



OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

MANAGEMENT REVIEW CASE NUMBER: 2012-0016

Sheryl G. Steckler
Inspector General

"Enhancing Public Trust in Government"

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) received complaints alleging that Palm Beach County (PBC) employees are erroneously receiving leadworker pay since October 2009.

PBC Payroll Policy Section II.C., contains the following quoted language regarding leadworker pay:

*A leadworker has the responsibility for **assigning and reviewing** the work of other employees who are classified at the **same pay grade** at a **work location removed from regular supervision**. [emphasis added]*

According to PBC Merit Rule 6.05(H), employees receiving leadworker pay are entitled to a 6% pay increase during the time period for which they are designated as a leadworker.

According to preliminary information reviewed by the OIG, a total of 29 PBC employees (23 of which are current) were identified as receiving leadworker pay. Based on this information, the OIG initiated a Management Review.

The OIG's review found the following:

- 14 (61%) met all of the specific requirements set forth in the PBC Payroll Policy.
- 9 (39%) did not meet all of the specific requirements set forth in the PBC Payroll Policy.

Of the nine employees that did not meet all of the specific requirements set forth in the Payroll Policy, the OIG review found that some met one or two of the requirements, but not all three. The OIG's review disclosed that PBC departments interpreted the policy in various manners, which led to erroneous applications of this policy. For example, an employee has been receiving leadworker pay even though, by their own admission, they do not *assign and review* the work of others and the employee's *supervisor is located in the same office*.

Based on the OIG's review, between July 8, 2006 and June 29, 2012, the nine employees identified have received leadworker pay totaling \$78,121.22 for which they were not eligible, pursuant to the PBC Payroll Policy.

RECOMMENDED CORRECTIVE ACTIONS

Based on the findings, the OIG recommends the following corrective actions:

- Review leadworker status of those employees identified as not eligible based on PBC Payroll Policy and take appropriate corrective action.

Assistant County Administrator Brad Merriman advised the OIG that he would direct the Human Resources department to conduct a thorough review of each employee's leadworker status, determine their eligibility based on the established criteria, and take appropriate actions.

- Ensure compliance with PBC Payroll Policy prior to approval of leadworker status.

Mr. Merriman advised the OIG that the Human Resources department will establish a Policy and Procedures Memorandum (PPM) regarding leadworker pay and will be required to ensure compliance with applicable rules and approve all future requests for leadworker pay when it is requested by the department.

- Implement a policy which requires an ongoing review of an employee's continued eligibility to receive leadworker pay.

PBC Manager of Compensation & Records Maria Maldonado advised the OIG that her office is currently attempting to coordinate an approval process between PBC Departments and her office for all personnel actions. Ms. Maldonado stated that a new payroll software is currently being implemented, which will add more controls, requiring a leadworker's supervisor to verify leadworker status every pay period. Furthermore, the new software will restrict a supervisor from authorizing leadworker status in certain scenarios, like when a leadworker is on leave or the employee(s) who are being "led" are on leave. Ms. Maldonado indicated that the payroll software is expected to be rolled out by department in early 2013.

ISSUE REVIEWED AND FINDINGS**Issue:**

Palm Beach County employees are erroneously receiving leadworker pay even though they do not meet the specific requirements outlined in the Palm Beach County Payroll Policy.

Governing Directives:

Section II.C., Palm Beach County Payroll Policy; and Rule 6.05H, Palm Beach County Merit System Rules and Regulations.

Finding:

The OIG's review found that of the 23 PBC employees identified in the Management Review that were receiving leadworker pay:

- 14 (61%) met all of the specific requirements set forth in the PBC Payroll Policy.
- 9 (39%) did not meet all of the specific requirements set forth in the PBC Payroll Policy.

According to the OIG's review of PBC Human Resources (HR) personnel records, 23 employees were identified as currently receiving leadworker pay. Following interviews with each of the 23 employees, the following pertinent information was disclosed:

- 14 of the employees met all of the specific requirements set forth in the PBC Payroll Policy.
- Of the nine remaining employees that did not meet all of the specific requirements set forth in the PBC Payroll Policy, the following information was disclosed:

It is noted that some of the employees below met one or two of the requirements, but not all three.

- 2 did not *assign and review* the work of other employees.
- 5 were not in the *same pay grade* as those employees whose work they were *assigning and reviewing*.
- 5 were not in a *work location removed from regular supervision*.

Of the nine employees that did not meet all of the specific requirements set forth in the PBC Payroll Policy, the OIG's interview of employees, their immediate supervisors and directors disclosed the following pertinent information:

- Of the eight supervisors interviewed,¹ none of them were familiar with the specific requirements set forth in the leadworker policy.
- Furthermore, none of the supervisors interviewed were able to provide justification demonstrating that their leadworker employee(s) met all of the specific requirements set forth in the PBC Payroll Policy.

The employees' yes/no responses below are based on the following:

1. *Do you assign and review work of other employees?*

¹ It is noted that 2 of the employees fell under the same supervisor.

2. Are those employees in the same pay grade as you?

3. Are you in a work location removed from regular supervision?

Employee #1	Leadworker Begin Date: 07/08/06	Leadworker End Date: Current	Amount Received: \$9,680.05
Assigns & Reviews		Same Pay Grade	Work Location Removed From Regular Supervision
Yes		Yes	No
Supervisor Comments		Director Comments	
Supervisor inherited employee with leadworker status.		Director stated that a leadworker is loosely, someone that is supervising or assigning work to other people in the same pay grade in the absence of their immediate supervisor. Director stated that leadworker paperwork is processed through HR.	

Employee #2	Leadworker Begin Date: 06/05/10	Leadworker End Date: Current	Amount Received: \$6,488.69
Assigns & Reviews		Same Pay Grade	Work Location Removed From Regular Supervision
Yes		No	Yes
Supervisor Comments		Director Comments	
Employee is a supervisor as well as a leadworker. Employee was "appointed" to supervisor's position during supervisor's absence. Upon the supervisor's return and due to the employee's vast expanse of responsibilities it was "easier to have a central point of contact." Supervisor also stated that they "did not have all of the answers" and the employee knew the operation better.		Director stated that there is additional compensation if an individual has an additional responsibility to supervise one or more employees. Employee was leadworker prior to Director's employment. Director stated that supervisors process the request to compensate an employee for additional responsibilities which the Director reviews and forwards to HR for review and approval.	

Employee #3	Leadworker Begin Date: 02/27/10	Leadworker End Date: Current	Amount Received: \$8,213.17
Assigns & Reviews		Same Pay Grade	Work Location Removed From Regular Supervision
No		No	Yes
Supervisor Comments		Director Comments	
Supervisor inherited employee with leadworker status.		Director stated that the leadworker position was created to allow a senior person to coordinate the activities of two to three people. Director stated that he only provides signature authority for HR paperwork, but the selection of leadworker is completed by supervisors and superintendents.	

Employee #4	Leadworker Begin Date: 05/07/11	Leadworker End Date: 03/24/12	Amount Received: \$2,103.12
Assigns & Reviews	Same Pay Grade		Work Location Removed From Regular Supervision
Yes	No		Yes
Supervisor Comments		Director Comments	
Supervisor stated the employee was recently promoted to a supervisory position; however, supervisor was unable to confirm whether or not employee was previously a leadworker.		Director stated that the leadworker position was created to allow a senior person to coordinate the activities of two to three people. Director stated that he only provides signature authority for HR paperwork, but the selection of leadworker is completed by supervisors and superintendents.	

Employee #5	Leadworker Begin Date: 03/26/11	Leadworker End Date: Current	Amount Received: \$3,709.07
Assigns & Reviews	Same Pay Grade		Work Location Removed From Regular Supervision
Yes	No		No
Supervisor Comments		Director Comments	
Supervisor stated that "[they] do not have the expertise that [their employee] has." The employee possesses a certification that enables them to review co-worker's work where the supervisor feels they cannot because they do not possess the same certification.		Director stated that there is additional compensation if an individual has an additional responsibility to supervise one or more employees. Employee was leadworker prior to Director's employment. Director stated that supervisors process the request to compensate an employee for additional responsibilities which the Director reviews and forwards to HR for review and approval.	

Employee #6	Leadworker Begin Date: 12/09/06	Leadworker End Date: Current	Amount Received: \$8,487.02
Assigns & Reviews	Same Pay Grade		Work Location Removed From Regular Supervision
Yes	Yes		No
Supervisor Comments		Director Comments	
Supervisor inherited employee with leadworker status.		Director stated that the leadworker policy has been in place for approximately 28 years and is given in the absence of supervision, or ongoing supervision or occasional absence of supervision, work groups or teams may have a need for a lead person to help direct some of that work. Director stated that leadworker approvals may be kicked up to the Assistant Director or Director for conceptual approval and then it is handled by the personnel section.	

Employee #7	Leadworker Begin Date: 05/24/08	Leadworker End Date: Current	Amount Received: \$14,490.96
Assigns & Reviews	Same Pay Grade		Work Location Removed From Regular Supervision
No	Yes		No
Supervisor Comments		Director Comments	
Supervisor stated that approval was obtained from Director to give leadworker status to the employee. Supervisor stated that leadworker is someone who [backs] me up.		Director stated that leadworker was established to help with the direction and management of work at locations where there might not be a supervisor at all times. Director stated that supervisor and director sign off on leadworker status, which is then forwarded to HR.	

Employee #8	Leadworker Begin Date: 02/27/10	Leadworker End Date: Current	Amount Received: \$11,230.35
Assigns & Reviews	Same Pay Grade		Work Location Removed From Regular Supervision
Yes	No		Yes
Supervisor Comments		Director Comments	
Supervisor stated that employee "deserved it." Supervisor also stated that leadworker is "the guy responsible when I'm not there."		Director stated that leadworker was established to help with the direction and management of work at locations where there might not be a supervisor at all times. Director stated that supervisor and director sign off on leadworker status, which is then forwarded to HR.	

Employee #9	Leadworker Begin Date: 07/19/08	Leadworker End Date: Current	Amount Received: \$13,718.79
Assigns & Reviews	Same Pay Grade		Work Location Removed From Regular Supervision
Yes	Yes		No
Supervisor Comments		Director Comments	
Supervisor stated both employee and supervisor work in a different part of the building at the same location, but are out of the office throughout any given day. Supervisor also stated in addition to employee's skills, there was a "lot of work" offsite that needed managing.		Director stated that there is additional compensation if an individual has an additional responsibility to supervise one or more employees. Employee was leadworker prior to Director's employment. Director stated that supervisors process the request to compensate an employee for additional responsibilities which the Director reviews and forwards to HR for review and approval.	

Statement of PBC Human Resources Director Wayne Condry

Mr. Condry stated that he was involved in the generation of the original leadworker policy somewhere between 1986 and 1987 when he was a Classification Analyst. Mr. Condry explained that originally, there were a very limited number of leadworkers in the county and the thought process was to designate someone to be in charge of hours of operation, time and attendance, etc. For example, the West County Courthouse, at that time, was staffed with two probation officers and a clerical support person. One of these probation officers became the original leadworker. Mr. Condry stated that there was not currently a review procedure to determine if an employee continues to qualify for leadworker pay because the theory behind the policy was that it would not be a

permanent action. Mr. Condry opined that like any other pay, people attempt to abuse it and some departments may find ways to “sneak and get people pay,” like leadworker pay. Mr. Condry stated that his department performs more of a “perfunctory” approval when processing pay increases, promotions, etc.; however, his staff does not conduct individual job audits to determine if the employee meets policy requirements.

Mr. Condry stated that his staff is currently in the process of conducting audits to ensure that each department is accurately reporting data prior to switching to new payroll software.

Statement of PBC Assistant County Administrator Brad Merriman

Mr. Merriman stated that the original concept of leadworker (30 years ago) involved various field type of situations. Mr. Merriman stated that for example, “you have four individuals out mowing a right-of-way which does not justify a crew chief or supervisor. Management would designate one of them as leadworker to direct the work. They are all Maintenance Worker IIs, pay grade 16 or 18, and one of them gets leadworker pay.” Mr. Merriman opined that over time, the concept of leadworker may have changed into something else.

Mr. Merriman stated that if the application of leadworker pay is incorrect throughout the county, then the Merit Rules and/or Policy may need to be changed.

ARTICLE XII, SECTION 2-427

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Assistant County Administrator Brad Merriman was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Management Review within ten (10) calendar days. Mr. Merriman’s response to the OIG Management Review, which outlined his plan for corrective actions to be taken, is attached.

This Management Review has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations.



County Administration

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TO: Donald Balberchak
Director of Investigations

FROM: Brad Merriman 
Assistant County Administrator

Date: July 26, 2012

RE: **Management Review 2012-0016**

This is in response to the Management Inquiry that was conducted regarding leadworker pay (OIG Management Review Number: 2012-0016). According to your review of Palm Beach County Human Resources personnel records and interviews with staff, twenty-three (23) employees were identified as currently receiving leadworker pay. Your report has concluded 9 of the 23 employees currently receiving leadworker pay do not meet all of the criteria outlined in the Merit Rules regarding eligibility for leadworker pay. Specifically, your report identifies; two (2) do not assign and review the work of other employees, five (5) are not in the same pay grade as those employees whose work they were assigning and reviewing, and five (5) are not in a work location removed from regular supervision.

Regarding the findings, I will direct Human Resources to do a thorough review of each employee receiving leadworker pay, determine the eligibility of each employee based on the established criteria, and take the appropriate actions based on their findings. Further, Human Resources will establish a PPM regarding leadworker pay and will be required to ensure compliance with applicable rules and approve all future requests for leadworker pay when it is requested by the department.

Thank you for conducting this review and for the opportunity to respond. Please do not hesitate to contact me if any additional information is required.

Attachment

Cc: Wayne Condry, Director, Human Resources

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