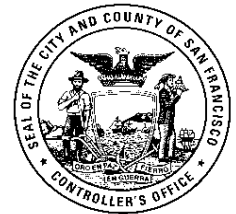


City and County of San Francisco

Office of the Controller – City Services Auditor

POLICE DEPARTMENT:

**The Department Needs to
Improve Its Controls Over
Overtime and Premium Pay**



August 18, 2010

**CONTROLLER'S OFFICE
CITY SERVICES AUDITOR**

The City Services Auditor was created within the Controller's Office through an amendment to the City Charter that was approved by voters in November 2003. Under Appendix F to the City Charter, the City Services Auditor has broad authority for:

- Reporting on the level and effectiveness of San Francisco's public services and benchmarking the city to other public agencies and jurisdictions.
- Conducting financial and performance audits of city departments, contractors, and functions to assess efficiency and effectiveness of processes and services.
- Operating a whistleblower hotline and website and investigating reports of waste, fraud, and abuse of city resources.
- Ensuring the financial integrity and improving the overall performance and efficiency of city government.

The audits unit conducts financial audits, attestation engagements, and performance audits. Financial audits address the financial integrity of both city departments and contractors and provide reasonable assurance about whether financial statements are presented fairly in all material aspects in conformity with generally accepted accounting principles. Attestation engagements examine, review, or perform procedures on a broad range of subjects such as internal controls; compliance with requirements of specified laws, regulations, rules, contracts, or grants; and the reliability of performance measures. Performance audits focus primarily on assessment of city services and processes, providing recommendations to improve department operations.

We conduct our audits in accordance with the Government Auditing Standards published by the U.S. Government Accountability Office (GAO). These standards require:

- Independence of audit staff and the audit organization.
- Objectivity of the auditors performing the work.
- Competent staff, including continuing professional education.
- Quality control procedures to provide reasonable assurance of compliance with the auditing standards.

Audit Team: Mark Tipton, Audit Manager
Cynthia Chavez, Associate Auditor



City and County of San Francisco

Office of the Controller - City Services Auditor

Police Department:

August 18, 2010

The Department Needs to Improve Its Controls Over Overtime and Premium Pay

Purpose of the Audit

This audit was conducted to identify the types of overtime and premium pay at the Police Department (department) of the City and County of San Francisco (City) that account for the most hours and highest costs, and focused on the department's controls on selected types of special pay that are based on extra hours worked, including court appearance premium pay, acting assignment pay, and Chapter 10B overtime.

Highlights

For the period from July 1, 2007, through June 30, 2009, department employees (members) were paid a total of \$114.8 million in overtime and premium pay.

- From fiscal year 2007-08 to 2008-09, total overtime and premium pay costs at the department decreased 12 percent, while regular (non-Chapter 10B) overtime costs decreased 23 percent.
- From fiscal year 2007-08 to 2008-09, total premium pay hours at the department increased 3 percent, from 9.7 million to 10.0 million hours.
- Most (\$46 million or 62 percent) overtime was paid from the City's general fund, while the other 38 percent was paid by non-City organizations, grants, or the Airport.
- The department's processes for recording overtime and premium pay are antiquated; they rely greatly on manually prepared paper records.
- The department's time record retention practices are poor. Some time cards were misfiled and others were missing.
- The department inadequately controls how millions of dollars of court appearance premium pay (court premium pay) and acting assignment premium pay are claimed and approved.
- The department does not always promptly bill and collect the costs of overtime worked on behalf of non-City parties, known as Chapter 10B overtime. These parties paid \$20.7 million to the department for these services during the audit period.
- The department is not fully enforcing the restrictions that members not exceed 14 hours of work in a 24-hour period or 20 hours of voluntary overtime in a 7-day work week.
- The department overpaid its members \$37,782 for the cost of uniforms.

Recommendations

The audit report includes 28 recommendations for the department to improve how it controls the use of overtime and premium pay. These include that the department should:

- Deny court premium pay if time cards are not signed by the subpoenaing attorney.
- Require the Court Liaison Unit, commanding officer, and station time keeper to ensure that members are eligible for court premium pay based on their schedules.
- Remind officers to verify that their time card requests for acting assignment pay are complete.
- Approve a procedure by which prepayment of Chapter 10B overtime costs may be waived, including when a waiver is reasonably justified.
- Ensure that officers do not exceed 14 hours of work in a 24-hour period or 20 hours of voluntary overtime in a work week.

Copies of the full report may be obtained at:

*Controller's Office • City Hall, Room 316 • 1 Dr. Carlton B. Goodlett Place • San Francisco, CA 94102 • 415.554.7500
or on the Internet at <http://www.sfgov.org/controller>*

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CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

August 18, 2010

Police Commission
Thomas J. Cahill Hall of Justice
850 Bryant Street, Room 505
San Francisco, CA 94103-4603

George Gascón, Chief of Police
Thomas J. Cahill Hall of Justice
850 Bryant Street, Room 525
San Francisco, CA 94103-4603

Dear Commission President, Members, and Chief Gascón:

The Controller's Office, City Services Auditor, presents its audit report of overtime and premium pay at the San Francisco Police Department (department). The audit objectives were to identify the types of overtime and premium pay at the department that account for the most hours and highest costs, assess the department's controls on selected types of special pay that are based on extra hours worked, and determine if the department properly pays the police uniform allowance, a type of premium pay that is not based on extra hours worked.

We concluded that the department does not consistently follow the policies and procedures for earning, documenting, and approving court appearance premium pay and acting assignment pay. In addition, the department lacks formal guidelines for determining when event sponsors who request police services may be allowed to pay for them after the event instead of in advance, which is the normal procedure called for by the City's Administrative Code. The department is not fully enforcing the restrictions that members not exceed 14 hours of work in a 24-hour period or 20 hours of voluntary overtime in a 7-day work week. Finally, the department has overpaid some types of overtime and premium pay amounts to many of its members as part of the police uniform allowance, resulting in a total overpayment of more than \$37,000.

The audit report includes 28 recommendations for the department to improve its controls over the types of premium pay and overtime addressed by the audit. The department's response to the audit report is attached as Appendix B. We appreciate the assistance and cooperation that department staff provided to us during the audit.

Respectfully,

Tonia Lediju
Director of Audits

cc: Mayor
Board of Supervisors
Civil Grand Jury
Budget Analyst
Public Library

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LIST OF ABBREVIATIONS AND ACRONYMS

Chapter 10B	Chapter 10B of the San Francisco Administrative Code
Court Premium Pay	Court Appearance Premium Pay
FLSA	Fair Labor Standards Act
POA	San Francisco Police Officers' Association

INTRODUCTION

Audit Authority

The Charter of the City and County of San Francisco (City) provides the Controller, City Services Auditor (CSA), with broad authority to conduct audits. CSA conducted this audit under that authority.

Background

The department has many types of overtime and premium pay

The San Francisco Police Department (department) had more than 2,900 budgeted full-time equivalent positions as of fiscal year 2008-09. The department pays many of its employees (also referred to in this report as members and officers) overtime and premium pay based on the requirements of the Federal Fair Labor Standards Act (FLSA) and on contracts negotiated with the members' collective bargaining units. The overtime pay is typically "time and a half," or 1.5 times the employee's normal hourly wage rate. The department also gives extra pay, referred to as premium pay, to members for specific job duties or special skills.

Types of premium pay for the department include those for:

- Attending court
- Acting work assignments (filling in for an employee of a higher rank, also called like pay for like work)
- Night duty
- Bilingual certification
- Standby
- Call back
- Night shift differential
- Canine duty
- Field training and training unit coordinator duty
- Bomb squad/SWAT team duty
- Motorcycle duty
- Retention (a pay differential at 23 and 30 years of department service)
- Experienced officer incentive (a premium for the most senior officers and sergeants at Airport and Field Operations bureaus who work between 9 p.m. and 7 a.m.)

In addition, premium pay types include certain other payments to eligible members, such as an allowance for the cost of required uniforms for eligible personnel.

Many of the department's sworn personnel are represented by the San Francisco Police Officers Association (POA). The POA represents ranks including police officer, sergeant, inspector, lieutenant, and captain. According to the POA's memorandum of understanding (agreement) with the City for 2007-2011, captains are exempt from the application of the FLSA¹. However, captains are not precluded from compensation as defined in Chapter 10B of the Administrative Code (addressed later in the report). The department's deputy chiefs and commanders receive a 4 percent wage differential in lieu of earning overtime or compensatory time off because they are often required to work more than 40 hours per week.

In addition to the FLSA and labor agreements that govern overtime and premium pay for its members, the department has established department general orders and department bulletins that reaffirm and interpret the department's rules and policies over overtime and premium pay.

*How overtime and premium
pays are tracked and paid*

Each department employee records each instance of overtime and premium pay hours worked on a paper time card. There may be multiple cards for different types of overtime or premium pay for one department member during one week. These cards, which require the signature of a member of superior rank, are the primary record of all overtime wages and premium pay.

The type of pay card determines which departmental employee is responsible for reviewing and compiling this information. For example, court appearance premium pay (court premium pay) cards are reviewed and certified by the court liaison unit, which is the unit that interfaces between the department and the San Francisco Superior Court. Chapter 10B² (10B) overtime, which is paid by non-City organizations requesting police services of the department, often for special events, is reviewed and approved by the commanding officer. The Police Law Enforcement Services payroll manager, a civilian employee, coordinates Chapter 10B events and verifies the hours reported on the time

¹ The FLSA sets forth various requirements concerning wages and hours for most US employers, including the payment of a time-and-a-half rate for overtime.

² Chapter 10B of the San Francisco Administrative Code prescribes when and how the department shall charge non-City parties for the cost of police services provided to them.

cards to ensure the correct amount is invoiced to non-City organizations. Cards for overtime, including Chapter 10B overtime, are usually approved by the commanding officer of the district station to which the member is assigned.

The department uses the Human Resources Management System, a PeopleSoft application, to plan and monitor each officer's schedule. The scheduling information may reflect changes in daily assignments and may include forecasted overtime and premium pay hours. Department processes also require retroactively changing the schedules in this system to reflect any extra hours worked beyond the approved schedules. Access to add, change, or delete information in the system is limited to the department's command officers, lieutenants, and station time keepers at each district station (usually sergeants). The department's payroll unit has the ability to generate scheduling reports, but do not have access to change schedules. However, this scheduling system does not interact with the system that is used to pay the department's members.

The cost of the department's overtime and premium pay is significant but decreased in fiscal year 2008-09

During the two-year audit period, a total of \$114.8 million was paid for overtime and premium pay. The overall cost of overtime and premium pay at the department decreased by 12 percent, from fiscal year 2007-08 to fiscal year 2008-09. The total amounts paid and the year-to-year percentage changes are shown in Exhibit 1.

Office of the Controller, City Services Auditor
The Department Needs to Improve Its Controls Over Overtime and Premium Pay

EXHIBIT 1		San Francisco Police Department Overtime and Premium Pay Costs		
	Fiscal Year 2007-08	Fiscal Year 2008-09	Total	% Change
Overtime¹	\$30,400,000	\$23,300,000	\$53,700,000	(23%)
Chapter 10B Overtime¹	11,300,000	9,400,000	20,700,000	(17)
Total Overtime¹	41,700,000	32,700,000	74,400,000	(22)
Premium Pay				
Police Standby ²	4,616,641	5,469,701	10,086,342	18
Police Shift	4,064,003	4,388,733	8,452,736	8
On-call	2,264,172	3,407,452	5,671,624	50
Longevity & Retention	2,328,445	2,455,718	4,784,163	5
Police Uniform Allowance	1,807,582	1,865,725	3,673,307	3
Acting Assignment	1,520,343	1,397,113	2,917,456	(8)
Police Field Training	1,650,335	800,416	2,450,751	(51)
Police Bomb Squad	264,043	306,211	570,254	16
Police Specialist	254,200	253,868	508,068	< (1)
Police Bilingual & Interpreter/Translator	294,995	245,663	540,658	(17)
Police Canine	140,913	158,394	299,307	12
Other Premium Pay	215,983	233,173	449,156	8
Total Premium Pay¹	19,400,000	21,000,000	40,400,000	8
Total¹	\$61,100,000	\$53,700,000	\$114,800,000	(12%)

Notes:

¹ Amounts are rounded.

² Includes court appearance premium pay.

Sources: Overtime and Chapter 10B overtime from Controller's Office Biannual and Monthly Overtime Reports of January 8, 2009, and February 16, 2010. Premium pay from auditor analysis of City payroll system data.

The department is reimbursed for certain overtime costs

The department was reimbursed for more than a third of the overtime worked by its members. Of the \$74.4 million paid for overtime, including Chapter 10B overtime, during the audit period, \$28.4 million (38 percent) was reimbursed to the department by non-City organizations, grants, and the San Francisco International Airport. The remaining \$46 million (62 percent) of overtime costs were paid by the department from the City's general fund. These amounts exclude the \$40.4 million in premium pay incurred by the department.

Premium pay hours increased at the same rate as did budgeted positions

While the amount paid for all overtime at the department decreased 22 percent and overtime hours decreased 27 percent from fiscal year 2007-08 to fiscal year 2008-09, the hours of premium pay worked by department members

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increased 3 percent, from 9.7 million to 10.0 million hours. At the same time, the department's budgeted full-time equivalent positions also increased 3 percent, from 2,870 in fiscal year 2007-08 to 2,949 in fiscal year 2008-09. The number of hours of overtime and premium pay and the year-to-year percentage changes are shown in Exhibit 2.

EXHIBIT 2		San Francisco Police Department Overtime and Premium Pay Hours		
	Fiscal Year 2007-08	Fiscal Year 2008-09	Total	% Change
Overtime¹	505,411	284,064	789,475	NA
Chapter 10B Overtime^{1 2}	61,567	131,318	192,885	NA
Total Overtime	566,978	415,382	982,360	(27%)
Premium Pay				
Police Standby ³	70,742	79,277	150,019	12
Police Shift	1,448,972	1,488,003	2,936,975	3
On-call	-	-	-	-
Longevity & Retention	1,884,242	1,811,266	3,695,508	(4)
Police Uniform Allowance	4,514,110	4,733,886	9,247,996	5
Acting Assignment	186,729	187,987	374,716	1
Police Field Training	347,777	355,887	703,664	2
Police Bomb Squad	108,750	117,309	226,059	8
Police Specialist	180,853	182,625	363,478	1
Police Bilingual & Interpreter/Translator	613,908	635,213	1,249,121	3
Police Canine	60,051	62,783	122,834	5
Other Premium Pay	300,513	391,437	691,950	30
Total Premium Pay	9,716,647	10,045,673	19,762,320	3
Total	10,283,624	10,461,055	20,744,679	2%

Notes:

¹ Because the City's payroll system included 10B overtime in "overtime" through February 21, 2008, these hours are not comparable to the total in this category for fiscal year 2008-09. As a result, year-to-year percentage changes are not shown.

² Beginning February 22, 2008, 10B overtime was segregated from other overtime types in the City's payroll system. As a result, 10B hours shown for fiscal year 2007-08 are for the period February 22, 2008, through June 30, 2008.

³ Includes court appearance premium pay.

Source: Auditor analysis of City payroll system data.

Most special pays cannot be earned at the same time

In some instances, officers may receive overtime pay and a premium pay, such as acting assignment premium pay, at the same time. In most cases, receiving more than one special pay for the same period of work, or "pyramiding," as it is referred to in the POA agreement, is not allowed. The

POA agreement prohibits pyramiding premium pays, and it is departmental practice not to allow different types of overtime to be pyramided.

The department relies heavily on manual time records for overtime and premium pay

Paper time cards are the primary record of all overtime and premium pay hours claimed by the department's members. These cards are completed, approved, and manually filed. Information on time cards is also compared to the time scheduled in the department's scheduling system, which does not interface with the City's payroll system. After approval, the key data on each card must be entered electronically into the department's payroll system. As a result of this antiquated basis for documenting millions of dollars per year in time worked, records are more likely to be incomplete, poorly organized, misplaced, or lost. Moreover, when compared to the use of an automated payroll system, paper records further perpetuate the inefficiency of the department's processes to initiate, authorize, record, approve, process, and report overtime and premium pay hours.

Objectives

The objectives of this audit were to:

1. Determine the types of department overtime and premium pay that account for the greatest costs and hours.
2. Identify any year-to-year trends in the cost and extent of overtime and premium pay at the department.
3. Evaluate the adequacy and application of the department's controls on two selected types of overtime or premium pays that are based on extra hours worked: court premium pay and acting assignment pay.
4. Evaluate the department's controls over "10B overtime," and determine if amounts payable to the department are received promptly and in full, and that it correctly pays members for 10B overtime.
5. Determine if the department has properly paid a selected premium pay that is not based on extra hours worked, such as the police uniform allowance.

Scope and Methodology

The audit period was July 1, 2007, through June 30, 2009.

To conduct the audit, the audit team:

- Interviewed key departmental personnel to gain an understanding of the systems and data audited.
- Used audit analytic software to analyze a complete payroll data file for the department for the audit period, containing 1,003,444 pay records, obtained from the Payroll Services Division of the Controller's Office.
- On a sample basis, examined schedules from the department's Human Resources Management System and time cards, tracing premium pay or overtime hours from automated payroll records to the manual records.
- Tested department members' schedules from the Human Resources Management System and compared them to payroll data, on a sample basis.

The audit examined time cards and other records of 45 officers who had the most instances of court premium pay each year, 20 officers in fiscal year 2007-08 and 25 officers in fiscal year 2008-09. For acting assignment pay, detailed analysis was conducted on the records of 82 members who had the most instances of this premium pay each year, 25 officers in fiscal year 2007-08 and 57 officers in fiscal year 2008-09.

Chapter 10B overtime payroll data was not available for the entire audit period

Chapter 10B overtime was not tracked separately from other overtime types before February 2008. For this reason, the audit only considered 10B overtime for fiscal year 2008-09, the first full fiscal year for which the City's payroll system has complete 10B overtime data.

For detailed review, the auditors selected the 10B overtime records of the May 17, 2009, Bay to Breakers race. This event resulted in 10B overtime payments of \$286,272 to the department. The Bay to Breakers is the largest single 10B overtime event each year, representing 55 percent of all 10B overtime revenue for athletic events for 2009.

This performance audit was conducted in accordance with generally accepted government auditing standards. These standards require planning and performing the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. We believe that the evidence obtained provides a reasonable basis for the findings and

conclusions based on the audit objectives. However, these standards require we disclose that CSA may not be considered organizationally independent for this audit because it is part of the Controller's Office, which performs the payroll functions of the City.

CHAPTER 1 – The Department Inadequately Controls Court Premium Pay

Summary

The department does not adequately control how court appearance premium pay (court premium pay) is claimed, recorded, and approved, which has resulted in some court premium pay being incorrectly approved and paid. The department needs to enforce existing policies and procedures, and develop new procedures to ensure that it pays only court premium pay claims that comply with labor agreements, department general orders and bulletins, and department documentation requirements. (Court premium pay policies and procedures are presented in detail in Appendix A.)

Finding 1.1

Some officers received court premium pay for time that did not qualify for additional compensation and although they submitted incomplete time cards.

Department members sometimes received court appearance premium pay that was not earned or approved in compliance with the rules governing it or without providing documentation adequate to substantiate that the pay was properly claimed by and owed to the member. There were 22,730 instances, totaling \$10,086,341, of court premium pay during the audit period. The audit reviewed in detail the court premium pay records of a sample of 45 members (20 in fiscal year 2007-08 and 25 in fiscal year 2008-09) who most frequently received court premium pay. This sample comprised 389.5 hours and \$27,585 of court premium pay.

The review found numerous instances that involved either violations of the department's written procedures, irregularities in documentation, or both. The total amount of court premium pay associated with these exceptions was \$8,868, or 32 percent of the total tested in the sample. Analysis of the court premium pay records for these 45 members found irregularities, as described below.

Some time cards lacked the required attorney signature

Numerous time cards lacked the required signature of the attorney, usually a deputy district attorney, who requested the officer to appear in court via subpoena. The attorney's

signature verifies the court appearance, including the start and end times, and is required in all circumstances by Departmental General Order 3.08 and Department Bulletin 09-076. The lack of an attorney's signature increases the risk that the information on the card is incorrect. The audit's sample test found 17 members (38 percent of the 45 reviewed) had submitted time cards without the required attorney signatures.

The department states that the cards missing an attorney signature identified by the audit were for instances in which a signature is not required, such as for court standby time, appearances in Traffic Court, and second cards, which are for afternoon court sessions. Although such exceptions may be department practice, no exceptions to the signature requirement are included in Department General Order 3.08 or Department Bulletin 09-076 or any other written departmental policy of which the audit team is aware. Moreover, making exceptions such as these weakens the control over the process, especially for afternoon court appearances for which officers are paid for each hour rather than for a minimum of 3 hours as they are for morning sessions.

Some members received court premium pay because their work schedules were changed for the day of the court appearance

In some cases, an officer's regular assigned watch — that is, for the purposes of the audit, the work shift in place on the officer's last work day before the court appearance — was changed in the department's Human Resources Management System such that the officer was no longer scheduled to work during the time of a court appearance. In each instance, the schedule change allowed the officer to receive premium pay for the full three hours of a morning court session. The audit's sample test found court premium pay was received by seven members (16 percent of the 45 reviewed) whose schedules had been changed before the court appearance.

Officers have had their schedules changed to vacation on the day of a court appearance, thereby allowing them to receive court premium pay. The audit's sample test found court standby premium pay was received by two officers (or 4 percent of the sample) in this way. In addition, other officers had their regular watch changed to begin later on the day of a court appearance, thereby allowing them to earn court standby premium pay. The audit's sample test found one officer received court standby premium pay in this way.

Although the documentation obtained by the audit team did not indicate who changed the officers' schedules, and the intent of the schedule changes could not be determined, it is possible that they were made to enable the officers to qualify for the premium pay.

Some officers may have received court premium pay for court hearings that carried into the lunch period

The audit found two examples of officers receiving court premium pay for court sessions that appeared to carry into the lunch period, but did not exceed the three-hour morning session requirement. Receiving court premium pay for the lunch period is in violation of the POA agreement and Department Bulletin 09-076. Department staff advised the audit team that some court hearings, including the two examples cited here, begin after 9 *a.m.* In these cases, the court premium pay card should reflect the three hours running from the court's actual start time (e.g., 10 *a.m.* to 1 *p.m.*) and three hours of premium pay would be justified. Based on the time cards the auditors reviewed, there was no indication that the court sessions began after 9 *a.m.* As a result, it could not be determined whether the court hearings did or did not carry into the lunch period.

Court premium pay was received during a regular work shift

The audit's sample test found an officer received court premium pay for a court appearance that was during his regular watch (work shift). This violates Department General Order 11.01, which prohibits court premium pay for court appearances made during an officer's regularly scheduled work hours. In the one instance found, an officer received court premium pay for the three hours claimed.

According to the court liaison, work schedules for officers attending court on a regular work day and claiming overtime are examined on occasion. If the claiming officer's schedule is not checked in the department's system, officers could be receiving court premium pay for hours included in their regular work schedules.

Overtime and standby pay were received for the same period

Officers have been paid both overtime pay and an on-call standby premium pay for the same period. These two special pays types may not be "pyramided," or paid to the same officer for the same hours. As stated in the POA agreement (Article III, §4, H. 248), standby pay is for officers who are normally off duty. Although not strictly a court premium pay, this standby pay is a minimum of two hours of premium pay while an officer is off duty but available to return immediately to work.

The audit's sample test found six hours of this on-call standby premium pay for hours that an officer was also paid

overtime. This pay was claimed by three (7 percent) of the 45 officers whose records were examined.

Uncertified time cards did not prevent payment of court premium pay

An officer can be paid court premium pay despite submitting time cards not certified by the court liaison. The audit's sample test found that one officer received six hours of court premium pay based on three time cards (out of 19 cards tested for this officer) that were not signed by the court liaison.

Recommendations

The department should:

1. Require members to ensure that subpoenaing attorneys sign, date and indicate the time on the court premium pay card for proper verification of the hours the officer served. If the attorney cannot sign the card at the time of the court appearance, the member should be held responsible for obtaining the attorney's signature after that time.
2. Deny court premium pay to members whose court premium pay cards are not signed by the subpoenaing attorney.
3. Require all the responsible parties (Court Liaison Unit, commanding officer, and station time keeper) to review court premium pay time cards to ensure that the member is eligible for court premium pay based on his/her schedule and any other relevant factors.
4. Require members who attend court to attach to the court premium pay time card their work schedule from the Human Resources Management System so the Court Liaison Unit can easily verify that the member is eligible to receive court premium pay.
5. Deny court premium pay to any member who does not have watch-off status at the time of the court appearance, consistent with the POA agreement and department bulletins.
6. Require that members whose work schedules are changed such that they become eligible for court premium pay document an explanation for this, and provide the written explanation to their commanding officer, who should document his or her approval of it.

7. Ensure that the ability to change members' work schedules in the Human Resources Management System is limited to station time keepers, commanding officers, and the department's payroll unit. Thoroughly review records of members' court standby pay for the audit period to determine whether any improperly received this pay and overtime for the same hours or were otherwise ineligible to earn court standby pay under the POA agreement or department general orders or bulletins.
8. Instruct station time keepers and commanding officers, before approving court premium pay, to consult the requesting member's schedule to verify that special pays are not being "pyramided," unless permissible under the POA agreement. This should be performed weekly at each district station.
9. Require the Court Liaison Unit to review court premium pay time cards to ensure members are not requesting court premium pay for the court's lunch break. This may require the unit to investigate the possibility that the court session was held over past noon, delaying or eliminating the lunch break.
10. Ensure that the Court Liaison Unit complies with the provision of the POA agreement that requires employees to have a previously approved vacation request for 40 hours or more that predated the service of the subpoena before certifying court premium pay on a vacation day.
11. Not honor any form of compensation for court premium pay on time cards that have not been certified by the Court Liaison Unit.
12. Require station time keepers to inform the commanding officer and Court Liaison Unit when time cards for court premium pay are not approved.

Finding 1.2

The Court Liaison Unit lacks written procedures to do its job.

Although the Court Liaison Unit has various procedures for confirming the court premium pay claimed by the officers is

appropriate, none of these procedures are in writing. The department has several policies addressing when court premium pay can and cannot be earned, and the Court Liaison Unit is responsible for enforcing those policies by reviewing and verifying the court premium pay claimed by officers who attended court or were required to standby for court appearances. However, the court liaison has instituted practices to do the unit's work that may not be continued because they have not been formalized. For instance, there is an informal process, but no written policy or procedure, for how to address court premium pay cards that are not signed by a deputy district attorney or defense attorney, as required. As a result, it is more likely that requests for court premium pay may be approved or disapproved inconsistently.

Recommendation

13. The department should develop written procedures for the Court Liaison Unit to ensure claims for court premium pay are processed uniformly and in a manner consistent with department policy.

Finding 1.3

Officers received court premium pay despite their failure to comply with department policies.

The Court Liaison Unit's use of notification letters has allowed members to receive court premium pay although they did not follow procedural requirements for this compensation. In the cases brought to the auditors' attention by Court Liaison Unit staff, the unit sent notification letters to officers but approved the claimed court premium pay despite noting in each letter the department general order or bulletin the officer violated.

The following are paraphrased excerpts from notification letters issued to officers whose court premium pay claims were approved:

- There is no record of you calling in on voice mail. Your card has been turned in. In future be sure to leave message.
- There is no record of you calling in on voice mail. Your message was listed as "late call." Card approved. In future, be sure to call during call-in times.
- Time stamp required for afternoon court. Your card has been approved. Be sure to get your card stamped in future.

- Time stamp required for afternoon court. Cards approved. Be sure to have court liaison member stamp second card in future.
- District attorney's signature required. Your card has been approved. Be sure in future to get signature.
- This case was cancelled and you were notified. Your card has been approved and turned in. Records show your station was notified. We are unable to determine if you were notified by your patrol command.

Recommendations

The department should:

14. Deny court premium pay in instances when the requesting member did not follow departmental policy or procedure.
15. Notify members in writing of the reason(s) their request for court premium pay was denied, rather than issuing notification letters that instruct members how to follow procedure in the future but allow them to receive the pay.

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CHAPTER 2 – The Department Inadequately Controls Acting Assignment Pay

Summary

The department needs to more consistently enforce existing policies, and develop improved controls, to govern when members can be paid a premium for working in place of a higher ranking officer.

Finding 2.1

It is unclear which positions are permitted to be filled by acting assignment.

The POA agreement allows compensation for acting assignments. Also known as like work-like pay, acting assignment pay is for working in a position that a commanding officer has determined must be filled temporarily by a member of the next lower rank. This can occur when a member of a higher rank is absent due to illness or any type of planned leave. According to the POA agreement, the division commander or the deputy chief must approve filling the position in advance. The department has issued bulletins that set forth the provisions in the POA agreement concerning when a position may be filled by acting assignment. However, the department has not determined and documented exactly which positions are to be filled on an acting assignment basis. In addition, according to the department's human resources director, acting assignments are not always approved by the division commander or deputy chief in advance of the vacancy. As a result, the process the department uses to fill positions by acting assignment is not adequately controlled.

Recommendation

16. The department should determine and document the positions that require an acting assignment should the employee in the position be absent for a full watch. This list of positions may be by unit or district station, and should guide the department in its review of acting assignment pay requests.

Finding 2.2

Officers received acting assignment pay despite incomplete or missing time cards. In addition, the card is not designed to indicate if a full watch was filled.

A review of a sample of 82 officers' acting assignment pay records found the following instances in which acting assignment pay was received without following proper procedures or without all required documentation.

- Time cards missing the name and/or rank of the member whose position was filled: seven officers in sample (9 percent).
- Time cards from fiscal year 2007-08 that the department could not locate during audit fieldwork in 2010: four officers in sample (5 percent).
- Time cards on which the commanding officer's signature was illegible and his or her rank and badge number were missing: two officers in sample (2 percent).
- Time cards approved by someone other than a commanding officer: 24 officers in sample (29 percent). For example, two cards for one officer were approved by a sergeant, which is below the rank of a commanding officer.
- Time cards showing that police officers worked in a sergeant position between 2 and 6 *a.m.*, but not indicating whether the positions the officers filled were vacated because a sergeant had filled a lieutenant position. If the positions filled by the officers were vacated by sergeants filling a lieutenant position, acting assignment pay should have been denied to these officers because the POA agreement precludes officers from receiving acting assignment pay in these circumstances. (Four officers in sample (5 percent).)
- A time card on which the approval block is blank: one officer in sample (1 percent).

The card used to record acting assignments has a significant shortcoming; it does not indicate whether the acting assignment filled a full watch. Acting assignments can occur only if a full watch is vacated, as required by the POA agreement. The sample review found \$2,410 in acting assignment pay was received by 28 officers for less-than-full watches. In these instances, the officer had worked fewer hours than a full watch, which is normally between 8 and 12 hours, but it was unclear if another officer had filled the remainder of the watch on an acting assignment, or if the other portion of the shift was worked by the incumbent in the position. If the incumbent was absent for less than a

full watch, acting assignment pay should not have been approved.

Recommendations

The department should:

17. Remind officers of the requirements under the POA agreement and department bulletins to verify all submitted compensation requests for acting assignment pay are complete.
18. Instruct station time keepers to evidence their review of the time cards by initialing each card after review. Create a standard review template that indicates the steps the clerk took to validate the accuracy and completeness of all time cards would help control this activity. All supporting documents should be attached to each card.
19. Require commanding officers or designated ranking officers to review time reports and time cards before they are submitted to the department's payroll unit, and document this review. This will reduce the need for the payroll unit to verify that acting assignments are properly recorded.
20. Add to the acting assignment compensation card a box in which the commanding officer would verify if the position being filled was for a full watch and a box to verify that the position was authorized in advance for acting assignment.

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CHAPTER 3 – The Department Should Ensure That It Is Promptly Paid for Chapter 10B Overtime

Summary

When the department accepts payment after police services are rendered for non-City parties, it loses interest on amounts due and increases the risk that it will not be reimbursed promptly or fully for the costs it incurs to provide these services. The department should have a written policy to guide the responsible staff in deciding when to forego the interest and take on the risk of partial payment or non-payment. Although the City does not pay these costs, the department would benefit from improved controls over how Chapter 10B overtime is recorded for events, especially large ones where many department personnel work.

Background

Chapter 10B overtime is paid by organizations that require police services

In fiscal year 2008-09, the department was paid \$9.4 million by non-City parties for providing services with personnel working Chapter 10B overtime. Under Chapter 10B of the City's Administrative Code, any person or organization may request the department to provide additional personnel, equipment, or materials for law enforcement purposes in San Francisco. The party requesting the services normally must pay the department for them in full in advance. The payment is to be based on an estimate from the department. The estimate, in turn, is to be based on rates paid to the personnel performing the services at the time they are to perform them, the cost of additional equipment and materials used, and an overhead charge to cover the department's administrative costs attributable to the work. The administrative charge is currently 14.7 percent of the labor costs for the services. The department's Police Law Enforcement Services Unit is responsible for processing requests, billing, and payroll for Chapter 10B overtime.

Finding 3.1

The department has no written policies or procedures to guide its decisions to waive prepayment of Chapter 10B overtime costs.

The department's Police Law Enforcement Services Unit sometimes does not require payment in advance of services provided under Chapter 10B. This is permitted by Chapter 10B, which states that the department may waive the prepayment requirement if the department reasonably believes a waiver is justified. According to the department's Police Law Enforcement Services Unit's payroll manager, prepayment is usually not required for recurring 10B

events. However, when the unit does not require prepayment, it does not document that it has waived the prepayment requirement or why. Moreover, the department has no policy to guide the unit on when it should and should not waive the requirement.

Waiving the prepayment requirement delays the receipt of revenue and increases the risk of nonpayment

Without any guidelines for when prepayment waivers may be granted, department management is less assured that all 10B payments will be made in full, and as soon as they should be, which is normally before the event. When the department bills for Chapter 10B overtime costs after they have been incurred, the City is paid later and loses interest on the monies paid, especially if amounts due are not promptly collected. Furthermore, this practice increases the risk that the requesting party will not pay its bill in full or at all.

Recommendation

21. The department should approve a written procedure by which prepayment of Chapter 10B overtime costs may be waived. This should include circumstances in which a waiver is reasonably justified.

Finding 3.2

The department did not collect \$72,591 for Chapter 10B overtime worked at the 2009 Bay to Breakers until almost six months after the event.

The department did not promptly collect some costs of the Chapter 10B overtime worked at the 2009 Bay to Breakers race. The event organizer was able to considerably delay payment of \$72,591, a significant portion (25 percent) of the full payment of \$286,272 due the department for the services rendered. According to the Police Law Enforcement Services Unit's payroll manager, the department had a verbal understanding with the event organizer that it would not expect prepayment of the full estimated amount payable for this annual event. This practice is consistent with Chapter 10B, which does not address the process by which the department may waive the prepayment requirement, including whether waivers should be documented. Not requiring prepayment of the full estimated amount of 10B overtime costs has attendant costs, in the form of lost interest earnings, and risks.

Before the event, the department provided to the 2009 Bay to Breakers organizer the estimated cost of the 10B services to be worked at the event. A \$213,681 check from the organizer, dated before the event, was posted to the City's accounting system on May 26, 2009, nine days after the event. The remaining balance of \$72,591 was not paid

promptly, and was not entered in the City's accounting system until November 10, 2009, nearly six months after the event. Chapter 10B requires the event organizer to pay any remaining balance due within 10 days of being notified of the balance payable. The payroll manager stated that the department did not pursue collection of the balance due any earlier because the department conducts business with this organization each year and she was confident that it would pay in full, which it eventually did.

Recommendation

22. The department should ensure that Chapter 10B overtime costs are collected before an event, unless the prepayment requirement has been waived. If there is a remaining balance it must be paid within 10 days of the time it is billed, as required by Chapter 10B.

Finding 3.3

The department does not effectively track attendance of officers at large 10B events.

The department has weak controls over how Chapter 10B overtime is recorded for event attendance, especially for large events where many department personnel may be working. Officers working 10B events such as Bay to Breakers are available through radio dispatch. There is no written requirement that officers check-in with the event coordinator, usually a sergeant or higher-ranking member. While department members must have their 10B overtime cards approved by a commanding officer, this can occur hours or days after the event, and the commanding officer may not have been present at the event. As a result, this control does not adequately ensure that only needed 10B overtime hours are worked, and that only worked 10B overtime hours are claimed, approved, and paid. A more effective control would be to require a documented check-in and check-out by members assigned to large events such as Bay to Breakers. The department assigns several of its members to serve as event coordinators at large events such as Bay to Breakers, so such a check-in and check-out procedure should be practical at small or large events.

Recommendation

23. The department should require each member to sign in and sign out on an attendance log with the station or unit's event coordinator for all Chapter 10B events. The log should include the start and end time of each department member working the event.

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CHAPTER 4 – The Department Must Better Enforce Restrictions on the Maximum Number of Hours an Officer May Work in a Day or Week

Summary

The department should more consistently enforce its policies that are intended to ensure that its members are not fatigued to the point that their performance and judgment are compromised.

Finding 4.1

Officers have worked more than 14 hours in a 24-hour period and more than 20 hours of voluntary overtime in a 7-day period, in violation of department policy.

Of 127 officers whose records were reviewed, 25 (20 percent) recorded more than 14 hours of work in a 24-hour period at least once, and 8 (6 percent) had recorded more than 20 hours of voluntary overtime in a 7-day work week at least once. Exceeding these limits violates department policy outlined in bulletins 06-127 and 08-230. The 14-hour limit includes a combination of on-duty and overtime assignments.

Of the 45 officers whose court premium pay records were tested in detail, 18 (40 percent) had at least one instance in which an excess of 14 hours of voluntary overtime was worked in a 24-hour period. However, the frequency of these instances diminished during the audit period, from 12 (60 percent) of the 20 officers whose fiscal year 2007-08 records were analyzed to 6 (24 percent) of 25 officers reviewed for fiscal year 2008-09.

Of the 82 officers whose acting assignment pay records were reviewed, 7 (9 percent) were identified as having violated the 14-hour rule at least once. The restrictions on worked hours are in place to help ensure the health and safety of the officers, as well as the well-being of the public. Officers who work beyond these hour limitations may become fatigued, which could result in a decrease in performance and judgment in critical situations.

Recommendation

24. The department should enforce departmental policies intended to ensure that officers do not work more than 14 hours in a 24-hour period or more than 20 hours of voluntary overtime in a work week.

Finding 4.2

Officers who exceed 20 hours of voluntary overtime in a week have not submitted the required schedules of this overtime.

In all of the eight cases reviewed by the audit in which an officer exceeded the weekly limit of 20 hours of voluntary overtime, the department did not comply with its own procedures that are intended to prevent this from reoccurring. Department Bulletin 06-210 requires any officer who works more than 20 hours of voluntary overtime in a 7-day week to subsequently submit an anticipated voluntary overtime work schedule for the following 90 days. The commanding officer is to direct the officer to submit the schedule for his or her approval. The commanding officer is then to monitor the officer's compliance with the schedule. A subsequent violation of the 20-hour limit may result in the officer being ineligible for further voluntary overtime. The audit found no anticipated voluntary overtime schedules for the 16 officers that exceeded the 20-hour limit in the sample reviewed.

Four (9 percent) of the 45 officers whose court premium pay records were reviewed worked more than 20 hours of voluntary overtime in a 7-day period. Two of these four instances occurred in fiscal year 2007-08, and the other two occurred in 2008-09. Of the 82 officers whose records of acting assignment pay were reviewed, 4 worked (5 percent) more than 20 hours of voluntary overtime in a 7-day period. Three of these four instances occurred in fiscal year 2007-08, while the remaining one occurred in fiscal year 2008-09.

Recommendations

The department should:

25. Require commanding officers to review each officer's voluntary overtime and/or secondary employment to verify whether an anticipated voluntary overtime work schedule is required.
26. For instances where an anticipated voluntary overtime work schedule is required, maintain the schedule at each officer's assigned district station and update it as necessary.
27. Instruct commanding officers to provide signed voluntary overtime schedules to the department's payroll unit as soon as they are created.

CHAPTER 5 – \$37,782 Was Overpaid for the Police Uniform Allowance

Summary

In many cases, the department incorrectly paid the police uniform allowance. As a result, many members were paid an allowance that was slightly more than the amount specified in their labor agreement.

Finding 5.1

The department overpaid the uniform allowance to many of its members, resulting in excess payments totaling \$37,782 for the audit period.

Section 7 of the POA's agreement with the City entitles members covered by the agreement to receive \$820 per year as a uniform allowance. The audit found that \$37,782 (1 percent), of the \$3,673,307 of uniform allowance payments during the audit period, was overpaid, with overpayments of less than \$1 to \$44 per member each year.

According to the department's payroll manager, the cause of these overpayments is related to how the City's payroll system divides the annual allowance payment among the biweekly paychecks of the employees who receive it, and prorates the annual amount based on the number of hours for which the employee is paid. Due to these factors, and perhaps others, the allowance is overpaid to many members by the end of the fiscal year.

Recommendation

28. The department should work with the Controller's Payroll and Personnel Services Division to ensure that the City's payroll system correctly calculates and pays the annual police uniform allowance.

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APPENDIX A: COURT PREMIUM PAY POLICIES AND PROCEDURES

The San Francisco Police Officers Association's (POA) agreement with the City and County of San Francisco makes members eligible to receive premium pay for court appearances and administrative hearings related to court appearances taking place on the day of the court hearings.

Members appearing in court on watch-off days are to receive three hours of court appearance premium pay (court premium pay) for their first court appearance commencing with the time indicated on the subpoena. Members earning court premium pay are not to receive premium pay for their meal time.

Members appearing in court for more than three hours are to receive court premium pay on an hour-for-hour basis when appearing on scheduled watch-off days.

Members who are scheduled to work the day of the court appearance or hearing may be eligible for court premium pay under the following conditions:

- Members appearing in court for less than one hour before their scheduled watches will receive one hour of court appearance premium pay.
- Members appearing in court for more than one but less than two hours before their scheduled watches will receive two hours of court appearance premium pay.
- Members appearing in court for more than two but less than three hours before their scheduled watches will receive three hours of court appearance premium pay.
- Members appearing in court during the morning session and scheduled to start work at noon are entitled to a minimum of three hours of court premium pay regardless of the time indicated on the subpoena. Members appearing in court for more than three hours will receive court premium pay on an hour-for-hour basis when off duty during the entire period.

Members may be placed on court standby. Members who are required to be on court standby without appearing in court receive two hours of court appearance premium pay only if they are off duty during the entire call-in period indicated on the subpoena. On-duty time includes any overtime.

Members on paid sick leave or disability leave who appear in court or are on standby are not to receive additional compensation in the form of court appearance premium pay.

Members on suspension who are subpoenaed and appear in court or are placed on court standby are entitled to compensation at their regular rate of pay, not at the court premium pay rate.

Members who attend attorney conferences but do not appear in court will receive court premium pay on an hour-for-hour basis.

Members on vacation who are required by subpoena to appear in court in a criminal case

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will receive court premium pay only when the case occurs on a date(s) for which the employee had a previously approved vacation request for 40 hours or more that predated the service of the subpoena. In all other instances, members will be compensated only as provided for in the current department bulletin on court compensation.

Members attending court or administrative hearings are required to sign in at the Court Liaison Unit prior to attending court.

In addition to the provisions of the POA labor agreement, the department requires members to complete a court compensation request card for any court premium pay being claimed. Court compensation requests require the approval of three parties: deputy district attorney or defense attorney who subpoenaed the member, Court Liaison Unit, and commanding officer. All hours indicated on court compensation requests are to be certified by the court liaison. The subpoenaing attorney is required to sign and note the time at which he/she signed the time card. Upon completion of the member's court attendance, the member is required to return to the Court Liaison Unit with the compensation card and the subpoena. A Court Liaison Unit employee is to time stamp the compensation request.

Members who are placed on court standby are also required to complete a court compensation request. Members receiving a court standby subpoena are to follow the instructions on the subpoena regarding call-in times and whether the member's appearance is required.

APPENDIX B: POLICE DEPARTMENT RESPONSE



POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO
THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103-4603



August 12, 2010

Tonia Lediju, Director of Audits
Office of the Controller
City Hall, Room 477
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Re: City Services Auditor review of Police Department overtime and premium pay procedures

Dear Ms. Lediju:

Enclosed please find the Police Department's completed Recommendations and Responses form concerning the review of the Police Department's overtime and premium pay procedures based on data from 2007-08 and 2008-09.

As indicated in the attached response, the Department concurs with many of the report recommendations. In fact, numerous recommendations represent existing Department policies. While we welcome the recommendations for additional ways to improve controls on overtime and premium pay, the Department is proud of the significant achievements we have already made during the past 20 months in instituting more stringent controls.

For example, the Department implemented new overtime procedures and reporting in November 2008 that resulted in immediate and significant decreases in General Fund overtime usage. As noted in your report, the Department's use of overtime hours paid for by the General Fund decreased by 27% from fiscal year 2007-08 to fiscal year 2008-09.

The Department's proactive overtime management strategies have continued to reduce overtime usage. Overtime hours paid by the General Fund decreased by an additional 45% from fiscal year 2008-09 to 2009-10. The Department's 2010-11 budget proposes a further decrease of 24% for this fiscal year. Overall, the Department's projected General Fund overtime hours for 2010-11 represent a **71% decrease** from the overtime hours worked in 2007-08.

In addition to the new overtime management strategies, the Department implemented a new version of its internal Human Resources Management System (HRMS) in May 2010. The new HRMS provides additional automated safeguards that directly respond to some of the report recommendations. As recommended by the report, the Department is also in the process of improving management of court premium pay by developing more formalized written procedures and revising Department bulletins to better reflect existing practices.

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San Francisco Police Department Letter of Response – Overtime and Premium Pay

The report refers to the Department's "antiquated" use of paper time cards for documenting overtime and premium pay. While the report does not provide any specific recommendations regarding changes to this system, the Department hopes that a more automated payroll system will be possible with the planned implementation of Project eMerge that is being managed through the Controller's Office.

Thank you for the time your staff members have spent learning about the Police Department's policies and procedures related to overtime and premium pay. Your report and recommendations will assist the Department as we continue in our efforts to ensure stringent controls are in place and uniformly followed by all members.

Respectfully submitted,



GEORGE GASCON
Chief of Police

Enclosures

AUDIT RECOMMENDATIONS AND POLICE DEPARTMENT RESPONSES

Recommendation	Responsible Agency	Response
1. Require members to ensure that subpoenaing attorneys sign, date and indicate the time on the court premium pay card for proper verification of the hours the officer served. If the attorney cannot sign the card at the time of the court appearance, the member should be held responsible for obtaining the attorney's signature after that time.	Police Department	<p>The department concurs with this recommendation. The court liaison unit will no longer accept morning or afternoon Superior Court overtime cards that are unsigned by the Assistant District Attorney handling the case. The date and time of the Assistant District Attorney's signature must also be present on the overtime card. Exceptions to this procedure will be reflected in the written policies for court premium pay.</p> <p>Overtime cards turned in without a signature, date and time will be returned to the Officer for follow-up in obtaining the Assistant District Attorney's signature.</p>
2. Deny court premium pay to members whose court premium pay cards are not signed by the subpoenaing attorney.	Police Department	The department does not concur with this recommendation. The court liaison unit will continue to accept overtime cards signed by the Assistant District Attorney who is handling the case at the time of the appearance. Cases are often transferred from one Assistant District Attorney to another Assistant District Attorney, and the subpoenaing attorney is not always the one handling the case at the time of the appearance.
3. Require all the responsible parties (Court Liaison Unit, commanding officer, and station time keeper) to review court premium pay time cards to ensure that the member is eligible for court premium pay based on his/her schedule and any other relevant factors.	Police Department	The department concurs with this recommendation. The department's new Human Resources Management System (HRMS) addresses this issue, as it does not allow court pay to be entered during a time in which an Officer is on duty and ineligible.

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Recommendation	Responsible Agency	Response
4. Require members who attend court to attach to the court premium pay time card their work schedule from the Human Resources Management System so the Court Liaison Unit can easily verify that the member is eligible to receive court premium pay.	Police Department	The department does not concur with this recommendation. The new HRMS will address this issue, as it does not allow court pay to be entered during a time in which an officer is on duty and therefore ineligible. There is no need to require employees to submit separate printouts of their work schedule.
5. Deny court premium pay to any member who does not have watch-off status at the time of the court appearance, consistent with the POA agreement and department bulletins.	Police Department	The department concurs with this recommendation, and it reflects the existing department practice. The court liaison unit does not grant court overtime pay to officers who are on duty at the time of their court appearance.
6. Require that members whose work schedules are changed such that they become eligible for court premium pay document an explanation for this, and provide the written explanation to their commanding officer, who should document his or her approval of it.	Police Department	The department does not concur with this recommendation to the extent that it would require a written explanation as documentation of commanding officer approval. When an officer's schedule is changed making them eligible for court premium pay, the court liaison unit contacts the member's commanding officer to request confirmation as to his or her approval for the schedule change. The court liaison unit will not sign the card without confirming the approval of the commanding officer.

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Recommendation	Responsible Agency	Response
<p>7. Ensure that the ability to change members' work schedules in the Human Resources Management System is limited to station time keepers, commanding officers, and the department's payroll unit. Thoroughly review records of members' court standby pay for the audit period to determine whether any improperly received this pay and overtime for the same hours or were otherwise ineligible to earn court standby pay under the POA agreement or department general orders or bulletins.</p>	<p>Police Department</p>	<p>The department concurs with this recommendation. The department's internal HRMS limits access to station time keepers, commanding officers and departmental payroll staff to create a more secure tracking system and avoid payment errors.</p>
<p>8. Instruct station time keepers and commanding officers, before approving court premium pay, to consult the requesting member's schedule to verify that special pays are not being "pyramided," unless permissible under the POA agreement. This should be performed weekly at each district station.</p>	<p>Police Department</p>	<p>The department concurs with this recommendation regarding better time documentation so as to not give the appearance of "pyramiding." There are many occasions where the station time keepers will enter court premium pay cards for legitimate call-in subpoenas, but because there is not a mandated time slot as to where the cards are entered the overtime appears to be "pyramided".</p> <p>A Department Bulletin will be issued directing station time keepers to only enter call-in court premium pay cards under pay type "CRPS" from 0700-0900 on the closing day of the call-in period.</p> <p>For example, if an officer is required to call in on a subpoena between 05-20-10 @ 1645 hrs. and 05-21-10 @ 0900 hrs, the court premium pay will be entered on 05-21-10 from 0700 hrs.-0900 hrs.</p>

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Recommendation	Responsible Agency	Response
<p>9. Require the Court Liaison Unit to review court premium pay time cards to ensure members are not requesting court premium pay for the court's lunch break. This may require the unit to investigate the possibility that the court session was held over past Noon, delaying or eliminating the lunch break.</p>	<p>Police Department</p>	<p>The department concurs with this recommendation, and it reflects existing department practice. There are many occasions when the first three hour court premium pay card may extend through the lunch break, but this is permissible under the POA agreement.</p> <p>For example, if an officer receives a morning subpoena for 1100 hrs. the officer is entitled to submit a court premium pay card for three hours from 1100 hrs. to 1400 hrs. It appears from the card and HRMS entry that they have requested to be paid during the court's lunch break, but they are entitled to the pay under the POA agreement.</p>
<p>10. Remind the offices of the District Attorney and Public Defender of the requirement in Department General Order 3.08 that the subpoenaing authority must notify officers as soon as possible when they are not needed at court.</p>	<p>Police Department</p>	<p>The department concurs with this recommendation, and it reflects existing department practice. The court liaison unit is strictly enforcing DGO 3.08. District stations will continue to make every effort to notify officers as soon as possible.</p>
<p>11. Not honor any form of compensation for court premium pay on time cards that have not been certified by the Court Liaison Unit.</p>	<p>Police Department</p>	<p>The department concurs with this recommendation. A Department Bulletin will be issued directing station time keepers not to honor any card that is not certified by the court liaison unit. Furthermore, the Payroll section will be directed to decline any court premium card that is submitted to them and will forward it to the court liaison unit.</p>

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Recommendation	Responsible Agency	Response
12. Require station time keepers to inform the commanding officer and Court Liaison Unit when time cards for court premium pay are not approved.	Police Department	The department concurs with this recommendation. A Department Bulletin will be issued directing time keepers to advise the commanding officer and court liaison unit when a time card for court premium pay is not approved.
13. Develop written procedures for the Court Liaison Unit to ensure claims for court premium pay are processed uniformly and in a manner consistent with department policy.	Police Department	The department concurs with this recommendation. The court liaison unit will develop a unit order outlining all procedures for processing court premium pay.
14. Deny court premium pay in instances when the requesting member did not follow departmental policy or procedure.	Police Department	The department concurs with this recommendation. As part of the unit's written policy, the court liaison unit will not approve court premium pay in instances when the requesting member did not follow departmental policy or procedure.
15. Notify members in writing of the reason(s) their request for court premium pay was denied, rather than issuing notification letters that instruct members how to follow procedure in the future but allow them to receive the pay.	Police Department	The department concurs with this recommendation. The court liaison unit will notify members in writing as to why court premium pay cards were declined. The court liaison unit will not process a request for premium pay until a card's deficiency is corrected.

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The Department Needs to Improve Its Controls Over Overtime and Premium Pay

Recommendation	Responsible Agency	Response
16. Determine and document the positions that require an acting assignment should the employee in the position be absent for a full watch. This list of positions may be by unit or district station, and should guide the department in its review of acting assignment pay requests.	Police Department	The department concurs with this recommendation, and it reflects existing department practice. The department has identified the positions that require an acting assignment should the employee in the position be absent. This information and the procedures for approval of acting assignments have been reviewed with commanding officers. Additionally, DB #09-274 specifically requires advance approval from a Commander or Deputy Chief to fill a position with an acting assignment.
17. Remind officers of the requirements under the POA agreement and department bulletins to verify all submitted compensation requests for acting assignment pay are complete.	Police Department	The department concurs with this recommendation, and it reflects existing department practice. The department began using an updated HRMS effective May 15, 2010. The new HRMS specifically addresses this issue. The department will remind all timekeepers and officers by re-posting DB #09-274 – Like Work Like Pay Policy.
18. Instruct station time keepers to evidence their review of the time cards by initialing each card after review. Creating a standard review template that indicates the steps the clerk took to validate the accuracy and completeness of all time cards would help control this activity. All supporting documents should be attached to each card.	Police Department	The department concurs with this recommendation. The new HRMS specifically addresses this issue. The department will repost the relevant department bulletins and require that timekeepers initial the back of the compensation card in the box labeled “Entered in HRMS by”.

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Recommendation	Responsible Agency	Response
19. Require commanding officers or designated ranking officers to review time reports and time cards before they are submitted to the department's payroll unit, and document this review. This will reduce the need for the payroll unit to verify that acting assignments are properly recorded.	Police Department	The department concurs with this recommendation, and it reflects existing department practice. Commanding officers or the designated ranking officers are currently required to approve all acting assignment compensation requests and the information is to be noted in the Comments section of the HRMS. A reminder of this policy has been provided.
20. Add to the acting assignment compensation card a box in which the commanding officer would verify if the position being filled was for a full watch and a box to verify that the position was authorized in advance for acting assignment.	Police Department	The department does not concur with this recommendation. Commanding officers or the designated ranking officers are currently required to approve all acting assignment compensation requests and the information is to be noted in the Comments section of the HRMS. The department currently does not plan to revise the compensation card since there are very limited and well known exceptions for when acting assignment is authorized for less than a full watch. Payroll staff members will be reminded of the compensation card processing protocol, including how to review for payment with prior authorization from the appropriate Commanding Officer.
21. Approve a written procedure by which prepayment of Chapter 10B overtime costs may be waived. This should include circumstances in which a waiver is reasonably justified.	Police Department	The department concurs with this recommendation. The department is currently developing an updated written procedure by which prepayment of 10B overtime costs may be waived.

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Recommendation	Responsible Agency	Response
22. Ensure that Chapter 10B overtime costs are collected before an event, unless the prepayment requirement has been waived. If there is a remaining balance it must be paid within 10 days of the time it is billed, as required by Chapter 10B.	Police Department	The department concurs with this recommendation. The department has recently dedicated additional personnel resources to help audit and ensure the procedures are being followed.
23. Require each member to sign in and sign out on an attendance log with the station or unit's event coordinator for all Chapter 10B events. The log should include the start and end time of each department member working the event.	Police Department	The department concurs with this recommendation. The department will revised the existing procedure manual to include the recommended requirement.
24. Enforce departmental policies intended to ensure that officers do not work more than 14 hours in a 24-hour period or more than 20 hours of voluntary overtime in a work week.	Police Department	The department concurs with this recommendation. The department currently enforces existing policies detailed in the recommendation. The department will repost DB 09-360 – Overtime Usage, Caps and Reporting to remind officers of department policies. The department will also continue its regular tracking of employee overtime to ensure compliance with department policies.
25. Require commanding officers to review each officer's voluntary overtime and/or secondary employment to verify whether an anticipated voluntary overtime work schedule is required.	Police Department	The department concurs with this recommendation. The department will revised the existing procedure manual to include the recommended requirement.

Recommendation	Responsible Agency	Response
26. For instances where an anticipated voluntary overtime work schedule is required, maintain the schedule at each officer's assigned district station and update it as necessary.	Police Department	<p>The department does not concur with this recommendation. Voluntary overtime includes 10B event assignments, all grant-funded operations, all special fund (vehicle theft, real estate fraud, etc.) operations, and special event or other EWW overtime where the member is not specifically required by their respective commanding officer to work.</p> <p>The department will determine whether there is a way to integrate the recommended tracking into the HRMS or another centralized system since it is difficult to maintain at the assigned station level given the possibility of multiple assignments outside of the officer's regularly assigned station.</p>
27. Instruct commanding officers to provide signed voluntary overtime schedules to the department's payroll unit as soon as they are created.	Police Department	The department concurs with this recommendation. The 10B sergeants will track and follow up regarding the possible implementation of this recommendation.
28. Work with the Controller's Payroll and Personnel Services Division to ensure that the City's payroll system correctly calculates and pays the annual police uniform allowance	Police Department	The department concurs with this recommendation. The department is working with Payroll and Personnel Services Division (PPSD) and the Project eMerge team to ensure all premiums are correctly coded for payment compliance against applicable MOU provisions. The aforementioned are for both the current and anticipated payroll tracking systems.