



Summary Audit Report of Eligibility for Certification Payments to County of Ventura Employees

Report Date: June 3, 2024

Office of the Auditor-Controller
County of Ventura, California
Jeffery S. Burgh, Auditor-Controller

**AUDITOR-CONTROLLER
MEMORANDUM**

To: Tabin Cosio, Interim Director, Human Resources

Date: June 3, 2024

From: Jeffery S. Burgh

Subject: SUMMARY AUDIT REPORT OF ELIGIBILITY FOR CERTIFICATION PAYMENTS TO COUNTY OF VENTURA EMPLOYEES

We have completed our audits of eligibility for certification payments (Certification Pay) to County of Ventura (County) employees for three departments and issued separate audit reports during November 2022 through November 2023. This report is a summary of our individual audits to address Certification Pay issues that impacted departments Countywide.

Executive Summary

Overall, we found that Certification Pay was generally paid only to eligible County employees. For example, personnel files contained the proper documentation to substantiate the payment of Certification Pay for nearly all employees selected for testing.

However, our audits identified improvement opportunities to help ensure consistent eligibility requirements and reduce the risk of ineligible employees receiving Certification Pay. Specifically, we found that:

- Collective bargaining agreements did not always adequately or consistently specify that eligibility for Certification Pay requires submission and maintenance of valid certifications.
- Countywide guidance would help provide agency management with a foundation for proper Certification Pay oversight.

The County Executive Office's Human Resources division management initiated corrective action to address our findings. Corrective action is planned to be completed by February 2026.

We appreciate the cooperation and assistance extended by you and your staff during this audit.

cc: Honorable Kelly Long, Chair, Board of Supervisors
Honorable Janice S. Parvin, Vice Chair, Board of Supervisors
Honorable Matt LaVere, Board of Supervisors
Honorable Jeff Gorell, Board of Supervisors
Honorable Vianey Lopez, Board of Supervisors
Sevet Johnson, Psy.D., County Executive Officer

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Background

Permanent County of Ventura (County) employees who acquire and maintain certain certifications or licenses may be eligible for payments in addition to the employee's base pay (Certification Pay). To be eligible for Certification Pay, employees must meet the requirements outlined in the applicable bargaining unit's Memorandum of Agreement (MOA) and provide proof that the certification or license meets the MOA requirements.

The authorization of Certification Pay is initiated at the agency level but must also be approved by the County Executive Office's Human Resources division (CEO-HR). Once CEO-HR approval is obtained, agency management is responsible for monitoring Certification Pay recipients to ensure continued compliance with MOA requirements. Should an employee fail to meet continuing eligibility requirements, agency management has the responsibility to revoke Certification Pay and assess whether any overpayments were made. If overpayments are identified, agency management is required to seek repayment from the employee in accordance with County Administrative Policy No. Chapter VII (A) – 11, *Reimbursement for Overpayments and Underpayments* (Policy).

More than \$9.8 million in Certification Pay was paid to approximately 1,880 County employees (nearly 20% of authorized positions) during calendar year 2022.

Scope

Our overall audit objective was to evaluate whether Certification Pay was paid only to eligible County employees. We reviewed Certification Pay paid to employees of the Sheriff's Office, Fire Protection District, and Health Care Agency. These three agencies are where 95 percent of all Certification Pay occurred in calendar year 2022. Specifically, for the period of January 1 through June 30, 2022, we:

- determined whether employees who received Certification Pay complied with applicable MOA eligibility requirements; and
- verified that management provided adequate oversight for Certification Pay.

The audit was performed in conformance with the *International Standards for the Professional Practice of Internal Auditing* promulgated by The Institute of Internal Auditors.

Findings

Overall, we found that Certification Pay was generally paid only to eligible employees. For example, of the 162 employees receiving Certification Pay selected for testing across the three agencies, we found that:

- Only 1 (0.6%) employee did not meet the MOA's eligibility criteria due to the employee's job classification.
- All 162 (100%) personnel files contained documentation showing initial agency authorization for the payment of Certification Pay.
- Appropriate and valid certifications were on file for 152 (94%) employees at the outset of our audit.

However, our audits identified areas where improvements could be made to establish uniform Certification Pay eligibility criteria and improve agency compliance with MOA requirements and County policies. Specifically, we found that Certification Pay eligibility criteria varied across the MOAs we reviewed and that Countywide Certification Pay guidance would be beneficial in promoting consistent management oversight throughout County agencies.

Following are details of the areas where opportunities for improvement were identified. CEO-HR management initiated corrective action in response to the audit as noted.

1. Inconsistent MOA Requirements for Certification Pay

The MOAs we reviewed did not always contain adequate or consistent language specifying the requirements for the initial and ongoing eligibility for Certification Pay. Specifically, some MOAs lacked language requiring the employee to “maintain” or keep valid the certification for continued payment. Instead, we found some of the MOAs only stated that, if an employee attains, possesses, acquires, or completes specific certifications, the employee could be eligible for Certification Pay. Across the three agency-specific audits we conducted, we reviewed 15 sections from 7 MOAs outlining requirements for certain classifications to receive Certification Pay. The requirement to maintain the required certification was missing or not clearly stated in 2 (13%) of the 15 MOA sections we reviewed:

- Service Employees International Union (SEIU), Section 626, *Certification Pay*
- International Union of Operating Engineers, Section 815, *Hospital Maintenance Engineer Certification*

Furthermore, the directive that Certification Pay will be granted only after the employee’s submission of appropriate documentation to the employee’s agency was missing from 4 (27%) of the 15 MOA sections we reviewed:

- Management, Confidential Clerical and Other Unrepresented Employees Resolution, Section 620, *Emergency Medical Technician (EMT) Premium Pay*
- Ventura County Professional Firefighters Association (VCPFA), Section 604, *EMT Premium Pay*
- VCPFA, Section 607, *Paramedic Premium Pay*
- SEIU, Section 619, *P.O.S.T. Incentive Pay*

Inconsistent requirements across the various MOAs may lead to improper departmental oversight and administration of Certification Pay. Additionally, lack of requirements within all MOAs that County employees must maintain and submit certifications to receive Certification Pay increases the risk that: employees will be paid for expired certifications; and the County’s efforts to seek repayment from employees with expired certifications may be challenged.

Recommendation. CEO-HR management should endeavor to ensure that all County MOAs contain language that expressly conveys the requirement that employees must continuously maintain and submit certifications to continue receiving Certification Pay.

Management Action. CEO-HR management stated: “CEO-HR will endeavor, in the next cycle of negotiations, to modify all County MOAs by including language that expressly conveys the requirement that employees must continuously maintain and submit certifications to continue receiving Certification

Pay. However, it must be noted that any changes to County MOAs must be agreed to by the respective labor union/association.”

2. Countywide Certification Pay Guidance

County agencies could benefit from Countywide guidance for authorizing, periodically reviewing, and revoking Certification Pay. The lack of Countywide guidance, along with the MOA inconsistencies noted above in Finding 1, likely contributed to the inconsistent management oversight across all three agencies noted during our audits. For example, we found that employees with certifications that were less common were not monitored in the same way as employees with more common certifications. We also noted that, when an agency had many employees receiving Certification Pay for similar types of certifications, management appeared to be less thorough in verifying employee or certification eligibility. These inconsistencies led to scenarios where employees continued to receive Certification Pay for incorrect certification levels, expired certifications, or certifications not approved for the employee’s classification. Specifically, for the 162 employees tested, we found that:

- 2 (1%) employees in one department received Certification Pay under the incorrect earnings code that was entered on the authorization form. As a result, one of those employees was paid an estimated \$5,500 over a 14-year period for a more highly compensated certification than the employee was eligible.
- 11 (7%) employees across two departments received Certification Pay despite expired certifications, lack of support, or ineligible classifications. Eight (8) of those employees inappropriately received a combined total of approximately \$6,200 during the 13 pay periods we reviewed.
- The one employee in an ineligible classification received Certification Pay for 22 years, resulting in more than \$24,600 in recoverable Certification Pay overpayments during the last 3 years. However, management had not attempted to collect the recoverable portion of the overpayment from the employee at the time of our audit, in noncompliance with the Policy and California law.

Developing Countywide guidance on confirming initial and continued employee eligibility, revoking Certification Pay timely, and initiating repayment agreements will help ensure the County only pays Certification Pay to eligible employees.

Recommendation. CEO-HR management should establish formal Countywide guidance for agency management’s oversight of Certification Pay to ensure compliance with MOA requirements, County Administrative Policy, and California law.

Management Action. CEO-HR management stated: “CEO-HR will coordinate with County Counsel to establish general guidance for department/agency management’s oversight of Certification Pay to ensure compliance with the respective MOA requirements.”

Auditor’s Evaluation of Management Action

We believe that CEO-HR management actions taken or planned were responsive to the audit findings. CEO-HR management planned to complete corrective action by February 2026.