

The California State Auditor released the following report today:

## California Department of Corrections and Rehabilitation and California Correctional Health Care Services

*Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees*

### BACKGROUND

The California Whistleblower Protection Act authorizes the California State Auditor (state auditor) to investigate allegations of improper governmental activities by state agencies and employees. The state auditor received allegations that the California Department of Corrections and Rehabilitation and California Correctional Health Care Services (Correctional Agencies) were improperly undercharging the leave balances of certain employees for work days they had missed. Certain employees are compensated with a salary that is based on completing specified job duties regardless of how many hours it takes and must use leave only when they miss an entire day of work (nonmanagerial, exempt employees) yet, they can work alternate work schedules—nine- or 10-hour days rather than eight-hour days. Based on an arbitration decision, directives from the California Department of Personnel Administration (Personnel Administration), and a 2006 report issued by the state auditor's office, the California Department of Corrections and Rehabilitation (Corrections) was placed on notice that it should have charged its nonmanagerial, exempt employees working an alternate schedule an amount of leave equal to their regularly scheduled hours when missing a workday, and that failing to do this constitutes a waste of state resources.

### KEY FINDINGS

Our investigation of the Correctional Agencies revealed the following:

- The agencies wasted state resources worth nearly \$170,000 over a 12-month period at six institutions we visited.
  - ✓ Of the 170 employees whose time sheets and leave records we examined, the Correctional Agencies undercharged leave for 110 of them—nearly 65 percent—by charging the employees only eight hours of leave when they missed a day of work that was regularly scheduled to be nine or 10 hours, resulting in a cost to the State of nearly \$147,000.
  - ✓ Personnel staff at one of the facilities—California Correctional Institution—undercharged the facility's employees almost as many hours as were undercharged by the other five facilities combined.
  - ✓ Clerical errors in 47 of the employees' leave balances contributed to approximately \$23,000 in net loss to the State over the 12-month period under review.
- Other than the two guidance documents from Personnel Administration in 2005 and a memorandum from Corrections in 2004, neither of the Correctional Agencies provided further guidance to their personnel staff. Personnel staff at the facilities we visited had an inconsistent understanding of how to charge leave.
- Chief personnel officers failed to monitor the leave-charging practices at the correctional facilities we visited to ensure that personnel specialists at those facilities were charging leave balances properly.
- Because the institutional personnel officers in at least seven of the remaining facilities we surveyed had an incorrect understanding of the amount of leave to charge for exempt employees and because no mandatory review process is in place to ensure personnel specialists enter information correctly, the annual amount of waste is likely substantial.
- Although after we initiated our investigation, Corrections issued additional guidance to all its personnel officers on appropriately charging leave, a number of nonmanagerial, exempt employees at two institutions were still undercharged.

### KEY RECOMMENDATIONS

We made several recommendations to the Correctional Agencies including that they audit the past three years to identify errors and adjust current employees' leave balances to correct the errors. For employees who left state service, the agencies should seek repayment of any funds they overpaid. Further, we recommended that personnel staff be trained on proper leave charging, that nonmanagerial, exempt employees be trained on proper time reporting, and that the Correctional Agencies establish a system of oversight to ensure that the correct number of leave hours are charged.

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To report suspected improper governmental activities, contact the Whistleblower Hotline: (800) 952-5665, mail information to the state auditor, or submit a complaint online to [www.auditor.ca.gov](http://www.auditor.ca.gov)