EXECUTIVE SUMMARY

MOTOR VEHICLE COMMISSION
PAYROLL EXPENDITURES

We found the payroll transactions were related to the agency’s programs, were reasonable, and were recorded properly in the accounting systems. In making these determinations, we have identified opportunities to enhance debt collections, potential savings in overtime expenditures, and weaknesses in internal controls meriting management’s attention.

AUDIT HIGHLIGHTS

- The Motor Vehicle Commission (MVC) has not adequately managed the collection of unpaid amounts associated with overdrawn leave benefit time to ensure all efforts are expended to maximize recoveries. It has not properly submitted its debt, which totaled $148,000, to the Department of the Treasury, Division of Revenue and Enterprise Services for further collection efforts and it has not maintained a complete database of its debts, both of which are required by Treasury circular letters.

- We noted numerous instances where the MVC paid overtime in violation of their policies, resulting in a cumulative overpayment of $84,000. These violations are as follows.
  - MVC employees received cash compensation for incidental overtime instead of compensatory time ($36,500).
  - The MVC paid overtime to employees who charged leave time on the same day ($28,000).
  - The MVC paid overtime to three exempt employees without the required written authorization ($19,500).

- Our audit found the MVC Human Resources Division did not obtain the required documentation from its employees who were on various types of leave. These exceptions included employees on sick leave, employees who took a medical leave of absence, and employees who took a leave of absence protected by the federal Family and Medical Leave Act. The lack of required documentation in all these cases increases the risk employees are misusing their sick leave benefits.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report, click here.