

CITY OF FORT LAUDERDALE

OFFICE OF THE CITY AUDITOR

Continuous Monitoring of Overtime – Police Department

Report #20/21-02

March 1, 2021



Memorandum No: 10/21-03

Date: March 1, 2021

To: Honorable Mayor and Commissioners

From: John Herbst, CPA, CGFO, CGMA
City Auditor

Re: Continuous Monitoring of Overtime – Police Department

Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. Between January 1, 2020 and March 31, 2020, most of the City’s overtime paid was recorded by the Police and Public Works departments. Therefore, we performed a limited scope audit of overtime for these two departments. This Memo focuses on overtime within the Police Department (PD); a separate Memo is issued for Public Works.

Conclusion

The CAO found that all overtime hours were approved and payments reconciled to timekeeping records without exceptions. However, we identified an internal control weakness, described in Finding #1, as well as opportunities for internal control enhancements, described in Observations #1 and #2. We consider Finding #1 an internal control “deficiency,” as outlined under the Methodology section.

In addition, as noted in the attached Exhibit 1 there are several instances of officers receiving overtime equal to approximately 50% or more of their base pay that we believe merit further review by management.

Background

The Police Department’s overtime hours, as a percentage of the City’s overtime hours, remained the highest among all departments with an increase in FY2020 (see table for OT actuals at FYE):

Year	City	PD	% of City
FY2017	\$ 12,819,373	\$ 6,564,934	51%
FY2018	\$ 11,852,997	\$ 6,219,438	52%
FY2019	\$ 13,553,219	\$ 7,022,333	52%
FY2020	\$ 13,870,110	\$ 7,802,576	56%
Total	\$ 52,095,699	\$ 27,609,281	53%

PD developed an Overtime/Compensation Time Policy (Policy #109) that was last revised in November 2018 and details the overtime request and approval process. According to the policy

and the official philosophy of PD, overtime is intended to be minimized and “shall only be utilized when necessary, for the completion of a particular assignment, for appearance in court or in the best interest of the Department in fulfilling its mission.”

For the period audited, approximately 50% of PD’s overtime hours were incurred by the detention center. The next highest usage category, at approximately 20% was related to staffing shortages. Tertiary categories, at approximately 5% each, were the special assignments occurring outside regular shift of patrolling NW Progresso CRA and FBI task force participation. These categories represented 80% of total overtime during the January 1, 2020-March 31, 2020 period with all other categories being of immaterial value.

Scope and Objectives

The limited scope audit focused on the *most dollars earned* and the *most overtime hours incurred* by employees between January 1, 2020 and March 31, 2020. The purpose of the audit was to evaluate the existence and appropriateness of the approval (sign-off) within the timekeeping system (Telestaff) for a target sample of 30 City employees.

The engagement involved obtaining an understanding of internal controls over the overtime approval and payment processes and assessing internal control design adequacy and effectiveness. 100% of overtime payments for the selected sample had been independently re-calculated. Within the sample (of 30 the most dollars paid and most overtime hours incurred), a sub-sample of 30 overtime transactions were judgmentally selected for substantive testing of approvals and inspection of the audit trail within Telestaff.

Methodology

The CAO conducted its assessment of internal controls using the May 2013 updated Internal Control—Integrated Framework established by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). The framework defines internal control, describes the components of internal control and underlying principles, and provides direction for all levels of management in designing and implementing internal control and assessing its effectiveness. The five components of the COSO framework are: control environment, risk assessment, control activities, information and communication, and monitoring activities.

To meet our scope and objectives, we obtained an understanding of overtime approval and payment processes within PD by reviewing its departmental Overtime/Compensation Time Policy (Policy #109), inquiring of City personnel (Police, IT, Payroll, Finance), performing data analysis, and inspecting digital documents/forms on a test-sample basis within the Telestaff scheduling and timekeeping system. Regarding substantive testing of payments, Telestaff time records for the sample were reconciled to the Cyborg payroll system to determine accuracy of pay with timekeeping, and overtime pay was independently recalculated. In addition, we reviewed section 6.32.1 of the City’s PSM (Policy and Standards Manual) on Reporting of Overtime Worked. We also inspected the relevant labor agreement, as referenced by the PSM on page 2, to ensure there are no contradictions with the PSM and Policy #109 as it relates to overtime management.

We have identified both a Finding and two Observations during the audit. A Finding results from a failure to comply with policies and procedures, rules, regulations, contracts, and fundamental internal control practices. An Observation represents an opportunity to improve on design or functionality of an existing internal control.

A finding is categorized as a “deficiency,” a “significant deficiency” or a “material weakness” as defined below:

- *A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis.*
- *A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.*
- *A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.*

This limited scope audit was conducted in accordance with generally accepted government auditing standards. These standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our objectives.

Finding

1. PD’s policy #109 deviates from the City’s PSM 6.32.1 regarding internal controls governing overtime. While the PSM requires that all overtime be approved by the immediate supervisor, whereas policy #109 allows for any supervisor, generally ranked Sergeant and above for sworn officers, to approve overtime requests. Because of this, Telestaff, in practice, is not programmed to restrict overtime approvals to immediate supervisors.

Recommendation: The CAO recommends that PD’s policy #109 be revised to be consistent with PSM 6.32.1.

Observations

1. While all overtime had been approved by a supervisor, neither the policy nor practices in place stipulate that the supervisor has verified that they were “actually worked”. Moreover, the amount of overtime hours being worked should be assessed for reasonableness to avoid fatigue. This practice would also reduce the risk of excessive or imbalanced overtime by individual personnel (See Exhibit 1 for top overtime hours and top overtime dollars incurred during the second quarter (2Q) of fiscal year 2020).

Recommendation: The CAO recommends that PD consider implementing monitoring controls where the supervisor approving overtime has knowledge of the hours worked/duties performed and that overtime hours are also reviewed in aggregate by employee, for validity and reasonableness to improve overtime management.

2. Once overtime hours are approved, there is no reporting available from Telestaff to see the

note field that describes the justification for the overtime (details only visible for pending overtime hours; approved overtime can be only viewed within the audit trail of the system screen-by-screen). Such reporting would ensure that overtime is documented properly for monitoring as well as for overtime reimbursement. *(Note: currently for FEMA, a separate form is used as not all governmental requirements are met by the documentation in Telestaff. This improvement could reduce utilization of additional forms and labor hours).*

Recommendation: The CAO recommends standardizing the description of all overtime with the same granularity and enhancing reporting features. In addition, the policy should be updated to reflect these changes.

Management Response – Exhibit 4

Attachments:

Exhibit 1 – Top 30 Employees with Most Overtime Incurred (FY 2Q2020)


Exhibit 2 – Overtime/Compensatory Time Policy #109

Exhibit 3 – Policy and Standards Manual 6.32.1 – Reporting of Overtime Worked

cc: Chris Lagerbloom, City Manager
Greg Chavarria, Assistant City Manager
Tarlesha Smith, Assistant City Manager
Patrick Lynn, Interim Police Chief
Alain E. Boileau, City Attorney
Jeff Modarelli, City Clerk

EXHIBIT 1
Top 30 Overtime FY 2Q2020

Sample #	DEPARTMENT	Highest OT Dollars Earned and/or Hours Incurred (2Q2020)	Total OT for FY2020	Base Pay (as of 10/1/2020)
1	PBS	\$ 36,346.24	\$73,537.17	\$80,382.90
2	PBS	\$ 30,506.79	\$69,056.37	\$71,041.88
3	POL	\$ 25,363.37	\$54,079.79	\$97,926.40
4	PBS	\$ 21,837.14	\$57,197.34	\$61,900.80
5	PBS	\$ 21,088.78	\$53,500.26	\$62,816.00
6	POL	\$ 20,125.23	\$64,284.33	\$69,451.20
7	PBS	\$ 19,323.21	\$37,535.29	\$68,827.20
8	POL	\$ 18,758.78	\$44,874.41	\$97,926.40
9	POL	\$ 18,435.51	\$49,528.40	\$115,460.80
10	PBS	\$ 18,306.54	\$30,901.62	\$64,529.14
11	PBS	447.25	\$49,855.25	\$57,033.60
12	POL	395	\$26,947.04	\$48,734.40
13	PBS	394.5	\$31,899.26	\$52,208.00
14	PBS	337.5	\$11,893.70	\$40,556.36
15	PBS	329.25	\$18,837.79	\$45,676.80
16	PBS	328.25	\$23,534.03	\$54,038.40
17	PBS	322	\$35,104.21	\$73,465.60
18	POL	321.75	\$22,513.52	\$48,734.40
19	PBS	316.25	\$22,547.39	\$53,393.60
20	PBS	308.5	\$19,715.44	\$42,390.40
21	PBS	304	\$29,984.80	\$51,459.20
22	PBS	297.75	\$41,332.87	\$51,459.20
23	POL	293	\$53,801.28	\$77,792.00
24	PBS	293	\$16,146.83	\$69,784.00
25	PBS	284.25	\$21,862.78	\$64,313.60
26	PBS	281.25	\$38,439.85	\$62,816.00
27	PBS	276.75	\$30,123.81	\$50,689.60
28	PBS	274	\$25,912.98	\$59,675.20
29	PBS	267.75	\$18,118.14	\$47,049.60
30	PBS	263.75	\$38,003.97	\$57,990.40

POLICY 109	OVERTIME/COMPENSATORY TIME POLICY	
	REVISED: 1/93, 12/00, 05/03, 06/07, 05/10, 12/10, 04/11, 12/13, 03/18, 6/18, 11/18	RELATED POLICIES: 103.0
	CFA STANDARDS:	REVIEWED: AS NEEDED

A. PURPOSE

The purpose of this policy is to provide guidelines for authorization and submission for Overtime, Court Appearance, Stand-by and Callback compensation.

B. POLICY

It is the policy of the Fort Lauderdale Police Department to keep overtime at a minimum. It shall only be utilized when necessary, for the completion of a particular assignment, for appearance in court or in the best interest of the Department in fulfilling its mission.

C. PROCEDURE

1. Overtime, Court Appearances, Stand-by, Callback and compensatory time benefits are negotiated benefits and governed by the collective bargaining agreements between the City of Fort Lauderdale, the Fraternal Order of Police Lodge 31 and the Teamsters. Department employees should refer to the appropriate collective bargaining agreement for their specific schedule of benefits.
2. Employees shall be limited to work a total of 20 hours per day, not to exceed 80 hours per week unless mandated by the Department. Employees are also prohibited from working consecutive 20 hour days. The total number of work hours includes all hours worked for the City and voluntary employment (such as off-duty details). The Police Chief or Acting Chief of Police may authorize any exceptions to this policy.
3. Except for mandatory court appearances, all overtime shall be approved, in advance, by a supervisor/manager.
4. The TeleStaff System shall be utilized to document all overtime. The overtime request shall be submitted by an employee to a supervisor of a higher rank for approval, before the end of the pay period in which the overtime occurred.
5. Officers shall indicate in TeleStaff the reason for the overtime.
6. It is the employee’s choice to request overtime pay or compensatory time for the overtime worked.
7. Supervisors shall review overtime requests to ensure the submission is properly completed (time, shift, O.R. #, etc.). A supervisor shall approve the overtime indicating approval of the requested overtime payment. Supervisory overtime

approval shall take place no later than 0800 hours on the Monday following the end of the overtime's pay period unless exigent circumstances exist.

8. The District Commanders, Bureau Commanders and Division Commanders shall review their respective district's, bureau's and division's overtime usage on a weekly basis.
9. Editing a work code on the Roster or on a Calendar for a pay period that has already been finalized is prohibited.
10. Employees are prohibited from working overtime during their regular shift hours. This includes employees on approved leave from their regular shift. This is a violation of the Fair Labor Standards Act (FLSA) and prohibited by the Department. If an employee was ordered back to work by their Supervisor while on approved leave and during their regular shift hours, the Supervisor shall submit a request for Call Back while On Leave to TeleStaff Admin so that the employee can be appropriately compensated.
11. Adjusted Days Off (ADOs) must be entered within the same 40 hour work week of an employee's schedule adjustment. Supervisors are prohibited from entering ADOs for employees in any other work week in an effort to make up the time from the modified work week.
12. The TeleStaff function, Edit Without Rules, shall be used in accordance with training and for the limited number of tasks for which it is required (changing call signs, posting self-fill overtime, reviewing audit trail, etc.). Edit Without Rules shall not be used to circumvent the normal approval process for leave or overtime. Edit Without Rules shall not be used to edit a record on a finalized roster or to submit overtime during regular shift hours. Payroll/Personnel and TeleStaff Admin may use Edit Without Rules to edit a finalized roster pursuant to their payroll processing duties.
13. Shift Trades (substitutions) are an agreement between two employees. Employees working Shift Trades for other employees are not eligible for overtime compensation or other premium pays such as Holiday Pay.

D. COURT APPEARANCE

All court related compensation (including standby) shall be tracked and approved by the Court Liaison office.

E. COMMITTEES/BOARDS

Personnel will not receive overtime compensation for voluntary participation on committees, boards or other similarly comprised groups.

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			CH	SEC	SUBJ	PAGE
CITY OF FORT LAUDERDALE					DATE ISSUED: 09-25-06	
POLICY and STANDARDS MANUAL			CHAPTER: EMPLOYEE RELATIONS AND WELFARE		6	
			SECTION: REPORTING OF OVERTIME WORKED		32	
SUBJECT: GENERAL POLICY AND PROCEDURES					1	
PURPOSE	To explain the procedures that employees must follow when overtime hours are worked, and to ensure that all overtime is promptly reported so that employees are paid timely for all overtime worked or credited with the proper amount of compensatory ("comp") time. The prompt recording of overtime worked is required so that departments can adequately monitor overtime expenditures on an on-going basis. Procedures for earning overtime are contained in the individual bargaining agreements. This policy is not meant to change those requirements.					
COVERAGE	This policy applies to all "nonexempt" employees of the City of Fort Lauderdale per the provisions of the Fair Labor Standards Act (FLSA). These employees are commonly referred to as hourly-paid employees - they receive either cash overtime or comp time for hours worked beyond their normal workweek (usually 40 hours).					
POLICY	<p>Prior to working any overtime, employees must receive approval from their immediate supervisor. Where practicable, employees must receive written approval prior to working overtime. It is each supervisor's responsibility to ensure that sufficient funds are available in their department budget to cover all overtime expenses, and that all overtime is justified and properly documented.</p> <p>Employees must submit the appropriate timekeeping documentation to their immediate supervisor at the end of the work day/shift during which the overtime was worked. Form J-224 (see attachment) will be used to document overtime worked unless the department uses an automated timekeeping system (Scantron, Kronos, etc.). It is each supervisor's responsibility to train their employees regarding the following: 1) the overtime pre-approval process; 2) the documentation required for overtime hours worked; and 3) the requirement that all overtime documentation must be submitted for supervisory approval in a timely manner.</p> <p>Supervisors (including acting supervisors) are required to review overtime documentation submitted by their employees and to timely approve/disapprove this documentation so that the payment of the cash overtime or crediting of comp time is included in the pay check issued for the bi-weekly pay period during which the overtime was worked. IAFF union personnel assigned to a 48-hour workweek schedule are on a 21-day work cycle (for overtime pay calculation purposes). Except in extraordinary circumstances, overtime pay for these IAFF employees should be included in the paycheck immediately following completion of the 21-day work cycle.</p>					

In the event there are any contradictions between these procedures and any provision(s) of a labor agreement, the labor agreement will control.

Please contact your department's timekeeper with any questions. For questions that cannot be resolved at the department level, contact either the Classification and Compensation Manager or Personnel Records Specialist in the Human Resources Department.

CITY OF FORT LAUDERDALE, FLORIDA OVERTIME AUTHORIZATION FORM

CASH

"COMP" TIME

EMPLOYEE NAME: _____

EMPLOYEE #: _____

DATE OVERTIME WAS WORKED: _____

REGULAR WORK SHIFT HOURS: _____ A.M./P.M. - _____ A.M./P.M.
(from) (circle) (to) (circle)

LUNCH PERIOD: _____ A.M./P.M. - _____ A.M./P.M.
(from) (circle) (to) (circle)

NUMBER OF OVERTIME HOURS WORKED: _____

OVERTIME WAS WORKED: _____ A.M./P.M. - _____ A.M./P.M.
(from) (circle) (to) (circle)

REASON OVERTIME WAS REQUIRED: _____

MY SIGNATURE BELOW CONFIRMS THAT THE ABOVE IS A COMPLETE AND ACCURATE RECORD OF THE HOURS I WORKED FOR THE LISTED TIME PERIOD. I UNDERSTAND THAT WILLFULLY PROVIDING FALSE PAYROLL INFORMATION MAY SUBJECT ME TO DISCIPLINARY ACTION UP TO AND INCLUDING DISMISSAL.

EMPLOYEE'S SIGNATURE: _____ DATE: _____


APPROVED BY: _____ DATE: _____
SUPERVISOR'S NAME/JOB TITLE

FORT LAUDERDALE POLICE DEPARTMENT

MEMORANDUM #21-09

DATE: March 10, 2021

TO: John Herbst, CPA, CGFO, CGMA
City Auditor

FROM: Patrick Lynn, Interim Chief of Police 

SUBJECT: Continuous Monitoring of Overtime Audit – Police Department Response

Staff has reviewed the audit conducted by your office “Continuous Monitoring of Overtime”, which included one finding and two observations. The audit indicates, “50% of the PD’s overtime hours were incurred by the detention center.” We have begun the process of hiring employees to staff the detention center eliminating associated overtime costs.

Your first finding recommends, “PD’s policy #109 be revised to be consistent with PSM 6.32.1.” In response, we added two procedures to Fort Lauderdale Police Department Policy #109 to reflect PSM 6.32.1. First addition: “Prior to working any overtime, employees must receive approval from a supervisor, preferably their immediate supervisor if available, with the exception of mandatory court appearances.” Second addition: “The supervisor authorizing any overtime must verify the overtime hours were actually worked.” (Please note, the Police Department is a twenty-four hour operation, and at times, the officer’s immediate supervisor is not working while the officer is working. This means the officer can be working their original shift or an overtime shift and their immediate supervisor is unavailable.)


Your first observation includes, “...neither the policy nor practices in place stipulate that the supervisor has verified that they were actually worked.” The aforementioned policy change addresses this issue. Regarding management review of overtime, Fort Lauderdale Police Department Policy #109 requires, “The District Commanders, Bureau Commanders and Division Commanders shall review their respective district’s, bureau’s and division’s overtime usage on a weekly basis.”

Your second observation relates to an enhancement of Telestaff’s note field to include a short narrative of the description of overtime use and lack of detail for FEMA reimbursement. In response, Fort Lauderdale Police Department Policy #109 requires, “Officers shall indicate in Telestaff the reason for the overtime.” There is a note field in Telestaff the officers will use to indicate reason for overtime when logging overtime. For example, if there is a staffing shortage in patrol, the overtime code is “Overtime SS” which indicates a Staffing Shortage. In addition, our employees complete FEMA Form 214 any time a FEMA incident is in progress, which logs work hours in detail for potential reimbursement opportunities.

If you have additional questions, please do not hesitate to contact me.

c: Chris Lagerbloom, ICMA-CM, City Manager

PL/DM/md

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	REVISED: 1/93, 12/00, 05/03, 06/07, 05/10, 12/10, 04/11, 12/13, 03/18, 6/18, 11/18	RELATED POLICIES: 103.0
	CFA STANDARDS:	REVIEWED: AS NEEDED

Proposed
changes
due to city
audit.

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