclusions as to whether the CALPIA's justifications for the contracts were legally sufficient. The review was limited to whether the CALPIA's practices, policies, and procedures relative to PSC's complied with procedural requirements.

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

The CRU reviewed the CALPIA's Leave Activity and Correction Certification forms to verify that the CALPIA created a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely. The CRU selected a small cross-section of the CALPIA'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 CALPIA'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 CALPIA employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRU reviewed a selection of CALPIA 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 CALPIA's policies and processes concerning nepotism, workers' compensation, and performance appraisals. The review was limited to whether the CALPIA's policies and processes adhered to procedural requirements.

On September 17, 2020, an exit conference was held with the CALPIA to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the CALPIA's written response on September 30, 2020, which is attached to this final compliance review report.

²If 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.

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, June 1, 2018, through February 28, 2019, the CALPIA conducted 51 examinations. The CRU reviewed 16 of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Career Executive Assignment (CEA) A, Branch Manager, Health Facilities Maintenance	Open	Statement of Qualifications (SOQ) ³	10/3/2018	12
CEA A, Chief Information Officer	Open	SOQ	10/26/2018	16

³ In a Statement of Qualifications (SOQ's) examination, applicants submit a written summary of their qualifications and experience related to a published list of desired qualifications. Raters, typically subject matter experts, evaluate the responses according to a predetermined rating scale designed to assess their ability to perform in a job classification, assign scores and rank the competitors in a list.

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
CEA A, Chief, Strategic Initiatives	Open	SOQ	11/7/2018	12
CEA A, Workforce Development Branch Manager	Open	SOQ	1/18/2019	23
CEA B, Chief Financial Officer	Open	SOQ	1/25/2019	18
Construction Supervisor II (Correctional Facility)	Open	Training and Experience (T&E) ⁴	Continuous	N/A
Custodian Supervisor III (Correctional Facility)	Open	T&E	Continuous	N/A
Equipment Maintenance Supervisor (Correctional Facility)	Open	T&E	Continuous	N/A
Industrial Supervisor, Prison Industries (Bindery)	Open	T&E	Continuous	N/A
Industrial Supervisor, Prison Industries (Food & Beverage Packaging)	Open	T&E	Continuous	N/A
Industrial Supervisor, Prison Industries (Shoe Manufacturing)	Open	T&E	Continuous	N/A
Prison Industries Administrator	Open	T&E	Continuous	N/A
Prison Industries Superintendent I (Optical Products)	Open	T&E	Continuous	N/A
Prison Industries Superintendent II (Egg Production)	Open	T&E	Continuous	N/A
Prison Industries Superintendent II (Printing)	Open	T&E	Continuous	N/A

⁴ The Training and Experience (T&E) examination is administered either online or in writing, and asks the applicant to answer multiple-choice questions about his or her level of training and/or experience performing certain tasks typically performed by those in this classification. Responses yield point values.

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Quality Control Technician, Prison Industries	Open	T&E	Continuous	N/A

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

The CRU reviewed 16 open examinations which the CALPIA administered in order to create eligible lists from which to make appointments. The CALPIA published and distributed examination bulletins containing the required information for all examinations. Applications received by the CALPIA 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 CALPIA 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 review period, the CALPIA conducted 115 permanent withhold actions. The CRU reviewed 18 of these permanent withhold actions, which are listed below:

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Construction Supervisor I (Correction Facility)	7PICS-01	8/10/2018	8/10/2019	Failed to Meet Minimum Qualifications (MQ)'s
Construction Supervisor I (Correctional Facility)	7PICS-01	7/11/2018	7/11/2019	Failed to Meet MQ's
Industrial Supervisor, Prison Industries (Coffee Roasting and Grinding)	6PICG-01	2/18/2019	2/18/2020	Failed to Meet MQ's
Industrial Supervisor, Prison Industries (Detergent Plant)	6PIDP-01	7/31/2018	7/31/2019	Failed to Meet MQ's
Industrial Supervisor, Prison Industries (Laundry)	6PILD-01	10/23/2018	10/23/2019	Failed to Meet MQ's
Industrial Supervisor, Prison Industries (Laundry)	6PILD-01	6/15/2018	6/15/2019	Failed to Meet MQ's
Industrial Supervisor, Prison Industries (Optical Products)	6PIPT-01	10/3/2018	10/3/2019	Failed to Meet MQ's
Industrial Supervisor, Prison Industries (Printing)	6PIP-01	1/29/2019	1/29/2020	Failed to Meet MQ's
Industrial Warehouse and Distribution Specialist, Prison Industries	7PIWD-01	4/26/2018	4/26/2019	Failed to Meet MQ's
Industrial Warehouse and Distribution Specialist, Prison Industries	7PIWD-01	10/4/2017	10/4/2018	Failed to Meet MQ's
Industrial Warehouse and Distribution Specialist, Prison Industries	7PIWD-01	9/14/2018	9/14/2019	Failed to Meet MQ's
Industrial Warehouse and Distribution Specialist, Prison Industries	7PIWD-01	10/23/2018	10/23/2019	Failed to Meet MQ's
Prison Industries Administrator	7PIAD	6/20/2018	6/20/2019	Failed to Meet MQ's

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Prison Industries Manager (General)	7PIMG	1/15/2019	1/15/2020	Failed to Meet MQ's
Prison Industries Manager (General)	7PIMG	5/24/2018	5/24/2019	Failed to Meet MQ's
Prison Industries Superintendent II (Agriculture)	6PIAG-02	12/10/2018	12/10/2019	Failed to Meet MQ's
Prison Industries Superintendent II (Maintenance and Repair)	6PIMR-02	11/6/2018	11/6/2019	Failed to Meet MQ's
Prison Industries Superintendent II (Maintenance and Repair)	6PIMR-02	7/5/2018	7/5/2019	Failed to Meet MQ's

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

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

Equal Employment Opportunity

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

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

appropriate steps to ensure that the final committee is comprised of members who have disabilities or who have an interest in disability issues. (Gov. Code, § 19795, subd. (b)(2).)

FINDING NO. 3 – Complainants Were Not Notified of the Reasons for Delays in Decisions Within the Prescribed Time Period

Summary: The CALPIA provided evidence that two discrimination complaints related to a disability, medical condition, or denial of reasonable accommodation were filed during the compliance review period. One of the two complaint investigations exceeded 90 days and the CALPIA failed to provide written communication to the complainant regarding the status of the complaint.

Criteria: The appointing power must issue a written decision to the complainant within 90 days of the complaint being filed. (Cal. Code Regs., tit. 2, § 64.4, subd. (a).) If the appointing power is unable to issue its decision within the prescribed time period, the appointing power must inform the complainant in writing of the reasons for the delay. (*Ibid.*)

Severity: Very Serious. Employees were not informed of the reasons for delays in decisions for discrimination complaints. Employees may feel their concerns are not being taken seriously, which can leave the agency open to liability and low employee morale.

Cause: The CALPIA states that the finding occurred due to an unfortunate error made by the EEO Officer.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with the requirements of California Code of Regulations, title 2, section 64.4, subdivision (a). Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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, June 1, 2018, through February 28, 2019, the CALPIA had 20 PSC's that were in effect. The CRU reviewed 14 of those, which are listed below:

Vendor	Services	Contract Dates	Contract Amount	Justification Identified?	Union Notification?
ABS Quality Evaluations, Inc.	Consulting Services	10/01/18 - 9/30/21	\$73,000	Yes	No
ABS Quality Evaluations, Inc.	Consulting Services	10/01/18 - 9/30/21	\$24,000	Yes	No
Continuity Consulting Inc.	Consulting Services	8/07/17 - 8/31/19	\$293,480	Yes	No
Deep Sea Denizens, Inc.	Diving Services	7/01/17 - 6/30/19	\$271,949	Yes	No
Hurdle Consulting	Consulting Services	7/10/18 - 6/30/20	\$75,000	Yes	No
Max Potentials	Consulting Services	9/07/18 - 10/06/18	\$9,999	Yes	No
Peter W. Belury	Medical Services	7/01/17 - 6/30/19	\$247,226	Yes	No
Quali-Serv Janitorial	Janitorial Services	9/01/18 - 4/15/19	\$481,320	Yes	No

Vendor	Services	Contract Dates	Contract Amount	Justification Identified?	Union Notification?
Richard L. Wells Consulting, LLC	Consulting Services	9/01/16 - 12/31/18	\$360,000	Yes	No
Richard L. Wells Consulting, LLC	Consulting Services	1/01/19 - 5/31/21	\$188,000	Yes	No
Scott E. McClure	Consulting Services	10/01/18 - 10/31/18	\$50,000	Yes	No
The IF Project	Production Services	2/11/19 - 6/30/19	\$11,000	Yes	No
Turn 2 U, dba The Last Mile	Programming Services	12/01/18 - 6/30/21	\$1,266,611	Yes	No
VanWrite Writing Consultants, LLC	Consulting Services	10/1/17 – 9/30/2019	\$50,000	No	No

FINDING NO. 4 – Unions Were Not Notified of Personal Services Contracts

Summary: The CALPIA did not notify unions prior to entering into all 14 of the 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 PSC’s in order to ensure they are aware contracts are being proposed for work that their members could perform.

Cause: The CALPIA states that at times it was unclear when the conditions stated in Government Code section 19130 should be applied based on the Statement of Work.

Corrective Action: It is the contracting department’s responsibility to identify and notify any unions whose members could potentially perform the work to be contracted prior to executing the PSC. The PSC’s reviewed during this compliance review involved consulting services, functions which various rank-and-file civil service classifications perform. Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with the

requirements of Government Code section 19132. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

FINDING NO. 5 – Written Justification Was Not Provided for All Personal Services Contracts

- Summary:** The CALPIA did not prepare or retain sufficient written justification why one contract satisfied Government Code section 19130, subdivision (b).
- Criteria:** Whenever an agency executes a personal services contract under Government Code section 19130, subdivision (b), the agency shall document, with specificity and detailed factual information, the reasons why the contract satisfies one or more of the conditions specified in Government Code section 19130, subdivision (b). (Cal. Code Reg., tit. 2, § 547.60, subd. (a).) The agency shall maintain the written justification for the duration of the contract and any extensions of the contract or in accordance with the record retention requirements of section 26, whichever is longer. (Cal. Code Reg., tit. 2, § 547.60, subd. (b).)
- Severity:** Serious. Without specific written justification detailing why a PSC satisfies one or more conditions specified in Government Code section 19130, the CRU could not determine whether the department’s PSC’s complied with current procedural requirements.
- Cause:** The CALPIA states the result of this finding is based on human error.
- Corrective Action:** Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 19130, subdivision (b), and California Code of Regulations, title 2, section 547.60, subdivision (a). Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Mandated Training

Each member, officer, or designated employee of a state agency who is required to file a statement of economic interest (referred to as “filers”) because of the position he or she holds with the agency is required to take an orientation course on the relevant ethics statutes and regulations that govern the official conduct of state officials. (Gov. Code, §§ 11146 & 11146.1.) State agencies are required to offer filers the orientation course on a semi-annual basis. (Gov. Code, § 11146.1.) New filers must be trained within six months of appointment and at least once during each consecutive period of two calendar years, commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3.)

Upon the initial appointment of any employee designated in a supervisory position, the employee shall be provided a minimum of 80 hours of training, as prescribed by the CalHR. (Gov. Code, § 19995.4, subd. (b).) The training addresses such topics as the role of the supervisor, techniques of supervision, performance standards, and sexual harassment and abusive conduct prevention. (Gov. Code, §§ 12950.1, subds. (a), and (b), & 19995.4, subd. (b).)

Additionally, the training must be successfully completed within the term of the employee’s probationary period or within six months of the initial appointment, unless it is demonstrated that to do so creates additional costs or that the training cannot be completed during this time period due to limited availability of supervisory training courses. (Gov. Code, § 19995.4, subd. (c).) As to the sexual harassment and abusive-conduct prevention component, the training must thereafter be provided to supervisors once every two years. (Gov. Code, § 12950.1.)

Within 12 months of the initial appointment of an employee to a management or Career Executive Assignment (CEA) position, the employee shall be provided leadership training and development, as prescribed by CalHR. (Gov. Code, § 19995.4, subds. (d) & (e).) For management employees the training must be a minimum of 40 hours and for CEAs the training must be a minimum of 20 hours. (*Ibid.*) Thereafter, for both categories of appointment, the employee must be provided a minimum of 20 hours of leadership training on a biennial basis. (*Ibid.*)

The Board may conduct reviews of any appointing power’s personnel practices to ensure compliance with civil service laws and Board regulations. (Gov. Code, § 18661, subd. (a).) In particular, the Board may audit personnel practices related to such matters as selection and examination procedures, appointments, promotions, the management of probationary periods, and any other area related to the operation of the merit principle in state civil service. (*Ibid.*) Accordingly, the CRU reviews documents and records related to

training that appointing powers are required by the afore-cited laws to provide its employees.

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

FINDING NO. 6 – Ethics Training Was Not Provided for All Filers

Summary: The CALPIA did not provide ethics training to 42 of 126 existing filers. In addition, the CALPIA did not provide ethics training to 85 of 94 new filers within six months of their appointment.

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

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

Cause: The CALPIA states that the enrollment process comprised of a manual email notification to filers to complete ethics training, but had no follow-up notifications to anyone other than the filers.

Corrective Action: Within 90 days of this report, the CALPIA must submit to the SPB a written correction action response which addresses the corrections the department will implement to demonstrate conformity with Government Code section 11146.3. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

FINDING NO. 7 – Supervisory Training Was Not Provided for All New Supervisors

Summary: The CALPIA did not provide basic supervisory training to 30 of 31 new supervisors within 12 months of appointment.

Criteria: Each department must provide its new supervisors a minimum of 80 hours of supervisory training within the probationary period. Upon

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

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

Cause: The CALPIA did not previously have an email notification and reminder process to ensure that new CALPIA supervisors attend new supervisory training within 12 months of appointment.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that new supervisors are provided supervisory training within twelve months of appointment as required by Government Code section 19995.4. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

FINDING NO. 8 – Sexual Harassment Prevention Training Was Not Provided for All Supervisors

Summary: The CALPIA did not provide sexual harassment prevention training to 76 of 99 new supervisors within 6 months of their appointment. In addition, the CALPIA did not provide sexual harassment prevention training to 184 of 188 existing supervisors every 2 years.

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

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

impacts employee morale and productivity, and subjects the department to litigation.

Cause: The CALPIA states they did not previously have a tracking system in place for enrolling and providing sexual harassment prevention training to all supervisors.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that supervisors are provided sexual harassment prevention training in accordance with Government Code section 12950.1. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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 rate⁵ 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, June 1, 2018 through February 28, 2019, the CALPIA made 134 appointments. The CRU reviewed 19 of those appointments to determine if the CALPIA applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

⁵ "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)
Accountant I (Specialist)	Certification List	Permanent	Full Time	\$3,245
Accountant Officer (Specialist)	Certification List	Permanent	Full Time	\$4,453
Associate Personnel Analyst	Certification List	Permanent	Full Time	\$5,333
Custodian Supervisor II, CF	Certification List	Permanent	Full Time	\$3,063
Industrial Warehouse and Distribution Manager II	Certification List	Permanent	Full Time	\$5,481
Information Technology Supervisor I	Certification List	Permanent	Full Time	\$6,078
Legal Analyst	Certification List	Permanent	Full Time	\$4,244
Prison Industries Administrator	Certification List	Permanent	Full Time	\$7,962
Prison Industries Manager (General)	Certification List	Permanent	Full Time	\$6,656
Prison Industries Superintendent II (Maintenance And Repair)	Certification List	Permanent	Full Time	\$5,296
Senior Photographer	Certification List	Permanent	Full Time	\$3,952
Staff Services Manager I	Certification List	Limited Term	Full Time	\$5,917
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	\$7,719
Training Officer I	Permissive Reinstatement	Limited Term	Full Time	\$4,975
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	\$6,228
Free Venture-Private Industries Specialist, Department of Youth Authority	Transfer	Per manent	Full Time	\$6,539

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Information Technology Associate	Transfer	Permanent	Full Time	\$5,767
Management Services Technician	Transfer	Permanent	Full Time	\$3,381
Prison Industries Administrator	Transfer	Permanent	Full Time	\$8,653

FINDING NO. 9 – Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found no deficiencies in the salary determinations that were reviewed. The CALPIA appropriately calculated and keyed the salaries for each appointment and correctly determined employees’ anniversary dates ensuring that subsequent merit salary adjustments will satisfy civil service laws, Board rules and CalHR policies and guidelines.

Exceptions to Salary

California Code of Regulations sections 599.674 and 599.676 allow employees to receive a salary rate up to one step (5%) above the salary rate they last received. In those instances when these rules do not provide employees with the equivalent rate last received (1) upon transfer to a deep class or (2) in their former class, then under the authority of Government Code section 19836, an exception to these salary rules can be made. Exceptions to these rules should be applied uniformly for all employees. (Classification and Pay Guide Section 285.)

For those affected employees incurring salary loss upon transfer to a deep class, CalHR recommends placing the employee on a T&D Assignment for a period of time sufficient to meet the higher alternate range criteria. Upon successful completion of the T&D assignment, the employee may be transferred to the transferable range, and then moved to the next higher alternate range effective the same day. If this does not provide the employee their current salary, departments may process an exception so the employee does not incur a salary loss. (*Ibid.*)

According to PML 2007-026, “All departments have delegated authority to approve an exception to the salary rules under the following circumstances: when there is a salary loss upon transfer to a deep class; when there is a reappointment or reinstatement without a break in service.”

During the period under review, May 1, 2018, through January 30, 2019, the CALPIA authorized four salary exception requests. The CRU reviewed four of those authorized salary exception requests, listed below, to determine if the CALPIA correctly verified, approved and documented the salary exception authorization process:

Classification	Prior Classification	T&D Assignment?	Approved Salary
Custodian, Correctional Facility (CF)	Custodian, CF	No	\$2,567
Custodian, CF	Custodian, CF	No	\$2,591
Custodian Supervisor II, CF	Custodian Supervisor II, CF	No	\$3,066
Custodian Supervisor II, CF	Custodian Supervisor II, CF	No	\$2,948

FINDING NO. 10– Exceptions to Salary Rules Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found that the exception to salary determinations the CALPIA made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

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 May 1, 2018 through January 30, 2019, the CALPIA employees made four alternate range movements within a classification. The CRU reviewed four of those alternate range movements to determine if the CALPIA 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)
Attorney	C	D	Full Time	\$7,524
Information Technology Specialist I	B	C	Full Time	\$6,999
Staff Services Analyst (General)	B	C	Full Time	\$4,136
Accounting Analyst	A	B	Full Time	\$3,688

FINDING NO. 11 – Alternate Range Movements Did Not Comply with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

Summary: The CRU found the following error in the CALPIA’s determination of employee compensation:

Classification	Description of Finding	Criteria
Attorney	Employee should have been placed into Range C of the Attorney classification on July 21, 2016, and into Range D on July 21, 2018. The PIA erroneously placed the employee into Range C on June 2, 2016, and into Range D on June 2, 2018, before they acquired the appropriate amount of legal experience to meet the alternate range criteria, resulting in an overpayment.	Alternate Range Criteria #217

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

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

Severity: Very Serious. The CALPIA 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: The CALPIA states that errors were made in the review of documentation and interpretation of alternate range criteria #217.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that employees are compensated correctly. The CALPIA must establish an audit system to correct current compensation transactions as well as future transactions. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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.⁶ (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.*)

During the period under review, May 1, 2018, through January 30, 2019, the CALPIA authorized five HAM requests. The CRU reviewed all of those authorized HAM requests to determine if the CALPIA 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)
Associate Business Management Analyst	Certification List	Permanent	\$4,978 - \$6,228	\$5,472
Associate Governmental Program Analyst	Certification List	Permanent	\$4,975 - \$6,228	\$5,950
Information Technology Associate	Certification List	Permanent	\$5,022 - \$6,604	\$5,814

⁶ 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.

Classification	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Information Technology Manager I	Certification List	Permanent	\$7,376 - \$9,884	\$9,167
Training Officer I	Certification List	Permanent	\$4,975 - \$6,228	\$6,228

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

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

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, May 1, 2018, through January 30, 2019, the CALPIA issued pay differentials⁷ to 24 employees. The CRU reviewed 10 of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

⁷ For the purposes of CRU's review, only monthly pay differentials were selected for review at this time.

Classification	Pay Differential	Monthly bn Amount
Accountant I (Specialist)	67	\$325
Business Service Officer I (Specialist)	67	\$325
Custodian Supervisor II, CF	67	\$210
Custodian Supervisor II, CF	67	\$210
Custodian Supervisor II, CF	67	\$210
Custodian Supervisor II, CF	67	\$210
Custodian Supervisor II, CF	67	\$210
Management Services Technician	67	\$325
Management Services Technician	67	\$325
Associate Product Engineer, Prison Industries	433	2% Base Salary

FINDING NO. 13 – Pay Differential Documentation Was Not Kept for the Appropriate Amount of Time

Summary: The CALPIA failed to retain documentation showing employees had a valid, approved medical clearance on file in order to receive pay differential 67 for the three following employees: one Business Service Officer I (Specialist) and two Custodian Supervisor IIs.

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.)

Pay differential 67 applies to employees who have regular, direct responsibility for work supervision, on-the-job training, and work performance evaluation of at least two inmates, wards, or resident

workers who substantially replace civil service employees for a total of at least 173 hours per pay period. Additionally, employees must also have a valid, approved medical clearance on file.

Severity: Very Serious. The CALPIA failed to retain proper documentation to support the pay differential in accordance with CalHR's policies and guidelines. This may result in civil service employees receiving incorrect and/or inappropriate compensation.

Cause: The CALPIA states that errors were made by CALPIA and/or CDCR⁸ Personnel Specialists.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Pay Differential 67 and the record retention requirements of California Code of Regulations, title 2, section 26. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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 days⁹ worked and paid absences,¹⁰ is counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) The hours worked in one day is not limited by this rule. (*Ibid.*) The 12-consecutive

⁸ CDCR is responsible for performing keying and leave usage for CalPIA employees who work at CDCR institutions.

⁹ For example, two hours or ten hours counts as one day.

¹⁰ For example, vacation, sick leave, compensating time off, etc.

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 1,500 hours within 12 consecutive months may be used rather than the 189-day calculation. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

Generally, permanent intermittent employees may work up to 1,500 hours in any calendar year. (Applicable Bargaining Unit Agreements.) However, Bargaining Unit 6 employees may work up to 2,000 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 CALPIA had 107 positive paid employees whose hours were tracked. The CRU reviewed 21 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Base	Time Frame	Time Worked
Construction Supervisor III, CF	Retired Annuitant	Intermittent	7/1/2017 - 6/31/18	960 Hours
Custodian CF	Retired Annuitant	Intermittent	7/1/2017 - 6/31/18	953 Hours
Prison Industries Administrator	Retired Annuitant	Intermittent	7/1/2017 - 6/31/18	969 Hours
Prison Industries Superintendent II (Maintenance and Repair)	Retired Annuitant	Intermittent	7/1/2017 - 6/31/18	974.25 Hours

Classification	Tenure	Time Base	Time Frame	Time Worked
Prison Industries Superintendent II (Maintenance and Repair)	Retired Annuitant	Intermittent	7/1/2017 - 6/31/18	942.5 Hours
Special Consultant	Retired Annuitant	Intermittent	7/1/2017 - 6/31/18	923.5 Hours
Special Consultant	Temporary	Intermittent	7/1/2017 - 6/31/18	960 Hours
Skilled Trades Journeyperson (Casual Employment)	Temporary	Intermittent	6/25/18 - 3/22/19	170 Days
Skilled Trades Journeyperson (Casual Employment)	Temporary	Intermittent	5/29/18 - 2/28/19	123 Days
Skilled Trades Journeyperson (Casual Employment)	Temporary	Intermittent	4/2/18 - 12/27/18	174 Days
Skilled Trades Journeyperson (Casual Employment)	Temporary	Intermittent	2/8/19 - 5/7/19	54 Days
Skilled Trades Journeyperson (Casual Employment)	Temporary	Intermittent	5/2/18 - 2/1/19	142 Days
Skilled Trades Journeyperson (Casual Employment)	Temporary	Intermittent	7/7/18 - 4/16/19	147 Days
Skilled Trades Supervisor (Casual Employment)	Permanent	Intermittent	11/5/18 - 5/5/2019	88 Days
Custodian, CF	Permanent	Intermittent	7/10/18 - 12/31/18	1,022.5 Hours
Custodian, CF	Permanent	Intermittent	1/1/18 - 12/31/18	2,221 Hours
Custodian, CF	Permanent	Intermittent	1/16/18 - 12/31/18	1,570.25 Hours
Custodian, CF	Permanent	Intermittent	3/20/18 - 12/31/18	1,225.5 Hours
Custodian, CF	Permanent	Intermittent	8/13/18 - 12/31/18	882 Hours
Custodian, CF	Permanent	Intermittent	4/23/18 - 12/31/18	1,439.5 Hours

FINDING NO. 14 – Department Did Not Properly Monitor Time Worked for All Positive Paid Employees

Summary: The CALPIA did not consistently track and monitor the actual number of hours worked in order to ensure that two permanent, intermittent employees did not exceed the 1,500-hour limitation in any calendar year.

Additionally, the CALPIA did not consistently track and monitor the actual number of hours worked in order to ensure that two retired annuitants did not exceed the 960-hour limitation in any fiscal year.

Specifically, the following employees exceeded the established limitations:

Classification	Tenure	Time Frame	Time Worked	Time Worked Over Limit
Prison Industries Administrator	Permanent	Intermittent	969 Hours	9 Hours
Prison Industries Superintendent II (Maintenance and Repair)	Permanent	Intermittent	974.25 Hours	14.25 Hours
Custodian, CF	Retired Annuitant	Intermittent	2,221 Hours	721 Hours
Custodian, CF	Retired Annuitant	Intermittent	1,570.25 Hours	70.25 Hours

Criteria: A permanent intermittent employee may work up to 1,500 hours in any calendar year. The number of hours and schedule of work shall be determined based upon the operational needs of each department. (Applicable Bargaining Unit Agreements.)

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

Severity: Serious. The number of days or hours an individual may work in a permanent intermittent appointment is limited in the state civil service. To ensure permanent intermittent appointments are not made on a full-time basis, a maximum of 1,500 hours has been placed on the number of hours which a permanent intermittent employee may work any calendar year.

Existing law allows a person retired from state service to be rehired by the State as a retired annuitant. However, retired annuitants shall not work more than 960 hours each fiscal year without reinstatement, loss or interruption of benefits for all state employers.

Cause: The CALPIA states that the result of this finding is based on errors made by CALPIA and/or CDCR Personnel Specialists.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 21224, and California Code of Regulations, title 2, section 599.665. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

FINDING NO. 15 – Positive Paid Employees Time and Attendance Records Were Not Properly Retained and/or Documented

Summary: The CALPIA failed to retain 28 timesheets of 4 employees serving as Skilled Trades Journeypersons. As such, the CRU could not verify the time worked.

Additionally, the CRU found two payroll and/or timekeeping errors when reviewing positive paid employees:

Classification	Description of Findings
Custodian, CF	Employee received five hours of overpayment.
Skilled Trades Journeyperson (Casual Employment)	Employee received twenty hours of overpayment.

Criteria: Each appointing power shall keep complete and accurate time and attendance records for each employee and officer employed within

the agency over which it has jurisdiction. (Cal. Code Regs., tit. 2, § 599.665.) Such records shall be kept in the form and manner prescribed by the Department of Finance in connection with its powers to devise, install and supervise a modern and complete accounting system for state agencies. (*Ibid.*)

Severity: Serious. Failure to properly retain time and attendance records and to monitor employees' time worked results in civil service employees receiving incorrect and/or inappropriate compensation and/or benefits.

Cause: The CALPIA states that the result of this finding is based on errors made by CALPIA and/or CDCR Personnel Specialists.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure all timesheets are accounted for and processed in conformity with California Code of Regulations, title 2, section 599.665. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Administrative Time Off

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

During the period under review, December 1, 2017, through November 30, 2018, the CALPIA placed 18 employees on ATO. The CRU reviewed nine of these ATO appointments to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	Amount of Time on
Business Services Assistant	7/23/18 - 7/31/18	7
Custodian	7/6/18 - 10/16/18	50
Custodian	3/6/18 - 8/30/18	126
Custodian	11/29/17 - 1/11/19	292
Custodian Supervisor II	7/30/18 - 12/31/18	106
Industrial Supervisor	2/14/18 - 3/20/19	275
Lead Custodian	9/1/17 - 9/4/18	252
Prison Industries Administrator	12/15/17 - 4/13/18	82
Superintendent II	4/9/18 - 4/13/18	5

FINDING NO. 16 – Administrative Time Off Was Not Properly Documented

Summary: The CALPIA did not grant ATO in conformity with the established policies and procedures.

Specifically, the CALPIA did not obtain approval from CalHR prior to authorizing ATO in excess of 30 days for 5 employees. In the case of one employee, the CALPIA obtained approval from CalHR to authorize 30-day and 60-day ATO extensions, respectively. However, despite the CalHR’s denial of the CALPIA’s 90-day ATO extension request, the CALPIA continued to place the employee on ATO.

In addition, the CALPIA did not key six employees’ ATO hours into a Leave Accounting System and partially keyed one employee’s ATO hours into a Leave Accounting System.

Lastly, the CALPIA did not document ATO hours on the timesheets of three employees.

Criteria: Appointing authorities are authorized to approve ATO for up to five 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 five 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 CALPIA states that in certain ATO cases they are unable to take employees off of ATO due to CDCR's processing time of related investigations, however, they are working with CalHR and CDCR to develop a solution.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 19991.10 and Human Resources Manual Section 2121. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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, September 1, 2018, through November 30, 2018, the CALPIA reported 78 units comprised of 979 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
October 2018	022	5	5	0
October 2018	046	7	7	0
October 2018	061	6	6	0
October 2018	072	4	4	0
October 2018	074	1	1	0
October 2018	078	2	2	0
October 2018	100	4	4	0
October 2018	700	3	2	1
November 2018	022	5	5	0
November 2018	048	1	1	0
November 2018	066	7	7	0
November 2018	075	4	4	0
November 2018	100	2	2	0
November 2018	235	4	0	4
November 2018	290	3	3	0

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
November 2018	330	4	4	0

FINDING NO. 17 – Incorrectly Posted Leave Usage and/or Leave Credit

Summary: The CALPIA did not correctly enter one of 32 timesheets into the Leave Accounting System (LAS) during the October 2018 pay period. As a result, one employee retained their prior leave balance despite having used leave credits. Additionally, the CALPIA did not correctly enter one of 30 timesheets into the LAS during the November, 2018 pay period. As a result, one employee retained their prior leave balance despite having used leave credits.

Criteria: Departments shall create a monthly internal audit process to verify that all leave input into any leave accounting system is keyed accurately and timely. (Human Resources Manual Section 2101.) If an employee’s attendance record is determined to have errors or it is determined that the employee has insufficient balances for a leave type used, the attendance record must be amended. (*Ibid.*) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*)

Severity: Very serious. Errors in posting leave usage and/or leave credits puts the department at risk of incurring additional costs from the initiation of collection efforts from overpayments, the risk of liability related to recovering inappropriately credited leave hours and funds, and/or the increase of the state’s pension payments.

Cause: The CALPIA states that the result of this finding is based on errors made by CALPIA and/or CDCR Personnel Specialists.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Human Resources Manual Section 2101. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

FINDING NO. 18 – Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input Is Keyed Accurately and Timely

Summary: The CALPIA failed to implement a monthly internal audit process to verify all timesheets were keyed accurately and timely.

Additionally, the CALPIA failed to provide Leave Activity and Certification forms for all units reviewed during the October 2018, and November 2018 pay periods.

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

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

Cause: The CALPIA states that the result of this finding is based on errors made by CALPIA and/or CDCR Personnel Specialists.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that their monthly internal audit process was documented and that all leave input is keyed accurately and timely. Copies of relevant

documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

FINDING NO. 19 – Department Did Not Retain Employee Time and Attendance Records

Summary: The CALPIA did not retain 1 of 32 timesheets from the October 2018 pay period, and 4 of 30 timesheets from the November 2018 pay period.

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

Severity: Serious. The CALPIA failed to retain employee time and attendance records for each employee. Therefore, the department was unable to reconcile timesheets against their leave accounting system at the conclusion of the pay period, which could have affected employee leave accruals and compensation.

Cause: The CALPIA states that the result of this finding is based on errors made by CALPIA and/or CDCR Personnel Specialists.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure all timesheets are accounted for and processed in conformity with California Code of Regulations, title 2, section 599.665. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

State Service

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

An employee who has 11 or more working days of service in a monthly pay period shall be considered to have a complete month, a month of service, or continuous service.¹¹ (Cal. Code Regs., tit. 2, § 599.608.) Full time and fractional employees who work less than 11 working days in a pay period will have a non-qualifying month and will not receive state service or leave accruals for that month.

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

For each qualifying monthly pay period, the employee shall be allowed credit for vacation with pay on the first day of the following monthly pay period. (Cal. Code Regs. tit. 2, § 599.608.) When computing months of total state service to determine a change in the monthly credit for vacation with pay, only qualifying monthly pay periods of service before and after breaks in service shall be counted. (Cal. Code Regs. tit. 2, § 599.739.) Portions of non-qualifying monthly pay periods of service shall not be counted nor accumulated. (*Ibid.*) On the first day following a qualifying monthly pay period, excluded employees¹² 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, May 1, 2018, through January 30, 2019, the CALPIA had six employees with non-qualifying and/or qualifying pay period transactions. The CRU

¹¹ Except as provided in California Code of Regulations, title 2, sections 599.609 and 599.776.1, subd. (b) of these regulations, in the application of Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, 19997.4 and sections 599.682, 599.683, 599.685, 599.687, 599.737, 599.738, 599.739, 599.740, 599.746, 599.747, 599.787, 599.791, 599.840 and 599.843 of these regulations.

¹² As identified in Government Code sections 19858.3, subd. (a), 19858.3, subd. (b), or 19858.3, subd. (c) or as it applies to employees excluded from the definition of state employee under Government Code section 3513, subd. (c), or California Code of Regulations, title 2, section 599.752, subd. (a), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

reviewed 18 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	13
Qualifying Pay Period	Full Time	5

FINDING NO. 20 – Incorrect Application of State Service and Leave Transactions

Summary: The CRU found the following errors in the CALPIA’s state service transactions:

Type of Transaction	Time Base	State Service Incorrectly Posted	Leave Accruals Incorrectly Posted
Non-Qualifying Pay Period	Full Time	3	3
Qualifying Pay Period	Full Time	1	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 of Regs., tit.2, § 599.608.) Absences from state service resulting from permanent separation for more than 11 consecutive working days which fall into two consecutive pay periods shall disqualify one of the pay periods. (*Ibid.*)

Hourly or daily rate employees working in a state agency in which the full-time workweek is 40 hours who earn the equivalent of 160 hours of service in a monthly pay period or accumulated pay periods shall be considered to have a complete month, a month of service, or continuous service. (Cal. Code Regs., tit.2, § 599.609.) When an employee has a break in service or changes to full-time, any combination of time worked which does not equal one qualifying month of full-time service shall not be accumulated or counted. (*Ibid.*)

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

Cause: The CALPIA states that the result of this finding is based on errors made by CALPIA and/or CDCR Personnel Specialists.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure state service transactions are keyed accurately. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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.*)

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

The CRU verified that the policy was disseminated to all staff and emphasized the CALPIA's commitment to the state policy of recruiting, hiring and assigning employees on the basis of merit. Additionally, the CALPIA'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 subds. (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 office to discuss the status of volunteers. (*Ibid.*)

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

FINDING NO. 22 – Injured Employee Did Not Receive Claim Forms Within One Working Day of Notice or Knowledge of Injury

Summary: Of the five workers' compensation claims reviewed by the CRU, the CALPIA did not provide a claim form to one employee within one working day of the CALPIA's knowledge of the injury.

Criteria: An employer shall provide a claim form and notice of potential eligibility for workers' compensation benefits to its employee within one working day of notice or knowledge that the employee has suffered a work-related injury or illness. (Cal. Lab. Code, § 540.1, subd. (a).)

Severity: Very Serious. An injured employee was not provided the required form within the 24-hour time period. Providing the form within 24-hours of injury prevents any delay in treatment to which the employee is entitled. A work-related injury can result in lost time beyond the employee’s work shift at the time of injury and/or result in additional medical treatment beyond first aid.

Cause: The CALPIA states that the result of this finding is based on an error made by the Workers’ Compensation and Return-to-Work Unit.

Corrective Action: Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Labor Code, section 540.1. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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 32 permanent CALPIA employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines. These are listed below:

Classification	Date Performance Appraisals Due	Date Performance Appraisal Provided
Accounting Officer (Specialist)	11/30/2018	Not Provided
Accounting Technician	2/2/2018	Not Provided
Associate Governmental Program Analyst	1/31/2019	Not Provided
Associate Governmental Program Analyst	11/2/2018	Not Provided
Associate Governmental Program Analyst	10/1/2018	Not Provided
Associate Governmental Program Analyst	10/1/2018	Not Provided

Classification	Date Performance Appraisals Due	Date Performance Appraisal Provided
Associate Governmental Program Analyst	12/13/2018	Not Provided
Associate Personnel Analyst	4/12/2018	Not Provided
Custodian (Correctional Facility)	9/9/2018	Not Provided
Custodian Supervisor II (Correctional Facility)	4/1/2018	Not Provided
Industrial Supervisor, Prison Industries (Laundry)	3/6/2018	Not Provided
Industrial Supervisor, Prison Industries (Metal Fabrication)	3/1/2018	Not Provided
Industrial Supervisor, Prison Industries (Optical Products)	4/19/2018	Not Provided
Industrial Supervisor, Prison Industries (Poultry Processing)	11/1/2018	Not Provided
Industrial Supervisor, Prison Industries (Printing)	8/1/2018	Not Provided
Industrial Warehouse and Distribution Manager I, Prison Industries	10/1/2018	Not Provided
Information Technology Specialist I	2/1/2018	Not Provided
Management Services Technician	10/12/2018	Not Provided
Office Technician (Typing)	8/13/2018	Not Provided
Office Technician (Typing)	11/30/2018	Not Provided
Office Technician (Typing)	11/1/2018	Not Provided
Prison Industries Manager (General)	10/1/2018	Not Provided
Prison Industries Manager (General)	4/1/2018	Not Provided
Prison Industries Manager (General)	4/11/2018	Not Provided
Prison Industries Superintendent II (Poultry Processing)	6/1/2018	Not Provided
Product Engineering Technician, Prison Industries	11/1/2018	Not Provided
Products Management Specialist, Prison Industries	5/1/2018	Not Provided
Quality Control Technician, Prison Industries (Cleaning Products)	11/2/2018	Not Provided
Sales Manager, Prison Industries	11/1/2018	Not Provided
Staff Services Analyst (General)	9/28/2018	Not Provided

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

- Summary:** The CALPIA did not provide annual performance appraisals to all 32 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:** The CALPIA states that the result of this finding is based on errors made by human resources and management staff.
- Corrective Action:** Within 90 days of the date of this report, the CALPIA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

DEPARTMENTAL RESPONSE

The CALPIA's response is attached as Attachment 1.

SPB REPLY

Based upon the CALPIA's written response, the CALPIA 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.

September 30, 2020

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

Dear Ms. Ambrose,

This letter is in response to the State Personnel Board's (SPB) 2019 Compliance Review of the California Prison Industry Authority (CALPIA) that will detail the department's response to the review's findings.

CALPIA would like to thank SPB's Compliance Review Unit (CRU) for their oversight and thoroughness in conducting our compliance review. The CRU's review afforded us the opportunity to work collaboratively with SPB to explore opportunities for enhancements to our hiring and leave processes, Equal Employment Opportunity (EEO) Program, personal services contracts, and administration of mandated training.

The following is CALPIA's response to SPB's Compliance Review Report:

Finding No. 3 – Complainants Were Not Notified of the Reasons for Delays in Decisions Within the Prescribed Time Period

The CALPIA provided evidence that two discrimination complaints related to a disability, medical condition, or denial of reasonable accommodation were filed during the compliance review period. One of the two complaint investigations exceeded 90 days and the CALPIA failed to provide written communication to the complainant regarding the status of the complaint.

Cause: CALPIA agrees with this finding. This occurred due to an unfortunate error made by the EEO Officer. Since then, the EEO Officer has been re-trained to provide written communication to the complainant regarding the status of the complaint within the required timeframe.

Finding No. 4 – The Primary Duties of the Equal Employment Opportunity Officer are Not EEO Activities

The CALPIA Assistant General Manager of the Marketing Division also serves as the EEO Officer. According to the duty statement provided by the CALPIA, only 10% of the EEO Officer's job duties are dedicated to the CALPIA EEO program.

Cause: CALPIA agrees with this finding. The decision to place EEO duties where they currently reside was made at a time when CALPIA was a much smaller agency and the placement was appropriate for the size and complexity of the agency. Over the last several years, CALPIA has grown to be a medium sized agency and realizes there is a need for more direct oversight of the agency's EEO related tasks and requirements. CALPIA has begun the process of establishing a dedicated EEO Officer position which is anticipated to be recruited for and filled by December 31, 2020.

Finding No. 5 – Unions Were Not Notified of Personal Services Contracts (PSC's)

CALPIA did not notify unions prior to entering into all 14 of the PSC's reviewed.

Cause: CALPIA agrees with this finding. CALPIA complied with the union notification based on our understanding of the GC section 19130. At times it was unclear the conditions in which Government Code, section 19130 should be applied based on the SOW.

Since the time of the CRU's review the Contracts Unit has improved their process for union notification on personal services contracts as follows:

1. The contract analyst emails contract scope of work to the Contract Manager.
2. The Contracts Manager notifies the Labor Relations Unit for proper union notification.
3. The Labor Relations Unit responds to the Contracts Manager via email with confirmation of union notification.
4. The Contracts Manager provides the Labor Relations Unit confirmation of filing the notification in the contract folder.

Finding No. 6 – Written Justification Was Not Provided for All Personal Services Contracts

The CALPIA did not prepare or retain sufficient written justification why one contract satisfied Government Code Section 19130, subdivision (b).

Cause: CALPIA agrees with this finding. CALPIA complied with written justification based on our understanding of the Government Code section 19130, subdivision (b). This was the result of human error. Since the time of the CRU's review the Contracts Unit has been re-trained to complete the written justification for all personal services contracts.

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

The CALPIA did not provide ethics training to 42 of 126 existing filers. In addition, the CALPIA did not provide ethics training to 85 of 94 new filers within six months of their appointment.

Cause: CALPIA agrees with this finding. At the time of this compliance review, the enrollment process was comprised of a manual email notification to filers to complete ethics training with no follow-up notifications to anyone other than the filers. Since then, CALPIA revised the ethics training tracking

process to utilize an automated Learning Management System (LMS) to enroll filers, send automated reminder emails to filers who still need to complete the training requirement, and produce training compliance reports.

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

The CALPIA did not provide basic supervisory training to 30 of 31 new supervisors within 12 months of appointment.

Cause: CALPIA agrees with this finding. Since then, the Staff Development Unit has developed a new email notification and reminder process to ensure that new CALPIA supervisors attend new State supervisory training within 12 months of appointment.

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

The CALPIA did not provide sexual harassment prevention training to 76 of 99 new supervisors within 6 months of their appointment. In addition, the CALPIA did not provide sexual harassment prevention training to 184 of 188 existing supervisors every 2 years.

Cause: CALPIA agrees with this finding. CALPIA did not previously have a tracking system in place for enrolling and providing Sexual Harassment Prevention to all supervisors. Since the time of review, CALPIA has incorporated Sexual Harassment Prevention Training into every employees' New Employee Orientation and the Learning Management System through automated email notifications and reminders for all current staff and supervisors.

Finding No. 12 – Alternate Range Movements Did Not Comply with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU found the following error in the CALPIA's determination of employee compensation:

Classification	Description of Finding	Criteria
Attorney	<i>Employee should have been placed into Range C of the Attorney classification on July 21, 2016, and into Range D on July 21, 2018. The PIA erroneously placed the employee into Range C on June 2, 2016, and into Range D on June 2, 2018, before they acquired the appropriate amount of legal experience to meet the alternate range criteria, resulting in an overpayment.</i>	<i>Alternate Range Criteria #217</i>

Cause: CALPIA agrees with this finding. Errors were made by CALPIA in the review of documentation and interpretation of Alternate Range Criteria #217. CALPIA is still in the process of collecting previous experience information from the incumbent to thoroughly review this alternate range placement.

Finding No. 14 – Pay Differential Documentation Was Not Kept for the Appropriate Amount of Time

The CALPIA failed to retain documentation showing employees had a valid, approved medical clearance on file in order to receive pay differential 67 for the three following employees: one Business Service Officer I (Specialist) and two Custodian Supervisor IIs.

Cause: CALPIA agrees with this finding. Errors were made by CALPIA and/or CDCR Personnel Specialists in not retaining this required information. Note, the California Department of Corrections and Rehabilitation’s (CDCR) institutional personnel offices provide and are responsible for retaining documentation related to pay differentials keyed for CALPIA employees. CALPIA is working to ensure that all documentation is retained in the future.

Finding No. 15 – Department Did Not Properly Monitor Time Worked for All Positive Paid Employees

The CALPIA did not consistently track and monitor the actual number of hours worked in order to ensure that two permanent, intermittent employees did not exceed the 1,500-hour limitation in any calendar year.

Additionally, the CALPIA did not consistently track and monitor the actual number of hours worked in order to ensure that two retired annuitants did not exceed the 960-hour limitation in any fiscal year.

Cause: CALPIA agrees with this finding. Errors were made by CALPIA and/or CDCR Personnel Specialists. Note, the California Department of Corrections and Rehabilitation’s (CDCR) institutional personnel offices provide and are responsible for performing all keying and leave usage for CALPIA employees located at their institutions. The tracking and monitoring methods at these 36 separate locations vary for monitoring the actual number of hours for intermittent and retired annuitant employees. CALPIA is in the process of exploring electronic timekeeping systems to eliminate these manual errors going forward.

Finding No. 16 – Positive Paid Employees Time and Attendance Records Were Not Properly Retained and/or Documented

The CALPIA failed to retain 28 timesheets of 4 employees serving as Skilled Trades Journeypersons. As such, the CRU could not verify the time worked.

Additionally, the CRU found two payroll and/or timekeeping errors when reviewing positive paid employees:

Classification	Description of Findings
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<i>Custodian, CF</i>	<i>Employee received five hours of overpayment.</i>
<i>Skilled Trades Journeyman (Casual Employment)</i>	<i>Employee received twenty hours of overpayment.</i>

Cause: CALPIA agrees with this finding. Errors were made by CALPIA and/or CDCR Personnel Specialists. Note, the California Department of Corrections and Rehabilitation's (CDCR) institutional personnel offices provide and are responsible for keying payroll and retaining attendance records for CALPIA employees located at their institutions. CALPIA will be establishing Accounts Receivables for the above referenced overpayments.

Finding No. 17 – Administrative Time Off Was Not Properly Documented

The CALPIA did not grant ATO in conformity with the established policies and procedures.

Specifically, the CALPIA did not obtain approval from CalHR prior to authorizing ATO in excess of 30 days for 5 employees. In the case of one employee, the CALPIA obtained approval from CalHR to authorize 30-day and 60-day ATO extensions respectively, however the CalHR denied the CALPIA's 90-day ATO extension request yet the CALPIA continued to place the employee on ATO.

In addition, the CALPIA did not key six employees' ATO hours into a Leave Accounting System and partially keyed one employee's ATO hours into a Leave Accounting System.

Lastly, the CALPIA did not document ATO hours on the timesheets of three employees.

Cause: CALPIA agrees with this finding. For the above-mentioned case of one CALPIA who was on ATO that exceeded the 90 days without CalHR approval, CALPIA had been in contact with CalHR with requesting CalHR approval prior to the 90-day mark. CALPIA in certain ATO cases, like this one, is unable to take employees off of ATO due to CDCR's processing time of related investigations, however, CALPIA is working with CalHR and CDCR to develop a solution.

Finding No. 18 – Incorrectly Posted Leave Usage and/or Leave Credit

The CALPIA did not correctly enter one of 32 timesheets into the Leave Accounting System (LAS) during the October 2018 pay period. As a result, one employee retained their prior leave balance despite having used leave credits. Additionally, the CALPIA did not correctly enter one of 30 timesheets into the LAS during the November 2018 pay period. As a result, one employee retained their prior leave balance despite having used leave credits.

Cause: CALPIA agrees with this finding. Errors were made by CALPIA and/or CDCR Personnel Specialists. Note, the California Department of Corrections and Rehabilitation's (CDCR) institutional personnel offices provide and are responsible for posting leave usage and leave credit for CALPIA employees located at their institutions. The affected employee's leave usage has been updated.

Finding No. 19 – Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input Is Keyed Accurately and Timely

The CALPIA failed to implement a monthly internal audit process to verify all timesheets were keyed accurately and timely.

Additionally, the CALPIA failed to provide Leave Activity and Certification forms for all units reviewed during the October 2018, and November 2018 pay periods.

Cause: CALPIA agrees with this finding. Errors were made by CALPIA and/or CDCR Personnel Specialists. Note, the timekeeping and payroll process for all CALPIA employees involves using more than 36 separate Personnel Specialist at 36 separate locations/institutions by both CALPIA and California Department of Corrections and Rehabilitation (CDCR) Personnel Specialists. The affected employees leave usage has been updated.

Finding No. 20 – Department Did Not Retain Employee Time and Attendance Records

The CALPIA did not retain 1 of 32 timesheets from the October 2018 pay period, and 4 of 30 timesheets from the November 2018 pay period.

Cause: CALPIA agrees with this finding. Errors were made by CALPIA and/or CDCR Personnel Specialists. Note, the California Department of Corrections and Rehabilitation’s (CDCR) institutional personnel offices provide and are responsible for retaining employee time and attendance records for CALPIA employees located at their institutions.

Finding No. 21 – Incorrect Application of State Service and Leave Transactions

The CRU found the following errors in the CALPIA’s state service transactions:

Type of Transaction	Time Base	State Service Incorrectly Posted	Leave Accruals Incorrectly Posted
<i>Non-Qualifying Pay Period</i>	<i>Full Time</i>	<i>3</i>	<i>3</i>
<i>Qualifying Pay Period</i>	<i>Full Time</i>	<i>1</i>	<i>1</i>

Cause: CALPIA agrees with this finding. Errors were made by CALPIA and/or CDCR Personnel Specialists. Note, the timekeeping and payroll process for all CALPIA employees involves using more than 36 separate Personnel Specialist at 36 separate locations/institutions by both CALPIA and California Department of Corrections and Rehabilitation (CDCR) Personnel Specialists. CALPIA will be correcting these errors for the applicable employees.

Finding No. 23 – Injured Employee Did Not Receive Claim Forms Within One Working Day of Notice or Knowledge of Injury

Cause: CALPIA agrees with this finding. An error was made by the Workers' Compensation & Return-to-Work Unit. Since then, the Workers' Compensation & Return-to-Work Unit has been re-trained on providing an injured employee with the workers' compensation form within one working day of notice or knowledge of injury.

Finding No. 24 – Performance Appraisals Were Not Provided to All Employees

Cause: CALPIA agrees with this finding. Errors were made by Human Resources and management. CALPIA is currently implementing a standardized process to ensure all supervisors and managers complete performance appraisals for their employees.

In closing, we acknowledge there are continuing opportunities to build upon our processes pertaining to appointments, compensation and pay, leave and timekeeping, personal services contracts, performance appraisals, leave reduction, EEO complaints, and completion of mandated training. Through this process, we are confident we have established and communicated practices to ensure compliance with laws and rules governing our appointments and mandated training.

Sincerely,

A handwritten signature in blue ink that reads "DKamakani". The signature is written in a cursive, flowing style.

DEBI KAMAKANI

Assistant General Manager, Administration Division

cc: Scott Walker, General Manager, California Prison Industry Authority
Tyler Morris-Seekins, Chief, Human Resources