



QUALITY ASSURANCE REVIEW FINDINGS REPORT NO.: **2024 QAR-07**

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 pay periods beginning July 1st, 2023, through December 31st, 2023 (Monthly) or July 7th, 2023, through September 28th, 2023 (Biweekly).

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

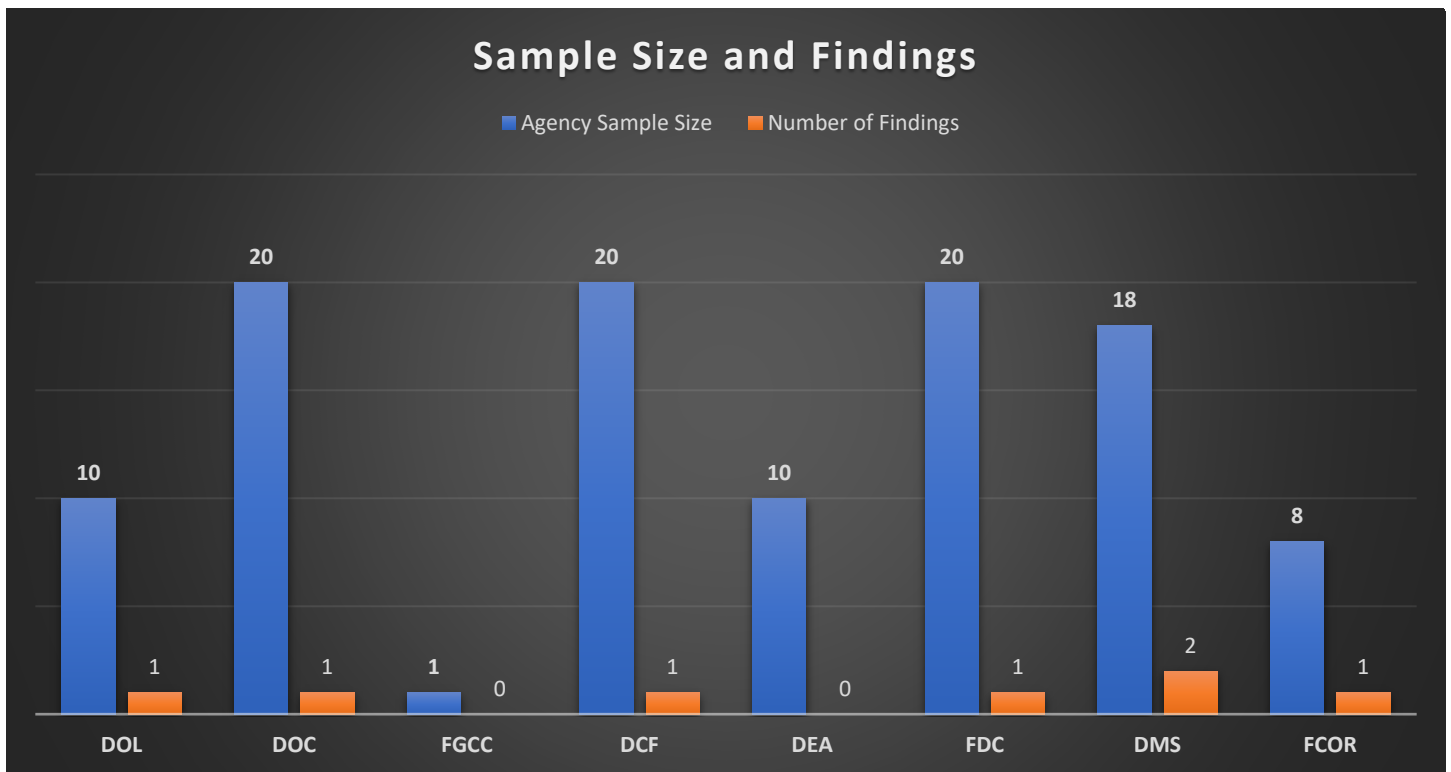
DFS Post Audit Subsection obtained LWOP Reports from People First. Eight agencies were selected on a rotational basis from the QAR agency tracking spreadsheet. The sample size is generally based upon the population of employees with each agency, who used LWOP, within the scope of our review. Payroll and timesheet data were reviewed to ensure that salary calculations were accurate and proper payments were made.

The following 8 agencies were selected for review (4 Monthly agencies and 4 Biweekly agencies), and a random sample is listed for each, based on the available LWOP population for each agency. The findings are documented below for each of the following:

- Department of Lottery (10 employees, Monthly)
- Department of Commerce (20 employees, Monthly)
- Florida Gaming Control Commission (1 employee, Monthly)
- Department of Children & Families (20 employees, Biweekly)
- Department of Elder Affairs (10 employees, Monthly)
- Department of Corrections (20 employees, Biweekly)
- Department of Management Services (18 employees, Biweekly)
- Florida Commission on Offender Review (8 employees, Biweekly)

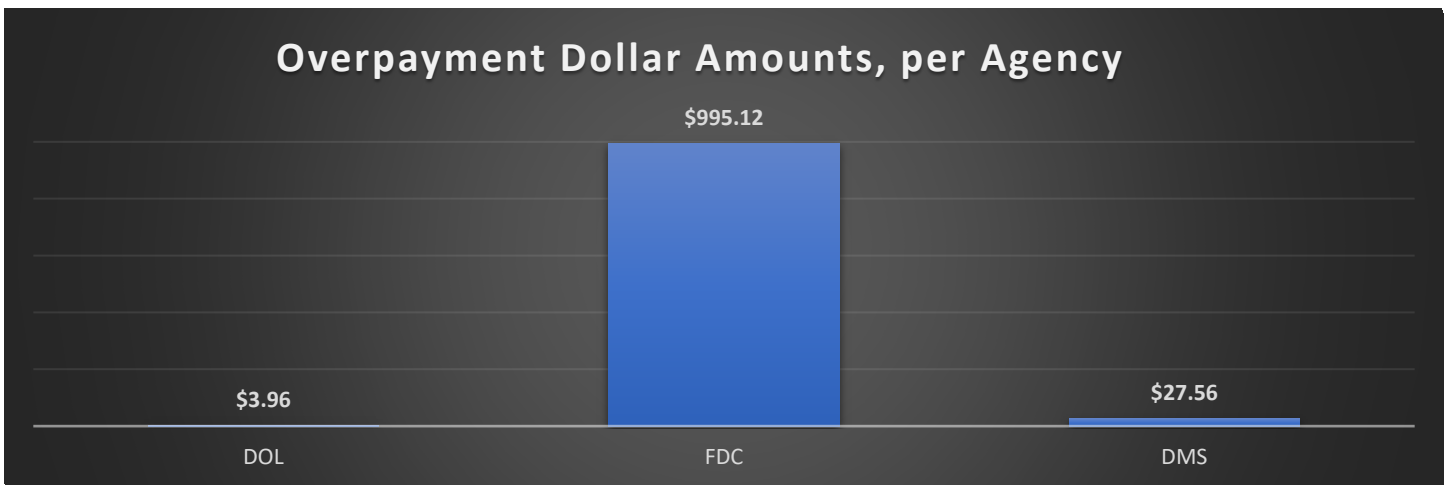
Conclusions

Of the 107 employees reviewed across the 8 agencies, there were 6 total findings (5.6%) in 6 of the 8 agencies. The Florida Gaming Control Commission and Department of Elder Affairs did not have a finding.



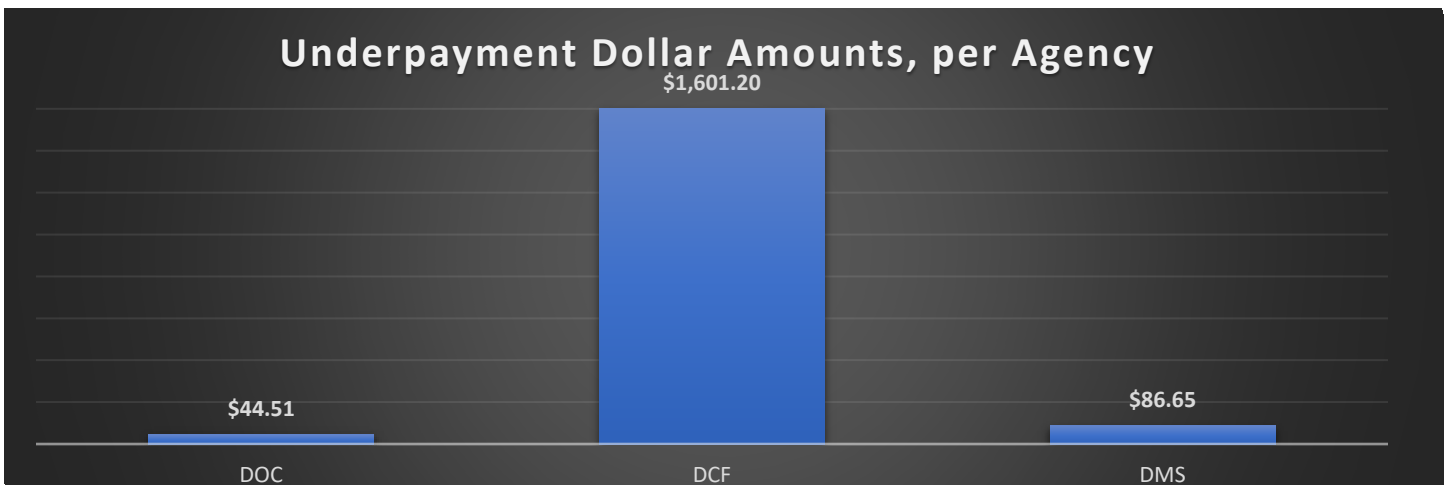
Three of these 6 findings (50%) are possible salary overpayments in the total amount of \$1026.64, due mostly to timesheets not being approved timely, or adjustments made to a timesheet at a later time, but also due to incorrect pay rates used in Leave of Absence using Military LWOP pay codes. The average amount of possible salary overpayments is \$342.21.

Overpayment Dollar Amounts, per Agency



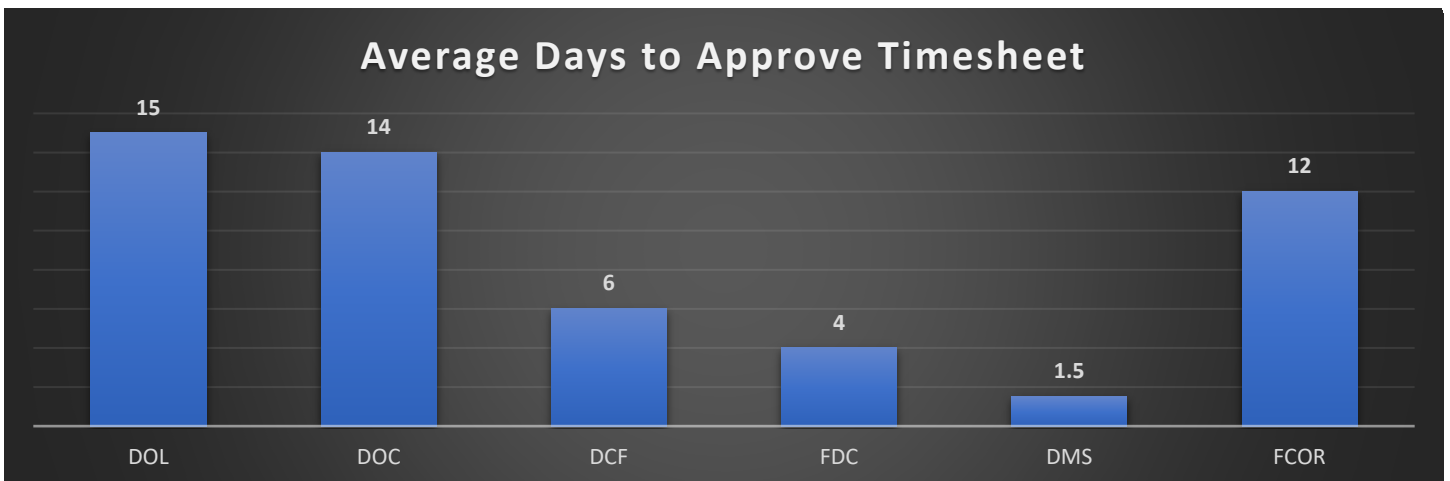
The remaining 3 findings (50%) are possible underpayments in the total amount of \$1732.36. The average amount of possible salary underpayments is \$577.45.

Underpayment Dollar Amounts, per Agency



The overall average number of days to approve timesheets within these 6 agencies with findings, was 9 days. Individual numbers are shown in the graph below. 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.

Average Days to Approve Timesheet



Department of Lottery (OLO 3600)

Of the ten employees who used a LWOP status that were reviewed, one employee was overpaid in the amount of \$85.52. The agency used an incorrect method to determine the Gross Salary for the overpayment instead of using the Gross amount provided by the system. The employee repaid the (incorrect) overpayment in the same tax year; however, the agency entered but did not approve the salary refund in the system by the Withholding Adjustment Date (WAD) cutoff, so it was systematically purged. The agency re-entered the SR in a new tax year after the WAD. The BOSP Payroll Preparation Manual, Volume 5 Section 6, states that *“When a salary overpayment is repaid in the same calendar year in which the overpayment occurred, but the salary refund is not fully processed in the PYRL system in that same calendar year, the agency must complete a manual salary refund form DFS-A3-1911 and send it to the BOSP Employee Records section via email with documentation showing when the employee refunded the overpayment to the agency”*. No DFS-A3-1911 form was ever provided to BOSP.

Since the amount of the overpayment was initially calculated incorrectly by the agency, BOSP has since processed a requested reversal, and the agency has provided the required Manual Salary Refund Form DFS-A3-1911 to BOSP with the correct amount. To reconcile the withholding tax that the employee did not originally need to repay, the agency has the option to collect the difference from the employee, or the agency can absorb the tax burden. There were no findings involving underpayments for this agency.

LWOP Pay Period	Warrant Date(s)	Timesheet Approval Date	Number of Days	Gross Salary	Gross Amount Paid	Contract Hours	LWOP Hours	Audited Calculation	Difference
11/1/2023 - 11/30/2023	11/30/23	12/4/23	12	\$3,010.43	\$2,086.77	176	59	\$1,009.18	\$85.52

AGENCY RESPONSE: *Below are my comments to your audit findings. By looking at your audit, you miscalculated the correct salaries.*

[The Employee] - On your spreadsheet you stated the contracted hours were 176 which is correct. For the month of November 2023, [the employee] was paid for 122 hours. This means that she had a total of 54 hours LWOP already deducted from her November 2023 monthly paycheck. She was still overpaid by 5 hours which a salary overpayment was calculated and deducted from her December 2023 monthly salary. See the attached paperwork.

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? *Not typically. It is our goal to have all the LWOP hours approved by the payroll deadline. If it occurs after the payroll deadline, a salary overpayment is calculated to be deducted from upcoming month.*
3. Does the agency have procedures in place for utilizing People First reports during the payroll process? (If so, please briefly describe). *Yes. Each month, the HR Attendance and Leave Analyst is responsible for running the leave without pay report to provide to the HR Payroll Analyst to calculate the overpayments. In addition, we utilize the timesheet information report for the different types of leave used (paid parental, LWOP, WC, etc.). The Payroll Analyst will review the File 1 Payment History Report for each payroll (supplemental, OPS biweekly, monthly) and compare to the payroll register after it runs.*

Department of Commerce (OLO 4000)

Of the twenty employees who used a LWOP status that were reviewed, one employee was underpaid in the total amount of \$44.51. There were no findings involving overpayments for this agency.

LWOP Pay Period	Warrant Date(s)	Timesheet Approval Date	Number of Days	Gross Salary	Gross Amount Paid	Contract Hours	LWOP Hours	Audited Calculation	Difference
8/1/2023 - 8/31/2023	8/31/23	9/1/23	9	\$2,730.00	\$1,454.02	184	83	\$1,231.47	-\$44.51

AGENCY RESPONSE: *The payment was processed for [the employee]. On Demand dated 07/31/2024 warrant 0250771.*

1. Are Agency Payroll/HR Professionals aware of the Timesheet Information Report & Leave Without Pay Report available within People First? *Yes, and use.*
2. Does the agency utilize LWOP PAR actions for employees who consistently and/or excessively use LWOP? *Yes, is needed.*
3. Does the agency have procedures in place for utilizing People First reports during the payroll process? (If so, please briefly describe). *A.) timesheet reporting is used prior to payroll processing looking for LWOP entered, but not approved.
B.) employees consistently on LWOP are advised not to only use LWOP on timesheets prior to payroll processing, so any LWOP can be captured.
C.) timesheets are monitored for additional LWOP by the consistent LWOP employees prior to cancellation deadline.*

Florida Gaming Control Commission (OLO 4150)

Of the one employee sampled and reviewed for the Florida Gaming Control Commission, there were no findings for overpayments or underpayments.

Department Children & Families (OLO 6000)

Of the twenty employees who used a LWOP status that were reviewed, one employee may have been incorrectly paid for Military LWOP based on information that was discovered within our scope of work.

The employee was on Active Military Duty orders since March 2022, and the Military Supplemental was not calculated correctly, the incorrect Rank, Years of Service, and Basic Pay table year were used. After release from Active Duty, the employee was immediately placed on Annual Training orders which should have been coded as 0057 in People First. Training and Title 32 are allotted 240 hours annually, October 1st – September 30th. Code 0087 for the training was used incorrectly causing an Underpayment during our scope of work until the employee's return to work in the amount of \$1,601.20.

Since the incorrect payments were processed outside our scope of work, the agency was made aware of the above discoveries. After further research conducted by the agency, it was discovered that the employee was overpaid by approximately \$2250.36. The agency is in the process of conducting further calculations to determine the exact amount of overpayment and once calculated, will request a

reimbursement from the employee. Please see the agency response below detailing the overpayments for the Military LWOP.

LWOP Pay Period	Warrant Date(s)	Timesheet Approval Date	Number of Days	Gross Salary	Gross Amount Paid	Contract Hours	LWOP Hours	Audited Calculation	Difference
7/7/2023 - 7/20/2023	7/28/23	9/1/23	43	\$2,034.98	\$810.98	80	80	\$2,034.98	\$810.98
7/21/2023 - 8/3/2023	8/11/23	7/21/23	-13	\$2,034.98	\$810.98	80	80	\$2,034.98	\$810.98
8/4/2023 - 8/17/2023	8/25/23	8/14/23	-3	\$2,034.98	\$810.98	80	80	\$2,034.98	\$810.98
8/18/2023 - 8/31/2023	9/8/23	9/1/23	1	\$2,034.98	\$1,298.70	80	48	\$1,220.99	\$484.71

AGENCY RESPONSE: Example 2 (military leave): We have reviewed and do not fully agree with the calculations and guidance. Upon our review, we determined the employee did not notify us of his change in rank and pay as required in DMS HRM #2018-002. Therefore, we were not aware of this issue until you brought it to our attention. Based on this, we did a full review of his pay beginning February 24, 2022, and determined the following:

[The employee] was at a rank of E04 with 3 years of service from 2/24/22 – 11/23/22. He was at a rank of E04 with 4 years of service from 11/24/2022 – 1/3/2023. He was at a rank of E05 with 4 years of service from 1/4/2023 to current. There were 3 increases to his military rate of pay during this time frame: 11/24/22, 1/1/2023 and 1/4/2023. It was also determined his time sheet was incorrectly coded with 0082 – LWOP Active Military with pay supplement beginning 8/3/23 – 8/25/23. It should have been 0057 – Military Training Leave. [The employee] also received a Vehicle Insurance Allowance payment on 6/26/23 which he was not eligible to receive due to being on active military leave. I have attached a DFS-A3-1906 form to show the “gross” over/under payments, these are not exact as we will need to do salary overpayment calculations in FLAIR. Based on our in-depth review, we have determined [the employee] was not underpaid but in fact was overpaid \$2,250.36 gross pay.

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? **No**
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 multiple times throughout the pay period to ensure any time sheet with LWOP on it is submitted and approved prior to the pay period. We also run after the pay period to identify the time sheets which were approved after the People First cut-off. We also utilize the missing time sheet report to capture any time sheet which has not been approved.**

Department of Elder Affairs (OLO 6500)

Of the ten employees who used a LWOP status that were reviewed, there were no findings for overpayments or underpayments.

AGENCY RESPONSE:

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? - **YES**
3. Does the agency have procedures in place for utilizing People First reports during the payroll process? (If so, please briefly describe) - **YES, DOEA uses all People First Time and Attendance Reports, Payroll Reports, and HR Reports to calculate any discrepancies.**

Department of Corrections (OLO 7000)

Of the twenty employees who used a LWOP status that were reviewed, one employee was overpaid in the total amount of \$995.12. There were no findings involving underpayments for this agency.

LWOP Pay Period	Warrant Date(s)	Timesheet Approval Date	Number of Days	Gross Salary	Gross Amount Paid	Contract Hours	LWOP Hours	Audited Calculation	Difference
7/21/2023 - 8/3/2023	8/11/23	8/14/23	11	\$2,487.80	\$2,487.80	80	32	\$995.12	\$995.12

AGENCY RESPONSE: *After further research it was determine the employee does have an overpayment. The employee's timesheet was approved several days after we had run the LWOP reports (who did not appear on any of the reports) and did not receive any notification from the field advising the employee's timesheet was approved late.*

A salary refund has been processed and a salary overpayment letter sent to the employee notifying her of the overpayment and when it occurred.

1. Are Agency Payroll/HR Professionals aware of the Timesheet Information Report & Leave Without Pay Report available within People First? **Yes, we are aware of the Timesheet Information Report & Leave Without Pay Report. We send these reports each biweekly.**
2. Does the agency utilize LWOP PAR actions for employees who consistently and/or excessively use LWOP? **If we have been notified employee is going to be out an extended period of time on LWOP.**
3. Does the agency have procedures in place for utilizing People First reports during the payroll process? (If so, please briefly describe). **Yes, we have procedures in place to utilize People First reports during the payroll process.**

Department of Management Services (OLO 7200)

Of the eighteen employees who used a LWOP status that were reviewed, one employee was overpaid in the total amount of \$27.56. Additionally, there was one employee who was underpaid in the total amount of \$114.29. The employee worked 74.25 for the pay period, however, was paid 74.75 hours. In addition to the incorrect number of hours worked, the employee was paid at the incorrect rate of pay, \$1320.45; the employee's rate of pay during this pay period should have been \$1452.49.

LWOP Pay Period	Warrant Date(s)	Timesheet Approval Date	Number of Days	Gross Salary	Gross Amount Paid	Contract Hours	LWOP Hours	Audited Calculation	Difference
8/18/2023 - 8/31/2023	9/8/23	9/8/23	8	\$1,260.00	\$1,134.00	80	9.75	\$153.56	\$27.56

LWOP Pay Period	Warrant Date(s)	Timesheet Approval Date	Number of Days	Gross Salary	Gross Amount Paid	Contract Hours	LWOP Hours	Audited Calculation	Difference
8/4/2023 - 8/17/2023	8/25/23	8/22/23	5	\$1,452.49	\$1,233.80	80	5.75	\$104.40	-\$114.29

AGENCY RESPONSE: I need to understand your findings for [Employee 1] underpayment.

1. As stated, we cancelled warrant 0432264 (8/25/2023) due to the LWOP; the entire warrant should have been cancelled; we do not cancel portions of a warrant. We do make wage adjustments when an employee is overpaid through PYRL FLAIR however that would have not been the case since we cancelled the original warrant.
2. We issued an on demand for actual hours worked (80 hours minus 5.75 hours LWOP = 74.75) and paid on warrant 0481322 (8/29/2023)
3. I do not understand why he was issued a Retroactive payment for 1.5 hours on warrant 0500304 (9/5/2023)

I understand your findings for [Employee 2] overpayment.

1. As stated, we cancelled warrant 0572758 (9/8/2023) due to the LWOP.
2. We issued an on demand for what we thought were the actual hours worked (80 hours minus 8.00 hours LWOP = 72.00) and paid the employee with warrant 0582504 (9/11/2023)
3. We will make a wage adjustment through PYRL FLAIR for 1.75 hours multiplied by \$15.75 (hourly rate) in the amount of \$27.56 and request a refund from the employee.

1. Are Agency Payroll/HR Professionals aware of the Timesheet Information Report & Leave Without Pay Report available within People First? We are aware of the Timesheet Information Report & Leave Without Pay Report available within People First. Per HR a 2nd & 3rd LWOP report is ran the Mon & Wed following payroll run date to ensure a late LWOP timesheet was not approved. If so, payroll is notified by HR to cancel the warrant & re-issue for the correct hours to be paid.
2. Does the agency utilize LWOP PAR actions for employees who consistently and/or excessively use LWOP? The FMS/Disbursement Section does not create PARs. Per HR they do not create a LWOP PAR for employees consistently and/or use LWOP excessively.
3. Does the agency have procedures in place for utilizing People First reports during the payroll process? (If so, please briefly describe). Payroll gathers the following reports from PF: File 1, LWOP, New Hires Report and Separated Employees Report for our records; and prior to the PF cutoff for biweekly payroll, we utilize the Timesheet Information Report to identify OPS timesheets that have not been submitted and/or approved. Per HR Timesheet Information Report is ran for employees who have less than 80 hours of leave available to ensure their timesheets are approved. Timesheet information report is run for employees who have entered or submitted LWOP to ensure the supervisor approves those timesheets.

Florida Commission on Offender Review (OLO 7800)

Of the eight employees who used a LWOP status that were reviewed, one employee was overpaid in the total amount of \$430.44. There were no findings involving underpayments for this agency.

LWOP Pay Period	Warrant Date(s)	Timesheet Approval Date	Number of Days	Gross Salary	Gross Amount Paid	Contract Hours	LWOP Hours	Audited Calculation	Difference
10/1/2023 - 10/31/2023	10/31/23	11/3/23	11	\$2,730.00	\$2,730.00	176	27.75	\$430.44	\$430.44

AGENCY RESPONSE:

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? *No*
3. Does the agency have procedures in place for utilizing People First reports during the payroll process? (If so, please briefly describe). *FCOR uses the LWOP Report each month to determine which employee has leave without pay. A letter is sent to the employee who has been over paid and their supervisor cc on the email notifying them that they have been overpaid for the previous month. The letter shows what pay period the overpayment is from, the amount paid, and the amount owed. The employee signs the letter, the supervisor witnesses the letter, and the letter is emailed back to HR. The amount owed is normally taken out of their next paycheck, but the employee does have the option to pay by check or money order.*

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.
- Review available timesheet reports in the People First “Reports” tile, under “Time & Attendance Reports” and “Payroll Reports” (Timesheet Information Report & Leave Without Pay Report).
- Compensate employees underpaid salary wages through a supplemental payroll and attempt to recover overpayments made to employees through the salary refund overpayment process outlined in [Volume 5 Section 6 of the Payroll Preparation Manual](#), both within the same calendar year to avoid Form W-2 corrections in future tax years.
- Consider utilizing comment sections of timesheets in People First to notate changes that may affect payroll or leave balances, assisting with researching payroll and timesheet discrepancies.
- Consider performing a Leave Without Pay Personnel Action Request (LWOP PAR) for employees whose timesheets continue not being submitted promptly and are repeatedly in LWOP status. 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.

Military Leave Without Pay

Agencies should ensure the correct coding is used for Military Leave Without Pay. Any training (Annual Training, Drill/Training Weekends, etc.) or Title 32 orders should use hour type 0057. Employees are entitled to 240 hours paid leave per year (October 1st – September 30th).

When the employee is eligible for Supplemental Pay, Agencies should ensure they revisit the supplemental pay that is calculated for Military Leave Without Pay on the employee’s anniversary date (enlistment date), the beginning of the year (January 1st), and when/if the employee receives a promotion in Rank. Military pay is based on Rank and Years of service, additionally, any Legislative Pay Raises take effect every January 1st and a pay table is published at the beginning of each calendar year. Ensuring the correct Federal Pay is used to calculate the supplemental pay will prevent any potential overpayments or underpayments to the employee. A regular review of the [Military Leave HRM Policy Communications](#) provided by DMS will ensure the correct coding is used. The Department of Defense also provides resources for Active Duty Pay, Reserve Drill Pay, and Annual Pay Raises on their [Military Compensation: Basic Pay](#) webpage that may help.

Payroll Fundamentals Online Training

We do recommend that agencies consider routine annual completion of BOSP’s Statewide Payroll Fundamentals course within the People First Learning Management System. This course, comprised of four modules, is reserved for human resource staff that work with payroll functions, and designed to assist agency personnel staff better understand and stay up to date with the payroll process. To enroll, simply click the Talent Management tile in People First, click the “View My Learning” tab, and you can then search the course name “Statewide Payroll Fundamentals”.

Continuing education can be helpful in learning new strategies, or overcoming obstacles and challenges encountered when working in an ever-changing payroll environment.