

## EXECUTIVE DIGEST

# EMPLOYEE DISCIPLINE AND GRIEVANCE PROGRAMS

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### INTRODUCTION

This report, issued in December 2000, contains the results of our performance audit\* of the Employee Discipline and Grievance Programs, Department of Corrections (DOC).

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### AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General (OAG). Performance audits are conducted on a priority basis related to the potential for improving effectiveness\* and efficiency\*.

In addition, the OAG conducted this performance audit to address a legislative concern. This concern resulted from employee complaints of inappropriate and inconsistent treatment by DOC managers and administrators. These employee complaints related to various processes, including promotions, disciplinary actions, grievances, and allegations of disparate treatment and retaliation.

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### BACKGROUND

DOC has established an employee discipline program to discipline employees who violate established work rules. These work rules are outlined in DOC's Employee Handbook. In June 1996, DOC issued a revised disciplinary grid\* to establish uniform penalties for

violations of work rules. DOC developed this disciplinary grid to provide for the consistent application of disciplinary actions.

DOC also established an employee grievance program\* to address and resolve management-employee disputes. The Personnel and Labor Relations Division administers the employee grievance program for DOC.

DOC employed approximately 17,400 employees Statewide in 40 prisons, 14 prison camps, 104 parole and probation offices, and various other work locations as of September 30, 1999.

For the fiscal year ended September 30, 1999, DOC reported that 1,037 disciplinary actions were forwarded to the DOC central office for review and approval, and the DOC Personnel and Labor Relations Division received 1,556 grievances for processing by central office staff.

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**AUDIT OBJECTIVES  
AND CONCLUSIONS**

**Audit Objective:** To assess whether DOC has established policies and procedures to administer the employee discipline and grievance programs and is administering these programs in accordance with applicable rules and procedures.

**Conclusion:** We determined that DOC has established policies and procedures to administer its employee discipline program. We also determined that DOC administers its grievance process based on

**Civil Service Commission rules and union contracts.**

However, we identified one material condition\*:

- DOC was not effective in processing Step 3\* employee grievances within time frames established by the Civil Service Commission and union contracts (Finding 1).

DOC informed us that it has taken steps to significantly reduce the number of pending grievances.

**Because of the serious scope limitation that is discussed in the audit scope limitation section, we could not review all records pertinent to this audit. Therefore, we could not fully determine whether DOC's discipline and grievance programs were administered in accordance with applicable policies and procedures.**

**Audit Objective:** To assess DOC's effectiveness in implementing the employee discipline and grievance programs.

**Conclusion:** **Because of the serious scope limitation discussed in the audit scope limitation section, we could not fully determine DOC's effectiveness in implementing its employee discipline and grievance programs.** However, we identified one material condition:

- DOC did not accumulate information on its discipline and grievance programs necessary for managers

and administrators to monitor the effectiveness and efficiency of the discipline and grievance programs (Finding 2).

DOC informed us that it has taken steps to develop a comprehensive personnel action tracking system, which it expected to test in July 2000.

**Audit Objective:** To assess DOC's consistency in implementing its prisoner count process and in applying employee discipline when procedural infractions related to prisoner counts are identified.

**Conclusion:** Because of the serious scope limitation discussed in the audit scope limitation section, we could not complete our review of DOC's implementation of the employee disciplinary process related to prisoner counts.

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AUDIT SCOPE,  
METHODOLOGY,  
AND SCOPE  
LIMITATION, AGENCY  
POSITION, AND OAG  
POSITION

**Audit Scope:** Our audit scope was to examine the program and other records of the employee discipline and grievance programs administered by the Department of Corrections.

Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances, subject to the serious scope limitation discussed in the audit scope limitation section.

**Audit Methodology:** Our audit procedures included examination of DOC central office records of employee disciplinary actions and employee grievance files and employee discipline and grievance records and prisoner

count records maintained by various prisons throughout the State for the period July 1996 through June 1998.

We conducted a preliminary review of DOC's operations, which included discussions with key central office staff regarding their functions and responsibilities. We also reviewed applicable DOC policies and procedures, labor union contracts, and Civil Service Commission rules and documented our understanding of the programs. Based on information gathered during the preliminary review, we developed the audit objectives.

To accomplish our first objective, we reviewed the application of DOC and Civil Service Commission rules relating to employee disciplinary actions and employee grievances for timeliness and consistency. We examined a random sample of employee disciplinary actions for consistent application of discipline, reviewed a random sample of Step 3 grievance actions to assess whether DOC responded in a timely manner, reviewed court judgments and settlements to determine whether DOC disciplined managers and administrators who violated DOC rules, and started to review cases involving alleged retaliation against DOC employees. We suspended the audit when DOC denied us access to records and personnel necessary to complete additional reviews pertinent to accomplishing this audit objective. Because of this serious scope limitation that is discussed more fully in the audit scope limitation section, we could not fully determine whether DOC's discipline and grievance programs were administered in accordance with applicable policies and procedures.

To accomplish our second objective, we requested information on trends in disciplinary actions by disciplinary step and attempted to review the process that DOC

follows for processing disciplinary actions and grievances for efficiency, including consistency in implementation of the disciplinary grid and use of prior grievance actions and arbitration decisions to help manage the current grievance case load. We suspended the audit when DOC denied us access to records and personnel necessary to complete additional reviews pertinent to accomplishing this audit objective. Because of this serious scope limitation that is discussed more fully in the audit scope limitation section, we could not fully determine DOC's effectiveness in implementing its employee discipline and grievance programs.

To accomplish our third objective, we documented the prisoner count process at two randomly selected prisons. We suspended the audit when DOC denied us access to records and personnel necessary to complete additional reviews pertinent to accomplishing this audit objective. Because of this serious scope limitation that is discussed more fully in the audit scope limitation section, we could not fully determine DOC's consistency in implementing its prisoner count process and in applying employee discipline when procedural infractions related to prisoner counts are identified.

**Audit Scope Limitation:** DOC has denied the OAG access to the records and personnel necessary to complete our audit objectives. This action results in a serious scope limitation under *Government Auditing Standards*.

**Agency Position:** DOC asserts that the OAG does not have the constitutional authority to conduct a performance audit of the employee discipline and grievance programs. DOC has initiated a legal challenge to the OAG's authority to conduct this performance audit.

**OAG Position:** The OAG has no reservations regarding its authority and responsibility to conduct this performance audit of the employee discipline and grievance programs administered by DOC.

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**AGENCY RESPONSES**

Our audit report includes two findings and recommendations. DOC's preliminary response indicated that, although DOC did not believe that the findings were material, DOC agreed with the findings and has taken action to comply with both recommendations.

At DOC's request, we have included its entire response in the agency preliminary responses section of this report. An OAG epilogue follows DOC's preliminary response.