

Date: March 2, 2016
To: Harry Black, City Manager
From: Lauren Sundararajan, CFE, Internal Audit Manager *LS*
Copies to: Eliot K. Isaac, Police Chief
Subject: **Cincinnati Police Department – Overtime Audit**

Attached is the Cincinnati Police Department (CPD) - Overtime audit report. The primary objective of this performance audit was to determine if contingency, increment, and reimbursable overtime was properly managed, authorized and approved. This audit was conducted at the request of the Police Chief.

We would like to thank CPD staff for their assistance and cooperation during this audit.

If you need any further information please contact me.

Attachment

CPD Overtime Audit

March, 2016



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Executive Summary

Internal Audit (IA) conducted a performance audit of the Cincinnati Police Department's (CPD) overtime process. The audit objectives were to determine if contingency, increment, and reimbursable overtime was properly managed, authorized and approved.

According to Procedure 12.825, employees working overtime must complete and submit an overtime form. The overtime form, also referred to as the 68p, must be pre-approved by a supervisor. After the overtime assignment has been completed, the 68p should be approved by the district/section/unit commander and verified by a supervisor. In addition to a supervisor's signature of approval, a properly completed form should also include the date of approval and verification before entering into the system for payment.

IA sampled 35 officers from the highest user category and selected 424-68p forms to determine if the overtime form had been properly approved and verified. IA found 223 (53%) out of 423 were not properly approved and/or verified, and one form could not be located. Additionally, IA found occurrences where a non-sworn employee verified an officer's overtime form and an occurrence where an officer approved their 68p and leave form contrary to policy.

Comprehensive policies and procedures are key components of internal controls. Policies and procedures provide direction and guidance to employees, and assists in establishing the philosophy of the department. Although CPD has a highly functional operation in place, and overtime deployments occur regularly, the department policies and procedures do not address practices that capitalize on overtime. IA found occurrences where officers took paid time off and worked overtime assignments during the same timeframe.

CPD has 24 timekeepers. Entering a large volume of data into a system originating from a manual timekeeping process subjects the entire process to errors. Internal controls must be in place to detect or prevent errors from occurring. IA found overpayment errors; inconsistencies in the timekeepers' processes; and occurrences where overtime data was entered into the system prior to the officer working the overtime assignment, and prior to receiving a supervisor's approval.

Technology improvements are needed to improve the overall efficiency of CPD's time management process. The current systems have limitations that prevent staff from utilizing an efficient system. For example, information is not available in real time, comparison reports cannot be generated, and the database requires downloads from other databases to be functional. An efficient database system is essential to streamline the entire time management process.

In effort to strengthen internal controls over the time management process, IA recommends CPD re-evaluate the entire process, document and enforce comprehensive policies and procedures, provide timekeepers with proper training and guidance, and purchase a database that will accommodate the department needs.

I. Introduction

Background

The Cincinnati Police Department's law enforcement operations are comprised of three bureaus that are directed by the Police Chief: Patrol Bureau, Investigations Bureau, and Support Bureau. The three bureaus consist of sections, some of which are broken down into units and squads. The Patrol Bureau consists of five police districts along with the Special Events Unit. CPD employs over 1,000 sworn officers and 132 civilian employees. As the primary law enforcement agency of the City, CPD provides a full range of law enforcement services across 52 neighborhoods.

The mission of CPD is to develop personnel, manage resources to promote effective partnerships with the community, and to improve the quality of life through the delivery of fair and impartial law enforcement services while maintaining an atmosphere of respect for human dignity. In achieving its mission, CPD operations necessitate the deployment of overtime assignments.

CPD overtime policies and procedures are governed by CPD Labor Agreement, the Fair Labor Standards Act (FLSA), CPD Procedural Manual Section 12.825 (Procedure 12.825) Compensatory Time and Paid Overtime policy, and other applicable guidelines.

According to CPD Labor Agreement, all sworn officers who are required to work more than forty hours a week are entitled to receive overtime compensation at 1 ½ times the regular salary rate, or compensatory time (comp time) at the rate of 1 ½ times the actual overtime hours, or portions thereof worked. Additionally, if an officer is required to work one regularly scheduled off day, and then any consecutive regularly scheduled off day(s), the officer shall receive twice the regular hourly rate for all hours worked on the consecutive off day(s).

Under FLSA, non-exempt sworn employees such as police officers and specialists are permitted to accumulate up to 480 hours of comp time. When the 480 limit is reached, overtime must be paid in cash.

For management purposes, overtime activity is classified as contingency, increment, and reimbursable. Contingency overtime includes overtime assignments that are either non-routine or specifically funded (such as council mandated police visibility overtime (PVO) or project activities). Increment overtime consists of routine departmental operations. Reimbursable overtime is contingency overtime funded by a grant or another outside source. Additionally, officers can earn overtime compensation for required court appearances and by working off duty details for a private employer.

Currently, CPD has 24 timekeepers whom are tasked with processing, reporting, and maintaining overtime transactions.

During fiscal year 2015 (FY15), CPD's overtime budget was \$6.4 million.

Audit Selection

IA conducted this audit at the request of the Police Chief.

Audit Objective

The primary objective of this audit was to determine if contingency, increment, and reimbursable overtime was properly managed, authorized and approved.

Audit Scope and Methodology

To accomplish this audit, IA interviewed relevant staff members, analyzed overtime data, reviewed database systems, reviewed documented policies and procedures, examined authorization forms, reviewed payroll data, overtime reports and other supporting documentation. Records reviewed included overtime data incurred during the period of July, 2014 through September, 2015. IA also reviewed applicable federal, local and state requirements, the Cincinnati Municipal Code, the National Institute of Justice and other applicable guidelines.

Scope Limitation

At the request of the department, IA focused on contingency, increment, and reimbursable overtime. The audit excluded civilian employees, court overtime, and off duty details managed by private employers.

Statement of Auditing Standards

As required by Cincinnati Administrative Code Article II §15, this audit was conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS), except for standard 3.96 pertaining to external peer review requirements. This exception did not have a material effect on the audit.

IA continues to conduct internal quality reviews to assure the conformance with applicable GAGAS. IA performed the fieldwork between September and December 2015.

Commendations

Internal Audit commends the CPD staff on their cooperation throughout the audit.

II. Audit Findings and Recommendations

Overtime Documentation Review

Overtime forms were not properly approved and/or verified.

According to Procedure 12.825, employees working overtime must complete and submit an overtime form. The overtime form, also referred to as the 68p, must be pre-approved by a supervisor. After the overtime assignment has been completed, the 68p should be approved by the district/section/unit commander and verified by a supervisor. In addition to a supervisor's signature of approval, a properly completed form should also include the date of approval and verification before entering into the system for payment.

For testing purposes, IA obtained a data file from CPD Finance Management Section (Fiscal) containing paid overtime transactions and sorted the file by highest users. IA sampled 35 officers from the highest user category and selected 424-68p forms to determine if the overtime form had been properly approved and verified. The sample did not cover every district/section/unit of CPD. IA found 223 (53%) out of 423 were not properly approved and/or verified, and one 68p form could not be located. IA also found the highest users (excluding court overtime and off duty details) earned approximately \$15K to \$70K over base salary in overtime pay.

<i>Internal Audit's Review of the 68p Forms</i>			
District/Section/Unit	*No. of Forms	Not properly approved and/or verified	%
Canine Detection	20	1	5%
Central Business Section/Special Events Unit	60	47	78%
Chief's Office	35	33	94%
Community Liaison Unit	44	42	95%
Criminal Investigations Section	11	9	82%
District One	22	15	68%
District Two	10	8	80%
District Three	30	25	83%
District Four	34	7	21%
District Five	20	16	80%
Gang Enforcement	7	1	14%
Planning	1	0	0%
Safe Streets	1	0	0%
Special Investigations Section	2	2	100%
Tactical Coordinator	10	1	10%
Traffic	33	1	3%
Training/Police Academy	49	6	12%
Youth Services	34	9	26%
Total	423	223	53%

* Note: One 68p form could not be located.

** The sample did not cover every district/section/unit of CPD.

While reviewing the forms, IA found occurrences where a non-sworn employee verified an officer's overtime form and an occurrence where an officer approved her 68p and leave form contrary to policy. IA inquired further with staff concerning these issues of non-compliance and found there was a lack of proper oversight.

IA also selected and reviewed ten 17s forms, which are used when requesting personnel coverage for overtime assignments. IA found 2 (20%) forms were missing. According to CPD records retention schedule, the current year plus 5 years should be retained.

Recommendation 1: CPD should communicate the importance of adhering to the overtime policy, and implement internal controls to ensure overtime forms and leave forms are not processed without proper approvals and verification. Additionally, any exceptions to the policy should be properly approved and documented.

Department Response: Agree. CPD Inspections Unit will restart their biannual audit of overtime. This audit has been expanded to include a random sample of officers' overtime forms from all the Districts, Sections and Units, a review of the 5 top overtime earners from each rank and a review of all Districts' VCS Units, Neighborhood Officer Units and Investigative Units.

Recommendation 2: CPD should implement proper oversight controls at all levels to ensure compliance with policy and procedures pertaining to obtaining proper authorization for leave requests.

Department Response: Agree. CPD will revise Procedure 12.825 to reflect who is authorized to preapprove and authorize overtime slips at all levels and ranks of the CPD.

Recommendation 3: CPD should ensure that 17s forms are retained in compliance with the records retention schedule.

Department Response: Agree. CPD will publish a staff note reminding District, Section, and Unit Commanders to review Procedure 17.100 Police Records: Storage and Maintenance, and Initiating New Records and Forms. District, Section, Unit Commanders will also ensure any type of record identified for destruction has been properly maintained according to the Records Retention Schedule, located on the Department intranet.

Policies and Procedures

A comprehensive overtime policy was not established.

Comprehensive policies and procedures are key components of internal controls. Policies and procedures provide direction and guidance to employees, and assists in establishing the philosophy of the department. Although CPD has a highly functional operation in place, and overtime deployments occur regularly, the department policies and procedures do not address practices that capitalize on overtime.

For example, IA found occurrences where officers took paid time off and worked overtime assignments during the same timeframe. Additionally, CPD's position on excessive work hours and the reasonableness of hours worked has not been clearly defined in Procedure 12.825.

Without having a policy in place that provides formal direction and guidance on specific overtime practices, abuse could occur.

Recommendation 4: CPD should establish and enforce a comprehensive overtime policy addressing the department position and philosophy on overtime usage. At a minimum, the overtime policy should address acceptable and unacceptable practices of overtime users, and define excessive use.

Department Response: Agree. CPD will revise Procedure 12.825 establishing a comprehensive overtime policy addressing the department's position and philosophy on overtime usage. Policy will include acceptable and unacceptable practices and define excessive use. CPD will clarify on whether CPD officers are permitted to take off their regularly scheduled duty hours to work Paid Vacation Overtime (PVO). CPD will also clarify who is authorized to preapprove and verify an officers' overtime form at each specific rank.

In addition, CPD intends to review overtime usage with all of its commanders and emphasize the responsibility for the entire Department to control it. This involves reviewing 'blanket' practices invoked by previous administrations to where overtime will only be utilized when absolutely necessary to achieve CPD's mission. Department commanders should be held accountable for overtime usage through the Department's weekly performance management meetings.

Recommendation 5: CPD should consult with the Law department to determine the maximum amount of daily work hours in order to comply with applicable laws and regulations, and update Procedure 12.825.

Department Response: Agree. CPD will research and consult with the Law Department to determine the maximum amount of daily work hours an officer will be allowed to work in order to comply with applicable laws and regulations. CPD currently allows an officer to work no more than 18 hours during a 24 hour period. These hours include the officers regular tour of duty and outside employment.

Timekeepers

Payment errors and other inconsistencies in the timekeeping process were found.

Management provides direction and guidance to staff by carefully documenting policies and procedures, and by properly communicating them to employees. Monitoring employees, providing routine training, and ensuring procedures are properly performed help reinforce policies and aids in catching inconsistencies and errors.

The 68p includes a section that must be completed by the designated timekeeper. The timekeepers are tasked with filling in the overtime hours, overtime rate, pay code, date entered and the pay period. Timekeepers are also responsible for entering the data into the system and ensuring it is accurate. After entering the data, a transaction report can be generated and reviewed by the timekeeper to catch errors.

IA found timekeepers use various methods for completing and reviewing 68p's. IA also found the following occurrences: overtime data was entered into the system prior to the officer working

the overtime assignment, overtime data was entered prior to receiving a supervisor's approval, and overpayments were made in error. Entering a large volume of data into a system originating from a manual timekeeping process subjects the entire process to errors.

IA was provided with the Payroll Storage System (PSS) user manual, which was last updated in August 2001. The procedural manual is a technical tool used to assist timekeepers with entering information into the payroll system. However, the manual does not inform timekeepers on how to properly discern between a complete and incomplete 68p along with other issues that arise when reviewing overtime forms. For example, the manual does not address the timekeeper's method for resolving discrepancies, which may consist of reviewing the time book, line-ups, and other documentation.

Internal reviews of the process would aid in detecting errors. According to Standard Operating Procedure 1.110 (Procedure 1.110), CPD Inspection Section should conduct biannual overtime audits to assess compliance with Procedure 12.825. Audits were consistently performed until early 2014.

A recurring training workshop would be useful in providing guidance to timekeepers, by creating a platform for Fiscal personnel and a senior timekeeper to share their knowledge and expertise on implementing efficient measures for completing, reviewing and recording overtime transactions. Additionally, documenting questions asked during the workshop and the correct responses would assist other timekeepers in the future who may have similar questions.

Recommendation 6: CPD should ensure that the timekeepers are generating and reviewing the transaction reports after entering overtime transactions. The report should be used as a tool to reconcile the 68p's. Any errors or discrepancies should be rectified immediately.

Department Response: Agree.

Recommendation 7: CPD should clearly define the proper procedures for completing and processing overtime forms, and include examples of what constitutes an incomplete form in the PSS manual. Additionally, the PSS manual should be updated on a regular basis as changes occur.

Department Response: Agree. CPD will clearly define the proper procedure for completing and processing overtime forms. Examples should be included in Procedure 12.825 of what constitutes an incomplete overtime form. The PSS will be updated as it has not been updated since 2001.

Recommendation 8: CPD should reconvene the overtime audits. The audits should also include a review of the transaction report, and overtime transactions posted in the overtime database to detect instances of non-compliance.

Department Response: Partially Agree. CPD will reconvene and expand the overtime audits conducted by Inspections Unit as stated above.

Recommendation 9: CPD should provide a recurring training workshop for all CPD timekeepers on a routine basis. The questions and corresponding answers presented during the workshop should be documented online or in the procedure manual for future reference, similar to FAQs.

Department Response: Agree. CPD will provide a recurring training workshop for all CPD timekeepers on a biannual basis. Updates will be placed in the PSS.

The timekeeper's reporting structure needs to be reviewed.

IA found there is no formal organizational structure in place that identifies proper training and integration into the police chain of command. Per the job description, many of the timekeepers report to the District Administrative Assistants. These positions are held by the Administrative Sergeants, whose expertise primarily lies in law enforcement not timekeeping. Meanwhile, Fiscal relies heavily upon the 24 timekeepers to ensure the overtime process is timely, accurate, and efficient. However, Fiscal does not have supervisory authority over the timekeeper's role.

Recommendation 10: CPD should re-evaluate the entire time management process including the timekeepers reporting structure.

Department Response: Agree. CPD will determine if it would be best if Fiscal Management Section (FMS) take over management of the timekeepers.

Compensatory balance exceeded the allowable amount per FLSA guidelines.

Under the Fair Labor Standard Act (FLSA), non-exempt sworn employees such as police officers and specialists are permitted to accumulate up to 480 hours of comp time. When the 480 limit is reached, overtime must be paid in cash. According to staff, timekeepers receive a bi-weekly report to reconcile comp time balances, and any discrepancies should be resolved quickly. Additionally, a correspondence report is sent to Fiscal indicating comp time balances are correct. Despite these measures, IA found one police officer's balance was stated as 486.25 in the City's payroll system. CPD staff was unable to determine how this occurred; however, the issue was immediately addressed when brought to their attention.

Recommendation 11: CPD should strengthen its internal controls over reviewing the timekeeper's comp time reconciliation process to ensure discrepancies are detected and resolved in a timely manner.

Department Response: Partially Agree. Internal controls would depend on the outcome if the timekeepers are under FMS or CPD. FMS contends a centralized deployment would reduce errors and enhance system efficiency while commanders argue errors are best eliminated through the everyday collaboration that already occurs between unit administrators and the onsite timekeeper. At this time, CPD remains uncommitted on timekeeper redeployment.

Recommendation 12: CPD should work with the Enterprise Technology Solutions (ETS) department to ensure that non-exempt sworn officers such as police officers and specialists do not exceed the 480 limit in the City's payroll system.

Department Response: Agree. FMS contacted CPD Technology and Systems to fix the timekeepers compensatory time reconciliation process. CPD Technology and Systems have corrected this issue in the Internal Payroll System. The CHRIS system has not been able to program a restriction to provide a change to paid time.

Technology/Data

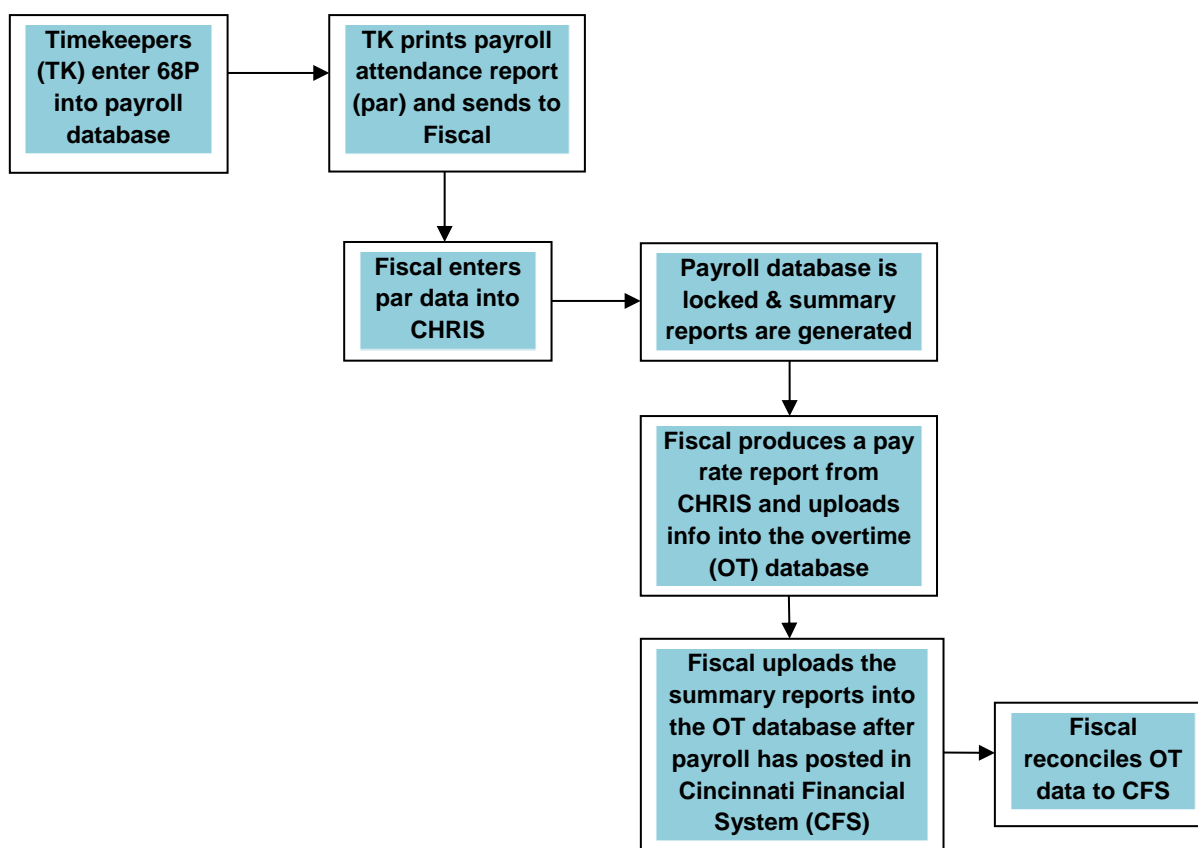
Technology improvements and system documentation were needed.

CPD currently uses a manual system to process overtime usage. The process involves a number of steps and personnel to ensure its success. Refer to the chart below.

The current process relies on two internally developed databases (payroll & overtime), both of which have limitations and prevent efficiency. For example, the systems are not user friendly, they do not interface with Cincinnati Human Resources Information System (CHRIS), information is not available in real time, and comparison reports cannot be generated.

Furthermore, CPD has not documented the process used to develop these internal systems; thereby increasing the risk of relying on the employees who created them. Should those employees leave the organization, CPD may not be able to maintain the functionality of the system.

CPD Payroll and Overtime Process



Recommendation 13: CPD should research time management systems to determine the most suitable database solution, and initiate the process for purchasing software that will accommodate the department needs and streamline the payroll and overtime management

process. IA recommends that CPD study and benchmark time management systems used by similar law enforcement agencies in order to determine the best system that meets its needs.

Department Response: Partially agree. FMS has determined that with modification CHRIS could provide the needed functionality. To date, funding for those upgrades has not been available. City HR made that budget request again for FY17.

Recommendation 14: CPD should document the method used to create the payroll and overtime database systems. Additionally, any updates should be documented.

Department Response: Agree. CPD also believes the dedication of any future production and staff time to enhance the current system would be better utilized in pressing forward with the development of a more responsive and efficient direct payroll system.

CPD has not created a succession plan governing the management of the payroll and overtime process.

Succession planning is a means for an organization to ensure its continued effective performance through leadership continuity. It is a process for identifying and developing internal people to fill key positions. CPD has not created a succession plan relating specifically to the function of managing the payroll and overtime processes. At a minimum, these functions should include procedures performed by Fiscal to record data into CHRIS, locking pay periods, preparing summary reports, uploading data from CHRIS, and reconciling data.

In the event key personnel leave the department, CPD will not be able to easily transition the payroll and overtime management processes currently in place. Documenting the functionality of the process ensures that knowledge is passed along and productivity continues seamlessly.

Recommendation 15: CPD should develop a succession plan that includes written policies and procedures governing the payroll and overtime management process to ensure a smooth transition in the event of staff turnover.

Department Response: Disagree. FMS has responded their section has maintained at least 2 staff able to provide the process provided in Recommendation 15.

Fiscal Responsibility

Overtime reports were not consistently submitted for review.

Monitoring and tracking overtime expenditures is a key internal control that ensures resources are properly managed and used appropriately. During FY15, CPD was appropriated funds to cover PVO, and each district was allocated funds to cover cost. The districts were to provide CPD Patrol Administration with PVO allocation reports on a routine basis. Once received, CPD Patrol Bureau reviewed, signed and dated the report. According to CPD staff, the districts' PVO allocation reports were not turned in consistently during FY15. The PVO allocation report is a useful tool for monitoring PVO activity and should be reviewed thoroughly. Strengthening internal controls over the districts PVO reporting process is needed to provide adequate PVO reviews and oversight.

Recommendation 16: CPD should communicate the importance of providing a PVO allocation report to the districts and request that all districts submit a report to the Patrol Administration on a routine basis until PVO funds have been fully expended.

Department Response: Agree. CPD will develop a policy on PVO including at a minimum, who will manage the money, how the officers are selected, and when the allocation forms are due.

III. Conclusion

The Cincinnati Police Department (CPD) provides valuable services to the community. The deployment of overtime assignments is fundamental in achieving their mission and objectives. Therefore, it is imperative that CPD's time management system and processes operate effectively and efficiently.

The audit revealed CPD's internal controls over managing the overtime process need strengthening. Some of the internal control weaknesses stem from vague policies and procedures, insufficient reviews of overtime documentation, and noncompliance with standard operating procedures. Additionally, CPD database systems used to manage the payroll and overtime process has limitations that prevent efficiency.

CPD should re-evaluate the time management process in its entirety. This includes reviewing the timekeeper's role and reporting structure, and investing in technology that will accommodate the department's needs. IA recommends CPD work with the administration to hire an outside consulting firm that specializes in police administrative functions and time management systems, and has successfully recommended and implemented similar processes in law enforcement operations.

IV. Cincinnati Police Department Response

Recommendation 1: CPD should communicate the importance of adhering to the overtime policy, and implement internal controls to ensure overtime forms and leave forms are not processed without proper approvals and verification. Additionally, any exceptions to the policy should be properly approved and documented.

Department Response: Agree. CPD Inspections Unit will restart their biannual audit of overtime. This audit has been expanded to include a random sample of officers' overtime forms from all the Districts, Sections and Units, a review of the 5 top overtime earners from each rank and a review of all Districts' VCS Units, Neighborhood Officer Units and Investigative Units.

Recommendation 2: CPD should implement proper oversight controls at all levels to ensure compliance with policy and procedures pertaining to obtaining proper authorization for leave requests.

Department Response: Agree. CPD will revise Procedure 12.825 to reflect who is authorized to preapprove and authorize overtime slips at all levels and ranks of the CPD.

Recommendation 3: CPD should ensure that 17s forms are retained in compliance with the records retention schedule.

Department Response: Agree. CPD will publish a staff note reminding District, Section, and Unit Commanders to review Procedure 17.100 Police Records: Storage and Maintenance, and Initiating New Records and Forms. District, Section, Unit Commanders will also ensure any type of record identified for destruction has been properly maintained according to the Records Retention Schedule, located on the Department intranet.

Recommendation 4: CPD should establish and enforce a comprehensive overtime policy addressing the department position and philosophy on overtime usage. At a minimum, the overtime policy should address acceptable and unacceptable practices of overtime users, and define excessive use.

Department Response: Agree. CPD will revise Procedure 12.825 establishing a comprehensive overtime policy addressing the department's position and philosophy on overtime usage. Policy will include acceptable and unacceptable practices and define excessive use. CPD will clarify on whether CPD officers are permitted to take off their regularly scheduled duty hours to work Paid Vacation Overtime (PVO). CPD will also clarify who is authorized to preapprove and verify an officers' overtime form at each specific rank.

In addition, CPD intends to review overtime usage with all of its commanders and emphasize the responsibility for the entire Department to control it. This involves reviewing 'blanket' practices invoked by previous administrations to where overtime will only be utilized when absolutely necessary to achieve CPD's mission. Department commanders should be held accountable for overtime usage through the Department's weekly performance management meetings.

Recommendation 5: CPD will consult with the Law department to determine the maximum amount of daily work hours in order to comply with applicable laws and regulations, and update Procedure 12.825.

Department Response: Agree. CPD will research and consult with the Law Department to determine the maximum amount of daily work hours an officer will be allowed to work in order to comply with applicable laws and regulations. CPD currently allows an officer to work no more than 18 hours during a 24 hour period. These hours include the officers regular tour of duty and outside employment.

Recommendation 6: CPD should ensure that the timekeepers are generating and reviewing the transaction reports after entering overtime transactions. The report should be used as a tool to reconcile the 68p's. Any errors or discrepancies should be rectified immediately.

Department Response: Agree.

Recommendation 7: CPD should clearly define the proper procedures for completing and processing overtime forms, and include examples of what constitutes an incomplete form in the PSS manual. Additionally, the PSS manual should be updated on a regular basis as changes occur.

Department Response: Agree. CPD will clearly define the proper procedure for completing and processing overtime forms. Examples should be included in Procedure 12.825 of what constitutes an incomplete overtime form. The PSS will be updated as it has not been updated since 2001.

Recommendation 8: CPD should reconvene the overtime audits. The audits should also include a review of the transaction report, and overtime transactions posted in the overtime database to detect instances of non-compliance.

Department Response: Partially Agree. CPD will reconvene and expand the overtime audits conducted by Inspections Unit as stated above.

Recommendation 9: CPD should provide a recurring training workshop for all CPD timekeepers on a routine basis. The questions and corresponding answers presented during the workshop should be documented online or in the procedure manual for future reference, similar to FAQs.

Department Response: Agree. CPD will provide a recurring training workshop for all CPD timekeepers on a biannual basis. Updates will be placed in the PSS.

Recommendation 10: CPD should re-evaluate the entire time management process including the timekeepers reporting structure.

Department Response: Agree. CPD will determine if it would be best if Fiscal Management Section (FMS) take over management of the timekeepers.

Recommendation 11: CPD should strengthen its internal controls over reviewing the timekeeper's comp time reconciliation process to ensure discrepancies are detected and resolved in a timely manner.

Department Response: Partially Agree. Internal controls would depend on the outcome if the timekeepers are under FMS or CPD. FMS contends a centralized deployment would reduce errors and enhance system efficiency while commanders argue errors are best eliminated through the everyday collaboration that already occurs between unit administrators and the onsite timekeeper. At this time, CPD remains uncommitted on timekeeper redeployment.

Recommendation 12: CPD should work with the Enterprise Technology Solutions (ETS) department to ensure that non-exempt sworn officers such as police officers and specialists do not exceed the 480 limit in the City's payroll system.

Department Response: Agree. FMS contacted CPD Technology and Systems to fix the timekeepers compensatory time reconciliation process. CPD Technology and Systems have corrected this issue in the Internal Payroll System. The CHRIS system has not been able to program a restriction to provide a change to paid time.

Recommendation 13: CPD should research time management systems to determine the most suitable database solution, and initiate the process for purchasing software that will accommodate the department needs and streamline the payroll and overtime management process. IA recommends that CPD study and benchmark time management systems used by similar law enforcement agencies in order to determine the best system that meets its needs.

Department Response: Partially agree. FMS has determined that with modification CHRIS could provide the needed functionality. To date, funding for those upgrades has not been available. City HR made that budget request again for FY17.

Recommendation 14: CPD should document the method used to create the payroll and overtime database systems. Additionally, any updates should be documented.

Department Response: Agree. CPD also believes the dedication of any future production and staff time to enhance the current system would be better utilized in pressing forward with the development of a more responsive and efficient direct payroll system.

Recommendation 15: CPD should develop a succession plan that includes written policies and procedures governing the payroll and overtime management process to ensure a smooth transition in the event of staff turnover.

Department Response: Disagree. FMS has responded their section has maintained at least 2 staff able to provide the process provided in Recommendation 15.

Recommendation 16: CPD should communicate the importance of providing a PVO allocation report to the districts and request that all districts submit a report to the Patrol Administration on a routine basis until PVO funds have been fully expended.

Department Response: Agree. CPD will develop a policy on PVO including at a minimum, who will manage the money, how the officers are selected, and when the allocation forms are due.

Audit Conclusion: The audit revealed CPD's internal controls over managing the overtime process need strengthening. Some of the internal control weaknesses stem from vague policies and procedures, insufficient reviews of overtime documentation and noncompliance with standard operating procedures. CPD data base systems used to manage the payroll and overtime process has limitations that prevent efficiency.

CPD should re-evaluate the time management process in its entirety. This includes reviewing the time keepers' role and reporting structure and investing in technology that will accommodate the department's needs.

IA recommends CPD work with the administration to hire an outside consulting firm that specializes in police administrative functions and time management systems and has successfully recommended and implemented similar processes in law enforcement operations.

CPD Response: CPD will follow up and ensure all CPD responses have been reviewed, researched and resolved to take the appropriate action and response for the listed recommendations. FMS states a consultant would be included in the CHRIS system upgrade. The CHRIS modification will better serve all city departments.



Interdepartmental Correspondence Sheet

Date: February 18, 2016

To: Colonel Eliot K. Isaac, Police Chief

From: Lieutenant Colonel Dave Bailey, Executive Assistant Chief

Copies to:

Subject: **Department Overtime Audit Response**

The City Office of Independent Audit (IA) conducted a performance audit of the Cincinnati Police Department (CPD) overtime process. CPD utilizes overtime to accomplish numerous different functions:

Court Overtime – Utilized to have personnel available to assist with the prosecution of cases.

PVO Overtime – Allocated to augment personnel to address specific crime needs.

Increment Overtime – Utilized to address staffing shortages, field demands, meetings, reports or recall of specialized personnel to handle a myriad of incidents.

Contingency Overtime – Large events or incidents requiring inordinate amounts of personnel or of a significant duration

This audit was mainly concerned with Increment and Contingency overtime issues. Some of this overtime is able to be monitored and controlled by supervisory interventions. Usually, this would entail limiting overtime by adjusting personnel work hours or off days to more closely meet service needs. Staffing shortages are frequent due in part to a combination of hiring, attrition, sick time use and the ten hour shift option. The current labor agreement language at the very least seems to limit management's ability and responsibility to properly schedule the workforce to match the actual workload. More specifically, the current contract has two problematic clauses which impede management's ability to make necessary adjustments to personnel:

Section 6. Overtime Compensation (In part):

The City will have the right to annually change two (2) of the officer's regularly scheduled off days ("Discretionary Days"), upon seventy-two (72) hours notice to the member, without payment of the applicable overtime rate as set forth above. It is specifically understood that the overtime rates set forth in Example Nos. (1) through (4) below shall be paid to the member in the event any change in regularly assigned work hours or regularly scheduled off days occurs on the day(s) on which the events currently known as "Riverfest" and "Ujima" take place, whether or not those events shall continue to bear those designations. Every reasonable effort will be made to allow the member the opportunity to choose a substitute off day, at the member's choice, within the same work week.

The starting time of an employee's regularly scheduled tour of duty may be changed by the City by up to two (2) hours on either side of the scheduled tour of duty. If the starting time of the employee's regularly scheduled tour of duty is changed by more than two (2) hours, the employee will receive overtime compensation according to the examples set forth below

Essentially, anytime CPD changes an officer's schedule more than two off days per year or more than two hours from their normal starting time overtime must be paid.

The audit suggests improvements to the overtime process can be made in the following areas:

- Supervisory compliance with existing overtime procedures
- Internal auditing mechanisms
- Overtime entry, consistency and accuracy issues
- Technology needs

Supervisory compliance with existing overtime procedures:

The Department needs to emphasize its philosophy of minimizing overtime wherever possible. While we believe overtime is controlled for the most part at the uniformed shift level, we agree there is room for improvement within the specialized units and among command personnel. This auditing period also encompassed business practices implemented by the previous administration. Under that model, some personnel were granted unlimited overtime opportunities with little or no review. These practices have since been eliminated. And finally, we believe commanders have to take a more active role in the timekeeping review process and allocation of overtime.

Internal auditing mechanisms:

Under the previous police administration the periodic overtime audits conducted by the Department's Inspection Unit were suspended. This practice has also been restored and enhancements to the audits are being contemplated.

Overtime entry, consistency and accuracy issues:

CPD understands there is margin to improve accuracy and eliminate errors in recording overtime. Although standard operating procedures and training for timekeepers would be helpful as recommended by IA, the Department still remains uncommitted on the centralization of its timekeepers. CPD believes a more efficient timekeeping system can best be achieved through an active collaboration between the unit timekeepers.

Technology needs:

CPD concurs efficiency would be greatly enhanced through a direct entry timekeeping system.

DJB/djb

Approved
djb
2/23