

Retroactive Pay Adjustments for Law Enforcement Employees

at the Departments of Commerce, Corrections,
Natural Resources, and Public Safety

Performance Audit

Released July 10, 2024

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Audit Objectives and Scope

Objectives

Did state agencies have adequate internal controls and comply with applicable legal provisions related to retroactive pay adjustments?

Scope

Retroactive payments related to July 1, 2021 – July 7, 2022

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State of Minnesota
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Audit Findings – Conclusions

	Compliance with Legal Criteria	Adequate Internal Controls
Minnesota Management and Budget (MMB)	Not applicable	X
Department of Commerce	✓	✓
Department of Corrections (DOC)	X	X
Department of Natural Resources (DNR)	X	X
Department of Public Safety (DPS)	X	X

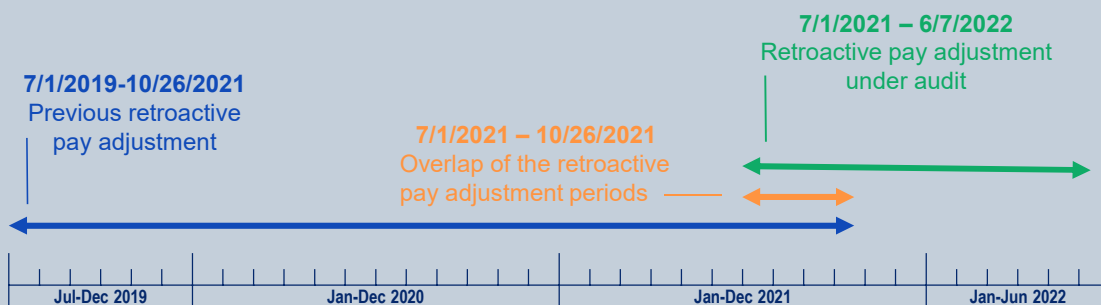
Audit Findings – Employee Impact

	Percentage of Employees That Received Incorrect Initial Payments	Percentage of Employees Whose Payments Were Not Resolved
Department of Commerce	0%	–
Department of Corrections	20%	20%
Department of Natural Resources	100%	12%
Department of Public Safety	97%	37%

Retroactive Pay Adjustments Overview

- Minnesota Law Enforcement Association (MLEA)
 - Law enforcement employees at the departments of:
 - Commerce
 - Corrections
 - Natural Resources
 - Public Safety
- The 2021-2023 MLEA labor agreement contained two retroactive pay adjustments

Retroactive Pay Adjustments Overview (continued)



Complicating Factors

- Overlapping retroactive payments
- Manual recalculations
- Five-day review period

Minnesota Management and Budget

Finding:

- MMB duplicated one pay period

Effect:

- Incorrect system-calculated retroactive pay adjustments

Recommendations:

- Use correct date parameters and strengthen internal controls

Department of Commerce

- Number of employees impacted: 14
- Initial payments: \$32,529
- OLA finding: All payments were accurate

Department of Corrections

- Number of employees impacted: 10
- Initial payments: \$18,776
- OLA finding: 2 employees underpaid a total of \$258

Department of Natural Resources

- Number of employees impacted: 164
- Initial payments: \$1,060,897
- Agency adjustments:
 - \$689,353 in repayments from 155 employees
 - Employee repayments ranged from \$40 to \$8,896
 - \$1,414 in payments to 9 employees
 - Payments ranged from \$52 to \$188

Department of Natural Resources (continued)

OLA findings:

- 17 employees overpaid \$1,795 and 3 underpaid \$133

Causes:

- Did not fully collect the total overpayments it identified
- Processed a payroll recovery as a payment
- Spreadsheet errors

Department of Public Safety

- Number of employees impacted: 633
- Initial payments (499 employees sampled):
 - Total paid was \$1,194,040
- Agency adjustments (499 employees sampled):
 - \$216,760 in repayments from 115 employees
 - Employee repayments ranged from \$9 to \$5,791
 - \$210,880 in payments to 354 employees
 - Payments ranged from <\$1 to \$7,845

Department of Public Safety (continued)

2022 Check Dates	Amount Paid or Recovered
July 1	\$2,001
September 23	(67)
October 7	(67)
October 21	(67)
November 4	(67)
November 18	(567)
December 2	433
December 16	(67)
December 30	53
Total	\$1,585

Department of Public Safety (continued)

OLA findings (for 499 employees sampled):

- 133 employees overpaid \$28,911
- 54 employees underpaid by \$19,791

Causes:

- Payroll activity included prior to the effective date of the adjustment
- Payroll adjustments not included
- Wrong compensation rates and multiplication factors used
- Math errors due to hand-calculated retroactive payments

Recommendations: DOC, DNR, and DPS

- Resolve inaccurate payment errors
- Strengthen internal controls
- Review system-calculations prior to approving payment
- Prohibit issuance of estimated retroactive payments
- Obtain guidance from MMB, when needed

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