



U.S. Department of Housing and Urban Development
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Regional Inspector General for Audit

MEMORANDUM NO:
2004-PH-1801

January 7, 2004

MEMORANDUM FOR: Malinda Roberts, Director, Office of Public Housing, Philadelphia
Field Office, 3AP

FROM: Daniel G. Temme, Regional Inspector General for Audit, Mid-Atlantic, 3AGA

SUBJECT: Review of Philadelphia Housing Authority's Executive Director's Sick Leave and
Annual Leave Conversion

INTRODUCTION

Based on a credible anonymous complaint, we conducted a review of the Philadelphia Housing Authority's (Authority) sick leave and annual leave conversion policy. Our specific objective was to determine whether cash payments made by the Authority to its Executive Director, for converted sick leave to annual leave and annual leave to cash, were done in accordance with HUD regulations and Authority policies and procedures.

METHODOLOGY AND SCOPE

We met with HUD Field Office personnel to discuss the issue and to obtain background on HUD procedures and policies. We reviewed the documents provided with the complaint, pertinent HUD regulations, and applicable Authority policies and procedures.

BACKGROUND

We received an anonymous complaint questioning whether the Authority's:

- Conversion of the Executive Director's sick leave to annual leave and annual leave to cash was legal.
- Procedures were included in the Administrative Plan.
- Procedures were added to the Administrative Plan just before the payout.
- Board of Commissioners approved the procedures.

The complainant provided copies of Paycheck Summaries for pay periods ending December 26, 2002 and January 2, 2003, and Time Accrual Summaries for leave accruing on April 15, May 15, October 15, November 15, and December 15, 2002.

The policies and procedures relating to the accrual and use of sick and annual leave by Authority employees are outlined in the Authority's Human Resources Manual of Policies and Procedures dated December 2, 1999.

RESULTS OF REVIEW

Our review of the Authority's Executive Director's conversion of sick leave to annual leave and annual leave to cash during calendar years 2002 and 2003 disclosed that policies in effect at the time permitted these conversions. We noted that HUD regulations do not address Housing Authority employee leave conversions or require leave conversion policies to be in the Administrative Plan. However, the Authority's Human Resources Manual of Policies and Procedures, dated December 2, 1999, and approved by the Authority's Board of Commissioners on October 18, 2001, allows Executive level personnel to convert sick leave to annual leave on a one for one basis. Further, the Manual also allows Executives to receive lump sum payments for unused annual leave. As a result, the regulations, in effect at the time, allowed the leave conversions and no further review or action is required.

Should you or your staff have any questions, please contact John Buck, Assistant Regional Inspector General for Audit, at (215) 656-3401, extension 3486.