



REPORT TO THE CITY COUNCIL BY THE CITY INTERNAL AUDITOR

AUDIT OF THE CITY OF SHREVEPORT
EMPLOYEE BENEFITS
Family Medical Leave Act and Sick Leave Donation

INTERNAL AUDIT REPORT
(IAR) 650018-01

March 28, 2018

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| Report Highlights | Page(s) |
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| • 75% of supervisors interviewed said they had received training on FMLA | 8 |
| • 4 out of 6 timekeepers interviewed were not aware of written FMLA policies | 8 |
| • Sick Leave Donation policy does not meet IRS guidelines | 14 |



The Council
City of Shreveport

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March 28, 2018

Councilman Jerry Bowman
Chairman, Shreveport City Council

Dear Councilman Bowman:

Subject: IAR 650018-01 – Audit of the City of Shreveport Employee Benefits -
Family Medical Leave Act and Sick Leave Donation

Attached please find the report mentioned above. Management comments are included in the report.

Sincerely,

Leanis L. Steward, CPA, CIA
City Internal Auditor

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EXECUTIVE SUMMARY
AUDIT OF CITY OF SHREVEPORT EMPLOYEE BENEFITS
FAMILY MEDICAL LEAVE ACT AND SICK LEAVE DONATION
INTERNAL AUDIT REPORT (IAR) 650018-01

**Performance Audit of the City of
Shreveport Employee Benefits
Family Medical Leave Act and
Sick Leave Donation**

Why We Did This Audit

We have completed a performance audit of City of Shreveport administration of Family Medical Leave Act (FMLA) and Sick Leave Donation (SLD). This audit was conducted as a regularly scheduled audit included in the annual audit plan. Our objectives were to determine how familiar employees are with FMLA and SLD and what controls are in place to meet compliance with City procedures, ordinances, and Federal and State laws concerning these benefits.

What We Recommended

To strengthen understanding and management of the use of these benefits, we recommend that the Human Resources Department (HR):

- Include FMLA and SLD utilization training in new employee orientation, and timekeeper and supervisor training.
- Receive updated HR professional FMLA training.

To strengthen compliance with Federal Law, City Ordinance, and Personnel rules, we recommend:

- Management designates all qualifying leave as FMLA and work with IT to develop leave tracking system.
- HR document all relevant information, track donated hours, and follow guidelines of the SLD Ordinance for each SLD request.
- Council and Administration define SLD eligibility and comply with IRS leave-sharing.
- HR Properly secures confidential documents.
- Administration implements an Administrative Procedure requiring Departmental FMLA and SLD leave tracking and reporting.

What We Found

We found that employees have some general knowledge about FMLA and SLD but there is room for improvement. In order to gauge employees' experience with these benefits we conducted an anonymous employee survey and conducted interviews of timekeepers and supervisors.

Of the supervisors interviewed, 75% said they had previously taken some form of FMLA training while employed with the City. All of the supervisors said they would like additional training. Five out of six timekeepers said they had received FMLA training; and three of the six would like to receive more training.

We found HR's records of FMLA-designated leave and SLD usage to be incomplete and inconsistent. Physical documents could also be stored in a manner that better protects confidential information.

The SLD policy in the Personnel Rules and Regulations conflicts with the City Ordinance. Neither the ordinance nor the personnel policy complies with IRS leave-sharing guidelines.

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Introduction and Background

This audit was originally included in the annual audit plan as a performance audit of all City benefits. Because of the diversity of benefits and Federal and State laws and City ordinances governing them we found it more effective to segment the benefits into four discrete groups. The groups are: 1) pension plans (IAR 650017-03); 2) Family and Medical Leave (FMLA) and Sick Leave Donation (SLD) benefits; 3) Insurance benefit plans; and 4) Other leave benefits. This report provides the results of our audit of the City's administering of FMLA and Sick Leave Donation benefits.

In 1993, Congress passed the Family and Medical Leave Act to provide eligible employees up to twelve weeks of unpaid job-protected leave per year for specific family and medical purposes.

The Sick Leave Donation Plan was created by Article IV of the City Ordinances and allows non-civil service employees who have exhausted all leave to receive sick leave from other employees through a documented request and approval process.

The purpose of the audit is to determine whether these plans are operating efficiently and effectively and in accordance with the laws, ordinances and regulations. Our scope will include requests for both types of leave occurring between January 1, 2013 and August 31, 2017.

The objectives of this audit were to determine the following:

- How well employees are informed about FMLA and Sick Leave Donation?
- That the executions of FMLA leave and Sick Leave Donations are done in accordance with applicable laws, ordinances, rules and regulations.
- To determine what controls are in place to protect sensitive and/or confidential information.



Recommendation Evaluation Risk Criteria

The chart below summarizes the recommendations outlined in the report and our evaluation of risk for the recommendations. We evaluated the importance of each audit recommendation by assigning each a level of risk. The risk levels, as defined in the chart below, were determined based on the possible results for the entity if the recommendation is not implemented. This report contains four findings with seven recommendations.

| <i>Risk Levels</i> | <i>Recommendations</i> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;">High Risk</p> <p>Possibility of fraud, waste, and abuse of City assets; Interrupted and/or disrupted operations; Entity's mission not being met; Adverse publicity.</p> | <p>None</p> |
| <p style="text-align: center;">Medium Risk</p> <p>Possibility of continuing, significant operating inefficiencies and high-level non-compliance issues.</p> | <ul style="list-style-type: none"> ➤ HR personnel responsible for the administration of these benefits receive updated FMLA training as necessary. (Finding: FMLA and SLD Policy Awareness) ➤ Designate all leave known to be eligible as FMLA and give notice to employees. (Finding: FMLA-Designated Leave) ➤ HR document all relevant information, track donated hours, follow guidelines of SLD Ordinance to SLD approval process, and work with IT to develop a leave tracking system. (Finding: SLD Eligibility) ➤ Council and administration work together to clearly define the guidelines for applying for and donating sick leave and comply with IRS leave-sharing standards. (Finding: SLD Eligibility) ➤ City Administration implements an Administrative Procedure requiring each Department/Division track (separate from HR tracking) FMLA and SLD time taken and reports it to payroll. (Finding: SLD Eligibility) |
| <p style="text-align: center;">Low Risk</p> <p>Possibility of continuing operating inefficiencies and some low-level non-compliance issues.</p> | <ul style="list-style-type: none"> ➤ Human Resources include FMLA and SLD in employee orientation, and supervisor and timekeeper training. (Finding: FMLA and SLD Policy Awareness) ➤ Develop a plan to convert documents to electronic files and coordinate with IT Department to properly secure the electronic files. (Finding: Document Security) |



Scope and Methodology

The scope of this audit includes the City of Shreveport Human Resources Department Family Medical Leave Act and Sick Leave Donation implementation and documentation processes from January 2013 through August 31, 2017. To answer our objectives, we reviewed internal controls surrounding these activities and developed audit procedures including, but not limited to, the following:

- Interviewing personnel in the Human Resources Department, and other City Departments regarding controls and reporting
- Reviewing City ordinances and administrative procedures
- Researching the FMLA law and the attendant regulations
- Conducting an employee survey on FMLA and SLD knowledge and usage
- Documenting a walkthrough of the FMLA request and approval process
- Analyzing HR records of leave requests, excluding confidential information

We conducted this 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, conclusions, and recommendations based on our audit objectives.

We thank the personnel in the various Offices and Departments identified above, as well as personnel in other City Departments, for their cooperation and assistance in gathering information provided to us in our work on this project.





FINDINGS AND RECOMMENDATIONS



Objective: How well-informed are employees about FMLA and Sick Leave Donation?

Family Medical Leave Act and Sick Leave Donation Policy Awareness

Employee Knowledge – FMLA and Sick Leave Donation

We conducted an anonymous online employee survey to gauge employees' knowledge of, and experience with FMLA and SLD benefits. We also interviewed six timekeepers and four supervisors to determine how FMLA leave is handled within their departments.

Most employees have some general knowledge about FMLA; however, training on employees' rights and responsibilities may be necessary. Nearly half of the employees that responded were familiar with FMLA before working for the City, a reasonable expectation for those who have previously worked for a covered employer.

Overall, it appears that the Human Resources Department does a reasonable job of educating employees about FMLA, but some improvements can be made. One-third of survey respondents said that they first received information from HR, either at start of employment, new employee orientation, or directly from an HR representative.

See Appendix A for Survey Results





Supervisor and Timekeeper Interviews

Tables 1 and 2 provide analyses of our timekeeper and supervisor interviews respectively.

Eighty-three percent (5 out of 6) of the timekeepers we interviewed said they have received FMLA training. Four of the six timekeepers interviewed were not aware of a written FMLA policy. Although FMLA rules and guidelines are electronically available to employees, two-thirds of the timekeepers said they have no written instructions or guidance. Half of the timekeepers would also like additional training.

| Question | Yes | No | Total Responses |
|------------------------------------------------------------------------------|-----|----|-----------------|
| 1. Have you received any training on FMLA? | 5 | 1 | 6 |
| 2. Do you have any written instructions or a procedures manual to guide you? | 2 | 4 | 6 |
| 3. Have you had any issues with the FMLA process? | 2 | 4 | 6 |
| 4. Would you like to have additional training on FMLA? | 3 | 3 | 6 |

Table 1: Timekeeper Interviews

75% of supervisors interviewed said they had FMLA training. Slightly more than half (55%) of supervisors who responded to the survey indicated that they understood their responsibilities related to FMLA. During our interviews, we also noted that most supervisors rely on the timekeeper in their department to be the key administrator of the FMLA leave process. All the supervisors we interviewed said they would like additional training.

| Question | Yes | No | Total Responses |
|--------------------------------------------------------------------------|-----|----|-----------------|
| 1. Have you received any training on FMLA? | 3 | 1 | 4 |
| 2. Do you have written instructions or a procedures manual to guide you? | 0 | 4 | 4 |
| 3. Have you had any issues with the FMLA process? | 0 | 4 | 4 |
| 4. Would you like to have additional training on FMLA? | 4 | 0 | 4 |

Table 2: Supervisor Interviews

We reviewed documents HR submitted to provide evidence of FMLA training that was offered. The documents reflected at least one FMLA training offered each year from 2015-2017. In some cases, there were no training agendas, and so we were unable to determine what specific topics were covered.



Recommendation 1: Human Resources include FMLA, and how to apply for and use this benefit in new employee orientation, and timekeeper and supervisor training.

Recommendation 2: HR personnel responsible for the administration of these benefits receive updated FMLA training as necessary.

Management Response:

Recommendation 1: The department currently meets and exceeds this recommendation. It is not uncommon for employees to be unable to recall receiving FMLA or other information during Orientation. Given the number of years an employee has been on payroll, they may neither recall Orientation nor receiving FMLA documents. With that said, each New Hire receives a compact disc with entailing all Human Resources rules and regulations, including FMLA. Employees are also directed to access HR Rules and Regs. on the intranet. FMLA is communicated at various levels throughout the hiring process. See below:

- New Hire Orientation PowerPoint Presentation
- New Hire Packet Checklist 2012 through 2016
- FMLA Policy Acknowledgement Form
- Human Resources Rules and Regulations Compact Disc
- Labor Law Posters are publicly displayed at each division throughout the city
- Human Resources Website has FMLA Rights, how to apply or contact Human Resources



Management Response:

Recommendation 2: Disagree. The department currently meets and exceeds the recommendation and expectation of training timekeepers in the field and supervisors. It has been Human Resources' experience that the majority of supervisors defer the responsibility of FMLA leave to the timekeepers. The department has also noticed it is the timekeeper that tends attends FMLA and other leave-related training as opposed to the supervisors. This is reflected in the response from timekeepers, where 90% stated they have attended training and nearly 80% of timekeepers stated they did not need additional training.

Being proactive, January 23, 2015 Human Resources revised the In-Service Training and Development A. P. 2-11, which outlines various mandatory supervisor training courses to assure they aware of current practices and laws. Although the Department of Labor does not have an established mandatory training cycle for FMLA, training takes place annually throughout the year. To compare with our peers, the department reached out to other governmental agencies to inquire their FMLA training cycles.

The results were:

| | FMLA TRAINING OFFERED BY OTHER AGENCIES | | | |
|----------|-----------------------------------------|------------------|------------------|----------------------|
| | EMPLOYEES | | SUPERVISORS | |
| | Trained at New Hire | Trained Annually | Trained Annually | Trained at Promotion |
| City 1 | YES | NO | YES | NO |
| City 2 | YES | NO | NO | NO |
| Parish 1 | YES | NO | NO | NO |
| Parish 2 | YES | NO | NO | NO |

Given the responses above, it's obvious COS Human Resources offers and receives FMLA training over and beyond that which is required by law and its peers. Although there is no funding, the Department is researching web-based training to assist in online training efforts and to increase the number of services provided. See FMLA and Supervisor Training beginning 2011 below.



FMLA AND SUPERVISOR TRAINING

| | |
|------------------|---------------------------------------------------------------------------------|
| April 28, 2011 | FMLA Webinar training for supervisors, timekeepers and HR staff |
| August 29, 2012 | Breakfast with the Boss – FMLA Training Topic |
| March 8, 2013 | FMLA Poster Announcement to Department Heads |
| March 20, 2014 | FMLA Update on Exigency Leave for Military Personnel |
| Summer 2014 | Leadership Academy II Supervisor Training – FMLA Rules and Benefits are covered |
| Fall 2014 | Leadership Academy II Supervisor Training – FMLA Rules and Benefits are covered |
| Spring 2015 | Leadership Academy II Supervisor Training – FMLA Rules and Benefits are covered |
| January 21, 2015 | FMLA Webinar training for supervisors, timekeepers and HR staff |
| April 21, 2015 | Supervisor Training - FMLA Included offered by Human Resources to Supervisors |
| April 28, 2015 | Supervisor Training - FMLA Included offered by Human Resources to Supervisors |
| June 30, 2015 | Supervisor Training - FMLA Included offered by Human Resources to Supervisors |
| July 21, 2015 | Supervisor Training - FMLA Included offered by Human Resources to Supervisors |
| June 16, 2016 | Supervisor Training - FMLA Included offered by Human Resources to Supervisors |
| August 31, 2016 | Supervisor Training - FMLA Included offered by Human Resources to Supervisors |
| Sept. 14, 2016 | Supervisor Training - FMLA Included offered by Human Resources to Supervisors |
| Spring 2017 | Leadership Academy II Supervisor Training – FMLA Rules and Benefits are covered |
| Sept. 28, 2017 | FMLA Training for HR staff offered by NWLA HR Chapter |
| Nov. 15, 2017 | FMLA/ADA Webinar training for supervisors, timekeepers and HR staff |



Objective: Determine if the executions of FMLA leave and SLD are administered in compliance with applicable laws, ordinances, rules and regulations

FMLA-Designated Leave

We did not find any case where ineligible employees were given FMLA-designated leave. However, there are some instances when eligible leave was not designated; and employees were not given notice of their eligibility, and rights and responsibilities.

See Appendix B for Employer Notification Requirements

- ❖ In an unrelated 2016 audit, evidence suggested that an employee was off for 45 consecutive work days for non-work related surgery. Although the employee gave advance notice of the need for time off, neither timekeeper nor supervisor recognized this as a qualifying event and that the employee should have been provided an eligibility notice.
- ❖ In another City Department, disciplinary action was taken when an employee had taken time off work during an active FMLA-designated leave period. Poor time-keeping documentation and communication by the employee and lack of communication between HR and management made it difficult for us to determine how much FMLA leave the employee had already used for a previous event the same year and how much time was actually available during the time off for which the disciplinary action was taken.

It is unlawful for any employer to interfere with, restrain, or deny the exercise or the attempt to exercise any right provided by FMLA. Employers cannot use the taking of FMLA leave as a negative factor in employment actions

The failure to provide eligibility notice, lack of documentation, and the disciplinary action taken, creates risk of being noncompliant with FMLA. Poor communication and inconsistent documentation by employees increase the risk for employees abusing FMLA rights.



We also found inconsistencies in how City Departments submit FMLA leave to the Payroll Division. Some departments report employees' FMLA hours taken to payroll for each pay period and some do not. The chart below demonstrates the discrepancy between approved FMLA leaves tracked by the Human Resources Department and the number of FMLA leaves reported to payroll by City Departments.

| Approved FMLA Applications | | |
|-----------------------------------|----------------------|---------------------------|
| Year | Per HR Report | Per Payroll Report |
| 2013 | 113 | 8 |
| 2014 | 100 | 9 |
| 2015 | 84 | 7 |
| 2016 | 93 | 8 |
| 2017* | 109 | 7 |

***Auditors Note: The chart reports applications through August 31, 2017.**

Recommendation 3: To protect employees' rights and the City's interests all known eligible leave should be designated as FMLA and notice should be given to employees. FMLA hours used should be tracked. HR should retrain supervisors and timekeepers on when an employee becomes eligible and how to document FMLA leave.

Management Response:

Recommendation 3: In addition to the FMLA administrator, the entire Human Resources professional staff is equally educated on FMLA and all other employment laws. Staff is trained through webinars, monthly local HR chapter meetings, special area workshops and mentoring sessions facilitated by the director. (See training list above – page 10). Because the director values and appreciates the benefits of professional development, staff development is a metric in the 2015 Mayor's Strategic Plan for the department. The director's commitment to HR staff's professional development was first established as a goal in the department's 2010-2013 Strategic Plan, which included mandatory training for all HR staff. Subsequently, the director has purchased training modules and various courses to assist staff in attaining their public and private sector human resources certification. Currently, the Department has three certified HR Analysts including the newly appointed FMLA Administrator.



Sick Leave Donation Eligibility

Except for Civil Service, full-time employees and part-time employees who have “exhausted all accrued paid vacation and sick leave may apply for a sick leave account.” During our review we noted two instances of ineligibility for sick leave donation documented by HR:

1. HR documented the employee’s intermittent FMLA-designated leave, but did not document a reason for ineligibility of donated sick leave. Because the sick leave policy is broader than the FMLA law, an employee who meets the FMLA requirements would most likely be eligible for donated sick leave, unless the employee has not exhausted all accrued paid vacation and sick leave.
2. An employee was denied donated sick leave because the leave was for the care of a family member. Neither the Ordinance nor the Personnel Rules and Regulations explicitly state that donated sick leave cannot be used for care of a family member. The Sick Leave Donation policy in the Personnel Rules is not consistent with the Ordinance.

The Sick Leave Donation Ordinance and Policy, as it presently exists, does not meet IRS guidelines. Failure to meet those guidelines could result in unfavorable income tax consequences for employees. In order to meet IRS guidelines, the SLD Ordinance must address the following recipient eligibility/usage requirements:

- a. Define condition that qualifies for donated sick leave
- b. Leave taken for family members’ illness
- c. How to use donated sick leave intermittently
- d. Establish a leave bank for donating and distributing leave

See Appendix C for IRS Guidelines

The Sick Leave Donation Policy should also establish a minimum time that a person should be employed with the City before receiving donated leave. It should also establish the City’s designated 12-month period (calendar year or a rolling year).



Recommendation 4: Human Resources document all relevant information, including reason for denial, and only apply the guidelines of the SLD Ordinance to each SLD requested. HR must work with IT and payroll to establish a system for adequately tracking employees' SLD hours donated and used.

Recommendation 5: Council and administration work together to clearly define the guidelines for applying for and donating sick leave and comply with IRS leave-sharing standards.

Recommendation 6: City Administration develops and implements an Administrative Procedure requiring that the timekeepers (or other designated persons) in each Department/Division track FMLA and SLD time taken (separate from HR tracking) and report it to payroll each pay period.

Management Response:

Recommendation 4: (HR Response) Human Resources meets this recommendation. The current and previous analyst logs all SLD applications which are submitted requesting leave as well as meeting current guidelines outlined in the policy. Human Resources has designated an internal system for tracking SLD hours. The system was created by HR staff, independent of the payroll/IT due to a sense of urgency by the Department. However, if IT can create a more efficient program that is affordable and better utilized, it would be welcomed.

Recommendation 5: (CAO Response) The City Administration will work with the City Council to clearly and further define the guidelines for applying for and donating sick leave and comply with IRS leave-sharing standards. The Administration will prepare an IRS compliant based working draft from the Council's most recently ordinance amendment (No. 162, 2013, 1-14-14*) pertaining to Sick Leave Donations. Once the draft is complete, it will be forwarded to the Council's Audit and Finance Committee for their review with a goal of completing agreeable and updated legislation to forward for full Council approval within the first half of 2018.

Recommendation 6: (CAO Response) The City Administration will work towards developing and implementing an Administrative Procedure that will require timekeepers (or other designated persons) in each Department/Division to track FMLA and SLD time taken (separate from HR tracking) and report it to payroll each pay period.

*The original Sick Leave Donation Ordinance was 108 of 2007 (6-26-07).

Recommendation 6: (HR Response) The Human Resources department does not have funding to purchase additional equipment, technology or storage for data collection.



Objective: To determine what controls are in place to protect sensitive and/or confidential information

Document Security

Louisiana Revised Statute 44-11 requires that “. . . all medical records . . . of public employees . . . in the personnel files of any public body shall be confidential.” The documents generated in the FMLA and Sick Leave Donation requests are stored in boxes in an HR Analyst’s office. Although the analyst is able to lock her office door when leaving the office for any reason, these documents could be more adequately protected by locking them in a metal file cabinet or converting them to secured electronically-stored documents.

See Appendix D for Text of Louisiana Revised Statute 44:11

Recommendation 7: Lock FMLA and Sick Leave Donation documents in a metal file cabinet as soon as possible and develop a plan to convert documents to electronic files and coordinate with IT Department to properly secure the electronic files.

Management Response:

Recommendation 7: Human Resources meets this recommendation. Human resources takes every measure to ensure the security and confidentiality of all employee documents, FMLA is no exception. The Department has taken great measures to increase security within the office, including adding a locked door in the front lobby and erecting a wall restricting all public traffic to the human resources work area. These actions are in addition to forms being secured in the Analyst office behind closed doors.

FMLA documents were stored and secured within their office out-of-sight and behind locked doors. The new administrator has also developed their personal filing systems which satisfies the request as well as meet the stricter standards established internally by the department.

The auditor referenced Louisiana Revised Statute 44:11. The Louisiana Revised Statute 44:11 does not specifically stipulate confidential files are to be locked in a file cabinet and locked again behind closed doors. The statute states they should be maintained confidential in which HR has and will continue to exercise.



HUMAN RESOURCES FINAL RESPONSE TO RECOMMENDATIONS:

Human Resources is curious and confused as to why Internal Audit would use an **electronic anonymous survey** for such a crucial topic as FMLA and allow it to be the driving force for the recommendations in this audit. Human Resources has utilized surveys but limited to gathering data. Human resources has extensive experience accessing and interpreting employee surveys and has found them to be not only very insightful but strongly subjective. **Because anonymous surveys are subjective and a matter of perception**, the department limits their use to:

- Determining the pulse of the agency/department
- Identify ways to improve employee services
- Provide employee feedback to the directors
- Focusing on current employee concerns, and/or
- Identifying and measuring morale levels within the department and/or City

Human Resources would never utilize an **anonymous survey** when citing violations such as misconduct for harassment, enforcing rules, determining discipline or even writing policy. For this reason, the department is disappointed and very concerned that Internal Audit would rely on an anonymous survey to cite findings in an official Internal Audit Review and has major concerns with this process. Thank you for your consideration.

Auditors' Note: The anonymous survey was a tool used to develop a baseline of employees' FMLA knowledge and understanding; and it was not the driving force for the recommendations developed in the course of this audit. Any findings of non-compliance were based on applicable ordinances and laws against which the results of this audit were measured. Page 5 describes our audit process and methodology.



Prepared by:

A handwritten signature in blue ink, appearing to read "S. Ben Hebert".

S. Ben Hebert, CPA, CFE, CMA, CISA, CLEA, CLAA, CGMA
Staff Auditor III

A handwritten signature in blue ink, appearing to read "AMJ".

April M. Jordan, CFE, CLEA
Staff Auditor II

Approved by:

A handwritten signature in blue ink, appearing to read "Leanis L. Steward".

Leanis L. Steward, CPA, CIA
City Internal Auditor

aj:bh:dw

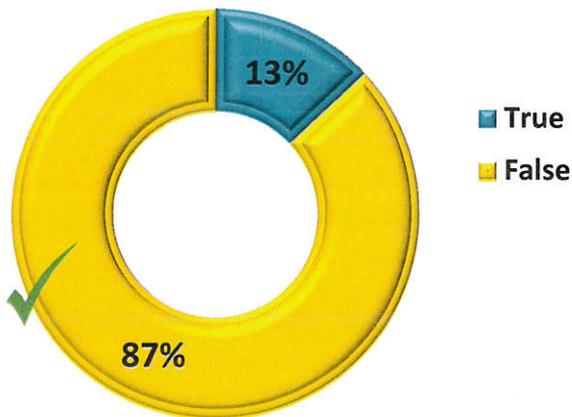
- c: City Council
- Clerk of Council
- Mayor
- Director of Finance
- Chief Administrative Officer
- Carr, Riggs & Ingram

Appendix A: Survey Results

General Knowledge Questions: (Green check indicates correct answers)

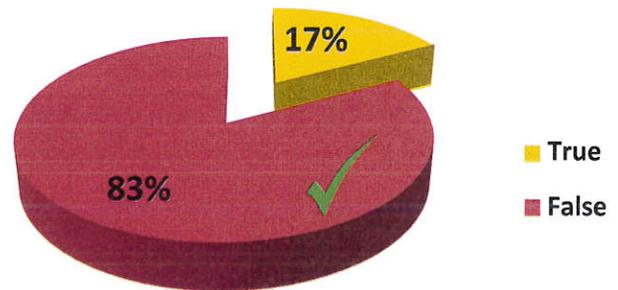
| How did you first learn about FMLA? | | |
|--------------------------------------------------------------------------|------------------|----------------|
| Answer Options | Response Percent | Response Count |
| City of Shreveport website | 2.4% | 7 |
| Literature provided at the start of employment (Employee Handbook, etc.) | 4.8% | 14 |
| FMLA posters/bulletin boards in common areas at workplace | 5.5% | 16 |
| Other (please specify) | 7.8% | 23 |
| I am not familiar with FMLA | 10.2% | 30 |
| New Employee Orientation | 11.6% | 34 |
| Information provided by HR representative | 12.3% | 36 |
| I was familiar with FMLA prior to coming to work for the City | 45.4% | 133 |
| Answered Question | 100.0% | 293 |

Chart 1: 293 responses to survey question



FMLA leave must be taken all at once.

Chart 2: 293 responses to survey question



FMLA covers you during 6-month new-hire probation.

Chart 3: 291 responses to survey question

Appendix A (Continued)

An approved FMLA absence gives me the right to return to the same position or a position almost identical to my job.

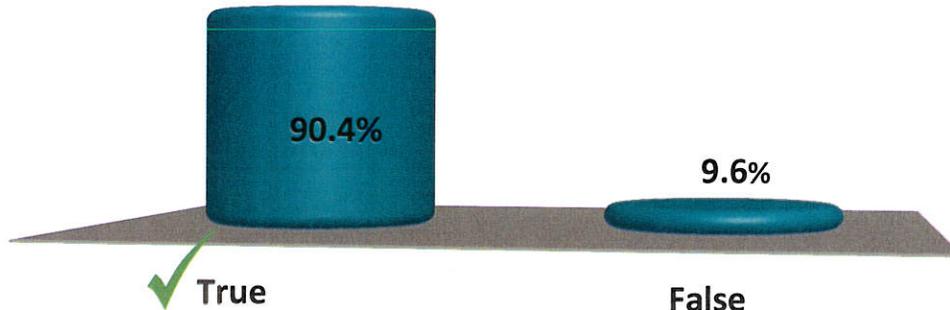


Chart 4: 291 responses to survey question

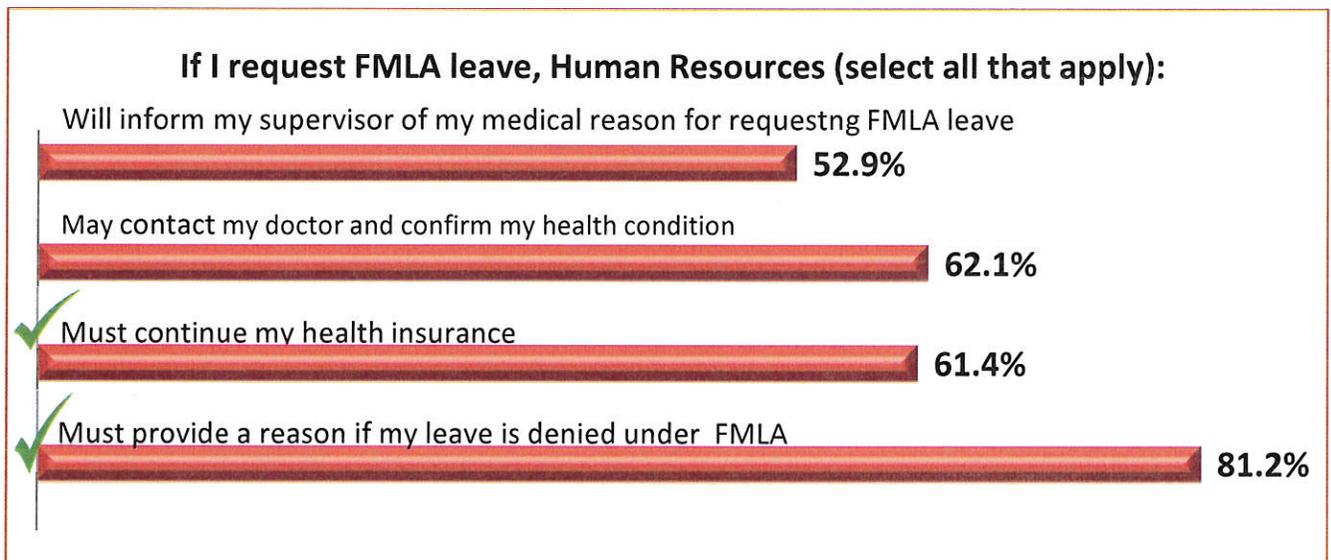


Chart 5: 293 responses to survey question

Under FMLA, I have the right to take leave for:

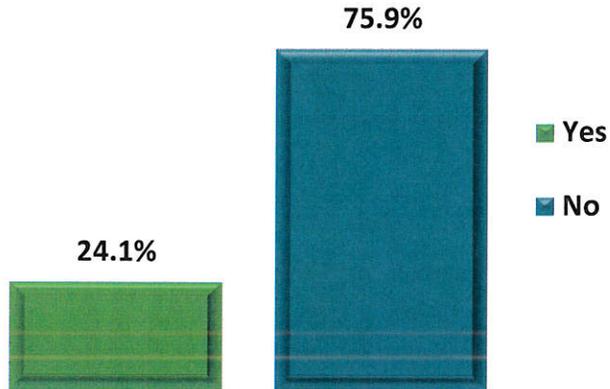
| Answer Options | Response Percent | Response Count |
|----------------------------------|------------------|----------------|
| Up to six (6) weeks per year | 10.6% | 31 |
| Up to eight (8) weeks per year | 4.8% | 14 |
| Up to ten (10) weeks per year | 0.0% | 0 |
| Up to twelve (12) weeks per year | 55.3% | 162 |
| I don't know | 29.3% | 86 |
| Answered Question | 100.0% | 293 |

Chart 6: 293 responses to survey question



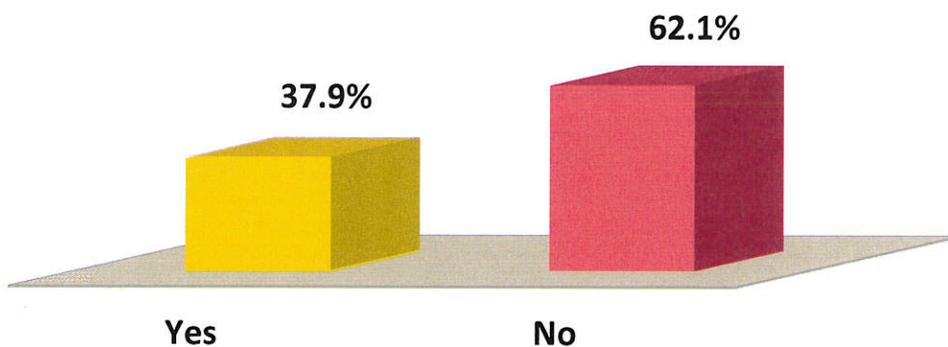
Appendix A (Continued)

Supervisor Questions:



Have you received any education or training on managing sick leave donations for your employees

Chart 7: 87 responses to supervisor question

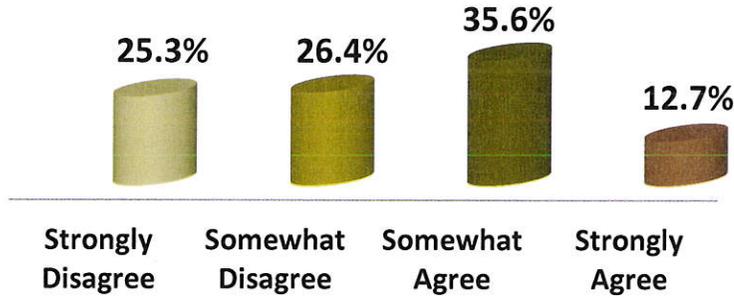


While employed by the City, have you had supervisor training, from any source, on FMLA leave?

Chart 8: 87 responses to supervisor question

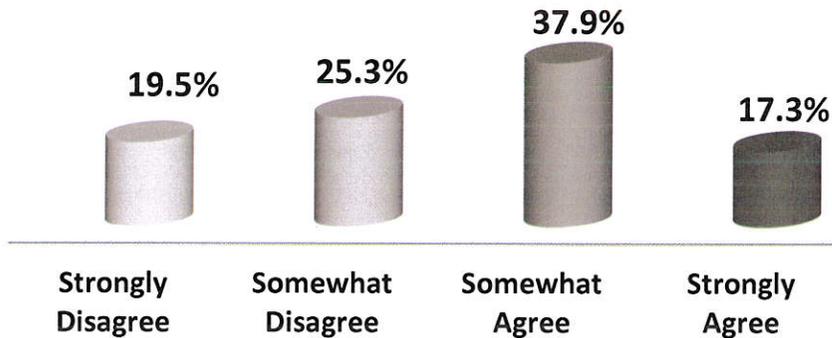


Appendix A (Continued)



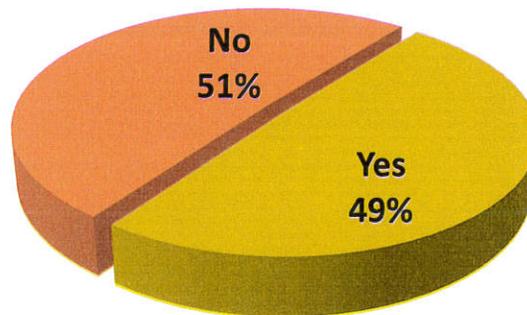
The City of Shreveport provides adequate training and education on FMLA for supervisors.

Chart 9: 87 responses to supervisor question



I understand my responsibilities related to monitoring/managing FMLA.

Chart 10: 87 responses to supervisor question



As a City of Shreveport supervisor, I have supervised one or more employees who have taken approved FMLA leave.

Chart 11: 87 responses to supervisor question



Appendix B: Employer Notification Requirements

General Notice Requirements

To meet the general notice requirements of the FMLA, covered employers must display a poster in plain view for all workers and applicants to see, notifying them of the FMLA provisions and providing information concerning how to file a complaint with the Wage and Hour Division. A covered employer must display this poster even if it has no eligible employees. An employer who willfully violates this posting requirement may be assessed a civil money penalty of \$110 for each separate offense.

In addition to displaying a poster, a covered employer who has any eligible employees also must provide a general notice containing the same information that is in the poster in its employee handbook (or other written material about leave and benefits). If no handbook or written leave materials exist, the employer must distribute this general notice to new employees upon hire.

The poster may be posted electronically and the general notice may be distributed electronically provided all other requirements are met.

Eligibility and Rights and Responsibilities Notice Requirements

Eligibility is determined and notice of eligibility status must be provided the first time the employee takes leave for an FMLA-qualifying reason in the employer's designated 12-month leave year. The **eligibility notice** may be oral or in writing and **must**:

- Be provided within **5 business days** of the initial request for leave or when the employer acquires knowledge that an employee leave may be for an FMLA-qualifying reason;
- Inform the employee of his or her eligibility status; and
- If the employee is determined to be ineligible for FMLA leave, state at least one reason why.



Appendix B (Continued)

Each time employers are required to provide the eligibility notice, they must also provide employees with a **rights and responsibilities notice in writing** and it **must include**:

- Notice that the leave may be counted as FMLA leave;
- The employer's designated 12-month period for counting FMLA leave entitlement;
- Any requirement for the employee to furnish a certification and the consequences for failing to do so;
- Information regarding the employee's right or the employer's requirement for substitution of paid leave and conditions relating to any substitution, and the employee's right to take unpaid FMLA leave if the conditions for paid leave are not met;
- Instructions for making arrangements for any premium payments for maintenance of health benefits that the employee must make during leave (and potential employee liability if the employee fails to return to work after FMLA leave);
- Notice of designation as "key" employee and what that could mean; and
- The employee's right to job restoration and maintenance of benefits.

Designation Notice Requirements

In all circumstances, the employer is responsible for designating leave as FMLA qualifying and notifying the employee of the designation. This notice **must**:

- Be provided in writing **within 5 business days** of having enough information to determine whether the leave is FMLA-qualifying;
- Be provided for **each** FMLA-qualifying reason per applicable 12-month period;
- Include the employer's designation determination, and any substitution of paid leave and/or fitness for duty requirements; and
- Provide the amount of leave that is designated and counted against the employee's FMLA entitlement, if known. If the amount of leave is unknown at the time of designation, the employer must provide this information to the employee upon request, but no more often than once in a 30-day period and only if leave was taken in that period.



Appendix C: IRS Leave-Sharing Guidelines

Medical Emergency Leave

For a plan to be considered what the IRS characterizes as a “bona-fide employer-sponsored (medical) leave-sharing arrangement,” the plan should:

1. Be in writing and be administered by the employer.
2. Be created as a leave bank or pool for employees to deposit donated leave, and from which, leave will be distributed to recipients who have a personal or family medical emergency.
3. State that employees should be eligible to receive leave only after their request has been approved and all other available paid leave has been exhausted.
4. Specify that leave is to be used only for medical emergencies. The plan should restrict these medical emergencies to major illnesses or medical conditions of employees or their family members that require extended absences. Under IRS regulations, employer plans may also include extended time off following the loss of a spouse, child or parent.
5. Outline and specify limits on the amount of leave that may be donated by an individual in any given year.
6. Have a detailed procedure in place for employees to submit a written request for leave that describes the specific medical emergency or medical condition.
7. Have processes in place to confirm that all leave transferred under the plan is actually being used for medical leave by the recipient.

A program that allows for the liquidation of leave and that pays out cash to the recipient will likely not be viewed as a qualified plan.

Donor employees may not claim an expense, a tax deduction or a charitable contribution for any of the leave donated under the plan. Additionally, all paid leave granted to the recipient employee is considered wages and is subject to Federal Insurance Contributions Act (FICA) withholding, Federal Unemployment Tax Act (FUTA) withholding and other required tax withholdings.

Should a plan fail to meet the specified criteria to qualify for an IRS exception, leave donations paid out to a recipient are considered taxable wages to the donor as well.



Appendix D: Louisiana Revised Statute 44:11

11. Confidential nature of certain personnel records; exceptions

D. Notwithstanding anything contained in this Chapter or any other law to the contrary, all medical records, claim forms, insurance applications, requests for the payment of benefits, and all other health records of public employees, public officials, and their dependents in the personnel records of any public body shall be confidential. However, nothing in this Chapter shall be intended to limit access to employee records under the Code of Civil Procedure or Code of Evidence.