



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

**AGENDA: 5**

**Consider the Authorization of the  
Corrective Action Plan to  
Implement the Recommendations  
from the Human Resources  
Management Performance Audit**

**Administration Committee Meeting  
December 21, 2022**

**John Chiladakis  
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# Outcome



- Recommend the authorization of this Corrective Action Plan to implement recommendations from the Human Resources Management Performance Audit.

# Background



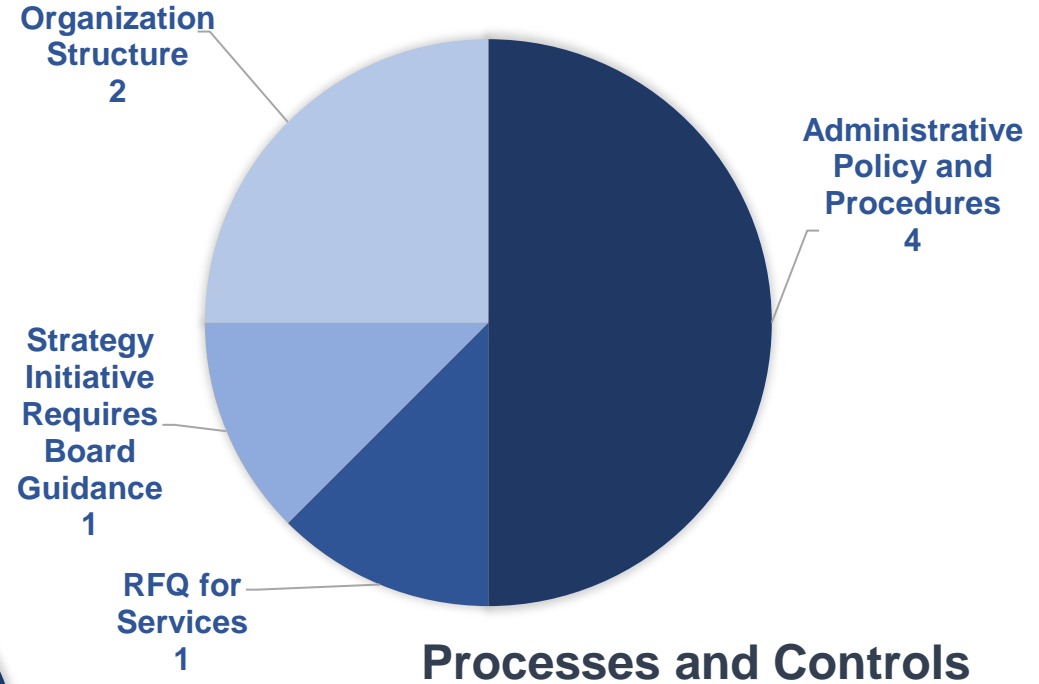
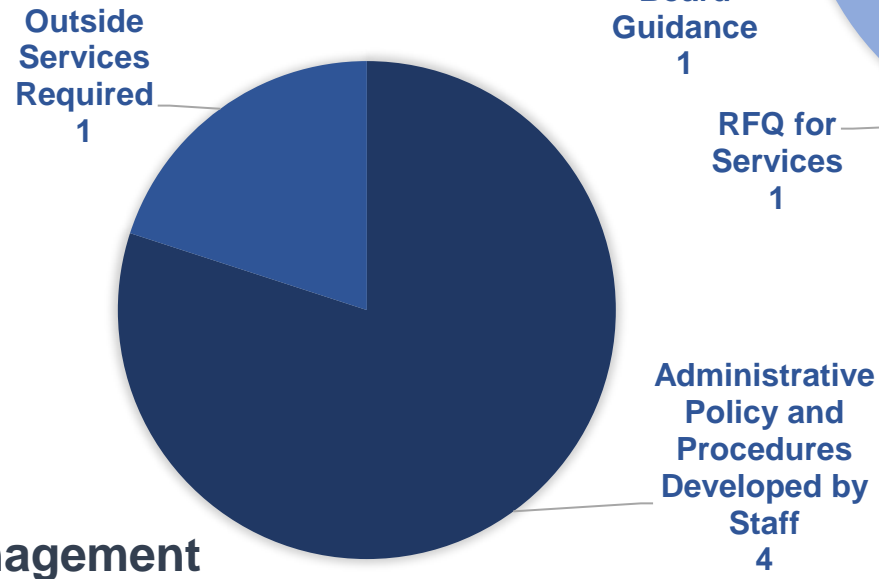
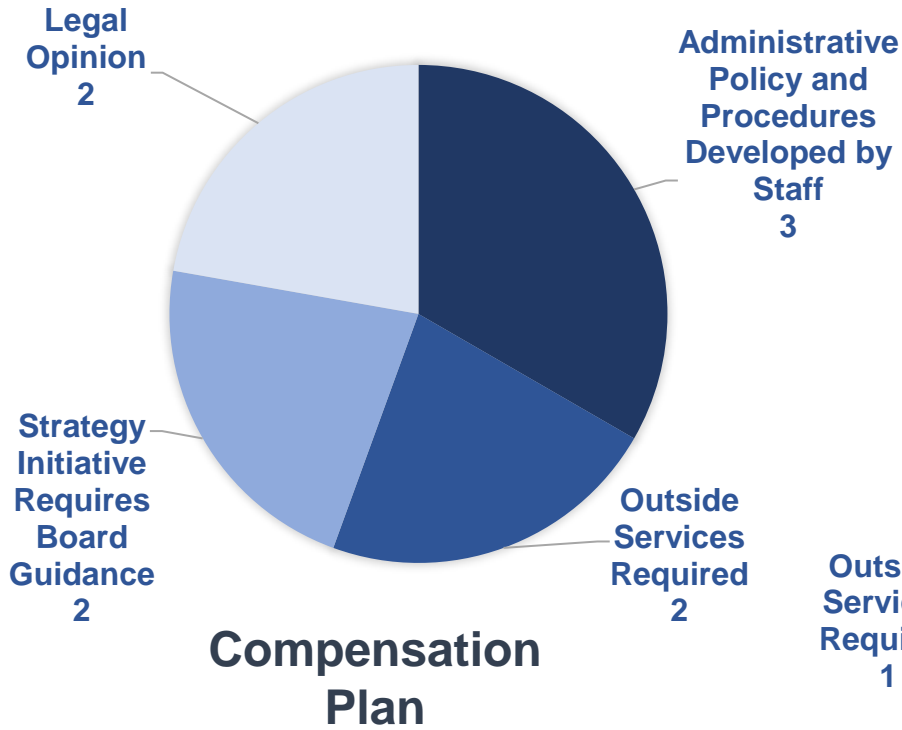
- On November 2nd, 2022, the Administration Committee heard the Management Audit Report on Air District Human Resources Functions.
- The Audit Report calls for 22 recommendations to address multiple findings.
- After hearing the report, the Administration Committee directed staff to develop this action plan to address the recommendations within 60 days of that date (before January 2, 2023).

# HR Audit Recommendations

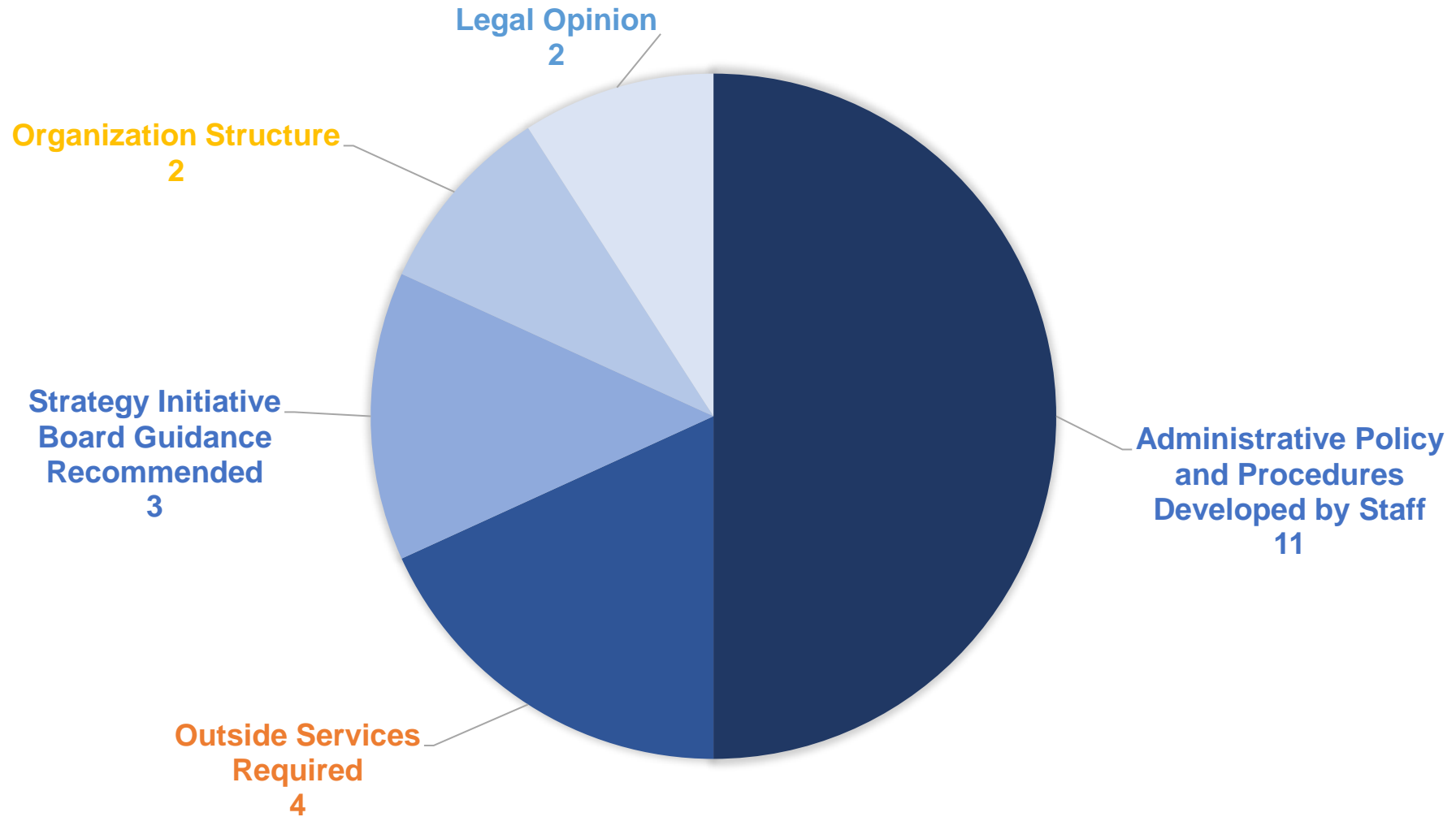


Recommendation	Count
Compensation Plan (1.1 – 1.9)	9
Position Management (2.1 – 2.5)	5
Processes and Controls (3.1 – 3.8)	8
<b>TOTAL</b>	<b>22</b>

# HR Audit Recommendations by Category



# HR Audit Recommendations



# HR Audit Recommendations Legal Consultations



	<b>Legal Consultation Recommendations</b>	<b>Category</b>
1.3	Investigate feasibility for recovering acting salaries paid to non-represented employees for acting assignments inconsistent with Administrative Code	Compensation Plan
1.9	Draft a resolution codifying succession protocols for Board appointed positions	Compensation Plan

# HR Audit Recommendations Organizational Structure



	<b>Organizational Structure Recommendations</b>	<b>Category</b>
3.7	Reassign all payroll-related activities currently performed by the Human Resources Office to the Finance Division.	Processes and Controls
3.8	Reassign the responsibility to administer the human resources information system (Dayforce) to Information Services.	Processes and Controls



# HR Audit Recommendations Strategic - Board Guidance Suggested



	Strategic Recommendations	Category
3.4	Develop a workforce development plan that is informed by District-wide strategic planning	Processes and Controls
1.6	Define a District-wide compensation philosophy consistent with the District's strategic plan	Compensation Plan
2.4	Develop roadmap and protocols to establish and maintain compensation studies current for all District positions.	Compensation Plan

# HR Audit Recommendations Outside Services Required



	Recommendations Requiring Outside Services	Category
1.2	Develop policies and procedures to implement the Districts compensation plan and ensure that the plan is consistent with MOU. Update Administrative Code. Board approval required.	Compensation Plan
1.4	Independent review of all position classifications to determine FLSA status of each position. Board approval required.	Compensation Plan
2.4	Conduct a comprehensive position classification study. Develop position descriptions and new classification specifications for management employees.	Position Management
3.5	Update all Human Resource policies and procedures to industry best practices.	Processes and Controls

# HR Audit Recommendations Compensation Plan



Number	Audit Recommendation	Planned Action
1.8	Direct management personnel to complete appropriate performance evaluations on-time	EO sent memo to all staff on 12/4 and established new policy with default ratings for not completing evaluations when probation or salary increases are due
1.9	Consult with District Counsel regarding adopting a succession resolution for Board appointees	Develop Board direct reports succession resolution for Board authorization
1.1	Refrain from engaging in the determination of compensation any Board-appointed employee absent the clear written direction from the Board of Directors	Staff will establish policy and procedures and implement controls that require board action and the Chair of the Board to authorize by signature the salary for individuals acting in Board appointed positions
1.2	Ensure all compensation practices are compliant with the MOU and Administrative Code	Present compensation plan to the Board and recommend modifications of the Administrative Code. RFQ to engage services for Administrative Code
1.3	Consult with District Counsel regarding the potential for recovering acting pay provided to non-represented employees in conflict with the Administrative Code	Staff will consult with District Counsel regarding the potential for recovering acting pay provided to non-represented employees in conflict with the Administrative Code
1.4	Determine and document FLSA status for all positions and obtain Board approval	Initiate RFQ for outside services to conduct an independent review and documentation of FLSA status for every position. Seek Board approval
1.5	Include in the performance evaluations of supervisors and management personnel the timely and quality completion of annual performance evaluations	Short Term – Staff will develop management policy that requires completion of timely and accurate performance evaluations Long Term Staff will engage with Employees association to develop RFQ for services to overhaul the performance evaluation system
1.6	Prepare a compensation philosophy defining key parameters governing the Air District's compensation plan	In consultation with the Board of Directors, Initiate RFQ for service to facilitate strategic planning for the agency, strategic planning for HR and setting of compensation philosophy and plan as part of the HR strategic plan
1.7	Continue conducting appropriate compensation studies on a periodic basis and report each study to the Board	In consultation with the Board of Directors, develop compensation plan maintenance protocols consistent with the overall strategic plan

# Action Plan for HR Recommendations Compensation Plan



Complete	Audit Recommendation No.	Planned Action	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
✓	1.8	The Executive Officer sent a memo to all staff on 12/19/2022, establishing a new policy with default "Needs Improvement" rating for not completing evaluations when probation or salary increases are due							
	1.3	Staff will consult with District Counsel regarding the potential for recovering acting pay provided to non-represented employees in conflict with the Administrative Code							
	1.9	Develop Board direct reports succession resolution for Board authorization							
	1.1	Establish policy and procedures and implement controls that require board action and the Chair of the Board to authorize by signature the salary for individuals acting in Board appointed positions							
	1.4	Initiate RFQ for outside services to conduct an independent review and documentation of FLSA status for every position. Seek Board approval							
	1.2	Present compensation plan to the Board and removal of benefits from the administrative code. RFQ to engage services for Administrative Code update							
	1.5	Short Term – Staff will develop management policy that requires completion of timely and accurate performance evaluations Long Term Staff will engage with Employees association to develop RFQ for services to overhaul the performance evaluation system							
	1.6	In consultation with the Board of Directors, Initiate RFQ for service to facilitate strategic planning for the agency, strategic planning for HR and setting of compensation philosophy as part of the HR strategic plan							
	1.7	In consultation with the Board of Directors, develop compensation plan and maintenance protocols consistent with the overall strategic plan							

# HR Audit Recommendations

## Position Management



Number	Audit Recommendation	Planned Action
2.1.a	Develop position management protocols that verify Board authorization, funding of position, management authorization for filling and personnel selection, proper process documentation, and consistent with HR guidelines and best practices	Staff will develop governing policy and Administrative Operating Procedures (AOP) to assure proper controls listed in the recommendations.
2.1.b	Incorporate segregation of duties for recruitment authorizations through sing-off by budget officer.	Staff will include controls in the policy and procedures established under 2.1.a that require signature of finance division director or designee
2.2	Incorporate into the budget cycle—such as the preparation of the annual budget and mid-year adjustments—reporting procedures that require updates to the Board on the status of positions for budgetary, cost recovery, or other business purposes.	Staff will include the steps recommended in 2.2 into the annual budget process. Create an AOP for mid-year personnel budget adjustments
2.3	Once developed, update position descriptions at points during which the status of the position undergoes change, such as being vacated or filled, evaluated for reclassification, transferred to another division, etc., in order to keep them as up-to-date as practical.	Staff will include the steps recommended in 2.2 into an AOP for position status changes.
2.4	Conduct a comprehensive classification study that adheres to Division III Section 5.1 of the Administrative Code. This should include a. The development of position descriptions; and b. Sufficient detail as recommended by the Society for Human Resources Management and documented in this report. c. Revising classifications for management personnel such that each provides clear characteristics that differentiate positions based on similarity of duties, responsibilities, and qualifications.	Staff will initiate a procurement for outside services to conduct an independent classification study that includes the scope listed under recommendation 2.4
2.5	Once developed, update position descriptions at points during which the status of the position undergoes change, such as being vacated or filled, evaluated for reclassification, transferred to another division, etc., in order to keep them as up-to-date as practical.	Staff will include the steps recommended in 2.5 into an AOP for position status changes.

# Action Plan for HR Recommendations Position Management



Complete	Audit Recommendation No.	Planned Action	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
	2.1.a,b	Staff will develop governing policy and Administrative Operating Procedures (AOP) to assure proper controls listed in recommendations 2.1a and 2.1b							
	2.2	Staff will include the steps recommended in 2.2 into the annual budget process. Create an AOP for mid-year personnel budget adjustments							
	2.3	Staff will include the steps recommended in 2.2 into an AOP for position status changes							
	2.4	Staff will initiate a procurement for outside services to conduct an independent classification study that includes the scope listed under recommendation 2.4							
	2.5	Develop internal Policy and AOP that requires updates of position descriptions and classifications at key milestones							

# HR Audit Recommendations Processes and Controls



Number	Audit Recommendation	Planned Action
3.6	Develop policy and procedures to implement background checks and include them in personnel files and re conduct them upon staff promotion to management	Staff will develop and implement policy and Administrative Operating Procedure (AOP) to for the governance of background checks to include the recommendations in section 3.6 of the HR Audit Report.
3.7	Reassign all payroll-related activities currently performed by the Human Resources Office to the Finance Division.	Staff will migrate resources and tasks from Human Resources Division to Financial Resources Division in consultation with the employees responsible for the activities.
3.8	Reassign the responsibility to administer the human resources information system (Dayforce) to Information Services.	Staff will migrate resources and tasks from Human Resources Division to Information Services Division in consultation with the employees responsible for the activities.
3.1a,b,c	Develop Human Resource records retention protocols that achieve the criteria specified in 3.1a , 3.1b and 3.1c	Staff will develop and implement policy and Administrative Operating Procedure (AOP) to for the governance of paper and electronic records in accordance with audit recommendations 3.1, secretary of state guidelines and the District's Administrative Code requirements.
3.2	Update the records retention schedule to reflect federal and state law, limiting the extent to which confidential personnel information is retained longer than statutorily required.	Legal staff will review retention schedule and draft updates for board approval.
3.3	Re-examine building security protocols and the individuals that currently have access to the Human Resources file room, and promptly restrict access to only those who need it.	Staff will obtain a list of currently authorized personnel for the Human Resources file room from building security, assure that list conforms to need to know, and create Policy and AOP for maintaining that list.
3.4	Prepare a compensation philosophy defining key parameters governing the Air District's compensation plan	In consultation with the Board of Directors, Initiate RFQ for service to facilitate strategic planning for the agency, strategic planning for HR and setting of compensation philosophy as part of the HR strategic plan.
3.5	Update all human resources policies and procedures to reflect current best practices.	Staff will initiate a procurement for services to conduct an independent review and recommendations for all HR policy and AOP updates.

# Action Plan for HR Recommendations Processes and Controls



Complete	Audit Recommendation No.	Planned Action	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
	3.6	Staff will develop and implement policy and Administrative Operating Procedure (AOP) to for the governance of background checks to include the recommendations in section 3.6 of the HR Audit Report.							
	3.3	Staff will obtain a list of currently authorized personnel for the Human Resources file room from building security, assure that list conforms to need to know, and create Policy and AOP for maintaining that list.							
	3.7	Staff will migrate resources and tasks from Human Resources Division to Financial Resources Division in consultation with the employees responsible for the activities.							
	3.8	Staff will migrate resources and tasks from Human Resources Division to Information Services Division in consultation with the employees responsible for the activities.							
	3.1a,b,c	Staff will develop and implement policy and Administrative Operating Procedure (AOP) to for the governance of paper and electronic records in accordance with audit recommendations 3.1, secretary of state guidelines and the District's Administrative Code requirements.							
	3.2	Legal staff will review records retention schedule and draft updates for board approval.							
	3.4	In consultation with the Board of Directors, Initiate RFQ for service to facilitate strategic planning for the agency, strategic planning for HR and setting of compensation philosophy as part of the HR strategic plan.							
	3.5	Staff will initiate a procurement for services to conduct an independent review and recommendations for all HR policy and AOP updates.							



# Action Plan for HR Recommendations Consolidated Timeline



	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Legal Review Activities							
Staff Developed Policy and Procedures							
Actions Requiring External Contracted Services							
Actions Requiring Strategic Initiatives							
Classification Studies and Compensation Maintenance Protocols							

# Motion



- The Committee recommends to the Board of Directors to authorize the Corrective Action Plan to implement the recommendations from the Human Resources Management Performance Audit.



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**AGENDA: 6**

**Proposed Revisions to the  
Administrative Code:  
Consolidation of Administration and  
Budget & Finance Committees  
Public Comment Time Limits**

**Administration Committee Meeting  
December 21, 2022**

**Alexander Crockett  
District Counsel**

**[acrockett@baaqmd.gov](mailto:acrockett@baaqmd.gov)**

# Action Items



**Action items** for the Administration Committee to recommend to the Board of Directors proposed revisions to the Administrative Code:

- i. Consolidate the current Administration Committee and Budget & Finance Committee into a new Finance & Administration Committee;
- ii. Revise the provision on time limits for public comment at Board and Committee meetings to specify that time limits will be established by the Director chairing the meeting.

# Current Committee Structure



- **Administration Committee –**
  - Consider and recommend matters of policy affecting the affairs of the Air District
  - Short-range and long-range planning
  - Recommend a long-range plan to the Board each year
  - Oversee the work of the Advisory Council and Hearing Board
- **Budget & Finance Committee –**
  - Review proposed budget each year and make recommendations to the Board of Directors
  - Propose administrative policies in the areas of finance, procurement, insurance, and related matters

# Reasons for Consolidation



- **Bring a more holistic approach to strategic planning –**
  - Staffing levels
  - Agency priorities and capacity concerns
  - Budget considerations
  - Long-range planning
- **Integrate staff work** to save time, reduce bureaucracy, and improve efficiency
- **Reduce barriers to public participation**
- **Enhance Board member participation** in Committee work –
  - Filling committee seats has proved to be challenging
  - Fewer committees and fewer committee meetings makes it easier for Board members to cover all necessary agency oversight functions

# Proposed Finance and Administration Committee



- Recommend policies for all aspects of the administration of Air District programs and activities
- Oversee and guide short-range and long-range planning regarding the goals and objectives of the Air District
- Recommend a long-range plan to the Board each year
- Develop and present a proposed budget to the Board each year
- Oversee Advisory Council and Hearing Board
- Recommend revisions to the Administrative Code

# Time Limits for Public Comment



## Current Section 4.9:

- 5 minutes for public comment on non-agenda items
- 3 minutes for public comment on agendized items

## Proposed Revised Section 4.9:

- Time limits will be established for each item by the Director chairing the Board or Committee meeting



# Action Requested



That the Administration Committee recommend Board of Directors approval of changes to the Air District's Administrative Code to:

- i. Consolidate the current Administration Committee and Budget & Finance Committee into a new Finance & Administration Committee;
- ii. Revise the provision on time limits for public comment at Board and Committee meetings to specify that time limits will be established by Director chairing the meeting.