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## QUALITY ASSURANCE REVIEW FINDINGS REPORT NO.: 2022 QAR-06

### Leave Without Pay

The Department of Financial Services (DFS) Post Audit Subsection has completed a limited scope review of employees in Leave Without Pay (LWOP) status.

### Purpose

To determine whether state agencies are approving timesheets in an accurate and timely manner to ensure that employees are not paid for the time in which they are in LWOP status.

### Scope

State employees in LWOP status during the six monthly pay periods beginning January 1<sup>st</sup>, 2022, through June 30<sup>th</sup>, 2022.

### Background

Rule 60L-34.0052, Florida Administrative Code allows employees to be granted LWOP to cover any absences from work, for a period not to exceed twelve months, provided the agency deems such leave to be justified and not detrimental to the operations of the agency. In other instances, employees may take unexpected leave and not have adequate time to cover their absences. In both instances, the agency is required to ensure that employees are not paid for the time in which they are in LWOP status.

### Methodology

DFS Post Audit Subsection obtained LWOP Reports from People First & the most recent employment data from the Department of Management Services' Fiscal Year 2019-20 Annual Workforce Report.

The four agencies selected on a rotational basis from the QAR agency tracking spreadsheet were the Department of Financial Services, Public Service Commission, Department of Revenue, and the Florida Commission on Offender Review.

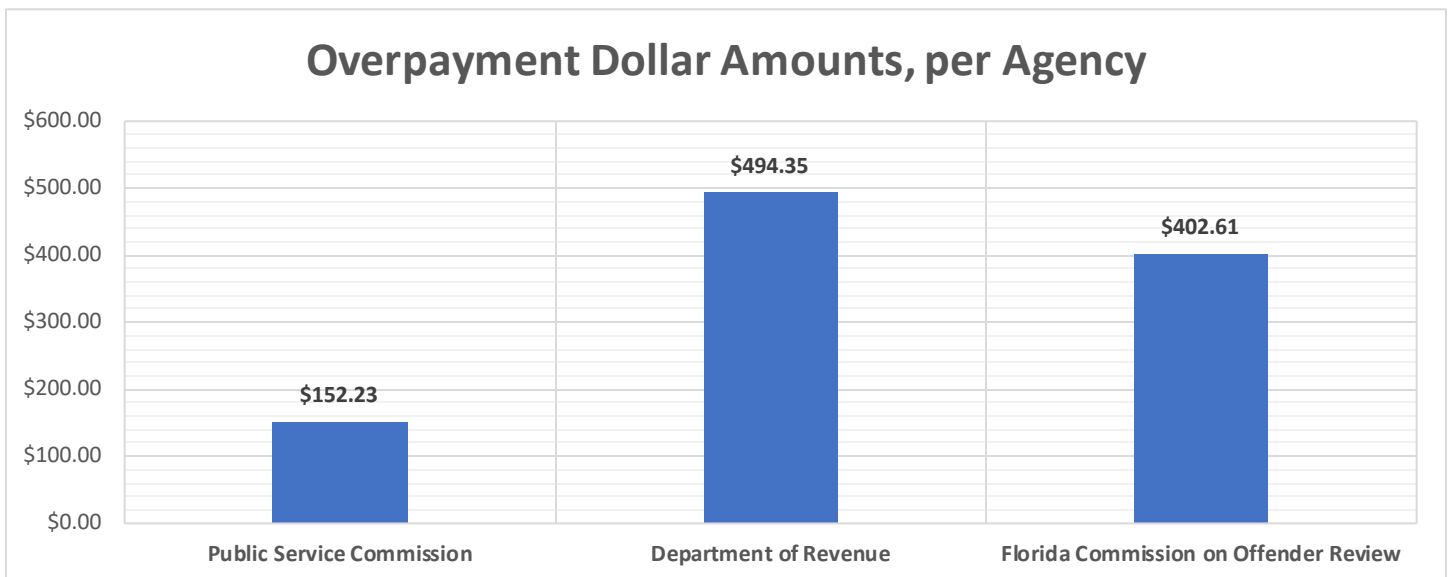
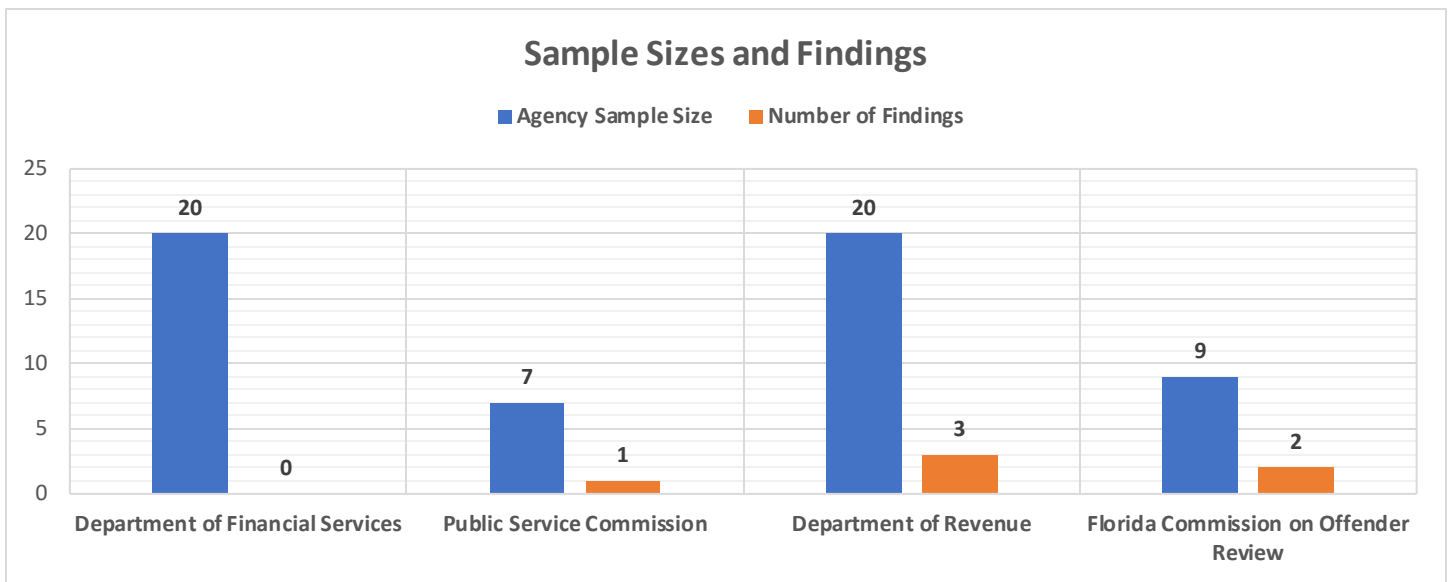
The sample size is usually based upon the amount of employees who used LWOP within the scope. In this QAR, the sample sizes for 2 agencies (PSC & FCOR) were small enough during the given timeframe, that all (100%) employees using LWOP for that agency were reviewed. The remaining two agencies were made up of 20 random employees each.

Payroll and timesheet data were reviewed to ensure salary calculations were accurate and proper payments were made. Findings are documented below for each of the following agencies.

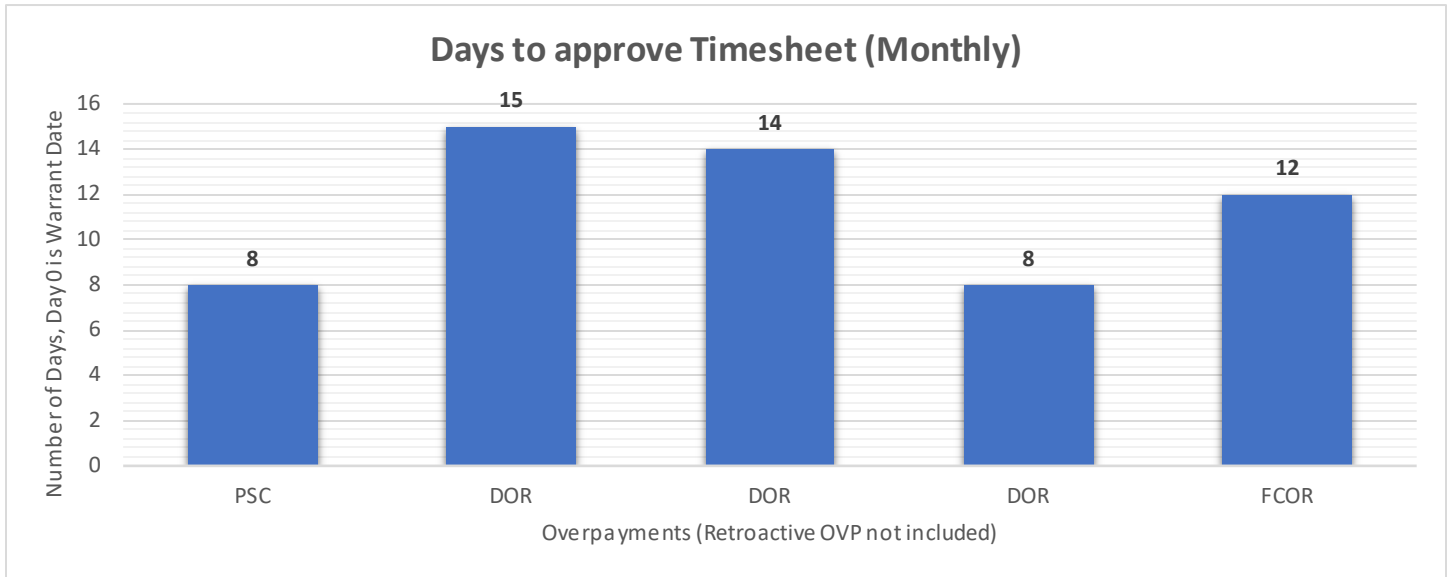
- Department of Financial Services (20 employees, Monthly)
- Public Service Commission (All 7 employees, Monthly)
- Department of Revenue (20 employees, Monthly)
- Florida Commission on Offender Review (All 9 employees, Monthly)

## Conclusions

Of the 56 total employees reviewed, across the four agencies, there were six total findings. Of the six findings, all six are overpayments in the total amount of \$1,049.19, due mostly to timesheets not being approved timely.



The average number of days to approve timesheets within these monthly agencies, was 11 days. LWOP is rarer with “Included” employees, as timesheets are approved up to three times before monthly payroll runs. “Excluded” employees’ timesheets are approved once a month after the warrant date. This is where a larger number of days to approve will be seen and more overpayment occurrences happen.



**Department of Financial Services – DFS (OLO 4300)**

The Post Audit Team found that of the 20 employees sampled and reviewed for the Department of Financial Services, there were no findings for this agency.

**Public Service Commission – PSC (OLO 6100)**

Of the seven employees who used a LWOP status, that were reviewed for the Public Service Commission, one employee was overpaid in the total amount of \$152.23. There were no findings involving underpayments for this agency.

LWOP Pay Period	Warrant Date(s)	Timesheet Approval Date	Days to approve Timesheet	Gross Salary + CAD	Actual Gross Pay	Contract Hours	LWOP Hours	Audited Calculation, Gross DED from EE pay	Amount Deducted by AGENCY	Difference
6/1/22 - 6/30/22	6/30/2022	6/30/22	8	\$4,168.73	\$4,168.73	178	6.5	\$152.23	\$0.00	\$152.23

***AGENCY RESPONSE: I have attached our paperwork for this LWOP that was processed by our HR office on 6/30/2022 and paid by the employee on 7/1/2022. You will see that the FLAIR report stated that the employee owed \$124.81.***

**(\$152.23 is the gross amount given, \$124.81 references the net amount collected by the agency.)**

1. Are Agency Payroll/HR Professionals aware of the Timesheet Information Report & Leave Without Pay Report available within People First? **Yes**
2. Does the agency utilize LWOP PAR actions for employees who consistently and/or excessively use LWOP? **Only when completely necessary and if the employee will be on LWOP for an extended period of time**
3. Does the agency have procedures in place for utilizing People First reports during the payroll process? (if so, please briefly describe) **Yes. I have attached our "Payroll" SOP.**

**Department of Revenue – DOR (OLO 7300)**

The Post Audit Team found that of the 20 employees using LWOP status sampled and reviewed for the Department of Revenue, three employees were overpaid in the total amount of \$494.35. There were no findings involving underpayments for this agency.

LWOP Pay Period	Warrant Date(s)	Timesheet Approval Date	Days to approve Timesheet	Gross Salary + CAD	Actual Gross Pay	Contract Hours	LWOP Hours	Audited Calculation, Gross DED from EE pay	Amount Deducted by AGENCY	Difference
1/1/22 - 1/31/22	1/31/2022	2/7/22	15	\$2,253.34	\$2,092.39	168	29.25	\$526.45	\$160.95	\$365.50
4/1/22 - 4/30/22	4/29/2022	5/5/22	14	\$2,461.72	\$1,289.47	168	8	\$1,289.47	\$1,172.25	\$117.22
4/1/22 - 4/30/22	4/29/2022	4/29/22	8	\$2,603.50	\$2,603.50	168	0.75	\$11.62	\$0.00	\$11.62

***AGENCY RESPONSE: For Employee #1 - Per our review, DOR is in disagreement with the amount of LWOP hours shown below for this employee. Per the timesheet there were only 29.25 hours of LWOP used for the month of January. The employee was paid out 17.25 of the LWOP hours due to the dates the hours were used falling late in the month and the approval of the hours occurring the following month. This overpayment of \$202.16 was deducted from the employee's February paycheck. I've attached the salary overpayment packet that was put together for this employee.***

**(17.25 hours mentioned came after payroll cutoff as referenced, and was collected/adjusted properly)**

***For Employee #2 – Per our review, DOR is in disagreement with the amount of LWOP hours shown below for employee, Jessica Carin. Per the timesheet there were only 8.00, not 88.00 hours of LWOP used for the month of April. The LWOP hours utilized for the month occurred late in the month of April and the approval of the hours not occurring until the following month. In addition, the overpayment was missed by our office due to the overpayment not showing up on the Salary Overpayment report we pulled out of PF during the month of April (attached). We have processed the overpayment which is scheduled to be deducted from the employee's Oct paycheck and the employee was notified (attached).***

**(This EE started mid-month, 80 hours used to fill the first half of the month, then used 8 LWOP hours while employed at the end. Simply a table display error from how the calculation is done in excel.)**

**For Employee #3 - Per our review, DOR is in agreement with the amount of LWOP hours shown below. The LWOP hours utilized for the month occurred late in the month of April and the approval of the hours not occurring until after payroll cutoff. In addition, the overpayment was missed by our office due to the overpayment not showing up on the Salary Overpayment report we pulled out of PF during the month of April (attached). We have processed the overpayment which is scheduled to be deducted from the employee's October paycheck and the employee has been notified (attached).**

1. Are Agency Payroll/HR Professionals aware of the Timesheet Information Report & Leave Without Pay Report available within People First? **Yes, and we use them each month.**
2. Does the agency utilize LWOP PAR actions for employees who consistently and/or excessively use LWOP? **Yes, & we use PARs to place team members on a LOA to avoid future overpayment.**
3. Does the agency have procedures in place for utilizing People First reports during the payroll process? (if so, please briefly describe) **I've attached procedures for processing salary overpayments**

**Florida Commission on Offender Review – FCOR (OLO 7800)**

Of the nine employees who used a LWOP status, that were reviewed for the Public Service Commission, one employee was overpaid in the total amount of \$402.61. There were no findings involving underpayments for this agency

LWOP Pay Period	Warrant Date(s)	Timesheet Approval Date	Days to approve Timesheet	Gross Salary + CAD	Actual Gross Pay	Contract Hours	LWOP Hours	Audited Calculation, Gross DED from EE pay	Amount Deducted by AGENCY	Difference
2/1/22 - 2/28/22	2/28/2022	3/4/22	12	\$2,253.33	\$2,253.33	160	16	\$225.33	\$0.00	\$225.33
1/28/22 - 1/31/22	3/7/2022	Retroactive Partial Payment (1/28/22 - 1/31/22) Warrant #2018580, dated 3/7/22								\$177.28

**AGENCY RESPONSE: I don't have the same amounts you have listed below, but I attached the supporting details needed.**

**(FCOR provided sufficient documentation regarding the first OVP but could not provide any supporting documentation for the 2<sup>nd</sup> finding)**

1. Are Agency Payroll/HR Professionals aware of the Timesheet Information Report & Leave Without Pay Report available within People First? **Yes**
2. Does the agency utilize LWOP PAR actions for employees who consistently and/or excessively use LWOP? **We're working on a process to try to streamline it.**
3. Does the agency have procedures in place for utilizing People First reports during the payroll process? (if so, please briefly describe) **Yes, we run the LWOP report, the file 1 report, and also the potential overpayment report.**

## BOSP LWOP Recommendations

Agencies should process timesheets before the People First cutoff date to ensure that all LWOP hours are recorded and approved. Failure to do so may result in inaccurate payments to employees.

Agency Payroll/HR Professionals should review the timesheet reports that are available within the People First “Reports” tile, under “Time and Attendance Reports” and “Payroll Reports” (Timesheet Information Report & Leave Without Pay Report).

Agencies should compensate employees underpaid salary wages through a supplemental payroll and attempt to recover overpayments made to employees through the salary refund overpayment process.

Agencies should consider utilizing the comments section of the timesheets in People First to document changes which may affect payroll or leave balances. Using the comments section greatly assists in the research of payroll and timesheet discrepancies.

Agencies may also consider performing a Leave Without Pay Personnel Action Request (LWOP PAR) for employees that are repeatedly in leave without pay status and whose timesheets continue not being submitted promptly. Placing an employee on a LWOP PAR will allow the employee only to receive payment once their timesheet is submitted and approved, preventing salary overpayments.

Agencies should consider routine annual attendance from one or more payroll personnel at quarterly trainings developed and presented by BOSP. Continuing education can be helpful in learning new strategies, or overcoming obstacles and challenges encountered when working in payroll.