



FACT SHEET

Independent Office of Audits and Investigations

Malcolm Dougherty, Director

William E. Lewis, Assistant Director

Long Term Assignment Differential Audit

BACKGROUND

Bargaining Units 9 and 11 employees on a long term assignment receive Long Term Assignment Differential (LTAD) of \$1,800 in lieu of long-term per diem. To qualify for the LTAD, the assignment must be for more than one year in duration at a single location and at least 50 miles away from the employee's headquarters and primary residence. The LTAD is currently paid in advance and the payment is included in the employee's payroll warrant. Based on the information received from the Division Human Resources (DHR) and Division of Accounting (Accounting), as of January 2017, Caltrans had 73 employees on LTAD. Employees on LTAD assignments are entitled to receive reimbursement for private car mileage of up to 25 miles per day for travel between LTAD living accommodations, the LTAD job site, and to obtain meals. In addition, the employees are entitled to receive reimbursement for private car mileage for trips to their primary residence during regularly scheduled day(s) off.

KEY FINDINGS

Our audit disclosed that Caltrans policies, procedures, and processes over LTAD need improvement in the following areas:

- Inadequate Policies, Processes and Procedures Resulted in Duplicate and Ineligible Payments of \$45,866
- Lack of Management Oversight Allowed 18 Caltrans Employees to Remain on LTAD from 5 to 17 Years
- Non-compliance with LTAD Policies and Procedures

KEY RECOMMENDATIONS

We recommend:

- DHR and Accounting work together to properly establish the accounts receivables and recover the LTAD duplicate and ineligible payments identified.
- DHR and Accounting evaluate LTAD records to determine if any other duplicate or ineligible payments have been made.
- DHR and Accounting review the LTAD payment process to establish controls to prevent duplicate and ineligible payments.
- DHR share the monthly report for LTAD payments with district management who have employees on LTAD assignments.
- Accounting update the Caltrans Travel Guide Section on LTAD to address deficiencies.
- Caltrans collect and maintain a complete historical list of employees on LTAD.
- Caltrans district management to conduct an operational efficiency analysis of an employee's LTAD assignment at least annually to determine if it is in the best interest of the state and document the results.
- Caltrans districts establish a process to ensure supervisors collect and maintain LTAD monthly lodging receipts.