

# **CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES**

Audit Report

## **PAYROLL AUDIT**

*March 1, 2016, through February 28, 2019*



**BETTY T. YEE**  
California State Controller

May 2021



**BETTY T. YEE**  
California State Controller

May 3, 2021

Mark Ghilarducci, Director  
Governor's Office of Emergency Services  
3650 Schriever Avenue  
Mather, CA 95655

Dear Mr. Ghilarducci:

The State Controller's Office audited the California Governor's Office of Emergency Services' (Cal OES) payroll process and transactions for the period of March 1, 2016, through February 28, 2019.

Our audit determined that Cal OES did not maintain adequate and effective internal controls over its payroll process. Cal OES lacked adequate segregation of duties and compensating controls, resulting in improper overtime payments, maintenance of timesheets, and separation lump-sum payments. Cal OES also granted inappropriate keying access to the State's payroll system.

In addition, Cal OES did not implement controls to limit the accumulation of vacation and annual leave credits, resulting in liability for excessive balances. Cal OES also did not have adequate controls over holiday credit transactions.

If you have any questions, please contact Andrew Finlayson, Chief, State Agency Audits Bureau, by telephone at (916) 324-6310.

Sincerely,

*Original signed by*

MICHAEL REEVES, CPA  
Acting Chief, Division of Audits

MR/as

cc: Tina Curry, Acting Chief Deputy Director  
California Governor's Office of Emergency Services  
Timothy Perry, Chief of Staff  
California Governor's Office of Emergency Services  
Sheila Braverman, Chief  
Human Resources Office  
California Governor's Office of Emergency Services  
Ralph Zavala, Chief  
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California Governor's Office of Emergency Services  
Brendan Murphy, Chief, Administrative Services Division  
California Department of Human Resources  
Jil Barraza, Chief, Personnel and Payroll Services Division  
State Controller's Office

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# Audit Report

## Summary

The State Controller's Office (SCO) audited the California Governor's Office of Emergency Services' (Cal OES) payroll process and transactions for the period of March 1, 2016, through February 28, 2019. Cal OES management is responsible for maintaining a system of internal control over the payroll process within its organization, and for ensuring compliance with various requirements under state laws and regulations regarding payroll and payroll-related expenditures. We completed our audit fieldwork on December 9, 2019.

Our audit determined that Cal OES did not:

- Maintain adequate and effective internal controls over its payroll process, resulting in improper separation lump-sum and overtime payments, and improper holiday credit transactions. Cal OES also granted inappropriate keying access to the State's payroll system;
- Implement controls to limit the accumulation of vacation and annual leave credits, resulting in liability for excessive balances; and
- Collect salary advances from its employees in a timely manner.

## Background

In 1979, the State of California adopted collective bargaining for state employees. This created a significant workload increase for the SCO's Personnel and Payroll Services Division (PPSD), as PPSD was the State's centralized payroll processing center for all payroll-related transactions. PPSD decentralized the processing of payroll, allowing state agencies and departments to process their own payroll-related transactions. Periodic audits of the decentralized payroll processing at state agencies and departments ceased due to budget constraints in the late 1980s.

In 2013, the California State Legislature reinstated these payroll audits to gain assurance that state agencies and departments maintain adequate internal control over the payroll function, provide proper oversight of their decentralized payroll processing, and comply with various state laws and regulations regarding payroll processing and related transactions.

## Audit Authority

Authority for this audit is provided by California Government Code (GC) section 12476, which states:

The Controller may audit the uniform state pay roll system, the State Pay Roll Revolving Fund, and related records of state agencies within the uniform state pay roll system, in such manner as the Controller may determine.

In addition, GC section 12410 stipulates:

The Controller shall superintend the fiscal concerns of the state. The Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment.

**Objectives, Scope,  
and Methodology**

We performed this audit to determine whether Cal OES:

- Maintained adequate and effective internal controls over its payroll process;
- Processed payroll and payroll-related disbursements and leave balances accurately and in accordance with collective bargaining agreements and state laws, regulations, policies, and procedures; and
- Administered salary advances in accordance with collective bargaining agreements and state laws, regulations, policies, and procedures.

The audit covered the period from March 1, 2016, through February 28, 2019.

To achieve our audit objectives, we:

- Reviewed state and Cal OES policies and procedures related to the payroll process to understand Cal OES' methodology for processing various payroll and payroll-related transactions;
- Interviewed Cal OES payroll personnel to understand Cal OES' methodology for processing various payroll and payroll-related transactions, determine the employees' level of knowledge and ability relating to payroll transaction processing, and gain an understanding of existing internal controls over the payroll process and systems;
- Selected transactions recorded in the State's payroll database using statistical sampling, as outlined in Appendix A, and targeted selection based on risk factors and other relevant criteria;
- Analyzed and tested the selected transactions and reviewed relevant files and records to determine the accuracy of payroll and payroll-related payments, accuracy of leave transactions, adequacy and effectiveness of internal control over the payroll process, and compliance with collective bargaining agreements and state laws, regulations, policies, and procedures; and
- Reviewed salary advances to determine whether Cal OES administered and recorded them in accordance with collective bargaining agreements and state laws, regulations, policies, and procedures.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Conclusion

Our audit determined that Cal OES:

- Did not maintain adequate and effective internal controls over its payroll process.<sup>1</sup> We found the following deficiency in internal control over the payroll process that we consider to be a material weakness:
  - Inappropriate keying access to the State's payroll system (see Finding 1);
- Did not process payroll and payroll-related disbursements and leave balances accurately and in accordance with collective bargaining agreements and state laws, regulations, policies, and procedures. We found the following instance of noncompliance with the requirements of collective bargaining agreements and state laws, regulations, policies, and procedures:
  - Improper payments for separation lump-sum pay, costing an estimated net total of \$297,748 (see Finding 3);
  - Improper holiday credit transactions, with an estimated value of \$2,283 (see Finding 4);
  - Excessive vacation and annual leave balances with a value of at least \$870,995 (see Finding 5).

Although a new directive from California Department of Human Resources (CalHR) that became effective October 20, 2020, does not affect the dollar value of this finding, we are disclosing this directive because it affects our recommendation. CalHR has directed departments to immediately suspend policies that require leave balances be reduced below the limit, and that require employees to implement leave-reduction plans. This suspension will be in effect until the 2020 Personal Leave Program (2020 PLP) ends, or July 1, 2022, whichever is sooner;

- Improper overtime payments, costing an estimated net total of \$401,780 (see Finding 6); and

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<sup>1</sup> In planning and performing our audit of compliance, we considered Cal OES' internal controls over compliance with collective bargaining agreements and state laws, regulations, policies, and procedures to determine the auditing procedures that were appropriate under the circumstances for the purpose of providing a conclusion on compliance, and to test and report on internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this footnote and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed this section, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with provisions of laws, regulations, or contracts on a timely basis. Control deficiencies, either individually or in combination with other control deficiencies, may be evaluated as significant deficiencies or material weaknesses. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with provisions of laws, regulations, or contracts will not be prevented, or detected and corrected on a timely basis. A significant deficiency over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with provisions of laws, regulations, or contracts that is less severe than a material weakness, yet important enough to merit attention from those charged with governance.

- Did not administer salary advances in accordance with collective bargaining agreements and state laws, regulations, policies, and procedures. Seven salary advances, totaling \$8,378, remained outstanding as of February 28, 2019, due to Cal OES' noncompliance with the State's collection policies and procedures (see Finding 2).

**Follow-up on  
Prior Audit  
Findings**

There were no prior payroll audits and, consequently, no prior audit findings.

**Views of  
Responsible  
Officials**

We issued our draft audit report on January 5, 2021. Sheila Braverman, Assistant Director, Human Resources, responded by letter dated February 5, 2021 (Appendix B), did not disagree with the audit results and provided corrective actions in the response. This final audit report includes Cal OES' complete response.

**Restricted Use**

This audit report is solely for the information and use of Cal OES, the CalHR, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this audit report, which is a matter of public record and is available on the SCO website at [www.sco.ca.gov](http://www.sco.ca.gov).

*Original signed by*

MICHAEL REEVES, CPA  
Acting Chief, Division of Audits

May 3, 2021



## Schedule— Summary of Audit Results March 1, 2016, through February 28, 2019

Audit Area Tested	Method of Selection	Number of Units of Population	Dollar Amount of Population	Number of Selections Examined	Selection Unit	Dollar Amount of Selections Tested	Net Total Dollar Amount of Known and Likely Issues	Finding Number
Inappropriate keying access to the State's payroll system	Targeted	N/A	N/A	24	Employee	N/A	N/A	1
Inadequate controls over salary advances, resulting in failure to recover outstanding balances in accordance with state laws and policies	Targeted	7	\$ 8,378	7	Employee	\$ 8,378	\$ 8,378	2
Inadequate controls over separation lump-sum pay, resulting in improper payments	Statistical	267	5,190,905	105	Employee	1,481,017		3
– Overpayments				-- See above --			306,644	
– Underpayments				-- See above --			(8,896)	
Inadequate supervisory review over holiday credit transactions, resulting in improper credits	Targeted	6	2,283	6	Employee	2,283	2,283	4
Inadequate controls over vacation and annual leave balances, resulting in liability for excessive balances	Targeted	N/A	N/A	120	Employee	870,995	870,995	5
Improper overtime payments	Statistical	17,765	22,548,685	45	Employee	111,664		6
– Overpayments				-- See above --			419,811	
– Underpayments				-- See above --			(16,031)	
				<u>307</u>		<u>\$ 2,474,337</u>	<u>\$ 1,583,184</u>	

# Findings and Recommendations

## **FINDING 1— Inappropriate keying access to the State's payroll system**

Cal OES lacked adequate controls to ensure that only appropriate staff had keying access to the State's payroll system. Cal OES inappropriately allowed eight employees keying access to the State's payroll system. If not mitigated, this control deficiency leaves payroll data at risk of misuse, abuse, and unauthorized use.

The SCO maintains the State's payroll system. The system is decentralized, thereby allowing employees of state agencies to access it. PPSD has established a *Decentralized Security Program Manual*, which all state agencies are required to follow in order to access the State's payroll system. The manual's objectives are to secure and protect the confidentiality and integrity of the data against misuse, abuse, and unauthorized use.

Twenty-four Cal OES employees had keying access to the State's payroll system at various times from March 2016, through February 2019. Of the 24 Cal OES employees, eight had inappropriate keying access to the State's payroll system. Cal OES did not immediately remove or modify the employees' keying access after their separation from state service, transfer to another agency or unit, or change in classification. The keying access of a Personnel Specialist who transferred to another state agency was not removed until October 1, 2018, 108 days after the separation.

The *Decentralized Security Program Manual* (Revised January 2020), states, in part:

### **Revocation and Deletion of User IDs**

To prevent unauthorized use by a transferred, terminated, or resigned employee's user ID, the Security Monitor must IMMEDIATELY submit all pages of the PSD125A signed by both Security Monitor and Authorizing Manager to delete the user's system access. Using an old user ID increases the risk of a security breach, which is a serious security violation. Sharing a user ID is strictly prohibited.

### Recommendation

We recommend that Cal OES:

- Provide adequate controls to ensure that employees with keying access to the State's payroll system do not enter their own data into the system;
- Update keying access to the State's payroll system immediately after the employees leave Cal OES, transfer to another agency or unit, or change classifications; and
- Periodically review access to the system to verify that access complies with the *Decentralized Security Program Manual*.

Cal OES' Response

Cal OES states that it implemented corrective actions, including ensuring that staff members with keying access do not enter their own data into the State's payroll system; periodic review and updating of forms and checklists; communication with SCO's Decentralized Security Administrator regarding employees whose access should be removed; and management review of access to the payroll system.

**FINDING 2—  
Inadequate  
controls over  
salary advances,  
resulting in failure  
to recover  
outstanding  
balances in  
accordance with  
state law and  
policies**

Cal OES failed to implement adequate controls over salary advances to ensure that advances were recovered in accordance with state law and policies. Seven salary advances, totaling \$8,378, remained outstanding as of February 28, 2019, due to Cal OES' noncompliance with the State's collection policies and procedures. The oldest uncovered salary advance was outstanding for almost a full year. If not mitigated, this control deficiency leaves Cal OES at risk of failing to collect further salary advances.

As of March 1, 2019, Cal OES' accounting records showed seven outstanding salary advances, totaling \$8,378, that had been outstanding for more than 90 days. Generally, the prospect of collection diminishes as an account ages. When an agency fails to initiate collection of the overpayment within three years, the possibility of collection is remote.

GC section 19838 and *State Administrative Manual* (SAM) sections 8776 and 8776.7 describe the State's collection policies and procedures, which require Cal OES to collect salary advances in a timely manner and maintain proper records of collection efforts.

We examined the seven salary advances that had been outstanding for more than 90 days. Based on this examination, we noted that Cal OES did not comply with the State's collection policies and procedures for all of them. Cal OES did not send collection notices promptly, or did not send the notices at all.

The lack of adequate controls over salary advances reduces the likelihood of collection, increases the amount of resources expended on collection efforts, and negatively impacts cash flow.

Recommendation

We recommend that Cal OES:

- Ensure that it recovers salary advances in a timely manner pursuant to GC section 19838 and SAM sections 8776 and 8776.7; and
- Maintain documentation of its collection efforts, if any.

Cal OES' Response

Cal OES states that it recovered the seven salary advances totaling \$8,378 and currently has a \$0 balance of outstanding salary advances. Cal OES also notes that it established procedures for recovering salary advances outstanding for more than 90 days. Furthermore, Cal OES cites various tracking methods, including the Permanent Separation Transactions Checklist and the Salary Advance Tracking spreadsheet, that it uses to ensure that collection notices and salary advance payments are promptly collected and recorded.

**FINDING 3—  
Inadequate  
controls over  
separation lump-  
sum pay, resulting  
in improper  
payments**

Cal OES failed to implement adequate controls, such as conducting additional review, over the calculating and processing of employee separation lump-sum pay. We identified \$306,644 in overpayments and \$8,896 in underpayments for separation lump-sum pay, consisting of \$87,489 in overpayments and \$2,538 in underpayments based on actual transactions audited (“known”); and \$219,155 in overpayments and \$6,358 in underpayments based on the results of statistical sampling (“likely”). If not mitigated, these control deficiencies leave Cal OES at risk of making additional improper separation lump-sum payments.

GC section 19839 allows lump-sum payments for accrued eligible leave credits when employees separate from state employment. Collective bargaining agreements include similar provisions regarding separation lump-sum pay.

Payroll records show that Cal OES processed payments for separation lump-sum pay, totaling \$5,190,905, for 267 employees between March 1, 2016, and February 28, 2019. We randomly selected a statistical sample of 105 employees who received separation lump-sum pay, totaling \$1,481,017.

Our examination of lump-sum payments made to these 105 employees showed that Cal OES overpaid 30 of them by approximately \$87,489, and underpaid 12 of them by approximately \$2,538. These payments resulted in an exception totaling \$84,951. As we used a statistical sampling method to select the employees whose payments for separation lump-sum pay we examined, we projected the amount of likely overpayments to be \$219,155 and likely underpayments to be \$6,358. These payments resulted in a net total exception of \$212,798. Therefore, the known and likely improper payments totaled a net approximate of \$297,748, consisting of \$306,644 in overpayments and \$8,896.

The following table summarizes the results of our statistical sampling:

Known improper and questioned payments, net	\$ 84,951
Divide by: Samples	1,481,017
Error rate	<u>5.74%</u>
Population that was statistically sampled	5,190,905
Multiply by: Error rate	5.74%
Known and likely improper and questioned payments, net	297,748
Less: Known improper and questioned payments, net	84,951
Likely improper and questioned payments, net	<u>\$ 212,798</u>

\*Amounts in this table are rounded to the nearest dollar.

#### Recommendation

We recommend that Cal OES:

- Establish adequate controls to ensure accurate calculation and payment of separation lump-sum pay;
- Review all separation lump-sum payments made during the past three years to ensure that payments were accurate and in compliance with collective bargaining agreements and state law; and
- Recover overpayments made to separated employees in accordance with GC section 19838 and SAM section 8776.6, and properly compensate those employees who were underpaid.

#### Cal OES' Response

Cal OES states that it developed and implemented procedures to ensure accurate payment and calculation of separation lump-sum payments, and provided training to personnel specialists on how to exhaust leave credits. Cal OES notes that it is developing a process to review all lump-sum payments made in the past three years, as requested by SCO.

#### **FINDING 4— Inadequate supervisory review over holiday credit transactions, resulting in improper credits**

Cal OES lacked adequate supervisory review of the monitoring and processing of holiday credit transactions and did not identify clerical errors that involved granting holiday credits in months that they were not earned. We identified approximately \$2,283 in improper holiday credits. We determined that the error identified is not a material issue. However, if not mitigated, this control deficiency leaves Cal OES at risk of granting additional improper holiday credits.

GC section 19853 specifies the compensation that an eligible employee is entitled to receive when required work on a qualifying holiday. Collective bargaining agreements between the State and Bargaining Units 01, 04 and 12 include similar provisions regarding holiday compensation for represented employees.

Leave accounting records showed that Cal OES processed 6,251 accrual transactions of holiday credit. We examined seven transactions with an estimated value of \$2,283 because they involved unusual credits.

All seven holiday credit transactions were improper because payroll transactions unit staff members granted holiday credits to employees during pay periods with no holidays and improperly calculated holiday credit hours. Cal OES also lacked adequate supervisory review to ensure accurate processing of holiday credits

GC sections 13400 through 13407 require state agencies to establish and maintain internal controls, including an effective system of internal review

#### Recommendation

We recommend that Cal OES:

- Review all holiday credits granted during the past three years to ensure that credits complied with collective bargaining agreements and state laws;
- Correct any improper holiday credits in the State's leave accounting system; and
- Establish adequate controls to ensure that holiday credits granted are valid and comply with collective bargaining agreements and state laws

#### Cal OES' Response

Cal OES states that it developed and implemented adequate controls over holiday credits granted. Cal OES notes that it provided training to personnel specialists, other employees, and managers on differentiating between bargaining units and applying holiday credits. Cal OES is implementing a new timekeeping system that will help identify correct earning and usage of holiday credit. In the interim, Cal OES notes that it has been conducting an in-house review of all holiday credits granted during the past three years, as requested by SCO.

#### **FINDING 5— Inadequate controls over vacation and annual leave balances, resulting in liability for excessive balances**

Cal OES failed to implement controls to ensure that it adheres to collective bargaining agreements and state regulations to limit the accumulation of vacation and annual leave credits. The deficiency resulted in a liability for excess leave balances with a value of at least \$870,995 as of February 28, 2019.<sup>2</sup> We expect the liability to increase if Cal OES does not take action to address the excessive vacation and annual leave balances.

Collective bargaining agreements and state regulations limit the amount of vacation and annual leave that most state employees may accumulate to no more than 80 days (640 hours). The limit on leave balances helps state agencies manage leave balances and control the State's liability for accrued leave credits. State agencies may allow employees to carry a higher leave balance only under limited circumstances. For example, an

<sup>2</sup> At the time of our audit, we used the most recent and complete vacation and annual leave balances, which were as of February 28, 2019.

employee may not be able to reduce accrued vacation or annual leave hours below the limit due to business needs. When an employee's leave accumulation exceeds or is projected to exceed the limit, state agencies should work with the employee to develop a written plan for reducing leave balances below the applicable limit.

Our examination of Cal OES' leave accounting records determined that Cal OES had 995 employees with unused vacation or annual leave credits as of February 28, 2019. Of those employees, 120 exceeded the limit set by collective bargaining agreements and state regulations. For example, one employee had an accumulated balance of 1,583 hours of vacation leave, or 943 hours beyond the 640-hour limit. Collectively, the 120 employees accumulated 18,906 hours of excess vacation and annual leave, with a value of at least \$870,995 as of February 28, 2019. This estimated liability does not adjust for salary rate increases and additional leave credits.<sup>3</sup> Accordingly, we expect that the amount needed to pay for this liability will be higher.

We selected 120 employees for examination to determine whether Cal OES complied with collective bargaining agreements and state regulations. When we discussed the records of these employees with the personnel office staff, they indicated that Cal OES had no plans in place during the audit period for reducing leave balances below the limit. Cal OES also could not demonstrate that it had complied with collective bargaining agreements and state regulations when allowing these employees to maintain excess vacation or annual leave balances.

If Cal OES does not take action to reduce the excessive leave balances, the liability for accrued vacation and annual leave will likely increase because most employees will receive salary increases or use other non-compensable leave credits instead of vacation or annual leave, increasing their vacation or annual leave balances. The state agency responsible for paying these leave balances may face a cash flow problem if a significant number of employees with excessive vacation or annual leave balances separate from state service. Normally, state agencies are not budgeted to make these separation lump-sum payments. However, the State's current practice dictates that the state agency that last employed an employee pays for that employee's lump sum separation payment regardless of where the employee accrued the leave balance.

Although an October 20, 2020 directive from CalHR does not affect the dollar value of this finding, we are disclosing this directive because it affects our recommendation. CalHR has directed departments to immediately suspend policies that require leave balances to be reduced below the limit, and that require employees to implement leave-reduction plans. This suspension will be in effect until the 2020 PLP ends, or July 1, 2022, whichever is sooner.

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<sup>3</sup> Most state employees receive pay rate increases every year pursuant to state laws and/or collective bargaining agreements until they reach the top of their pay scale, or promote into a higher-paying position. In addition, when an employee's accumulated leave balances upon separation are calculated for lump-sum pay, the employee is credited with additional leave credits equal to the amount that the employee would have earned had the employee taken the time off and not separated from state service.

### Recommendation

We recommend that, after the 2020 PLP ends, or July 1, 2022, whichever is sooner, Cal OES:

- Implement controls, including existing policies and procedures, to ensure that its employees' vacation and annual leave balances are maintained within levels allowed by collective bargaining agreements and state regulations;
- Conduct ongoing monitoring of controls to ensure that they are implemented and operating effectively; and
- Participate in leave buy-back programs if the State offers such programs and funds are available.

### Cal OES' Response

Cal OES states that its Leave Reduction Plan is in place to ensure that employees reduce leave balances to approved levels, and that Cal OES employees reduced excess leave by 50,000 hours in 2019. However, Cal OES notes that due to the 2020 PLP, the Leave Reduction Plan was postponed; until the 2020 PLP ends, Cal OES will track leave balances. Cal OES states that it has not had sufficient funds to participate in recent leave buy-back programs; however, it will continue its yearly funding analysis and participate in these programs when funds are available.

## **FINDING 6— Improper overtime payments**

Cal OES lacked adequate controls over the processing of overtime pay to ensure the payments were calculated correctly. Payroll transaction unit staff members miscalculated overtime hours worked, which resulted in improper payments. We identified \$419,811 in overpayments and \$16,031 in underpayments for overtime, consisting of \$2,079 in overpayments and \$79 in underpayments based on actual transactions examined (“known”); and \$417,732 in overpayments and \$15,952 in underpayments based on the results of our statistical sampling (“likely”). If not mitigated, these control deficiencies leave Cal OES at risk of making additional improper payments for overtime.

Collective bargaining agreements, and state laws and policies, contain specific clauses regarding overtime pay. Payroll records show that Cal OES processed payments for overtime, totaling \$22,548,685, for 17,765 overtime transactions between March 1, 2016 and February 28, 2019. Of the 17,765 overtime transactions, we randomly selected a statistical sample (as described in Appendix A) of 45 employees who received overtime pay, totaling \$111,664. Our examination of overtime payments made to those 45 employees found that Cal OES overpaid two of them approximately \$2,079 and underpaid two of them by approximately \$79. These payments resulted in net total improper payments of \$2,000.

As we used a statistical sampling method to select the employees whose payments for overtime pay were examined, we projected the amount of likely overpayments to be \$417,732 and likely underpayments to be



\$15,952. These payments resulted in net total improper payments of \$401,780. Therefore, the known and likely improper payments totaled a net of approximately \$403,780, consisting of \$419,811 in overpayments and \$16,031 in underpayments.

The following table summarizes the results of our statistical sampling:

Dollar amount of exceptions, net	\$	2,000
Divide by: Dollar amount sampled		111,664
Error rate		<u>1.79%</u>
Population that was statistically sampled		22,548,685
Multiply by: Error rate		<u>1.79%</u>
Known and likely improper and questioned payments, net		403,780
Less: Known dollar exceptions		<u>2,000</u>
Likely dollar exceptions	\$	<u>401,780</u>

\*Amounts in this table are rounded to the nearest dollar.

The underpayments and overpayments were made because payroll transactions unit staff members incorrectly paid overtime hours at the straight-time rate instead of the time-and-a-half rate or vice versa, for intermittent employees who were eligible for overtime.

GC sections 13402 through 13407 require state agencies to establish and maintain internal controls, including a system of policies and procedures adequate to ensure compliance with applicable laws and other requirements, and an effective system of internal review.

### Recommendation

We recommend that Cal OES:

- Review all payments for overtime pay made during the past three years to ensure that the payments complied with collective bargaining agreements and state laws and policies; and
- Recover overpayments made to the employees through agreed-upon collection method in accordance with GC section 19838, and properly compensate those employees who were underpaid.

We further recommend that, to prevent improper payments for overtime pay from recurring, Cal OES:

- Establish adequate internal controls to ensure that payments are accurate and comply with collective bargaining agreements and state laws and policies;
- Review the timekeeping system and ensure that it is not improperly rounding overtime hours worked; and
- Provide adequate oversight to ensure that payroll transactions unit staff members process only valid and authorized payments that

comply with collective bargaining agreements and state laws and policies.

Cal OES' Response

Cal OES states that it developed and implemented procedures to ensure accurate payment and calculation of overtime payments, including designated personnel specialists who review overtime entries; and keying overtime from SCO Form 672 (Time and Attendance form). Cal OES notes that it has adequate oversight to ensure that staff members process only valid and authorized payments. Cal OES is implementing a new timekeeping system that will help ensure the accuracy of overtime compensation. Cal OES notes that it is developing a process to review all overtime payments made in the past three years, as requested by SCO.

## Appendix A— Audit Sampling Methodology

We used attributes sampling for tests of compliance. The following table outlines our audit sampling application:

Audit Area	Type of Test	Population (Unit)	Population (Dollar)	Sampling Unit	Sample Selection Method	Confidence Level	Tolerable Error Rate	Expected Error (Rate) <sup>1</sup>	Sample Size <sup>2</sup>	Results Projected to Intended Population	Finding Number
Separation lump-sum pay	Compliance	267	\$ 5,190,905	Employee	Computer-generated sample random	90%	5%	1.50%	105	Yes	3
Overtime pay	Internal control	17,765	\$ 22,548,685	Employee	Computer-generated sample random	90%	5%	0.00%	45	No	6
Overtime pay	Compliance	17,765	\$ 22,548,685	Employee	Computer-generated sample random	90%	5%	1.50%	45	Yes	6

<sup>1</sup> Pursuant to the AICPA's *Audit Guide: Audit Sampling* (May 1, 2017 edition), pages 131-133, the expected error is the expected number of errors planned for in the sample. It is derived by multiplying the expected error rate by the sample size. The expected number of errors in the sampling tables on pages 135-136 was rounded upward, e.g., 0.2 errors becomes 1.0 error.

<sup>2</sup> For population of less than 250 items, we determined the sample size using a calculator that utilizes a hypergeometric distribution. For population of 250 items and above, we determined the sample size using a calculator that utilizes a binomial distribution. As stated in *Technical Notes on the AICPA Audit Guide: Audit Sampling* (March 1, 2012), page 5, although the hypergeometric distribution is the exactly correct distribution to use for attributes sample sizes, the distribution becomes unwieldy for large populations unless suitable software is available. Therefore, more convenient approximations are frequently used instead.

**Appendix B—  
California Governor's Office of Emergency Services  
Response to Draft Audit Report**

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February 5, 2021

Michael Reeves, CPA  
Acting Chief, Division of Audits  
State Controller's Office  
Post Office Box 942850  
Sacramento, CA 94250

Dear Mr. Reeves:

This letter is in response to the draft report issued by the State Controller's Office (SCO) on January 5, 2021, regarding the payroll process and transactions of the California Governor's Office of Emergency Services (Cal OES) for the period of March 1, 2016, through February 28, 2019. SCO provided its engagement letter dated September 13, 2019, and held an entrance conference on September 24, 2019. Subsequently, an exit conference was held on January 23, 2020, to discuss SCO's findings and Cal OES' corrective action plan.

Cal OES appreciates the opportunity to provide the status of its corrective action plan. The areas requiring corrective action are as follows:

**Finding 1: Inappropriate Keying Access to the State's Payroll System**

Cal OES lacked adequate controls to ensure that only appropriate staff had keying access to the State's payroll system. Cal OES inappropriately allowed eight employees keying access to the State's payroll system. If not mitigated, this control deficiency leaves payroll data at risk of misuse, abuse, and unauthorized use.

SCO recommends that Cal OES:

- Provide adequate controls to ensure that employees with keying access to the State's payroll system do not enter their own data into the system;
- Update keying access to the State's payroll system immediately after the employees leave Cal OES, transfer to another agency or unit, or change classifications; and



3650 SCHRIEVER AVENUE, MATHER, CA 95655  
(916) 845-8506 TELEPHONE (916) 845-8511 FAX  
[www.CalOES.ca.gov](http://www.CalOES.ca.gov)

- Periodically review access to the system to verify that access complies with the Decentralized Security Program Manual.

Corrective Action by Cal OES:

Cal OES developed and implemented a process to ensure employees with keying access to the State's payroll system do not enter their own data into the system. For example, the Transactions Unit Supervisor or Senior Personnel Specialist will process employees, with keying access, personnel documents.

Cal OES has updated the Exit Clearance Form (Attachment 1), which has a checklist to determine actions needed when an employee is leaving Cal OES, transferring to another agency or unit, or changing classifications. Additionally, the Security Authorization Form (PSD 125A) is periodically reviewed to ensure PSD 125A is current and all employees who have left Cal OES, transferred to another agency or unit, or changed classifications are removed timely. Furthermore, Cal OES informs the SCO's Decentralized Security Administrator of the employees who shall be removed and not have access to the State's payroll system.

Cal OES has implemented an internal control procedure that requires Management to periodically review access to the State's payroll system and verify that authorized access complies with the Decentralized Security Program Manual.

Cal OES respectfully requests that this finding be resolved and closed.

**Finding 2: Inadequate Controls Over Salary Advances, Resulting in Failure to Recover Outstanding Balances in Accordance with State Law and Policies**

Cal OES failed to implement adequate controls over salary advances to ensure that advances were recovered in accordance with state law and policies. Seven salary advances, totaling \$8,378, remained outstanding as of February 28, 2019, due to Cal OES' noncompliance with the State's collection policies and procedures. The oldest uncovered salary advance was outstanding for almost a full year. If not mitigated, this control deficiency leaves Cal OES at risk of failing to collect further salary advances.

The lack of adequate controls over salary advances reduces the likelihood of collection, increases the amount of resources expended on collection efforts, and negatively impacts cash flow.

SCO recommends that Cal OES;

- Ensure that it recovers salary advances in a timely manner pursuant to GC section 19838 and SAM sections 8776 and 8776.7; and
- Maintain documentation of its collection efforts, if any.

Corrective Action by Cal OES:

Cal OES has recovered the seven salary advances, totaling \$8,378, and currently has a zero outstanding salary advance balance. Additionally, below are the established procedures (Attachments 2-4) to collect any outstanding salary advances for more than 90 days:

- The Senior Personnel Specialist sends out the appropriate salary advance collection notices to the employees who were separated from Cal OES.
- The collection notice dates are tracked and recorded by the Senior Personnel Specialist.
- The tracking information is forwarded via email to the designated Personnel Specialist.
- For current Cal OES employees, the Senior Personnel Specialist and the Personnel Specialist collaborate to establish a repayment arrangement with the employee to collect the outstanding salary advance.

The Human Resources Assistant Director, Personnel Services Branch (PSB) Chief, and Transactions and Exams/Marketing Division Chief (Division Chief) sign off on all requests for salary advances. In addition, the verification of outstanding salary advances has been added to the Permanent Separation Transactions Checklist (Attachment 5). Furthermore, Cal OES has developed and implemented a Salary Advance Tracking spreadsheet (Attachment 6) that is consistently reviewed by the Division Chief and Senior Personnel Specialist to ensure all collection notices and salary advance payments are collected and recorded timely. PSB has also created a folder for all Personnel Specialists to track and clear salary advances.

Cal OES respectfully requests that this finding be resolved and closed.

**Finding 3: Inadequate Controls Over Separation Lump-sum Pay, Resulting in Improper Payments**

Cal OES failed to implement adequate controls, such as conducting additional review, over the calculating and processing of employee separation lump-sum pay. If not mitigated, these control deficiencies leave Cal OES at risk of making additional improper separation lump-sum payments.

SCO used statistical sampling to project \$306,644 in overpayments and \$8,896 in underpayments for separation lump-sum pay. This statistical sampling method consisted of known and likely improper payments. SCO randomly selected a statistical sample of 105 employees who received separation lump-sum payments. Of those 105 employees, 30 were overpaid by approximately \$87,489, and 12 were underpaid by approximately \$2,538.

SCO recommends that Cal OES:

- Establish adequate controls to ensure accurate calculation and payment of separation lump-sum pay;
- Review all separation lump-sum payments made during the past three years to ensure that payments were accurate and in compliance with collective bargaining agreements and state law; and
- Recover overpayments made to separated employees in accordance with GC section 19838 and SAM section 8776.6, and properly compensate those employees who were underpaid.

Corrective Action by Cal OES:

Cal OES has developed and implemented procedures to ensure accurate calculation and payment of separation lump-sums are paid out in accordance to GC section 19839 and collective bargaining agreements. Cal OES created a Separation/Retirement Lump-Sum spreadsheet (Attachment 7) that is utilized and reviewed by both the Transactions Unit Supervisor and Division Chief. The Transactions Unit collaborated with the Cal OES Budget Office and created a Fiscal Liability spreadsheet (Attachment 8) to track and record lump-sum payments.

In addition to SCO's recommendation, Cal OES has provided training (Attachment 9) and examples to all Personnel Specialists on how to properly exhaust all leave and access available tools and resources. Personnel Specialists will utilize the tool kit provided by SCO and lump-sum calculator to verify their calculations.

Cal OES is currently developing a review process to address the recommendation of reviewing all the separation lump-sum payments made during the past three years. This process will consist of grouping the separation lump-sum payments into subgroups based on the amounts paid and age of payments. PSB will then test those subgroups on a sample basis to determine if overpayments or underpayments were made. If overpayments or underpayments are identified, Cal OES will recover or properly compensate those employees who were overpaid or underpaid based on a repayment or



reimbursement process. This in-house review process will ensure payments are in compliance with collective bargaining agreements and state law.

Currently, Cal OES has established a two-level approval process to ensure lump-sum payments undergo checks and balances. The Personnel Specialist completes the run out and calculation spreadsheet provided by the SCO. The specialist will then send the calculation spreadsheet to the Transactions Unit Supervisor for review and signature prior to keying. In addition to the two-level approval process, Cal OES has implemented a checklist (Attachment 5) to ensure that all documents are received and reviewed prior to an employee's separation from state service and the leave amount is correctly calculated and applied.

Cal OES respectfully requests that this finding be resolved and closed.

**Finding 4: Inadequate Supervisory Review Over Holiday Credit Transactions, Resulting in Improper Credits**

Cal OES lacked adequate supervisory review of the monitoring and processing of holiday credit transactions and did not identify clerical errors that involved granting holiday credits in months that they were not earned. SCO identified approximately \$2,283 in improper holiday credits. SCO determined that the error identified is not a material issue. However, if not mitigated, this control deficiency leaves Cal OES at risk of granting additional improper holiday credits.

SCO recommends that Cal OES:

- Establish adequate controls to ensure that holiday credits granted are valid and comply with collective bargaining agreements and state laws;
- Review all holiday credits granted during the past three years to ensure that credits complied with collective bargaining agreements and state laws; and
- Correct any improper holiday credits in the State's leave accounting system.

Corrective Action by Cal OES:

Cal OES has developed and implemented adequate controls to ensure that holiday credits granted are valid and comply with collective bargaining agreements and state laws. For example, holiday credits guidelines were created to help Personnel Specialists on differentiating bargaining units and when to appropriately apply holiday credits to employees. Cal OES has provided training on the different collective bargaining units to assist employees and managers when applying holiday credits. In addition, PSB has consulted with Labor Relations and created a spreadsheet for each bargaining unit to

identify the proper holiday credit posting. Cal HR continues to provide guidance for holiday credits and bargaining unit overtime compensation.

Cal OES is currently in the process of implementing a new timekeeping system that will help assist with identifying the correct earnings and usage based on bargaining units.

In the interim, Cal OES has been conducting in-house reviews to ensure all holiday credits granted during the past three years are consistent with collective bargaining agreements and state laws. If holiday credits are found to be out of compliance, Cal OES will correct and update the holiday credits in the California Leave Accounting System.

Cal OES respectfully requests that this finding be resolved and closed.

**Finding 5: Inadequate Controls Over Vacation and Annual Leave Balances, Resulting in Liability for Excessive Balances**

Cal OES failed to implement controls to ensure that it adheres to collective bargaining agreements and state regulations to limit the accumulation of vacation and annual leave credits. The deficiency resulted in a liability for excess leave balances with a value of at least \$870,995 as of February 28, 2019. SCO expects the liability to increase if Cal OES does not take action to address the excessive vacation and annual leave balances.

Collective bargaining agreements and state regulations limit the amount of vacation and annual leave that most state employees may accumulate to no more than 80 days (640 hours).

Although an October 20, 2020 directive from CalHR does not affect the dollar value of this finding, SCO is disclosing this directive because it affects our recommendation. CalHR has directed departments to immediately suspend policies that require leave balances to be reduced below the limit, and that require employees to implement leave-reduction plans. This suspension will be in effect until the California State Employee 2020 Personal Leave Program (2020 PLP) ends, or July 1, 2022, whichever is sooner.

SCO recommends that, after the 2020 PLP ends, or July 1, 2022, whichever is sooner, Cal OES:

- Implement controls, including existing policies and procedures, to ensure that its employees' vacation and annual leave balances are maintained

- within levels allowed by collective bargaining agreements and state regulations;
- Conduct ongoing monitoring of controls to ensure that they are implemented and operating effectively; and
- Participate in leave buy-back programs if the State offers such programs and funds are available.

Corrective Action by Cal OES:

Cal OES has developed and implemented the Leave Reduction Plan (LRP) to ensure employees have a plan in place to reduce leave balances (Attachment 10). HR notifies the Cal OES management team of employees with projected vacation/annual leave balances that will exceed the 640-hour leave carry-over cap for the calendar year and provides guidance to supervisors and employees for tracking leave balances and developing LRPs.

In 2019, Cal OES employees reduced their excess leave by 50,000 hours. However, due to the 2020 PLP, the Cal OES LRP was postponed. In the interim, HR will continue to track employee leave balances for each directorate and will report the balances to the Cal OES management team. An analyst has been assigned to monitor the LRP to ensure Cal OES is compliant with collective bargaining agreements and state regulations. Once the 2020 PLP is eliminated, the LRP will resume.

Cal OES completes an analysis each year to determine if there is sufficient funding available to participate in the leave buy-back program. In recent years, Cal OES has not had sufficient funds to participate in this program; however, Cal OES will continue to complete this analysis each year and will participate in the program when funds are available.

Cal OES respectfully requests that this finding be resolved and closed.

**Finding 6: Improper Overtime Payments**

Cal OES lacked adequate controls over the processing of overtime pay to ensure the payments were calculated correctly. Payroll transaction unit staff members miscalculated overtime hours worked, which resulted in improper payments.

SCO used statistical sampling to project \$417,732 in overpayments and \$15,952 in underpayments for overtime pay. This statistical sampling method consisted of known and likely improper payments. SCO randomly selected a statistical sample of 45 employees who received overtime payments. Of those 45

employees, two were overpaid by approximately \$2,079, and two were underpaid by approximately \$79. These payments resulted in net total improper payments of \$2,000.

SCO recommends that Cal OES:

- Establish adequate internal controls to ensure that payments are accurate and comply with collective bargaining agreements and state laws and policies;
- Review the timekeeping system and ensure that it is not improperly rounding overtime hours worked;
- Provide adequate oversight to ensure that payroll transactions unit staff members process only valid and authorized payments that comply with collective bargaining agreements and state laws and policies;
- Review all payments for overtime pay made during the past three years to ensure that the payments complied with collective bargaining agreements and state laws and policies; and
- Recover overpayments made to the employees through agreed-upon collection method in accordance with GC section 19838, and properly compensate those employees who were underpaid.

Corrective Action by Cal OES:

Cal OES has developed and implemented internal controls to ensure that payments are accurate and comply with collective bargaining agreements and state laws and policies. For example, Cal OES has designated two Personnel Specialists to review overtime entries and ensure the reported time agrees to the approved timesheet. Furthermore, overtime reported is keyed from SCO Form 672 (Time and Attendance form) to ensure proper payment and reconciliation. This review will help mitigate the risk of hours being reported incorrectly.

Cal OES provides adequate oversight to ensure that payroll transactions unit staff members process only valid and authorized payments that comply with collective bargaining agreements and state laws and policies. For example, all overtime authorizations forms and timesheets are audited to ensure straight time and premium time is calculated in accordance with the bargaining unit contract.

Cal OES is in the process of acquiring a new timekeeping system, which will help ensure the accuracy of keying-in overtime compensation. In the interim, Cal OES is currently developing a review process to address the recommendation of reviewing all the overtime payments made during the past three years. This process will consist of grouping the overtime payments into

Michael Reeves  
February 5, 2021  
Page 9 of 9

subgroups based on the amounts paid and age of payments. PSB will then test those subgroups on a sample basis to determine if overpayments or underpayments were made. If overpayments or underpayments are identified, Cal OES will recover or properly compensate those employees who were overpaid or underpaid based on a repayment or reimbursement process. This in-house review process will ensure overtime payments are in compliance with collective bargaining agreements and state law.

Cal OES respectfully requests that this finding be resolved and closed.

Cal OES appreciates the assistance and guidance provided by SCO. If you have additional questions or concerns, please contact Ralph Zavala, Cal OES Internal Audits Office Chief, at (916) 845-8437.

Sincerely,

*Liz McCafferty* for

SHEILA BRAVERMAN  
Assistant Director, Human Resources

Attachments:

- Attachment 1 – Cal OES Exit Clearance Form
- Attachment 2 – Separating Employees Email
- Attachment 3 – Salary Advance Form
- Attachment 4 – Split Warrant
- Attachment 5 – Permanent Separation Transactions Checklist
- Attachment 6 – Salary Advance Master Spreadsheet
- Attachment 7 – Separation/Retirement Lump Sum Spreadsheet
- Attachment 8 – Fiscal Liability for Separated Employees Spreadsheet
- Attachment 9 – Leave Balance Presentation
- Attachment 10 – 2020 Vacation/Annual Leave Reduction Plans

cc: Lisa Mangat, Chief Deputy Director, Policy and Administration  
Ralph Zavala, Chief, Internal Audits Office



Exit Clearance Form  
California Governor's Office of Emergency Services  
State of California

**Part A: Employee Separation Information**

- Supervisor notifies Classification & Pay Analyst of all pending separations.
- Employees complete Part A and attach STD 634 (Timesheet) from PTR system and submits to supervisor.
- Employees set an "Out of Office" notice on their email and voicemail prior to their departure, indicating they are no longer at CalOES and provide a back-up contact.
- Supervisor reviews and signs certifying attendance and separation information are correct.
- The supervisor returns employee's equipment (laptop, cell phone, badge etc.), submits necessary documents (TEC, 634, etc.) and obtains signatures, as required under Part B, no later than separation date.
- Supervisor sends completed Exit Clearance Form to Personnel Office on the employee's last date of employment (separation date).
- Notify Talent Development Division (TDD) of employee separation (TDD to send exit survey).

\_\_\_\_\_  
Name (Last, First and Middle Initial) Date

\_\_\_\_\_  
Last Date Worked                      Separation Date                      Position Number (Personnel Office Entry)

\_\_\_\_\_  
Forwarding Address: (Complete even if same as address on file)

Separation Type:

- Leave of Absence:
  - Temporary Leave of Absence (30 days or less)  
Reason: \_\_\_\_\_                      Expiration Date: \_\_\_\_\_
  - Formal Leave of Absence (31 days to 12 months)  
Reason: \_\_\_\_\_                      Expiration Date: \_\_\_\_\_



Exit Clearance Form  
California Governor's Office of Emergency Services  
State of California

Separation:

Resignation or Retirement

Transfer: Name of Agency/Department:

Appointment Type:

Permanent

Temporary (Limited Term, TAU, T&D)

Expiration Date: \_\_\_\_\_

Timesheet: Employee must submit a signed timesheet prior to separating from Cal OES.

Signatures:

\_\_\_\_\_  
Employee Signature                      Date                      Telephone

\_\_\_\_\_  
Supervisor Signature                      Date                      Telephone

**Part B: Clearance Information**

Supervisor is responsible for ensuring employee returns all equipment, submits necessary documents, and obtains signatures.

Accounting Office:

- Jury Duty
- Salary Advance                      \$
- Travel Advance                      \$
- Training (Pending)                      \$
- Payroll AR                      \$
- Jury Duty AR                      \$
- Other                      \$

Signatures:

\_\_\_\_\_  
Accounting Office                      Date



Exit Clearance Form  
California Governor's Office of Emergency Services  
State of California

Information Technology Division (ITD):

- Laptop & Accessories\*  Cellular Phone & Accessories  Flash Drive
- Deprovision Network Account  Other

\*Employee will be charged for lost equipment if not returned at time of separation.

Signatures: \_\_\_\_\_  
ITD Date

Business Services:

- P-Card  Notify DGS Billing  Final Statement Reconciled
- Cal OES OST Deployment Uniform  Uniform Returned  Office/Cabinet Keys
- Fleet Assignment Release  Access Badge (Returned to Security Desk or Security Manager)  Driver Signature

**Has Business Services Administrative Authority (if checked, complete the following)**

- US Bank Admin:  No  Yes (Remove US Bank Admin Access)
- SCO Warrant Pickup:  No  Yes (Remove SCO Warrant Pickup Authority)
- Records Transfer Request:  No  Yes (Remove access from SRC database)
- Microsoft Teams  No  Yes (Remove access to Business Services Teams)

Signature: \_\_\_\_\_  
Business Services Unit Date

Personnel Office Use Only:

- STD 634 received  Attendance Keyed  PAR & 612  Training Record & OPF
- Conflict of Interest:  Yes  No (If yes, email Human Resources Personnel Officer who will notify legal)
- SCO Access:  Yes  No (If yes, send form PSD 125A and memo to SCO Security Monitor)
- Signature Authority:  Yes  No (If yes, send form PSD 125A and memo to SCO Security Monitor)
- COBRA Forms (if applicable)

Signature: \_\_\_\_\_  
Personnel Office Date





Exit Clearance Form  
California Governor's Office of Emergency Services  
State of California

### Part C: Benefits Information

If you are resigning from State service, you may continue your health, dental and vision benefit coverage by paying the premiums directly to the carrier. The Personnel Office will provide you with a COBRA continuation election form following your separation, which must be completed with benefit enrollment forms and payment in advance for the first month in order to continue your coverage. Questions pertaining to monthly payment of premiums should be directed to the appropriate health, dental, and vision carriers.

You may also be eligible to convert your insurance coverage upon separation, or after COBRA continuation benefits are exhausted. You must contact your carrier directly within 30 days of separation.

If you are retiring from State service or transferring to another State agency, your present coverage will continue automatically; however, you should talk to your Personnel Office to determine if you will lose excluded employee enhanced benefits upon transfer.

If you are taking a formal leave of absence, you are eligible to continue your benefits by paying the premiums directly to the carrier while you are off pay status.

Please refer to the Direct Pay links below for further information.

Dental - <http://calhr.ca.gov/state-hr-professionals/Pages/benefits-administration-manual-dental-program.aspx#515>

Vision - <http://calhr.ca.gov/state-hr-professionals/Pages/benefits-administration-manual-vision-care-program.aspx#direct-payment-process>

Health - <https://www.calpers.ca.gov/docs/forms-publications/health-program-guide.pdf>

If you still have additional questions, please contact the Personnel Office.



Exit Clearance Form  
California Governor's Office of Emergency Services  
State of California

**Part D: Privacy Notice**

**PRIVACY NOTICE**

This notice is provided pursuant to the Information Practices Act of 1977.

The California Governor's Office of Emergency Services, Personnel Office is requesting the information specified on this form pursuant to Government Code Sections 1151, 1153 and 12470-12475.

The information collected will be used for identification purposes.

Individuals should not provide personal information that is not requested or required.

The submission of all information requested is mandatory unless otherwise noted. If you fail to provide the information requested, Cal OES will not be able to process your request for separation.

**Department Privacy Policy**

The information collected by Cal OES is subject to the limitations in the Information Practices Act of 1977 and state policy. For more information on how we care for your personal information, please read our Privacy Policy on Cal OES' website ([caloes.ca.gov](http://caloes.ca.gov)).

**Access to Your Information**

Information provided on this form will be maintained by the Cal OES Human Resources Office pursuant to State Administrative Manual retention requirements. Individuals have the right of access to copies of this form on request. Send requests to:

Privacy Officer  
California Governor's Office of Emergency Services  
3650 Schriever Ave.  
Mather, CA 95655

**From:** [Redacted]  
**To:** [Redacted]  
**Cc:** [Redacted]  
**Subject:** Separating Employees/Please verify outstanding Accounts Receivables Travel and/or Salary advances  
**Date:** Monday, January 11, 2021 5:12:54 PM  
**Importance:** High

---

To Accounting,

The Human Resource Office received notice the following employee will be Separating from CalOES.

Please verify and respond to this email if the following employee has any outstanding Salary Advances or Accounts Receivable's.

<u>NAME OF EMPLOYEE SEPARATION</u>	<u>DATE OF RESPOND BY DUE DATE</u>
[Redacted]	02/09/21
[Redacted]	1/13/21
1/23/21	1/13/21
[Redacted]	
1/25/21	
1/13/21	

Jenifer Jacobsen  
Personnel Specialist  
California Governor's Office of Emergency Services (Cal OES)  
**Desk:** (916) 894-5309  
**Fax:** (916) 657-3687  
**Email:** [Jenifer.Jacobsen@caloes.ca.gov](mailto:Jenifer.Jacobsen@caloes.ca.gov)



STATE OF CALIFORNIA  
CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES  
**REQUEST FOR SALARY ADVANCE**  
HR035-UH (Rev.04/20)

- Salary Advance
- Final Check
- 72 Hour
- Other

**TO: ACCOUNTING OFFICE:** Date (mm/dd/yyyy):  
 Requester Name: Need by Date:  
 Employee Name: Pay Period (mm/yy):  
 Position Number: Dollar Amount:

MAIL CHECK  OVERNIGHT FEDEX ADDRESS:

TELEPHONE FOR PICK UP City Zip

REASON FOR ADVANCE:

**EMPLOYEE CERTIFICATION**

I hereby acknowledge that a salary advance in the above amount has been issued to me. I understand that this amount WILL BE DEDUCTED IN FULL from any salary warrant(s) issued to me by the State Controller's Office.

EMPLOYEE SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

**APPROVALS**

TRANSACTIONS MANAGER: \_\_\_\_\_ DATE: \_\_\_\_\_  
SIGNATURE

HUMAN RESOURCES CHIEF: \_\_\_\_\_ DATE: \_\_\_\_\_  
PRINTED NAME  
SIGNATURE

ADMIN CHIEF: \_\_\_\_\_ DATE: \_\_\_\_\_  
PRINTED NAME  
SIGNATURE

\_\_\_\_\_ DATE: \_\_\_\_\_  
PRINTED NAME

**ACCOUNTING OFFICE USE**

FINAL SCO WARRANT AMOUNT: \$ \_\_\_\_\_ RF CK#: \_\_\_\_\_

LESS SALARY ADVANCE: \$ \_\_\_\_\_ RF CK#: \_\_\_\_\_

LESS TRAVEL ADVANCE: \$ \_\_\_\_\_ RF CK#: \_\_\_\_\_

LESS PAYROLL A/R: \$ \_\_\_\_\_

TOTAL DUE TO EMPLOYEE \$ \_\_\_\_\_ CK#: \_\_\_\_\_

ACCOUNTING: \_\_\_\_\_  
SIGNATURE

\_\_\_\_\_ PRINTED NAME

EMP ID:	_____
Voucher ID:	_____
DATE:	_____
Entered By:	_____

STATE OF CALIFORNIA  
 CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES  
**REQUEST FOR SALARY ADVANCE**  
 HR035-UH (Rev.04/20)

- Salary Advance
- Final Check
- 72 Hour
- Other

**SALARY ADVANCE CHECKOFF LIST**

- RELEVANT EMAILS
- TIMESHEET REFERENCE DOCK/HOURS WORKED
- PAYCHECK CALCULATOR (Showing Full Standard Salary)
- PAYMENT DETAIL SCREEN (Showing Full Standard Salary)
- PAYCHECK CALCULATOR (Showing Proposed Salary)
- LEAVE BALANCE REPORT

PAY PERIOD _____	PAY PERIOD _____	PAY PERIOD _____
Monthly Salary      \$	Monthly Salary      \$	Monthly Salary      \$
Hours Docked	Hours Docked	Hours Docked
Hours Due to EE	Hours Due to EE	Hours Due to EE
Total Hours	Total Hours	Total Hours

PAY PERIOD \_\_\_\_\_       $\frac{\text{X}}{\text{(Hours Due to EE)}} \times \text{(Monthly Salary)} \div \text{(173.33)} = \text{(Amount Owed)}$

PAY PERIOD \_\_\_\_\_       $\frac{\text{X}}{\text{(Hours Due to EE)}} \times \text{(Monthly Salary)} \div \text{(173.33)} = \text{(Amount Owed)}$

PAY PERIOD \_\_\_\_\_       $\frac{\text{X}}{\text{(Hours Due to EE)}} \times \text{(Monthly Salary)} \div \text{(173.33)} = \text{(Amount Owed)}$



**SPLIT WARRANT NOTICE**

To:  Accounts Receivable

Salary Advance

From: \_\_\_\_\_

Employee Name: \_\_\_\_\_

Date \_\_\_\_\_ Unit/class/serial \_\_\_\_\_

Social Security Number \_\_\_\_\_

Pay Period of Warrant \_\_\_\_\_  
 Warrant Number # \_\_\_\_\_  
 Amount of Warrant \$ \_\_\_\_\_  
 Amount to Deduct \$ \_\_\_\_\_  
 A/R Balance Due \$ \_\_\_\_\_

Jury Duty/ Subpoenaed Witness \$ \_\_\_\_\_  
 Outstanding Travel Advance \$ \_\_\_\_\_  
 Dishonored Check \$ \_\_\_\_\_  
 Garnishment/Chapter 13 \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_

PAY PERIOD OF A/R (month/year)	ACCOUNTS RECEIVABLE NUMBER	PAY TYPE	A/R SET UP DATE	AMOUNT CLEARING
_____	# _____	_____	_____	\$ _____
_____	# _____	_____	_____	\$ _____
_____	# _____	_____	_____	\$ _____
_____	# _____	_____	_____	\$ _____

Personnel Specialist: \_\_\_\_\_ Phone \_\_\_\_\_ Date \_\_\_\_\_ Transaction's Manager \_\_\_\_\_ Phone \_\_\_\_\_ Date \_\_\_\_\_

Separation Date \_\_\_\_\_

CHECKS REQUESTED:  
 Payee \_\_\_\_\_ \$ \_\_\_\_\_  
 Payee \_\_\_\_\_ \$ \_\_\_\_\_

ACCOUNTING USE ONLY	
Check No.	Issue Date
_____	_____
_____	_____

Comments: \_\_\_\_\_

**PERMANENT SEPARATION TRANSACTIONS CHECKLIST**

Name		SSN		Unit		Effective Date	
Date of Separation Notification		PSB Notified by:	<input type="checkbox"/> Phone	<input type="checkbox"/> Email	<input type="checkbox"/> FAX	<input type="checkbox"/> Regular Mail	

**THIS SECTION IS TO BE COMPLETED FOR ALL PERMANENT SEPARATIONS**

DATE PROCESSED	TASK	DATE PROCESSED	TASK
	Cancel direct deposit (SCO – 372-7200), if applicable		Document/key Personnel Action Request (PAR), STD 680
	Request for Personnel Action (RPA) SEP		Update California Leave Accounting System (CLAS)
	Verify final leave usage		Update the Affordable Care Act System (ACAS)
	Email accounting for verification of monies owed to be split from final wages and/or lump sum		Post Form 672 half sheet
	Review and verify final timesheet from EE manager		Prepare separated OPF with purge date
	Print CLAS, B10, B14, S14, etc. for SEP OPF		File Separated OPF
	Lump Sum Worksheet to project lump sum, if applicable		

**THE FOLLOWING SECTION WILL BE COMPLETED FOR THE TYPE OF SEPARATION BEING PROCESSED**

DATE PROCESSED	TASK	DATE PROCESSED	TASK
	<b>RESIGNATION</b>		<b>DEATH</b>
	Letter of Resignation (attach to separation checklist)		Review OPF for designee information (STD 243)
	Notice of Right to Elect COBRA letter		Cancel Direct Deposit, if applicable
	Notice of Unavailability of COBRA, if applicable		Notify SCO with EE information
	COBRA Election form		Request and verify final timesheet with program
	STD 687, Separation/Disposition of CalPERS Contributions (optional)		Request RPA Sep from C&P provide EE last day worked
			Contact Accounting for any outstanding monies owed
			Contact CalPERS
			Notify Savings Plus, if applicable
			Update LOTUS Notes Employee ID
	<b>RETIREMENT</b>		Prepare Condolence Letter and mail to designee with Request for Delivery of Warrants of Deceased Employee
	Call CalPERS for retirement verification		Document & key Employee Action Request, STD 686 (exempt withholdings) prior to keying PAR
	Key Dental (STD 692) into CalPERS		Prepare direct pay forms and memo to Fiscal to continue benefits, if applicable
	CalHR 695, Retiree Vision Enrollment, if applicable		Document & key S95 PAR with regular time and lump sum to be paid
			Update LAS- cash out leave, if applicable
			Contact Accounting for any outstanding monies owed- provide copy of std 243, Request for Delivery of warrants of a Deceased Employee
	<b>DISMISSAL</b>		Prepare final transmittal letter & release final warrant(s) to designee
	(Includes Rejection on Probation when employee has no civil service status)		Prepare PPSD 21 notice to SCO
	Copy of Adverse Action or Rejection on Probation		Complete Notice of COBRA rights, if applicable
	Do not extend leave credits for lump sum (does not apply to AWOL)		Prepare SEP OPF with purge date
	Notice of Right to Elect COBRA letter (if dismissal is not for gross misconduct)		Prepare final warrant release instructions to accounting
	COBRA Election Form		Upon the receipt of Request for Delivery of Warrant(s) for Deceased
	STD 687, Separation/Disposition of CalPERS Contributions		

COMPLETED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

REVIEWED BY: \_\_\_\_\_

DATE: \_\_\_\_\_





Last	First	Effective Date	Position Number	Date Notified	LSP Defer (Y/N)	Defer to 2 tax years (Y/N)	Date Current tax year sent	Date of next tax year sent	Running out leave prior to Sep.	SA Issued (Y/N)	Pot AB 2410 (Y/N)	Date Package to SCO or keyed	Date LS Paid	NOTES	COBRA Y/N
<b>JANUARY</b>															
		1/3/2020	163-266-4926-002	12/23/2019	N	N	N	N	N	N	N	1/3/2020	1/4/2019	Declined Salry advance	
		1/17/2020	163-412-5393-001	12/11/2019	N	N	N	N	N	N	Y	1/17/2020	1/21/2020		
		1/23/2020	163-756-6911-905	1/8/2020	N	N	N	N	N	N	Y	1/21/2020	2/4/2020	Medical Unit	
		1/16/2020	163-272-9927-001	1/7/2020	N	N	N	N	N	N	N	1/23/2020	1/30/2020	SCO keyed	Y
		1/10/2020	163-812-1139-904	1/8/2020	N	N	N	N	N	N	N	1/13/2019	none	Declined Salry advance	
		9/30/2019	163-814-1138-904	1/24/2020	N	N	N	N	N	N	N	1/29/2020	none		
		1/30/2020	163-118-5595-904	2/6/2020	N	N	N	N	N	N	N	1/29/2020	1/30/2020		
<b>FEBRUARY</b>															
		2/1/2020	163-274-8085-002	1/15/2020	N	N	N	N	N	N	N	1/27/2020	1/28/2020		
		2/7/2020	163-122-1432-905	1/24/2020	N	N	N	N	N	N	N	2/6/2020	2/7/2020		
		2/18/2020	163-300-5393-904	1/29/2020	N	N	N	N	N	N	Y	2/11/2020	2/12/2020		
		2/10/2020	163-113-5157-904	2/7/2020	N	N	N	N	N	N	N	2/7/2020	2/10/2020	used lsv to collect for AR	
		2/22/2020	163-791-5393-002	2/5/2020	N	N	N	N	N	N	N	2/18/2020	2/19/2020		
		2/28/2020	163-430-8030-904	2/27/2020	N	N	N	N	N	N	N	2/28/2020	3/3/2020	declined salary advance	
		2/29/2020	163-295-2881-001	2/18/2020	N	N	N	N	N	N	N	2/20/2020	2/21/2020		
		12/27/2019	163-308-8085-904	2/18/2020	N	N	N	N	N	N	N	12/24/2019	1/30/2020	final lsv issue in 2020	
		2/28/2020	163-720-7500-001	2/28/2020	N	N	N	N	N	N	N	2/28/2020	3/3/2020	declined salary advance	
<b>MARCH</b>															
		3/1/2020	163-759-6910-009	11/19/2020	Y	N	2/14/2020	N	N	N	N	2/25/2020	2/26/2020		
		3/13/2020	163-855-5393-904	3/5/2020	N	N						3/17/2020	3/18/2020	delay do to program not submitting final timesheet until 3/17/20	
		3/31/2020	163-800-4802-904	3/26/2020	N	N	N	N	N	N	N	3/27/2020	None		
		3/31/2020	163-405-1138-904	3/26/2020	N	N	N	N	N	N	N	4/1/2020	None		
		3/25/2020	163-457-5393-002	4/8/2020	N	N	N	N	N	N	Y	4/8/2020	NA	Death, Medical unit will key	
		3/10/2020	163-800-4802-904	5/27/2020	N	N	N	N	N	N	N	5/27/2020	NA		
		4/10/2020	163-322-4926-006	4/2/2020	N	N	N	N	N	N	Y	NA	NA		
		4/23/2020	163-405-5393-904	4/23/2020	N	N	N	N	N	N	N	4/22/2020	none		
		4/27/2020	163-791-5393-904	4/24/2020	N	N	N	N	N	N	N	4/28/2020	none		
		4/30/2020	163-118-5601-904	3/30/2020	N	N	N	N	N	N	N	4/28/2020	4/29/2020		
		5/1/2020	163-364-5314-905	1/8/2020	N	N	N	N	N	N	Y	4/28/2020	4/29/2020		
		5/30/2020	163-322-4926-006	4/2/2020	N	N	N	N	N	N	Y	NA	NA		
		5/30/2020	163-341-4926-001	5/18/2020								5/1/20	5/28/20	going to CSU	
		5/30/2020	163-753-6910-004	5/18/2020		N		N	N	N	N	5/22/2020	5/26/2020		
		5/29/2020	163-299-7500-001	5/15/2020	Y	N		N	N	N	N	5/22/2020	6/12/2020	corrctions being made to EH from dept of Mil	
		5/31/2020	163-748-3637-001	3/5/2020	Y	N	Y	N	N	N	N	6/2/2020	6/3/2020		

JUNE														
		6/1/2020	163-443-8085-001	5/18/2020	Y	N	N	N	Y	N	N	5/22/2020	6/12/2020	
		6/12/2020	163-726-5171-006	5/14/2020	N	N	N	N	N	N	N	6/9/2020	6/10/2020	
		6/13/2020	163-879-5393-004	5/22/2020	N	N	N	N	N	N	N	6/11/2020	6/12/2020	
		6/1/2020		5/29/2020	N	N	N	N	N	N	N	6/2/2020	6/3/2020	
		6/1/2020	163-785-1501-904	5/29/2020	N	N	N	N	N	N	N	6/2/2020	NA	
		6/8/2020	163-365-1139-001	6/8/2020	N	N	N	N	N	N	N	6/8/2020	6/10/2020	
		6/30/2020	163-730-3637-001		N	N	N	N	N	N		6/24/2020	6/25/2020	
		6/30/2020	163-760-6910-002	6/17/2020	Y	N	Y	N	N	N	N	6/29/2020	7/2/2020	
July														
		7/1/2020	163-879-5393-05	6/15/2020								6/24/2020	6/25/2020	
		7/3/2020	163-841-1303-003	5/3/2020	N	N	N	N	N	N	N	7/2/2020	7/3/2020	
		7/4/2020	163-364-5314-905	7/29/2020	N	N	N	N	N	N	N	7/27/2020	7/29/2020	
		7/11/2020	163-879-5393-033	6/5/2020	N	N	N	N	N	N	N	6/24/2020	6/25/2020	
		7/15/2020	163-294-2881-001	5/14/2020	N	N	N	N	N	N	N	7/14/2020	7/16/2020	Waived Salary
		7/25/2020	163-322-4926-004	7/13/2020	N	N	N	N	N	N	N	7/21/2020	7/23/2020	
		7/22/2020	163-354-1670-001	7/14/2020	N	N	N	N	N	N	N	7/21/2020	7/22/2020	
		7/31/2020	163-131-8085-904	7/21/2020	N	N	N	N	N	N	N	7/28/2020	7/29/2020	
		7/25/2020	163-565-1139-904	7/23/2020	N	N	N	N	N	N	N	7/23/2020	NONE	
		7/28/2020	163-341-4926-002	7/27/2020	N	N	N	N	N	N	N	7/27/2020	7/28/2020	
		4/9/2020	163-796-4900--904	8/20/2020	N	N	N	N	N	N	N	8/21/2020	None	
		7/1/2020	163-791-1138-904	8/18/2020	N	N	N	N	N	N	N	8/27/2020	None	
August														
		8/20/2020	163-744-5135-001	5/14/2020	N	N	N	N	N	N	Y	7/31/2020	8/4/2020	
		8/1/2020	163-331-4926-009	7/22/2020	N	N	N	N	N	N	N	7/27/2020	7/28/2020	
		8/22/2020	163-118-5601-001	8/11/2020	N	N	N	N	N	N	Y	8/19/2020	8/20/2020	
		8/1/2020	163-565-5393-904	8/1/2020	N	N	N	N	N	N	Y	8/21/2020	NA	
		9/10/2020	163-120-9484-001	6/15/2020	N	N	N	N	Y	N	N	9/10/2020	9/11/2020	
		9/1/2020	163-875-4159-001	8/18/2020	N	N	N	N	N	N	Y	8/19/2020	8/20/2020	
		9/16/2020	163-318-5758-001	8/26/2020	N	N	N	N	N	N	Y	9/14/2020	9/15/2020	
		9/28/2020	163-310-9498-001	8/25/2020	N	N	N	N	N	N	Y	9/24/2020	9/28/2020	
		9/11/2020	163-747-3637-001	8/25/2020	N	N	N	N	N	N	N	9/7/2020	9/8/2020	
		9/11/2020	163-438-4924-001	9/1/2020	N	N	N	N	N	N		9/10/2020	9/11/2020	
		8/29/2020	163-570-8030-006	8/20/2020	N	N	N	N	N	N	Y	8/25/2020	8/27/2020	
		9/11/2020	163-723-1414-002	9/30/2020	N	N	N	N	N	N	N	9/30/2020	NA	
		9/26/2020	163-150-4801-002	9/24/2020	N	N	N	N	N	N	Y	9/24/2020	10/1/2020	
		9/10/2020	163-510-5157-010	9/15/2020	N	N	N	N	N	N	N	9/2/2020	9/3/2020	

<b>October</b>													
		10/1/2020	163-296-5393-001	9/15/2020								9/23/2020	9/28/2020
		10/31/2020	163-357-8188-003	8/12/2020	N	N	N	N	N	N	Y	10/2/2020	11/23/2020
		10/6/2020	163-876-5393-004	10/7/2020	N	N	N	N	N	Y	Y	10/9/2020	10/10/2020
		10/30/2020	163-756-6911-001	10/7/2020	N	N	N	N	N	N	N	10/28/2020	10/29/2020
		10/16/2020	163-757-6910-904	10/5/2020	N	N	N	N	N	N	Y	10/14/2020	NA
		10/1/2020	163-355-8188-904	11/5/2020	N	N	N	N	N	N	N	11/6/2020	NA
		10/1/2020	163-369-5314-905	10/22/2020	N	N	N	N	N	N	N	9/28/2020	9/30/2020
<b>November</b>													
<b>December</b>													
		12/1/2020	163-724-3640-001	10/21/2020	n	n	n	n	n	n	n	11/24/2020	NA
		12/1/2020	163-704-6220-003	10/21/2020	n	n	n	n	n	n	n	11/20/2020	11/28/2020
		12/2/2020	163-551-4924-001	10/21/2020	n	n	n	n	n	n	n	11/20/2020	11/23/2020
		12/2/2020	163-355-4926-904	11/4/2020	n	n	n	n	n	n	n	12/1/2020	NA
		12/4/2020	163-369-5314-905	11/12/2020	n	n	n	n	n	n	n	12/2/2020	
		12/16/2020	163-510-5393-001	11/4/2020	Y	n	n	n	n	n	n	12/7/2020	
		12/18/2020	163-289-2881-006	10/7/2020									
		12/31/2020	163-250-1996-904	12/8/2020	N	N	N	N	N	N	N	12/22/2020	12/23/2020
		12/30/2020	163-298-2882-001	12/7/2020	Y	n	12/9/2020	n	n	n	n	12/9/2020	
		12/13/2020	163-342-8085-002	12/10/2020	N	N	N	N	N	N	N	12/10/2020	
		12/31/2020	163-748-3640-005	11/5/2020	Y	N	Y	N				12/2/2020	
		12/30/2020	163-297-2881-009	11/3/2020	Y	N	12/9/2020	N	N	N	N	12/9/2020	
		12/1/2020	163-570-4687-904	12/11/2020	N	N	N	N	N	N	N	12/11/2020	
		12/30/2020	163-739-4800-001	11/2/2020	N	N	N	N	N	N	N	12/28/2020	12/30/2020
		12/20/2020	163-531-8025-004	11/4/2020								12/18/2020	
		12/31/2020	163-352-8188-904	10/28/2020	N	N	N	N	N	N	N	12/21/2020	12/22/2020
		12/16/2020	163-342-8085-001	12/11/2020	N	N	N	N	N	N	N	12/14/2020	
		12/16/2020	163-250-1996-904	12/10/2020	N	N	N	N	N	N	N	12/14/2020	12/15/2020
		11/17/2020	163-855-4160-904	12/9/2020	N	N	N	N	N	N	N	12/14/2020	NA
					N	N	N	N	N	N	N		
		12/18/2020	163-553-8030-001		N	N	N	N	N	N	N	12/15/2020	
		12/31/2020	163-308-8085-001	11/6/2020	N	N	N	N	N	N	N	12/21/2020	12/22/2020



# REDUCING LEAVE BALANCES

2018 Cal OES Action Plan

Tabitha Stout



# LEAVE TIME

Meant to restore balance between employees' work and private lives

# A GROWING PROBLEM

State employees have accumulated significant leave hours, leading to . . .

# UNFUNDED LIABILITIES

. . . millions of dollars in financial liabilities for agencies—every year.

# MANDATE TO REDUCE LEAVE BALANCES

CalHR: ". . . leave balances exceeding established limits need to be addressed immediately."

# TYPES OF LEAVE

No cash value—

- PLP 2010 & 2012
- Furlough
- Informal time off (ITC)
- Professional development days (PDD)

### TYPES OF LEAVE

These types of leave have cash or other value.

- Sick leave
- Personal holiday
- Holiday credit
- Compensating time off
- Vacation/annual leave
- Excess hours

### ORDER OF LEAVE TAKING

Employees should use leave in the following order:

- PLP 2012
- PLP 2010
- Furlough
- Other leave

### VACATION/ANNUAL LEAVE

- Vacation/annual leave comprises a significant portion of Cal OES' balances.
- There is a limit of 640 hours—"the cap"—allowed to be carried over.

### SNAPSHOT OF "THE CAP" AT CAL OES

PROJECTED FOR DECEMBER 31, 2018

242 employees over the cap  
53,750 hours over the cap  
10,750 hours needed to meet 20 percent reduction target

### THE SCENARIO—ACT I

- Employee retires or separates from State service.
- Agency cashes out employee's leave using current year funds—as required.

### THE SCENARIO—ACT II

- Agency is unable to fill vacancy due to lack of funds.
- Position remains vacant—offentimes for many months.

### THE SCENARIO—ACT III

- Workload of vacant position is shifted to other employees.
- Employees are unable to take time off due to workload—and their leave balances increase.

### PERPETUAL CYCLE OF UNDER-STAFFING



- Negatively impacting employees.
- Impeding an agency's ability to serve the public.

### REDUCING LEAVE AT CAL OES

Step 1: Identify Over-the-Cap Employees

- Projections were calculated using SCO data.
- Cal OES HR has completed this step and will provide employee names and leave balances to supervisors.

### HOW PROJECTIONS WERE CALCULATED

2017 year-end leave balance +  
2018 leave hours to accrue –  
Leave taken in January and February 2018 –  
640 hours of "the cap" =  
Number of hours over the cap

### REDUCING LEAVE AT CAL OES

Step 2: Determine which over-the-cap employees need a Leave Reduction Plan (LRP).

- Supervisors decide who needs a plan.
- List of employees requiring a plan is submitted to Cal OES HR.


### REDUCING LEAVE AT CAL OES

Step 3: Prepare and submit an LRP for each employee.

- Employees draft their plans using CalHR form.
- Supervisors review/approve plans and submit final plans to Cal OES HR.

### LEAVE REDUCTION PLAN

An LRP is an agreement negotiated between an employee and a supervisor to reduce leave balances.



The image shows a screenshot of a 'CAL OES Leave Reduction Plan' form. The form includes sections for 'Employee Information', 'Supervisor Information', and 'Leave Balances'. It has a header with the CAL OES logo and the title 'Leave Reduction Plan'. The form is divided into several columns and rows for data entry.

### REDUCING LEAVE AT CAL OES

Step 4: Monitor leave balances throughout 2018.

- *Employees and supervisors share the responsibility for tracking leave balances.*
- *There are several resources to assist in monitoring leave balances.*

### CAL OES "GUIDE TO REDUCING VACATION/ANNUAL LEAVE BALANCES"

- Supervisor's checklist
- Step-by-step instructions
- Easy-to-use form
- Helpful tips
- List of contacts for assistance



WORKING TOGETHER  
TO ENSURE THE HEALTH OF  
OUR AGENCY AND  
ITS EMPLOYEES



**From:** [REDACTED]  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** 2020 Vacation/Annual Leave Reduction Plans--Finance and Admin  
**Date:** Thursday, February 27, 2020 8:03:06 PM  
**Attachments:** [A Guide to the Vacation Annual Leave Reduction Plan 2020.docx](#)  
[Cal OES Leave Reduction Plan.pdf](#)  
[2020 Over the Cap Report Finance Admin.xlsx](#)

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To Finance and Administration Deputy Director/Assistant Directors/Managers/Supervisors:

This email and its attachments will:

- Celebrate our 2019 leave balance reduction success story.
- Describe the impact of excess leave balances.
- Notify the Cal OES management team of employees with projected vacation/annual leave balances that will exceed the 640-hour leave carry-over cap for the calendar year ending December 31, 2020.
- Provide guidance to supervisors and employees for tracking leave balances and developing Leave Reduction Plans (LRPs).

**Deadline: March 20, 2020** Supervisors will submit completed LRP forms to Cal OES HR, Attention: Jennifer Stamps, [Jennifer.Stamps@CalOES.ca.gov](mailto:Jennifer.Stamps@CalOES.ca.gov).

\*\*\*\*\*

#### The Impact of Excess Leave Balances on Cal OES

Every year, Cal OES employees accrue tens of thousands of leave hours, primarily vacation or annual leave. Unused hours and large leave balances become growing liabilities—triggered when employees retire/separate from State service. Cal OES is required to cash-out accrued leave using current-year funds, which can profoundly affect our programs.

To compensate, Cal OES often leaves positions vacant for extended periods of time or hires hard-to-retain temporary employees to fill positions. Ultimately, excess leave balances exacerbate the most pressing issue facing Cal OES—the **perpetual cycle of understaffing** that severely impacts our ability to serve the public. Excess leave balances can also reflect a human toll on Cal OES's family of dedicated public safety professionals. While the volume of our work is often driven by events beyond our control, all Cal OES employees, regardless of their roles, are encouraged to take time away from work to spend time with their families, and to attend to their own health and well-being.

Last year, you all helped to make Cal OES's leave reduction efforts a success. In 2019, Cal OES employees reduced their excess leave by 50,000 hours—103% of our goal. Not only did this save millions of dollars in salary that can now be used to fund current employees, it also reflects organization-wide progress.

toward a sustainable work-life balance.

Employees Projected to be Over the Cap

While there are several types of leave time that State employees accrue, Cal OES's leave reduction efforts are specifically focused on **vacation and annual leave**. Per State policies, employees should carry over **no more than 640 hours** of vacation/annual leave from the end of one calendar year to the beginning of the next. This 640-hour limit is referred to as "the cap."

Snapshot of the Cap at Cal OES for 2020	
236	Employees projected to exceed the cap by the end of 2020
47,698	Hours projected over the cap by the end of 2020

Cal OES HR has projected which employees may exceed the cap and the number of hours they will be over the cap by December 31, 2020. A list of these employees is attached.

**Note:** In 2020, **all** employees projected to be over the cap will submit a Leave Reduction Plan regardless of the number of hours an employee exceeds the 640-hour cap. **No employee over the cap will be exempt from submitting a plan.**

Tracking Leave Time and Developing Leave Reduction Plans

A *Guide to the Vacation/Annual Leave Reduction Plan* was designed to help managers/supervisors and employees manage excess leave balances with the goal of lowering Cal OES's over-the-cap balance significantly by December 31, 2020. The guide offers:

- An explanation of how leave projections are calculated.
- Steps for developing a Leave Reduction Plan (LRP).
- An easy-to-use LRP form.
- Tools for supervisors and employees to track leave balances throughout the year.

Again, thank you for your efforts in helping to reduce excess leave balances at Cal OES. Should you have any questions or need additional information, please contact Jennifer Stamps at (916) 845-8377 or [Jennifer.Stamps@CalOES.ca.gov](mailto:Jennifer.Stamps@CalOES.ca.gov).

Attachments:

- *A Guide to the Vacation/Annual Leave Reduction Plan*
- Cal OES Leave Reduction Plan form
- List of employees' leave balances

Sheila Braverman  
Chief of Human Resources  
California Governor's Office of Emergency Services (Cal OES)  
**Desk:** (916) 845-8335  
**Cell:** (916) 502-4825  
**Email:** [Sheila.Braverman@caloes.ca.gov](mailto:Sheila.Braverman@caloes.ca.gov)



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