

2023-104 AUDIT SCOPE AND OBJECTIVES
California Labor Commissioner’s Office—
Backlog of Wage Theft Cases

The audit by the California State Auditor will provide independently developed and verified information related to the backlog of wage theft cases at the California Labor Commissioner’s Office. The audit’s scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. To the extent that data is available, determine the following:
 - (a) The size of any current backlog of wage theft claims as well as the size of any backlogs that have existed over the past five years.
 - (b) The median time to adjudicate and close claims.
 - (c) The extent to which new laws that have increased worker protections have affected any backlog of claims.
3. Assess staffing levels and salaries within the Labor Commissioner’s office’s wage claims unit by determining the following:
 - (a) The current caseload assigned to each employee versus the Labor Commissioner’s office’s ideal or optimal caseload standard.
 - (b) Current employee turnover.
 - (c) The number of personnel needed to meet the statutorily required claims processing time frames.
 - (d) The current number of employees and vacancies, and the number of new employees hired in the last 12 months.
 - (e) Whether employee salaries within the wage claim unit are equitable.
 - (f) To the extent possible, whether employee retention would improve as a result of increasing salaries or reclassifying positions.
4. Review and assess training procedures and content for new employees in the wage claim unit.
5. Evaluate the review process for wage theft claims, identify areas of inefficiency and, if applicable, recommend changes in those areas.
6. To the extent possible, determine the number of workers who are able to collect their owed wages following a judgment and the percentage of those workers who received no wages, only partial wages, or all wages owed by employers.

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7. Assess the reasons why workers cannot collect wages owed to them after a judgment and determine whether the Labor Commissioner's office can improve the resources available to workers seeking to recover those wages.
8. Determine the extent of the Labor Commissioner's office's authority to compel employers to pay owed wages after a judgment. Determine how the Labor Commissioner's office uses its authority and whether the State may improve on that authority.
9. Review and assess any other issues that are significant to the audit.