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## QUALITY ASSURANCE REVIEW FINDINGS REPORT NO.: 2024 QAR-02

### December 24-hour Annual Leave Payouts

The Bureau of State Payrolls (BOSP), Post Audit Subsection has completed a review of 2023's December 24-hour Annual Leave Payouts to eligible Career Service employees.

#### Purpose

The objective of the review was to ensure payments made to Career Service employees were accurate and in accordance with Florida Administrative Code (F.A.C.) 60L-34.0041(4)(b) and Florida Statute (F.S.) 110.219(7) as well as the instructions set forth by the Department of Management Services.

#### Scope

All agencies that processed December 24-hour Annual Leave Payments during the period beginning December 1, 2023, through December 31, 2023.

#### Background

According to the above referenced F.A.C. 60L-34.0041(4)(b) and F.S. 110.219(7), each December an eligible permanent career service employee shall be entitled to, subject to available funds as determined by the agency, a payout of up to 24 hours of unused annual leave. Each of the following criteria provided by the DMS Division of Human Resource Management must be used by the agency to confirm eligibility for this payment:

- The employee must have attained permanent status in their current position with the State of Florida, as defined in Rule 60L-33.003(4), F.A.C. to be eligible for payment.
- The employee must have an annual leave balance of at least 24 hours after payout of the requested hours.
- The cumulative payout shall not exceed the lifetime maximum allowed (240 hours) as described in F.A.C. Chapter 60L-34.0041(6)(a).

Agencies must submit these payments with earnings code 9108 (Annual Leave), and an appointment status code "CS", on a payroll warrant dated in December. The payments may be submitted via People First or via the On-Demand Payroll System.

For more background information, the most recent DMS program guidelines for this process can be found here [24-Hour Annual Leave Payout \[Rev. 2015\]](#).

## Methodology

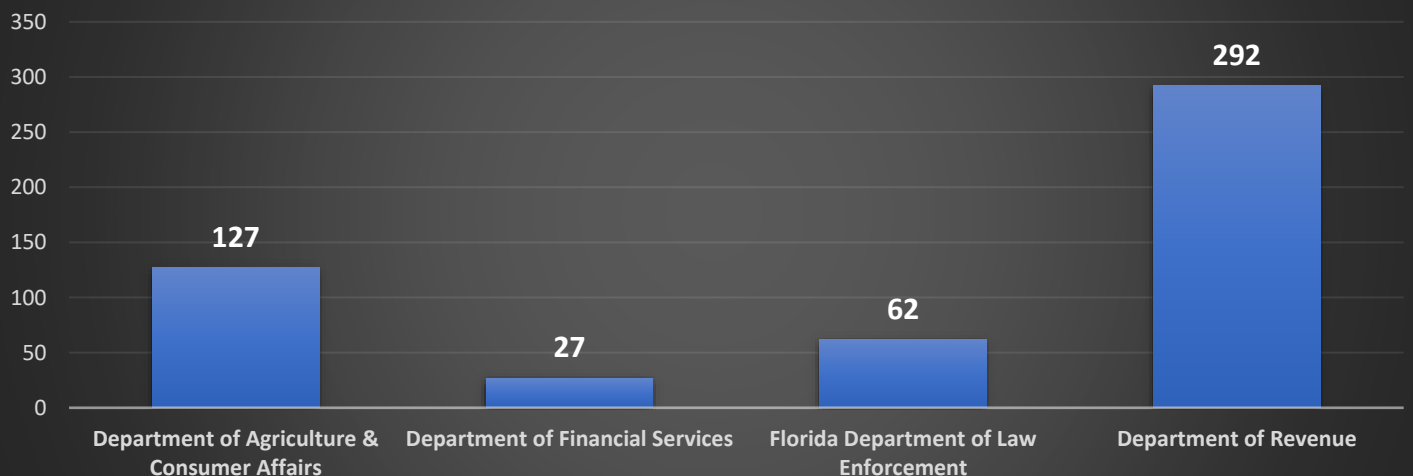
The leave payout data for 2023 was obtained from the salary detail tables within the information warehouse which details all instances in which agencies used the annual leave payout earnings code (9108), with the special appointment status code of "CS" to payout employees. All 518 processed payments to employees were selected for testing.

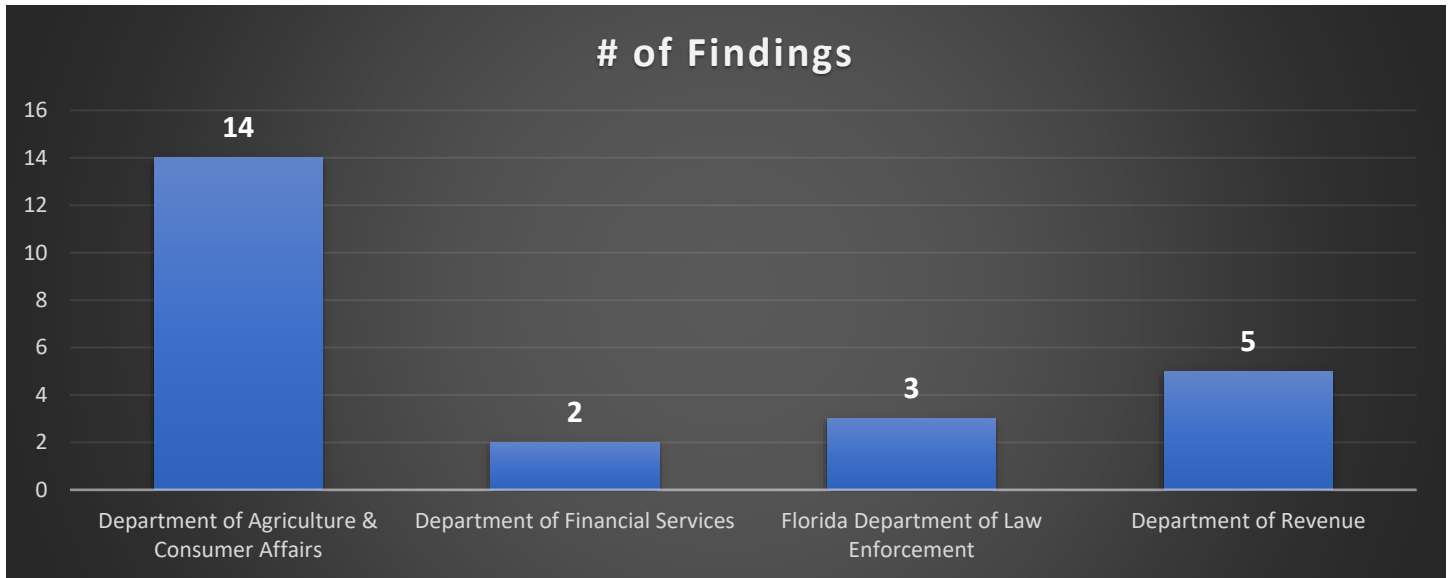
- Payment calculations and the payout amounts for each employee were examined to ensure employees were paid accurate amounts, at the correct hourly rate of pay.
- Annual Leave balances were verified for each employee to ensure each was in accordance with the guidelines prior to and after payments are processed.
- Each employee's Annual Leave history was reviewed for frequency of payments to ensure the employee has not received more than 240 lifetime hours paid out.
- The employee's length of service was verified to be at least 12 months of continuous service.
- Job Status verification was also performed to ensure each payee was in permanent status, a requirement of eligibility.

### 2023 December 24 Hour Annual Leave Payouts

OLO	Agency	Participating Employees	Payouts Processed	# of Findings	% of Findings	Payroll Type
4200	Department of Agriculture & Consumer Affairs	127	127	14	11.02%	Bi-Weekly
4300	Department of Financial Services	27	27	2	7.41%	Monthly
7100	Florida Department of Law Enforcement	62	65	3	4.84%	Monthly
7300	Department of Revenue	292	299	5	1.71%	Monthly
Totals:		508	518	24	4.72%	

### Participating Employees, 24-hour AL Payout, Dec. 2023





### Conclusions

#### Department of Agriculture and Consumer Services – DACS (OLO 4200)

BOSP Post Audit team discovered that of the 127 Department of Agriculture and Consumer Affairs employees that were reviewed, 14 had a 24-hour AL payout payment processed in PYRL to reflect an accurate balance, however, no leave adjustment had been processed to deduct the 24 hours of leave from each of the employees’ People First leave balances. These employees now show an “overage” of 24 hours of AL in People First, as of this review.

Employee's PF Annual Leave Balance is incorrect					
PEOPLE FIRST ID	WARRANT DATE	WARRANT NUMBER	GROSS AMOUNT PAID	HOURS PAID	AUDITER COMMENTS
XXXXX877	12/15/2023	1462863	\$569.76	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX329	12/11/2023	1382160	\$688.32	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX921	12/15/2023	1462856	\$461.52	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX991	12/11/2023	1382159	\$641.28	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX950	12/15/2023	1462854	\$523.92	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX951	12/15/2023	1462857	\$438.24	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX257	12/11/2023	1382161	\$613.92	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX308	12/15/2023	1462858	\$650.16	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX767	12/15/2023	1462859	\$528.00	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX172	12/15/2023	1462855	\$415.44	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX303	12/15/2023	1462861	\$546.72	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX314	12/15/2023	1462862	\$461.52	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX042	12/15/2023	1462860	\$529.20	24	Paid out in PYRL, no record in PF, AL adjustment needed
XXXXX158	12/15/2023	1462853	\$624.00	24	Paid out in PYRL, no record in PF, AL adjustment needed

**AGENCY RESPONSE:** Thanks for bringing this to our attention. The hours have been deducted.

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

BOSP Post Audit team discovered that of the 27 Department of Financial Services employees that were reviewed, two employees were paid while in a probationary job status and as such were ineligible to receive the 24-Hour Annual Leave payout.

Employees on Probationary status at the time of payout					
PEOPLE FIRST ID	WARRANT DATE	WARRANT NUMBER	GROSS AMOUNT PAID	HOURS PAID	AUDITER COMMENTS
XXXXX289	12/11/2023	1342856	\$836.64	24	Probation: 08/01/23 - 07/31/2024
XXXXX465	12/11/2023	1342867	\$763.92	24	Probation: 03/09/23 - 03/08/2024

**AGENCY RESPONSE:** DFS inadvertently processed the attached payments. We will work with the Office of Finance and Budget to begin the recovery process.

**Florida Department of Law Enforcement – FDLE (OLO 7100)**

BOSP Post Audit team found that of the 62 FDLE employees that were reviewed, three were paid while in a probationary status and as such were ineligible to receive the 24-Hour Annual Leave payout.

Employees on Probationary status at the time of payout					
PEOPLE FIRST ID	WARRANT DATE	WARRANT NUMBER	GROSS AMOUNT PAID	HOURS PAID	AUDITER COMMENTS
XXXXX197	12/26/2023	1480383	\$573.12	24	Probation: 12/10/23 - 12/10/2024
XXXXX952	12/26/2023	1480098	\$979.92	24	Probation: 03/17/23 - 03/17/2024
XXXXX686	12/26/2023	1480213	\$846.96	24	Probation: 10/01/23 - 10/01/2024

**AGENCY RESPONSE:** We have reviewed the employees below and determined that they did not meet the eligibility criteria for an annual leave payout. We will work to obtain refunds from the affected individuals.

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

The BOSP Post Audit team found that of 292 Department of Revenue employees that were reviewed, five were found to have had a payout when the ending AL balance resulted in less than 24 hours remaining.

Employees who did not have at least 24 AL balance after payout								
PEOPLE FIRST ID	WARRANT DATE	WARRANT NUMBER	GROSS AMOUNT PAID	HOURS PAID	BEGINNING AL BALANCE	AL USED + PAYOUT HOURS	ENDING AL BALANCE	24+ HOUR BALANCE AFTER AL PAYOUT?
XXXXX774	12/11/23	1378119	446.89	23	47.850	41.00	17.680	No
XXXXX612	12/11/23	1377867	455.52	16	47.997	40.00	20.997	No
XXXXX618	12/11/23	1378029	93.15	5	36.38	30.5	14.55	No
XXXXX109	12/11/23	1377826	348.48	16	44.13	32	22.96	No
XXXXX826	12/11/23	1377889	658.8	24	52.53	50	13.36	No

**AGENCY RESPONSE:** *The Department of Revenue has completed its review of the 24-hour optional annual leave payments made in December 2023 to the employees referenced in your email of April 3, 2024. Based upon our review of the employees' annual leave payouts, timesheets, and leave balances remaining after the payouts were processed, we believe all payments were made in accordance with applicable statutory and administrative rule requirements, as well as DMS's Program Guideline.*

## Recommendations

Agencies should ensure that all December 24-hour Annual Leave Payouts are accurate and in compliance with Florida Administrative Code (F.A.C.) 60L-34.0041(4)(b) and Florida Statute (F.S.) 110.219(7) as well as the instructions set forth by the Department of Management Services.

Prior to processing an annual leave payout, agencies should verify the employee's pay information for accuracy, and that each employee has met the required criteria to receive the payout, including the following, to be eligible for this type of payment:

- Verify that the employee has attained permanent status at the time the payout is processed.
- Verify that the employee will have an annual leave balance of at least 24 hours after payout of the requested hours.
- Verify that the employee has not been paid the lifetime maximum of 240-hours and that the current request will not allow them to exceed the allowable 240 lifetime hours.

Several issues can arise if an employee receives a promotion or demotion. It can change their permanent status to probationary in which they may not be eligible to receive an Annual Leave payout. It can also affect their pay rate, thus, agencies should be aware and give their best efforts to be the most accurate, and review and make changes/updates as necessary up until the pay date of the Annual Leave payout.