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## QUALITY ASSURANCE REVIEW FINDINGS REPORT NO.: 2023 QAR-03

### 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 September 1<sup>st</sup>, 2022, through December 31<sup>st</sup>, 2022 (Monthly) or September 2<sup>nd</sup>, 2022, through January 5<sup>th</sup>, 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 & the most recent employment data from the Department of Management Services' Fiscal Year 2020-21 Annual Workforce Report. Eight agencies were selected on a rotational basis from the QAR agency tracking spreadsheet.

The sample size is generally based upon the number of employees within each agency, who used LWOP within the scope.

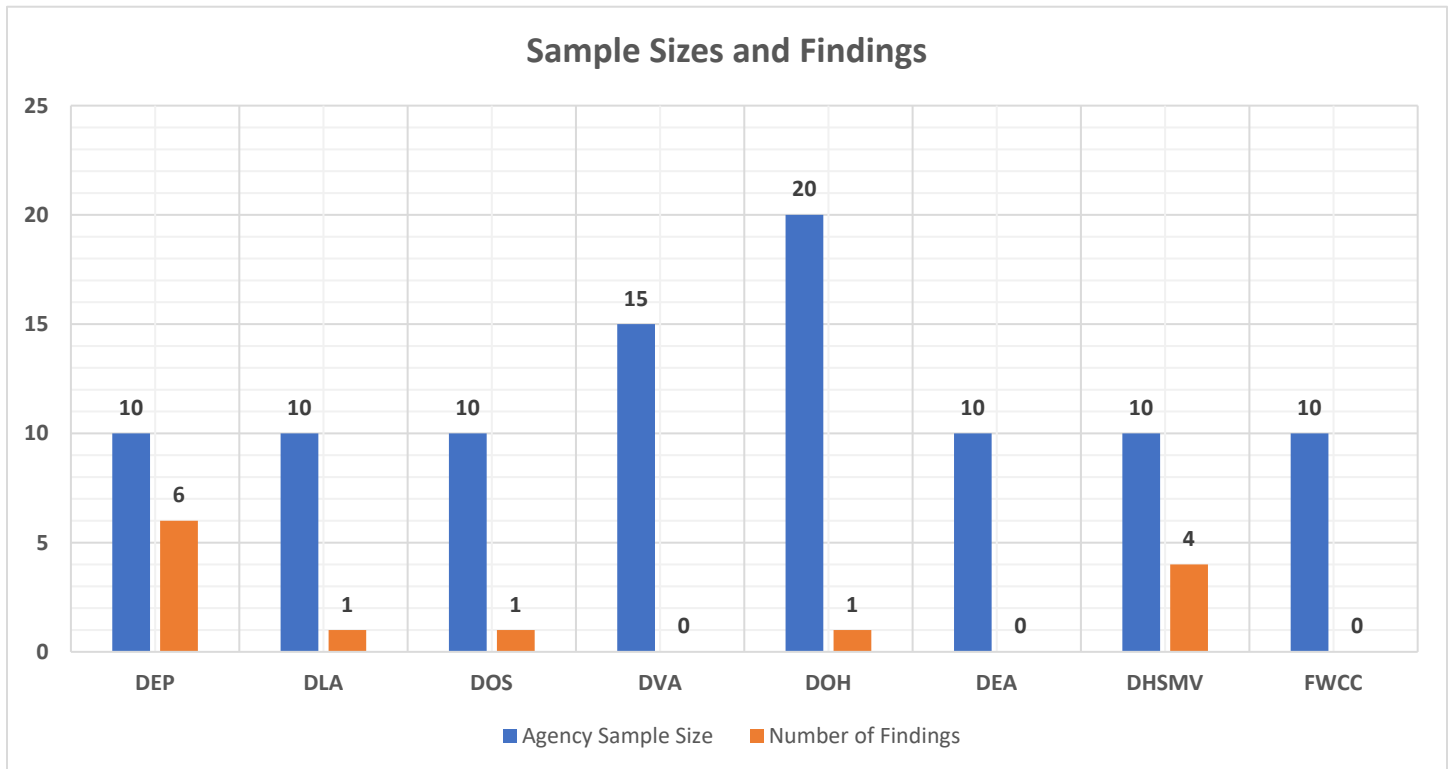
Payroll and timesheet data were reviewed to ensure that salary calculations were accurate and proper payments were made.

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

- Department of Environmental Protection (10 employees, Monthly)
- Department of State (10 employees, Monthly)
- Department of Elder Affairs (10 employees, Monthly)
- Department of Highway Safety & Motor Vehicles (10 employees, Monthly)
- Department of Legal Affairs (10 employees, Biweekly)
- Department of Veterans Affairs (15 employees, Biweekly)
- Department of Health (20 employees, Biweekly)
- Fish & Wildlife Conservation Commission (10 employees, Biweekly)

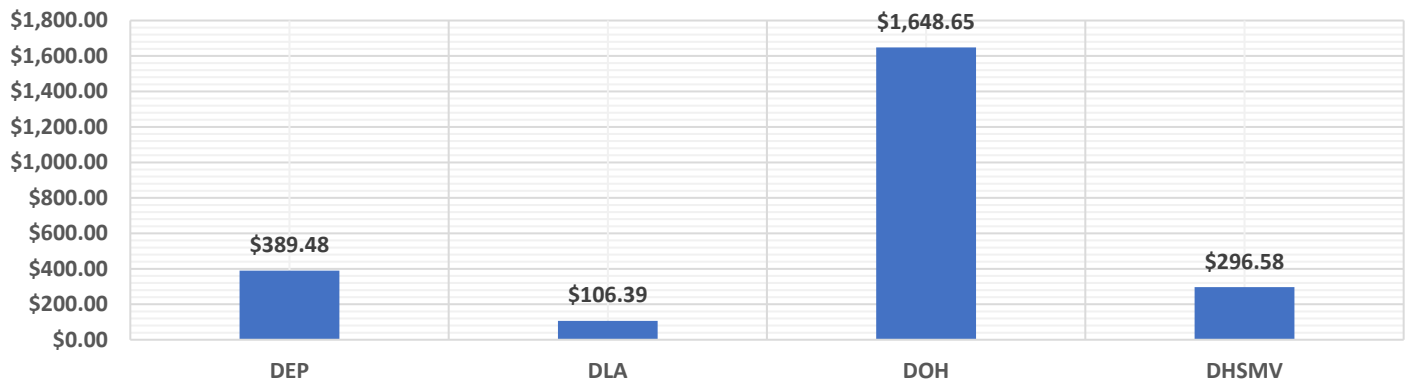
## Conclusions

Of the 95 employees reviewed across the 8 agencies, there were 13 total findings (13.7%) in 5 of the 8 agencies.



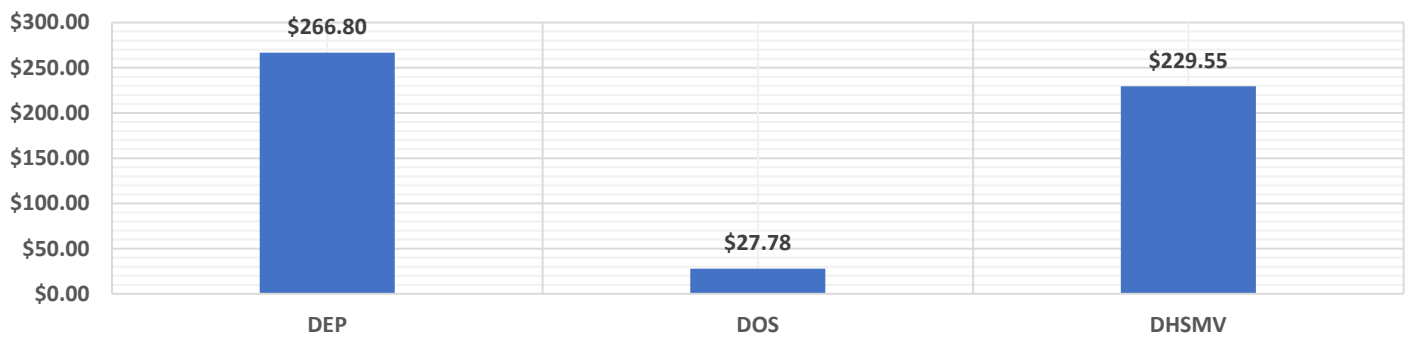
10 of these 13 findings (76.9%) are possible salary overpayments in the total amount of \$2,441.10, due mostly to timesheets not being approved timely, or adjustments made to a timesheet at a later time. The average amount of possible salary overpayments is \$610.28.

### Overpayment Dollar Amounts, per Agency



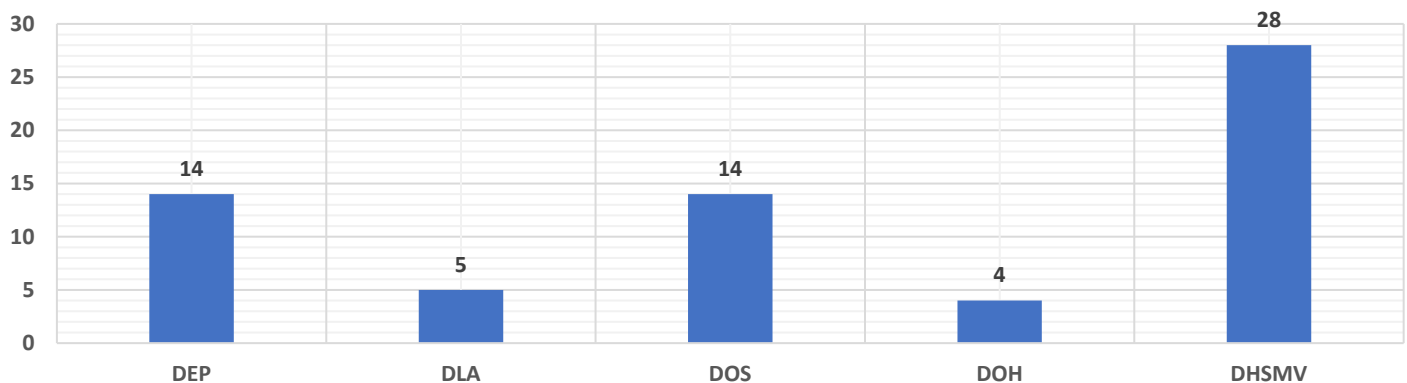
The remaining 3 findings (23.1%) are possible underpayments in the total amount of \$524.13. The average amount of possible salary underpayments is \$174.71.

### Underpayment Dollar Amounts, per Agency



The overall average number of days to approve timesheets within these 5 agencies with findings, was 13 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 Environmental Protection (OLO 3700)

Of the ten employees who used a LWOP status that were reviewed for the Department of Environmental Protection, four employees were overpaid in the total amount of \$389.48. One employee was underpaid in the total amount of \$266.80.

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
9/1/22 - 9/30/22	9/30/22	10/7/22	15	\$3,117.50	\$3,117.50	176	0.5	\$8.86	\$0.00	\$8.86
10/1/22 - 10/31/22	10/31/22	10/24/22	1	\$3,595.94	\$3,595.94	168	10.5	\$224.75	\$0.00	\$224.75
11/1/22 - 11/30/22	11/30/22	12/2/22	10	\$3,161.40	\$3,161.40	176	0.5	\$8.98	\$0.00	\$8.98
12/1/22 - 12/31/22	12/30/22	1/9/23	18	\$3,161.40	\$3,017.70	176	15.25	\$273.93	\$143.70	\$130.23
9/1/22 - 9/30/22	9/30/22	10/14/22	22	\$2,933.09	\$2,933.09	176	1	\$16.67	\$0.00	\$16.67

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
10/1/22 - 10/31/22	10/31/22	11/9/22	17	\$5,602.70	\$5,335.90	168	0	\$0.00	\$266.80	-\$266.80

**AGENCY RESPONSE:** (The agency concurred with the findings and the Overpayments were recovered. The underpayment was paid via Workers Comp and the adjustment for this was also made to confirm.)

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, People First reports are created to ensure all LWOP is recovered.*

## Department of Legal Affairs (OLO 4100)

Of the ten employees who used a LWOP status that were reviewed for the Department of Legal Affairs, one employee was overpaid in the total amount of \$106.39. 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
12/9/22 - 12/22/22	12/30/22	12/27/22	5	\$1,418.58	\$1,418.58	80	6	\$106.39	\$0.00	\$106.39

**AGENCY RESPONSE:** *Salary overpayment occurred due to the untimely timesheet approval. Salary overpayment calculation was generated, and funds were recovered using payroll deduction code 0200.*

1. Are Agency Payroll/HR Professionals aware of the Timesheet Information Report & Leave Without Pay Report available within People First? *Yes, we are aware.*

- Does the agency utilize LWOP PAR actions for employees who consistently and/or excessively use LWOP? *Our agency has utilized this action in the past for employees that are consistently overpaid.*
- Does the agency have procedures in place for utilizing People First reports during the payroll process? (If so, please briefly describe) *As part of the payroll process, we utilize both the LWOP and Payroll Overpayment reports. Both reports are pulled after the end of each pay period and handled accordingly to recover any funds due to the agency.*

### Department of State (OLO 4500)

Of the ten employees randomly sampled and reviewed for the Department of State, there were no findings for overpayments or underpayments.

### Department of Veterans Affairs (OLO 5000)

Of the 15 employees randomly sampled and reviewed for the Department of Veterans Affairs, there were no findings for overpayments or underpayments.

### Department of Health (OLO 6400)

Of the 20 employees who used a LWOP status that were reviewed for the Public Service Commission, one employee was overpaid in the total amount of \$1,648.65. 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
9/16/22 - 9/29/22	10/7/22	10/3/22	4	\$1,648.65	\$2,967.57	80	16	\$329.73	-\$1,318.92	\$1,648.65

**AGENCY RESPONSE:** *Our agency concurs with the findings. The employee was overpaid due to the timesheet being approved after payroll cutoff. This County Health Department was closed during the time that timesheets were to be submitted due to Hurricane Ian. Our payroll staff will be notifying the employee via mail regarding the overpayment.*

- Are Agency Payroll/HR Professionals aware of the Timesheet Information Report & Leave Without Pay Report available within People First? *Yes.*
- Does the agency utilize LWOP PAR actions for employees who consistently and/or excessively use LWOP? *Yes.*
- Does the agency have procedures in place for utilizing People First reports during the payroll process? (If so, please briefly describe) *Yes. On the morning of the biweekly cancellation deadline, we run the Overpayment Report, Payroll Drop Report, Retro Payment Report, and Payment Not Sent to BOSP report for our payroll staff to review.*

### Department of Elder Affairs (OLO 6500)

Of the ten employees randomly sampled and reviewed for the Department of Veterans Affairs, there were no findings for overpayments or underpayments.

### Department of Highway Safety & Motor Vehicles (OLO 7600)

Of the seven employees who used a LWOP status that were reviewed for the Department of Highway Safety & Motor Vehicles, two employees were overpaid in the total amount of \$296.58. Additionally, there were two employees who were underpaid in the total amount of \$229.55.

LWOP Pay Period	Warrant Date(s)				Actual Gross Pay	Contract Hours	LWOP Hours	Audited Calculation,		Difference
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		Timesheet Approval Date	Days to approve Timesheet	Gross Salary + CAD				Gross DED from EE pay	Amount Deducted by AGENCY	
9/1/22 - 9/30/22	9/30/22	10/7/22	15	\$3,377.33	\$3,377.33	176	7.25	\$139.12	\$0.00	\$139.12
10/1/22 - 10/31/22	10/31/22	11/16/22	24	\$4,506.67	\$2,853.41	168	67.5	\$1,810.72	\$1,653.26	\$157.46

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
11/1/22 - 11/30/22	11/30/22	12/10/22	18	\$4,506.67	\$3,235.56	176	44	\$1,126.67	\$1,271.11	-\$144.44
9/1/22 - 9/30/22	9/30/22	11/16/22	55	\$1,310.02	\$1,310.02	176	136	\$0.00	\$85.11	-\$85.11

**AGENCY RESPONSE:** *The Agency agrees with the findings for the first employee – the overpayment for 7.25 hours was identified by the Agency and the amount was collected from the employee. The problem that occurred is that an incorrect collection code #594 rather code #200 was used, and this was not caught by the Agency. To correct this issue the Agency is prepared to submit a Refund for Overpayment Salary-Manual Entry request to have the employee’s 2022 Payroll record corrected.*

*The second employee had 67.5 hours of Workers Comp Leave Without Pay and was paid for 116.5 hours. The second employee’s contracted hours for October 2022 was 184. (As part of this process a retroactive was produced for the employee in mid-November) The Agency agrees with this finding, there were changes to The second employee’s October timesheet and this resulted in the Retroactive payment. The Agency has a process in place to review the Preliminary and Post Retroactive payments. This payment should have been stopped. The Agency has processed a Manual Salary Refund and notification to the member and will collect this overpayment from the October 2023 payroll.*

*Regarding the underpayment, the employee had 44 hours of Workers Comp Leave Without Pay and was paid for 112 hours. The employee’s contracted hours for November 2022 was 156, please see the attached timesheet.*

1. Are Agency Payroll/HR Professionals aware of the Timesheet Information Report & Leave Without Pay Report available within People First? *Yes, Payroll uses the Leave Without Pay Report to identify any member that may have reported LWOP on their timesheet within the last 3 months. This report is reviewed and any member that may have been overpaid is notified and the overpayment is collected as soon as possible. We receive a weekly Timesheet report from Attendance and Leave that identifies any members in which they have unapproved times. We also review the Payroll Overpayment report for the past two months and the prior month is review at month end and after the review of the LWOP report about mid-month.*
2. Does the agency utilize LWOP PAR actions for employees who consistently and/or excessively use LWOP? *Yes, when a member repeatedly has overpayments due to LWOP, Payroll will notify the Attendance and Leave section and they contact the Supervisor regarding initiating LWOP PAR actions.*
3. Does the agency have procedures in place for utilizing People First reports during the payroll process? (If so, please briefly describe) *Payroll uses the following reports during the payroll process to review payments, for the Supplemental Payroll we review the Preliminary and Post Retro reports and for all Payrolls we review the File 1 Payroll Report, Payments not sent to BOSP report, Drop Payment report, Retroactive Payments sent to BOSP report.*

### Fish & Wildlife Conservation Commission (OLO 7700)

Of the ten employees randomly sampled and reviewed for the Fish & Wildlife Conservation Commission, there were no findings for overpayments or underpayments.



## 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.