



**Sun Metro Overtime  
Follow-Up Audit  
A2019-01**

Issued by the  
Internal Audit Office  
January 30, 2019

**City of El Paso  
Internal Audit Office  
Sun Metro Overtime Follow – Up Audit A2019-01**

**EXECUTIVE SUMMARY**

The Internal Audit Office conducted a Follow-Up Audit of the Sun Metro Overtime Audit Report dated October 2, 2017. The original Audit Report contained two findings. Upon completion of the audit fieldwork, we have determined the status of the recommendation for each audit finding as outlined in the table below:

Finding No.	Description of Findings / Status																				
1	<p>Sun Metro is not properly monitoring overtime. A review of the top 25 overtime earners for the three pay periods from January 8, 2017 to February 18, 2017 identified the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Coach Operators worked more than 24 hours of overtime per pay period.</td> <td style="text-align: center; padding: 2px;">Not Implemented</td> </tr> <tr> <td style="padding: 2px;">Coach Operators swiped in more than 3 minutes before their shift begins.</td> <td style="text-align: center; padding: 2px;">Not Implemented</td> </tr> <tr> <td style="padding: 2px;">Coach Operators swiped out more than 5 minutes after the end of their shift.</td> <td style="text-align: center; padding: 2px;">Not Implemented</td> </tr> <tr> <td style="padding: 2px;">Coach Operators worked more than 15 hours per day.</td> <td style="text-align: center; padding: 2px;">Not Implemented</td> </tr> <tr> <td style="padding: 2px;">Coach Operators worked overtime without prior approval.</td> <td style="text-align: center; padding: 2px;">Implemented</td> </tr> <tr> <td style="padding: 2px;">Coach Operators worked 10 or more hours without 8 consecutive hours off duty.</td> <td style="text-align: center; padding: 2px;">Not Implemented</td> </tr> <tr> <td style="padding: 2px;">Coach Operators worked split shifts without swiping out between shifts.</td> <td style="text-align: center; padding: 2px;">Implemented</td> </tr> <tr> <td style="padding: 2px;">Transit Supervisors are not reviewing excess overtime on timecards per Sun Metro's Policies.</td> <td style="text-align: center; padding: 2px;">Implemented</td> </tr> <tr> <td style="padding: 2px;">Three (3) Coach Operators worked more than 7 consecutive days without a day off for two pay periods.</td> <td style="text-align: center; padding: 2px;">Implemented</td> </tr> <tr> <td style="padding: 2px;">Overtime policy violations are not documented by Transit Supervisors.</td> <td style="text-align: center; padding: 2px;">Not Implemented</td> </tr> </table>	Coach Operators worked more than 24 hours of overtime per pay period.	Not Implemented	Coach Operators swiped in more than 3 minutes before their shift begins.	Not Implemented	Coach Operators swiped out more than 5 minutes after the end of their shift.	Not Implemented	Coach Operators worked more than 15 hours per day.	Not Implemented	Coach Operators worked overtime without prior approval.	Implemented	Coach Operators worked 10 or more hours without 8 consecutive hours off duty.	Not Implemented	Coach Operators worked split shifts without swiping out between shifts.	Implemented	Transit Supervisors are not reviewing excess overtime on timecards per Sun Metro's Policies.	Implemented	Three (3) Coach Operators worked more than 7 consecutive days without a day off for two pay periods.	Implemented	Overtime policy violations are not documented by Transit Supervisors.	Not Implemented
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2	<p>Sun Metro's scheduling of bus routes, Coach Operators, and Extra Board contributed to excessive overtime for the three pay periods selected for review from January 8 to February 18, 2017.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">51% of Sun Metro's bus routes are over 8 hours long per day.</td> <td style="text-align: center; padding: 2px;">Not Implemented</td> </tr> <tr> <td style="padding: 2px;">17 out of 25 (68%) Coach Operator's scheduled were more than 40 hours per week.</td> <td style="text-align: center; padding: 2px;">Not Implemented</td> </tr> <tr> <td style="padding: 2px;">9 out of 25 (36%) Coach Operators Extra Board duties were not documented on the Extra Board Report Time Log.</td> <td style="text-align: center; padding: 2px;">Implemented</td> </tr> </table>	51% of Sun Metro's bus routes are over 8 hours long per day.	Not Implemented	17 out of 25 (68%) Coach Operator's scheduled were more than 40 hours per week.	Not Implemented	9 out of 25 (36%) Coach Operators Extra Board duties were not documented on the Extra Board Report Time Log.	Implemented														
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For a detailed explanation of the current observations please refer to the appropriate finding contained on pages 3 & 4 of this Audit Report.

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**BACKGROUND**

The *Generally Accepted Government Auditing Standards* (Standard 5.06 and 6.36) states that auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements. The *International Standards for the Professional Practice of Internal Auditing* (Performance Standard 2500.A1) require that the Chief Audit Executive establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

**AUDIT OBJECTIVES**

The audit objective was to ensure that corrective action was taken by management to address the recommendations detailed in the original Audit Report dated October 2, 2017.

**AUDIT SCOPE**

The audit period covered the operations of Fiscal Year 2018.

**AUDIT METHODOLOGY**

To achieve our audit objectives we:

- Conducted interviews with Sun Metro Management and staff.
- Verified if Coach Operators are adhering to the department's Rules and Regulations by not:
  - Working more than 24 hours of overtime per bi-weekly pay period,
  - Swiping in early or swiping out late,
  - Working more than 15 hours per day,
  - Working overtime without prior documented approval,
  - Working 10 or more hours without 8 consecutive hours off duty,
  - Working split shifts without swiping out between shifts, and
  - Working more than seven (7) consecutive days without a day off.
- Verified if Transit Supervisors are reviewing Coach Operator timecards for overtime,
- Verified if overtime policy violations are documented by Transit Supervisors,
- Verified if Sun Metro route runs are scheduled to reduce overtime,
- Verified if Coach Operator schedules are being scheduled to minimize overtime, and
- Verified if Coach Operators on Extra Board assignments are properly documented.

We conducted this audit in accordance with *Generally Accepted Government Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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***ORIGINAL FINDINGS, ORIGINAL RECOMMENDATIONS, MANAGEMENT'S RESPONSE TO ORIGINAL FINDINGS, CURRENT OBSERVATION, AND STATUS***

Based on the results of follow-up test work, each original finding recommendation will be designated with one of the following four status categories:

<i>Implemented</i>	The finding has been addressed by implementing the original corrective action or an alternative corrective action.
<i>In Progress</i>	The corrective action has been initiated, but is not complete.
<i>Not Applicable</i>	The recommendation is no longer applicable due to changes in procedures or changes in technology.
<i>Not Implemented</i>	The recommendation was ignored, there were changes in staffing levels, or management has decided to assume the risk.

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**Finding: 1**

**Current Observation**

A review of the two pay periods for the month of August 2018 for the top five (5) Coach Operator overtime earners was conducted. The review consisted of determining if Sun Metro Management is properly monitoring overtime and documenting disciplinary and corrective action. Based on our work conducted, we have determined:

**Implemented**

- All Coach Operator overtime is approved by Sun Metro Management.
- The timecards for the five Coach Operators reviewed show no indication of split shifts. These five (5) Coach Operators are allowed to not swipe out for split shifts. The time between assignments is used to transition from one assignment to another.
- Transit Supervisors are reviewing Coach Operator time cards for overtime.
- Coach Operators are not working more than seven (7) consecutive days without a day off.

**Not Implemented**

- As required by Sun Metro Policy, Coach Operators should not exceed 24 hours of overtime per pay period. Overtime ranges from 35 hours/29 minutes to 75 hours/47 minutes for the two pay periods reviewed.
- Coach Operators are swiping in early/late before and after their shifts. Early swipes range from 3 to 10 minutes for pay period ending August 4, 2018. Late swipes range from 1 minute to 1 hour/35 minutes for the two pay periods reviewed.
- Coach Operators are working more than 15 hours per day (8 regular hours plus 7 overtime hours). Hours range from 15 hours/7 minutes to 17 hours/1 minute total per day for the two pay periods reviewed.
- As required by Sun Metro Policy, Coach Operators should not work 10 total hours or more without eight (8) consecutive hours off duty. Hours worked range from 12 hours/4 minutes to 17 hours/1 minute per shift for the two pay periods reviewed.
- As required by Sun Metro Policy, overtime violations should be documented by Transit Supervisors. Overtime violations in excess of the allowed 24 hour limit per pay period are not being documented by Transit Supervisors.

**Status**

In Progress

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**Finding: 2**

**Current Observation**

A review of the two pay periods for the month of August 2018 for the top five (5) Coach Operator overtime earners was conducted. The review consisted of determining if bus route runs and Coach Operator schedules are being designed to reduce overtime. Also to determine if Coach Operators Extra Board assignments are documented. Based on our work conducted, we have determined:

**Implemented**

The five Coach Operators on Extra Board assignments were properly documented.

**Not Implemented**

Bus route runs continue to be scheduled to include overtime. 630 Sun Metro route runs for Weekdays, Saturday's, Sunday's, Holiday's and Route 90 were reviewed. The following was noted:

- 161 out of 226 (71%) Weekday route runs are scheduled over eight (8) hours. Overtime ranges from 3 minutes to 3 hours/2 minutes.
- 112 out of 178 (63%) Saturday route runs are scheduled over eight (8) hours. Overtime ranges from 1 minute to 3 hours/8 minutes.
- 24 out of 126 (19%) Sunday route runs are scheduled over eight (8) hours. Overtime ranges from 1 minute to 2 hours/33 minutes.
- 3 out 94 (3%) Holiday route runs are scheduled over eight (8) hours. Overtime ranges from 1 minute to 25 minutes.
- 0 out of 6 (0%) Route 90 route runs are scheduled over eight (8) hours.

<b>Name of Route Runs</b>	<b>Total Route Runs</b>	<b>Total Route Runs Over 8 Hours</b>	<b>Percentage</b>
Weekday Routes	226	161	71%
Saturday Routes	178	112	63%
Sunday Routes	126	24	19%
Holiday Routes	94	3	3%
Route 90	6	0	0%
<b>Overall Total:</b>	<b>630</b>	<b>300</b>	<b>48%</b>

Coach Operator schedules continue to include overtime. Overtime ranges from 35 hours/29 minutes to 75 hours/47 minutes for the two pay periods reviewed.

**Status**

In Progress

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***INHERENT LIMITATIONS***

Because of the inherent limitations of internal controls, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods beyond the Audit Report date are subject to the risk that procedures may become inadequate due to changes in conditions, management override of internal controls, or that the degree of compliance with the procedures may deteriorate. This was a limited scope audit which only reviewed the areas stated in the Audit Objectives during the Audit Scope period. No representations of assurance are made to other areas or periods not covered by this audit.

***CONCLUSION***

We have concluded our audit work on the objectives of the Sun Metro Overtime Follow-Up Audit. The audit evidence used in the analysis is sufficient and appropriate for addressing the objectives and supporting the observations and conclusion. In accordance with Generally Accepted Government Auditing Standards we are required to conclude on whether the Sun Metro Department met the objectives of this audit. The following is our conclusion.

The Sun Metro Department has met the audit objectives in the following areas:

- Coach Operator overtime is approved by Sun Metro Management,
- Coach Operators are not working split shifts,
- Coach Operators are not working more than seven (7) consecutive days without a day off,
- Transit Supervisors are reviewing overtime per section 2.41.2 *Overtime* of the Sun Metro's Rules and Regulations Manual, and
- All Extra Board assignments were properly documented.

The Sun Metro Department did not meet the audit objectives in the following areas:

- Coach Operators are working more than 24 hours of overtime per pay period contrary to section 5.12.3 *Working Hours* of the Sun Metro's Rules and Regulations Manual,
- Coach Operators are swiping in early/late before and after their shifts,
- Coach Operators are working more than 15 hours per day contrary to section 5.12.4 *Working Hours* of the Sun Metro's Rules and Regulations Manual,
- Coach Operators are working 10 hours or more without eight (8) consecutive hours off duty,
- Overtime policy violations are not documented by Transit Supervisors,
- Coach Operator schedules continue to include overtime, and
- Bus route runs continue to include overtime.

We wish to thank the Sun Metro Department and staff for their assistance and numerous courtesies extended during the completion of this audit.



Edmundo S. Calderón, CIA, CGAP, CRMA, MBA  
Chief Internal Auditor



Lyz Parra, MBA, CGAP  
Auditor II



Miguel Montiel CIA, CGAP  
Auditor IV

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Distribution:

Financial Oversight and Audit Committee

Tomas Gonzalez, City Manager

Ted Marquez, Deputy City Manager of Public Works & Transportation

Jay Banasiak, Sun Metro Mass Transit Director





**Management Responses to the  
Sun Metro Overtime  
Follow-Up Audit  
A2019-01**

Received by the  
Internal Audit Office  
March 6, 2019



**SUN METRO**

**Mayor  
Dee Margo**

**City Council**

*District 1*  
**Peter Svarzbein**

*District 2*  
**Alexsandra Anello**

*District 3*  
**Cassandra Hernandez**

*District 4*  
**Dr. Sam Morgan**


*District 5*  
**Isabel Salcido**

*District 6*  
**Claudia Ordaz Pérez**

*District 7*  
**Henry Rivera**

*District 8*  
**Cissy Lizarraga**

**City Manager  
Tommy Gonzalez**

Date: March 6, 2019  
To: Edmundo S. Calderon, Chief Internal Auditor  
From: Lloyd J. Williams, Assistant Director of Operations   
Subject: Response to Audit Findings

As discussed in our meeting I wanted to reply to some of the finding in the Audit Report.

In "Finding 1" there were a few items that show as "Not Implemented". Some of the policies that were created when we wrote the Sun Metro Rules and Regulations back in 2013 were done at a time when we were close to fully staffed and staffing and retention was not a major issue. We do not want operators to exceed 24 hours of OT per pay period nor work more than 15 hours a day nor work more than 10 hours a day without 8 consecutive hours off for a number of reasons like fatigue, safety concerns, morale, our drivers getting burnt out, etc.. and that's why we came up with those rules back in 2013, but we are facing a situation now that was not the case back in 2013 and that is a mass exodus of drivers due to them being able to go to the oil fields only 3 hours away and make \$40 dollars/hour or go drive a truck and make 80-100k a year. Add that we are also competing with the school districts and the UTEP shuttle who offers way better more affordable (health insurance) benefits and you will see we are losing the recruiting battle for drivers. This is a nationwide industry problem by the way with unemployment levels being historically low. We are also facing a lot of drivers leaving because when we cut overtime the last 2 years from \$3,920,916 in 2016 to \$3,147,231 in 2018 ( a \$773,685 decrease) drivers left in droves because their retirement was now being affected because OT is used to calculate their retirement earning so if there was no or less OT it hurt their retirement. It was a perfect storm. We reduced OT, drivers left 3 to 4 times faster than they ever did and that caused staffing issues.

On the early swipe ins and outs, we will continue to monitor it closely and use all tools at our disposal to bring that number further down.

In "Finding 2" there were a few items that show as "Not Implemented". They are in reference to our routes and the amount of OT built into them. One finding shows 71% of our weekday routes having built in OT ranging from 3 minutes to 3 hours and 2 minutes. That 71% is a bit deceiving because only 20 routes have





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*District 7*  
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*District 8*  
**Cissy Lizarraga**

**City Manager**  
**Tommy Gonzalez**

more than 2 hours of built in OT for a total of 11.3 %. Only 5 routes have more than 2 ½ hours of built in OT for a total of .02% and only 1 route has more than 3 hours of built in OT on weekdays for a total of .004%.

Same with Saturday Service routes. The report shows 63% of routes having built in OT anywhere from 1 minute all the way to 3 hours and 8 minutes. 27 routes have more than 2 hours of built in OT on Saturday for a total of 6.5%. 11 routes have more than 2.5 hours of built in OT on Saturdays for a total of .06% and 5 routes have more than 3 hours of built in OT for a total .02%.

Same with Sunday service. The report shows 19% of routes with built in OT from 1 minute all the way to 2 hours and 33 minutes. 4 routes have more than 2 hours of built in OT on Sundays for a total of .03%. 1 route has more than 2.5 hours of OT on Sundays for a total of .007%.

The reason that schedules are created with built in OT is because if we had perfect 8 hour schedules, the system would spit out a bunch of 2, 3, and 4 hour pieces that would be very difficult to cover because nobody wants to come in and work a 2 or 3 hour piece and only get paid for those hours and then have to go home. It's not worth it to them and when we have had to do this it has been difficult to get them to come in and do those type of work pieces.

Please let me know if there are further questions regarding this response.

