

- R2. YHS should retain and make available copies of school site council meeting notices, agendas and minutes.

## REQUEST FOR RESPONSES

Pursuant to California Penal Code Sections 933(c) and 933.05, the Yolo County Grand Jury requests responses as follows:

*From the following governing bodies:*

- Yolo High School, Findings F1 through F4; Recommendations R1 and R2
- Washington Unified School District, Findings F1 through F4; Recommendation R1

## DISCLAIMER

This report was issued by the Yolo County Grand Jury with the exception of one member of the Grand Jury who may have had a perceived conflict of interest. This juror was excluded from all parts of the investigation including inspections, interviews, deliberations, and the making and acceptance of the reports.

## **Department of Employment and Social Services Inquiry into Specified Timekeeping and Hiring Issues**

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## SUMMARY

The Grand Jury investigated the Yolo County Department of Employment and Social Services (DESS) timekeeping and management hiring practices. The Grand Jury found management hires met minimum job qualifications. The Grand Jury found no misuse of timekeeping; however, the Grand Jury did find inefficiencies and inadequacies in the area of employee timekeeping.

## REASON FOR THE INVESTIGATION

California Penal Code Section 925 provides “The

grand jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county, including those operations, accounts and records of any special legislative district in the county created pursuant to state law for which the officers of the county are serving in their ex-officio capacity as officers of the districts.”

The Grand Jury followed up an investigation that was performed by the 2009–2010 Grand Jury. A review of that complaint, the Grand Jury’s final report and the response by DESS identified unresolved concerns regarding: 1) DESS employee timekeeping, 2) DESS management timekeeping, and 3) whether DESS Minimum Qualifications were met in the filling of management positions.

## GLOSSARY

The following glossary provides terms and abbreviations used in this report.

**ATO:** Administrative Time Off. Time off available only to directors and division managers. As part of the management benefit package, up to 40 hours of administrative paid time off may be taken in a 12 month period.

**At-will Employees:** Employees who are appointed to management positions by the Board of Supervisors. At-will employees are exempt from the Fair Labor Standards Act.

**BOS:** Board of Supervisors. The elected governing body that makes policy decisions and oversees the county budget and department programs.

**By Exception Time Reporting:** Absences rather than daily attendance are reported. Employees only report absences from work. If none are reported it is presumed the employee worked a 40 hour week.

**CAO:** County Administrative Officer. Oversees county including budget and personnel administration.

**CDI:** County Disability Insurance. CDI is only available to these DESS classifications: Department Director, Assistant Director, Management, Attorney, Confidential and Unrepresented Management.

**DESS:** Department of Employment and Social Services. Provides employment services, child and adult

protective services and other related social services in Yolo County.

**Exempt Employees:** Employees who are exempt from the FLSA. Salaried employees who receive predetermined compensation which is not subject to reduction because of variations in the quality or quantity of the work performed. Exempt employees are not required to report absences of less than one day.

**FLSA:** Fair Labor Standards Act. Federal act that governs how hourly and salaried employees are compensated.

**HR:** Yolo County Department of Human Resources. Maintains all county employee records and establishes and enforces personnel policies. This department determines job descriptions and minimum qualifications for county positions.

**Merit System:** A system of recruitment, examination, appointment, promotion, and retention of employees based on merit.

**MQs:** Minimum Qualifications. The minimum experience and education required to qualify for an advertised vacant position.

**XTO:** Extra time off. Management employees pledge to take a number of XTO hours off without pay. XTO hours are deducted from pay over 26 biweekly pay periods. Established in response to county's budget shortfall.

## ACTIONS TAKEN

The Grand Jury interviewed HR management, DESS management, and representatives of the Information Technology (IT), Accounting and Auditing departments.

The Grand Jury reviewed information on the Yolo County website, Yolo County Administrative Procedures Manual and the following documents:

- Personnel files
- CDI Claim Forms
- CDI Payroll Postings
- Biweekly payroll records
- XTO pledge forms
- Time Studies

The Grand Jury also reviewed the:

- Merit System Audit report
- Yolo County Codes
- MQs for DESS Management
- DESS Performance Surveys for the past two years
- Draft copy of the 2010 proposed Telecom Absence Request Process
- 2010 County Payroll Audit and supporting documents related to the DESS time and attendance reporting method

## WHAT THE GRAND JURY DETERMINED

### **DESS Employee Timekeeping**

#### **Differences within Yolo County**

Departments within Yolo County use different methods of reporting the amount of time an employee works on a specific job or program. The method used is directed by the department's individual needs, the funding source and unique work hours. DESS is funded by state and federal funds and must follow time allocation reporting requirements prescribed by state and federal regulations in order to be reimbursed for work performed.

Each DESS division submits a quarterly Time Study Report to the State in order to be reimbursed for employee work performed. These reports identify the number of hours employees worked on a specific project or job for each week during the reporting period. Some employees use their calendar to record daily or weekly time and labor; others may rely on their memory. Some employees in one DESS division must use State issued computers due to the type of work being performed. The time study reports and the State computers are not used by DESS for County payroll purposes. These methods make county-wide uniform timekeeping and time allocation difficult.

#### **Time and Attendance**

The DESS uses the "by exception" timekeeping method. Absences rather than attendance are reported. An absence request form and a time sheet are completed and submitted to the supervisor only when an employee is requesting leave. Every absence from work requires an absence request and a timesheet approved and signed by a supervisor. Employees are presumed to have worked a regular 40 hour week if no absence request and timesheet are submitted.

The Payroll Clerk reviews all employee time sheets and manually enters leave taken into the PeopleSoft payroll system. Internal controls used by supervisors to monitor an employee's daily attendance at work consist of: 1) the supervisor or a co-worker having direct contact with the employee during the day, 2) employee and supervisor are in close proximity to each other, 3) sign-in by employee using the computer, and 4) the honor system. The time sheets and absence requests are filed and stored. Discrepancies or other issues related to an employee's leave must be manually researched.

### **PeopleSoft Payroll System**

The PeopleSoft software program has been used as the payroll and benefit system in the County since 1999. The County currently uses PeopleSoft 8.9. Departments submit payroll data to the Payroll Clerk in paper form and the data are manually entered into PeopleSoft by the Payroll Clerk. The system tabulates the time sheet data and employee payroll checks are calculated based on the data entered. Time sheet data entered into PeopleSoft is forwarded to the Auditor-Controller's office for a detailed review. For each payroll period, the Auditor-Controller Central Payroll division reviews all timesheet data, sets up payroll actions and processes payroll. The IT Department maintains the PeopleSoft payroll applications.

The Grand Jury learned that PeopleSoft 8.9 does not include a timekeeping function that can capture the number of hours an employee works or the actual time of arrival or departure.

The County has been negotiating with Oracle for a new software module called "Time and Labor". Oracle initially requested \$1,000,000 and is currently willing to accept \$500,000. To date no decision has been made about the purchase and funding has not been identified. This pricing is predicated upon acceptance of the contract.

This new software has two key components. The first component is a fully automated timekeeping system that captures daily attendance for payroll purposes and allows employees to:

- Log in daily time of arrival and departure
- Log in the number of hours worked
- Log in leave taken

The other component is the creation of timekeeping uniformity in the County. The "Time and Labor" system can accommodate the different time and labor requirements that departments such as DESS have. The system would

require data entry of hours worked or leave taken and would allocate the time to specific jobs, projects and leave categories. The Oracle consultant can make adaptations such as electronic real-time recording of employee arrival and departure.

### **Absence Management System**

In August 2010, the County implemented a pilot Absence Management Program developed in-house by IT that is web-based. Under the Absence Management Program time and attendance reporting remains "by exception". Employees are still only required to enter absences and not hours worked. IT is working on improvements such as an application that will permit employee timekeeping of arrival and departure and project allocations. The new program offers the following:

- Paper absence requests are no longer required
- Employees use an online Absence Calendar to record absence requests
- Supervisors can view the on-line calendar to ensure employee has sufficient leave
- Absence data will no longer need to be keyed into PeopleSoft
- Leave balances are available online for employee and supervisor view
- All managers can approve absence requests on-line
- Payroll Clerk uploads data into payroll sheet in PeopleSoft
- Discrepancies can be searched on-line, eliminating manual searches

The Grand Jury determined that some DESS divisions are scheduled to implement the pilot program. This new web-based absence management program improves functionality and will be a cost savings to the county; however, it does not capture daily attendance. The cost of the current manual "by exception" time reporting for Yolo County based on 1,100 employees is \$485,378 per year and the cost of the new Absence Management Program is \$119,064 per year for the same number of employees.

### **DESS Management Timekeeping**

The Grand Jury determined that the BOS establishes specific management positions to be classified as at-will positions. Appointments to these management positions are made by the CAO or the DESS Director and the appointed employees serve at the will of the appointing power. These management employees are "exempt employees" because they are paid a predetermined salary

and are not subject to deductions for absences of less than one day. Pursuant to the FLSA, if a management employee comes to work and only stays for one hour, the employee is paid for the full 8 hour day.

The Grand Jury confirmed that management employees receive a benefits package which includes ATO of 40 hours per year and are entitled to CDI benefits which supplement up to 75 percent of leave and salary due to a non-work related injury. CDI allows the employee to continue accumulating sick leave, vacation leave and receive full pay. Once approved for CDI, a management employee may combine sick leave, vacation leave and ATO with CDI leave benefits to total 8 hours per day. In instances where an employee is approved to work part-time, the number of hours worked is combined with CDI leave benefits and other leave types to total 8 hours per day.

The Grand Jury reviewed DESS biweekly Employee Payroll Sheets and CDI Claim Payroll Postings. These documents confirmed the number of hours worked, hours of vacation, sick leave and ATO taken were accurate. The documents also confirmed that the leave taken was accurately combined with CDI paid time off for each two-week pay period during the time frame identified in the complaint. No misrepresentation of timekeeping was found.

#### ***DESS Minimum Qualifications in Management Hires***

The Administrative Procedures Manual requires that no person may be appointed or hired in any position unless MQs set forth in the employment standards are met. Once the MQs are set they cannot be changed without a recommendation from HR and the approval of the CAO and the BOS. Directors, Assistant Directors or Division Managers cannot make changes to MQs without going through this administrative process.

DESS management MQs and personnel files were reviewed. The MQs for these positions state: "Any combination of experience and education, which provides the required knowledge and skill, is acceptable." Pursuant to the MQs, employees who met the MQs by combining education and experience were eligible to apply and be appointed as were employees who met the MQs by having the requisite experience.

The Grand Jury verified that all management employees reviewed met the MQs, and no MQs were altered to permit hiring of management employees. All management employees had a Bachelor's degree, a

Master's degree or several years of appropriate experience prior to being appointed to the position.

## **FINDINGS**

- F1.** The Grand Jury found no evidence of management misuse of timekeeping or misrepresentation of hours worked.
- F2.** Management employees are not required to report absences of less than one day.
- F3.** DESS does not use a reliable timekeeping system to capture employee time worked on specific projects or jobs.
- F4.** DESS use of "by exception" time reporting requires employees to only report hours not at work, as approved by a supervisor.
- F5.** DESS employees do not report hours worked on a daily basis. Internal controls to monitor hours worked are inadequate, creating the potential for fraud or accidental misrepresentation.
- F6.** The new Absence Management program is an electronic version of "by exception" time reporting. It has the same potential for fraud because internal controls to monitor employee time and attendance are inadequate.
- F7.** IT is attempting to adapt the new Absence Management program to capture timekeeping. The Oracle "Time and Labor" software can accommodate time, labor and daily attendance.
- F8.** The Grand Jury determined that the MQs for management positions were not altered changed or compromised. Employees appointed to management positions met the MQs prior to being appointed.

## **RECOMMENDATIONS**

- R1.** Implement a standard employee time and attendance policy and procedure to report hours worked and leave taken on a daily basis which will alleviate the potential for fraud and will ensure an adequate audit trail exists. The system should provide for supervisorial approval.
- R2.** Identify funds to implement software such as the

Oracle program or the enhanced functions of PeopleSoft to alleviate the potential for time reporting fraud in the department and improve time, labor and attendance inefficiencies and inadequacies.

## **REQUEST FOR RESPONSES**

Pursuant to California Penal Code Sections 933(c) and 933.05, the Yolo County Grand Jury requests responses as follows:

*From the following governing bodies:*

- Yolo County Board of Supervisors, Recommendation R2
- Yolo County Auditor-Controller, Findings F5, F6, and F7; Recommendations R1 and R2

*From the following individuals:*

- Yolo County Chief Administrative Officer, Findings F3 through F7; Recommendations R1 and R2
- Director, Yolo County Information and Technology, Findings F6 and F7
- Director, Department of Employment and Social Services, Findings F3 through F7; Recommendations R1 and R2

## **Woodland Police Department Vehicle Towing Procedures**

### **SUMMARY**

Recent court rulings have changed how officers may determine whether or not a vehicle will be towed. The Woodland Police Department follows an established vehicle towing rotation policy.

### **REASON FOR INVESTIGATION**

This investigation was prompted by a citizen's complaint regarding Woodland Police Department's procedure for vehicle towing dispatch (vehicle tow

rotation). The complainant asked the Grand Jury to investigate trends in tow dispatches and the related impact on the community in terms of public safety and liability concerns.

California Penal Code 925(a) states, "The grand jury may at any time examine the books and records of any incorporated city or joint powers agency located in the county. In addition to any other investigatory powers granted by this chapter, the grand jury may investigate departments, functions, and the methods or system of performing the duties of any such city or joint powers agency and make recommendations as it may deem proper and fit."

### **ACTIONS TAKEN**

The Grand Jury reviewed more than a dozen documents, including vehicle towing contracts, dispatch logs, and enforcement agencies' policies. The Grand Jury also conducted interviews with towing company operators, and staff from the Woodland Police Department and Yolo County Sheriff's Department to learn: 1) when and how vehicle tow operators are called to a scene, 2) the trends in the number of dispatches, 3) local law enforcement policies in determining when a vehicle is impounded or left at the site, 4) the costs and potential liability issues involved, and 5) recent court decisions. The Grand Jury reviewed incident reports before and after the implementation of the new community care rule.

### **WHAT THE GRAND JURY DETERMINED**

#### ***When Vehicle Tow Operators Are Dispatched***

The Grand Jury determined that local law enforcement staff use their discretion, consistent with the guidelines of their agency, to determine when a vehicle should be towed and impounded.

Officers and deputies are expected to assess the unique circumstances of each situation and determine if a vehicle tow is required. Tows are typically mandated when major infractions have occurred, such as major traffic accidents or when the vehicle must be impounded as evidence.

The circumstances under which a vehicle can be towed were recently changed by an appellate court ruling (*Miranda v. City of Cornelius* 429F.3d 858). As a result of this 2006 ruling, the Woodland Police Department adopted a policy in which the officer has gained broader discretion