



**COUNTY of LUZERNE**  
P E N N S Y L V A N I A  
ESTABLISHED 1786  
**OFFICE OF THE CONTROLLER**

**Review and Audit of  
Luzerne County  
Compensation and Paid and Unpaid Time Off  
Policy and Procedure  
According to Personnel Code and Personnel Policy**

February 16, 2023

**Walter L. Griffith Jr.**  
**Luzerne County Controller**

**Thomas P. Sokola**  
**Deputy Controller**

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**Objective/Background:**

On or about September 25<sup>th</sup> the County Controller was made aware of a budget transfer for \$29,000.00 to Account 510.35 Wages Overtime Account for accrued compensatory time, the Controller's Office reviewed and audited the transaction to ensure compliance with the Luzerne County Personnel Policy and Personnel Code, as well as the Luzerne County Home Rule Charter Article 5, Section 5:10 (c) Changes in the Budget. The objective was to review the process and insure future payments for all county divisions and departments' follow policy and code for compensatory time.

**Scope:**

The scope was limited to this one transaction to review source documents, operating procedures, payment calculations to insure future compensatory request for payment are accurate and according to Luzerne County Personnel Code and Personnel Policy.

**Methodology:**

The Controller's office reviewed the Luzerne County Personnel Code adopted by Luzerne County Council on July 24, 2018, specifically Article 1001: Luzerne County Personnel System which identifies the Scope of the Personnel Code and Section 1001.04 the Division of responsibilities, to determine the employees responsible for the implementation and oversight of the Luzerne County Personnel Policy. The Controller's Office also reviewed Chapter 5 Section 5.4 Overtime and Compensatory Time and Chapter 6.0 Paid and Unpaid Time Off Section 6.1 Administration of the Personnel Policy.

Source information for the compensatory payment was provided by the Division Head of Judicial Services and Records as well as communication from the incoming Department Head. The job description, US Department of Fair Labor Fair Standards, payroll reports from the County Kronos Payroll Time Clock System and information received from Management were also reviewed. The source information was then compared to the personnel policy to determine if operating procedures were in place that supported the payment and that it was appropriate and issued according to the personnel policy.

**Findings and Recommendations:****Finding 1: Compensatory Time Records were not Maintained according to the County Personnel Policy**

After receiving all source information, the requirements of the position does require a significant amount of on-call availability. The employee must be available 365 days of the year and 24 hours per day. By reviewing source information from the employee it was evident this individual is counted on to fulfill these requirements. The employee provided detail daily logs of her time and a calculation of straight and 1.5x hours that supported the compensatory time payment. However, the documents submitted by the employee were not approved by the Supervisor. Supervisory signoff is required by the Personnel Policy Section 5.4 (b) 7 which states: **The immediate Supervisor and Department Heads are required to keep accurate official records of Compensatory Time earned and used by their respective employees.**

In addition Section 6.1 (c) states: **An employee's personally-kept file of Time-Off will not be recognized as an official record nor used as the basis for determining carryover or payment of unused leave upon termination of employment. The Human Resources Departments record shall be considered "official" for these purposes** Management controls were not in place for support of recording and payment of compensatory time.

**Managements Response:**

Weekly logs were put into place in 2021. The employee supplied the Department Head with the logs. Manual logs were necessary due to the nature of the job.

Recommendations:

1. Implemented in 2021
2. Implemented with new Coroner

**Controller's Office Recommendations:**

1. Management should identify job descriptions that may require **significant** compensatory time. These positions should require a bi-weekly log of daily worked hours and any compensatory time.
2. The direct supervisor and employee on a bi-weekly basis should sign off compensatory time logs.
3. Kronos should be updated bi-weekly for each employee who receives compensatory time and monitored to ensure adherence to the Fair Labor and Standards Act maximum hours of 240 for most employees and 480 for emergency response personnel. The County Personnel Policy must be updated to reflect this FLSA requirement by supervisors.
4. The County Administrative Services Director and Human Resources should take the necessary steps to update section 5.4 B.4 of the County Personnel Policy to reflect the above recommendations.

**Finding 2: Employee time records were used to document accumulated time without documentation in Kronos or approval by supervisor.**

The Controller's office reviewed the Kronos Accrual records and Kronos Time Sheets for the 2021 calendar year. These documents showed there was no compensatory time earned or used. There was no supporting documentation placed in the Kronos Time Clock System which is the official record of any compensatory time earned or used. In addition, there was no record of any paid time off being taken by the employee, yet the employee submitted documentation showing 103 Hours of earned Compensatory Time at straight time and 578 hours of Compensatory Time at time and a half rate.

**Management Response:**

Agree that Kronos was not updated with compensatory time earned/used.

Recommendations:

The use of the Kronos clock system works for certain aspects of this position, and is being utilized now that the employee has access to the Kronos App. Online access was only made

available recently. Kronos does not work for hospital calls therefore manual log sheets are required.

**Controller’s Office Recommendations:**

1. The County Administrative Division Director and Human Resources (H.R.) Department needs to be certain and verify HR policies and procedures are followed prior to making payments and should not permit the use of employee records unless approved by the County Manager.
2. The County Administration needs to stress the importance of using the County Time Clock System and revise the County Personnel Policy to reflect the Kronos Time Clock System must be used by County employees as the official record of time worked.

**Finding 3: Excessive Compensatory Time**

After reviewing the documents provided by the department, it was determined that there was a lack of oversight and management, by the Department Supervisor, in monitoring total accumulated compensatory hours by the employee, in excess of 90 days. Section 5.4 of the Personnel Policy states: **When compensatory time is earned, it is expected that it will be scheduled for use within ninety (90) days of having earned it. To the extent possible, the employee and Supervisor should try to mutually agree to specific times/dates for use, otherwise the Supervisor shall make the final decision.**

**Management Response:**

Agree that excessive amount of time was accumulated; this was due to not enough resources to perform job requirements and a pandemic that crippled the already understaffed office.

**Recommendations:**

The Kronos system should have an alert system built in that would notify the Division Head/Human Resources of this issue

**Controller’s Office Recommendations:**

1. The Division Head and Department should review all employees’ records to determine the proper procedure to mitigate compensatory balances in excess of 90 days
2. Human Resources should notify Division Heads of any department who has employees in excess of 90 compensatory days. This review process should occur after each bi-weekly pay period.
3. The Division Head and Department Head should review the job descriptions for employees that have excessive Comp or Overtime to determine a cause and remedy that would be cost effective for the County.

**Finding 4: Paid time off was allowed when Compensatory Time was available**

Source documents reflect that employee had accumulated compensatory time but was permitted to use “employee benefit Paid Time Off”. This practice resulted in excessive accumulated compensatory time and overtime hours.

**Management Response:**

Employee is entitled to both according to the Personnel Policy

**Recommendations:**

1. The employee has the discretion to decide which accruals they use to cover their time off.
2. Employee is either coded for overtime or compensatory, not both

**Controller's Office Recommendations:**

1. Accumulated compensatory time should be used before allowing paid time off.
2. Overtime should only be paid to employees who have logged their **full time worked hours**. Compensatory hours or paid time off should not be utilized to calculate overtime hours
3. Administrative Division Director and Human Resources should take the necessary steps to update Section 5.4 B.4 of the County Personnel Policy to reflect the above recommendations.
4. Department Heads should use Comp Time to reduce overtime when available to maintain their budget and encourage the employee to utilize all Comp Time prior to being permitted overtime.

**Finding 5: Accrued compensatory time balance was paid out in full to an active employee**

There was never a request by the employee to be paid out for all accumulated Compensatory Time and therefore a payment is in direct violation of the Personnel Policy and FLSA Law. The law states that an employee can only have a maximum of 240 hours accumulated, therefore the County was not required to make a payment of accumulated compensatory time in its entirety, which is a violation of the personnel policy 5.4 B9 which states: **Upon Termination of employment for whatever reason, an employee will be paid for any balance of Compensatory time earned but not used. The official Department Record of compensatory time will be utilized for this purpose.** As of today, the employee is still employed by the county.

**Managements Response:**

The determination was made that due to the amount of accumulated time a full payout was necessary.

**Recommendations:**

FLSA Law and county policies are being followed once the Division Head and HR became aware of the issue. Kronos is being used to the extent possible. Log sheets are reviewed and signed off on by both the employee and the Department Head.

Excess compensatory time should no longer be an issue, the Department should be staffed sufficiently in 2023

**Controller's Office Recommendations:**

1. Management should follow the FLSA Law and County Personnel Policy when determining when to make a payment and the amount of the payment for accumulated Compensatory Time, and the County Kronos Time Clock system should be the only record to determine the accumulated time, unsigned and unapproved employee records are not permitted as an official record.
2. The Division Head and Human Resources should approve all requests for payments of excess compensatory time that exceeds the FLSA limits and should request a plan on how the department will mitigate future compensatory payments.
3. Management of departments that utilize compensatory time should be provided education on the personnel policies that support it. This education may be provided through a video or power point mandatory session that emphasizes the regulatory (FLSA limits), procedural and policies that are in place to control compensatory time.
4. The County Personnel Policy should be changed to reflect the limit and guidelines allowed by Federal Labor Standard Act.

**Finding 6: Compensatory Time was recorded in Kronos incorrectly by the Supervisor**

The Controller's Office reviewed the accrual records that are documented in the Kronos System and determined that the Department Supervisor and Judicial Services Division Head did not enter Compensatory Time for employee when submitted by the employee. There were entries of "earned Compensatory Time" recorded in the Kronos System over 7 months after it was earned and submitted to the supervisor by the employee. This practice allowed the use of employee records to be the source for compensatory time.

**Management Response:**

It is not the responsibility of the Division Head to enter time in Kronos. Initial amounts were entered by the Division Head when she became aware Kronos was not being utilized, and those amounts were provided by the Department Head and the process was approved by Human Resources at the time. The Department Head was to continue entering as it was earned, once he was trained.

Recommendations:

Agree

**Controller's Office Recommendations:**

1. Department Supervisors should be required by the County Personnel Policy to enter any earned compensation no later than the when the payroll is submitted by the supervisor to Budget and Finance. The ability of the department supervisor to place time in later than the required time should require approval from the County Manager and Division Head.
2. Kronos system should be updated to only allow the system administrator to make changes to previous payroll periods. Adjustments to prior periods should not be allowed at the Department Head level.
3. The County Administration and HR Department should provide adequate training for all personnel responsible in the use of the Kronos Time System to avoid incorrect or incomplete data.

**Finding 7: The department manager resigned without providing a detail report of compensatory balances for their staff.**

**Management Response:**

Agree

**Controller's Office Recommendations:**

Policy and procedures should be established so that retired, terminated or resigning management personnel must submit the detail departmental records logs supporting compensatory time for their department before receiving their final pay from the county.

**Conclusion:**

Based on the County's Personnel Policies, the Division Head, HR Department and Department Head did not record and regulate the employees' Compensatory Time correctly resulting in an excessive payment in overtime wages that was not budgeted for this department by County Council and thus caused a budget transfer from a different department to eliminate the overspending condition.

**Condition:** Personnel policies regarding accumulated compensatory time, and paid time off were not followed correctly. The County Personnel Code, County Personnel Policy need to be reviewed and updated for departments and employees to eliminate future excessive payments that adversely affect the budget.

**Criteria:** Managers who utilize compensatory time to manage their resources should adhere to a standard within the department and timely maintain compensatory time records according to personnel policy and procedures.

**Cause:** Management did not maintain timely and accurate compensatory time records nor manage to the policy or the Fair Labor and Standards Act.

**Effect:** Employee records and historical, not authenticated records were utilized to pay the employee resulting in unbudgeted and unexpected expense.

**Management Response to Conclusion**

Conclusion: Disagree. The responsibility for recording employee's time is that of the Department Head, not the Division Head or Human Resources. The office was understaffed and overwhelmed with the normal calls and responsibilities, and then compounded by the Covid pandemic. The employee should have been switched to overtime because of the inability to use compensatory time, and that is what has been implemented now. The total amount would not change if the payout was spread over months and budget transfers would still be needed.

Lastly, County Council has approved a budget for 2023 that addresses the issues in the Coroner Office. The General Fund increases needed for the office, along with the approval of one position, and a planned second one from opioid settlement funds will allow the office staff to work normal hours, with limited overtime hours.



Please Note:

**Luzerne County Home Rule Charter: Section 3.08 (C.) 3.**

*The audited entity shall respond in writing, specifying agreement with the audit findings and/or recommendations or the reasons for disagreement with the findings and/or recommendations, along with any plans and timetable for implementing remedies. The response shall be provided to the Controller within 14 days after the audited entity's receipt of the draft audit. The Controller shall include the audited entity's response in his/her final audit report.*

**Fourteen Days from the Audit date is: March 3, 2023**

*Please attach any additional written responses to the audit.*

**Signature Page****Review and Audit of Luzerne County Compensation and Paid and Unpaid Time Off****Controller's Office:****Walter Griffith**

Feb 17, 2023

Walter L. Griffith Jr.  
*Luzerne County Controller*

Date

**County Manager Office:****Brian A Swetz**

Feb 21, 2023

Brian Swetz  
Acting County Manager

Date

**Judicial Services and Records:****Joan Hoggarth**

Feb 23, 2023

Ms. Joan Hoggarth  
*Division Head of Judicial Svs & Records*

Date

**Administrative Services Division:****Jennifer Pecora**

Feb 23, 2023

Ms. Jennifer Pecora  
*Division Head of Administrative Services*

Date

**Coroner's Office:****Jill Matthews**

Feb 21, 2023

Ms. Jill Matthews  
Coroner

Date

**Human Resources:****Jessica Beishline**

Feb 17, 2023

Jessica Beishline  
Human Resources Acting Director

Date

Audit of the  
Luzerne County Compensation and  
Paid and Unpaid Time Off

This report was distributed to the following:

Mr. Brian Swetz	Acting Luzerne County Manager
Ms. Joan Hoggarth	Division Head, Judicial Svcs. & Rec.
Ms. Jennifer Pecora	Division Head Administrative Services
Ms. Jessica Beishline	Acting Human Resources Director
Ms. Kendra Radle	County Council Chair
Ms. Jill Matthews	County Coroner

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**Signature:** Brian A Swetz  
Brian A Swetz (Feb 21, 2023 14:07 EST)

**Email:** brian.swetz@luzernecounty.org

**Signature:** Jessica Beishline

**Email:** jessica.beishline@luzernecounty.org

**Signature:** Joan Hoggarth

**Email:** joan.hoggarth@luzernecounty.org

**Signature:** Walter S. Griffith Jr

**Email:** walter.griffith@luzernecounty.org

**Signature:** Jill Matthews  
Jill Matthews (Feb 21, 2023 14:35 EST)

**Email:** jill.matthews@luzernecounty.org

**Signature:** J.A Pecora

**Email:** jennifer.pecora@luzernecounty.org