



# **Police Department Overtime 2<sup>nd</sup> Follow-Up Audit Report**

Issued by the  
Internal Audit Office  
August 24, 2011

**City of El Paso  
Internal Audit Office  
Police Department Overtime 2<sup>nd</sup> Follow-Up Audit**

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***EXECUTIVE SUMMARY***

The Internal Audit Office has concluded its fieldwork of the 2<sup>nd</sup> follow-up audit of the Police Department Overtime Audit Report dated August 14, 2006. Based on the follow-up audit fieldwork, we have determined the status of pending recommendations for each audit finding as outlined in the table below:

Finding No.	Description of Findings	Status
1	The Police Department's Procedures Manual does not address Flex Time, weekday appointments of an "Acting Commander/Captain/Manager," time guidelines for overtime slips submittal, and the tracking of outside employment.	Implemented During 1 <sup>st</sup> Follow-Up
2	Overtime expenditures are not being properly allocated to the appropriate grant account. The Grant Division's documented procedures are not specific and do not provide adequate guidance on how to allocate grant expenditures, or how to correct errors and/or omissions related to grant expenditures.	Implemented During 1 <sup>st</sup> Follow-Up
3	<p>A sample of 123 Overtime (OT) Slips submitted by 22 officers covering the month of January 2006 was reviewed for accuracy, validity, and proper approval. The results of our review indicate the following:</p> <ul style="list-style-type: none"> <li>• 75 out of 123 OT Slips (60.9%) were not dated. The form does not require an approval date by design. Therefore, making it difficult to determine if the overtime was valid, approved, and submitted within the required timeframe.</li> <li>• 16 out of 123 OT Slips (13.0%) were not approved by a Commander, Captain, or Civilian Manager for overtime occurring during a weekday.</li> <li>• Four out of 123 OT Slips (3.3%) were not submitted to the Payroll Division within the 48 hours requirement and were not properly approved.</li> <li>• One out of 123 OT Slips (0.8%) was missing the reason for the overtime and was not properly approved.</li> </ul>	Not Implemented Management Will Assume the Risk of not Implementing
4	<p>The following items were identified related to the KRONOS Time Management System:</p> <ul style="list-style-type: none"> <li>• KRONOS is not being used to identify excess accruals for vacation and compensatory (comp) time leave.</li> <li>• KRONOS is not adjusting or calculating shift differential for officers whose day shift carries them into an evening shift.</li> <li>• The work schedule in KRONOS is being overridden by leave entries in POLICE MANAGER.</li> </ul>	Implemented During 1 <sup>st</sup> Follow-Up
5	The Police Department is using two Time Management Systems to monitor its employees work schedules and process leave requests, KRONOS and POLICE MANAGER. Resulting in a duplication of effort and inaccurate entries due to the challenges associated with the data interface between the systems.	Implemented During 1 <sup>st</sup> Follow-Up

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6	The Police Department is not in compliance with the Collective Bargaining Agreement's (Article 10, Section 2) stipulation allowing a maximum accrual of 320 vacation leave hours and the Civil Service Commission Rule 13 (Section 4.b) regarding the forfeiture of leave balances over the 320 hours.	Implemented During 1 <sup>st</sup> Follow-Up
7	There is a problem with the payment and processing of overtime. 81 out of 2,205 overtime payments reviewed (3.7%) were processed as retroactive overtime payments totaling \$8,586.43.	Implemented During 1 <sup>st</sup> Follow-Up
8	A review of 16 Outside Employment Applications for the month of January 2006 indicated the following: <ul style="list-style-type: none"> <li>• 14 out of 16 applications (87.5%) did not contain a copy of the employee's work schedule as required by the form.</li> <li>• Three out of 16 applications (18.8%) did not list the "Location/Comments" and were not approved by the Department Head.</li> <li>• There was one entry in the "Outside Employment" spreadsheet that should not have been considered as outside employment because the officer was working grant overtime.</li> </ul>	Implemented During 1 <sup>st</sup> Follow-Up
9	The Police Department currently has only one Certified Breath Test Program Technical Supervisor and 31 Certified Breath Test Operators, resulting in increased overtime for these officers.	Implemented During 1 <sup>st</sup> Follow-Up
10	The Police Department does not have a rotation policy for officers working overtime.	Implemented During 1 <sup>st</sup> Follow-Up
11	Vacation leave requests, are not being properly approved by management. The approvals involved individual requests and approvals in POLICE MANAGER.	In Progress
12	Comp Time support documentation is incomplete or missing. Thus, making it difficult to verify the validity, authorization, and compliance with Police Department Policies and Procedures.	Implemented During 1 <sup>st</sup> Follow-Up
13	There are delays in the submission and approval of Comp Time requests.	Implemented During 1 <sup>st</sup> Follow-Up

For a detailed explanation of findings #3 and #11 with their current observations please refer to the appropriate finding contained in the body of this Audit Report.

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***BACKGROUND***

The *Generally Accepted Government Auditing Standards*, Standard 4.09 and 6.09, and the *International Standards for the Professional Practice of Internal Auditing*, Standard 2500.A1, require a post audit follow-up on all audit recommendations made in order to ascertain that appropriate corrective action is taken to address reported audit findings. The Internal Audit Office has conducted a second follow-up audit of the Police Department Overtime Audit Report dated August 14, 2006.

***AUDIT OBJECTIVES***

The audit objective was to determine the status of the two (2) pending recommendations found to be “In Progress” during the initial follow-up audit.

***AUDIT SCOPE***

This follow-up audit was limited to a review of the pending findings and recommendations detailed in the *Police Department Overtime Audit Report* dated August 14, 2006. The audit period covered the operations of the Police Department from March 1, 2011 to the present.

***AUDIT METHODOLOGY***

To achieve our audit objectives we:

- Conducted a review of the Police Department Procedures Manual;
- Conducted interviews of Police Department management and staff;
- Conducted an analysis of overtime requests;
- Conducted an analysis of overtime request approvals;
- Conducted an analysis of vacation requests;
- Conducted an analysis of vacation request approvals.

We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards*. 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.

This audit was also conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* by the Institute of Internal Auditors.

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***ORIGINAL FINDINGS, ORIGINAL RECOMMENDATIONS, MANAGEMENT'S RESPONSE TO ORIGINAL FINDINGS, FIRST FOLLOW-UP OBSERVATION AND STATUS, 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.

**Original Finding 3**

**Overtime Slip Approval Procedures**

A sample of 123 Overtime (OT) Slips submitted by 22 officers covering the month of January 2006 was reviewed for accuracy, validity, and proper approval. The results of our review indicate the following:

- 75 out of 123 OT Slips (60.9%) were not dated. The form currently in use does not require an approval date by design. Therefore, making it difficult to determine if the overtime was valid, approved, and submitted within the required timeframe.
- 16 out of 123 OT Slips (13.0%) were not approved by a Commander, Captain, or Civilian Manager for overtime occurring during a weekday.
- Four out of 123 OT Slips (3.3%) were not submitted to the Payroll Division within the 48 hours requirement and were not properly approved.
- One out of 123 OT Slips (0.8%) was missing the reason for the overtime and was not properly approved.

**Recommendation**

The Police Department's Payroll Division needs to implement a quality control review procedure to ensure that OT slips are valid, properly approved (to include approval date) and submitted within the required timeframe of 48 hours from the date of the overtime.

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**Management's Response**

- Regarding the finding that overtime slips not being properly dated, it should be noted that the current overtime form does not require the date that it is approved at the Command level. This form will be amended to include a space requiring an approval date at the Command level.
- OT slips not being approved by a Commander, Captain, or Civilian Manager – the majority of the slips in question were signed by the acting Commander, Captain, or Civilian Manager. As per current policy, Supervisory Responsibility, Section 2-102.01 of the Department Manual as previously stated grants authority to an acting Commander, Captain, or Civilian Manager.
- The Police Department is in the process of developing an automated electronic system for the overtime processing. Currently all overtime is completed on hardcopy in a paper format that requires handwritten completion, review, and approval. Once approved, they must be hand delivered daily from a variety of locations throughout the city to Police Headquarters located at 911 Raynor to be manually posted by a Payroll Clerk. This entire process is very time consuming and inefficient, thus resulting in overtime slips not being submitted to our payroll section within the required time frame. Once the electronic submission, approval and posting is in place, this finding will be resolved.
- Regarding the last finding that .08% or 1 of 123 overtime slips failed to list the reason for OT will be addressed immediately and when the electronic overtime slip is implemented, as this will be a required field. As previously stated we are presently developing a form within the Police Manager System to automate the overtime process.

**Responsible Party**

Diane Kirk, Assistant Chief of Police

**Implementation Date**

September 1, 2007

**Chief Internal Auditor's Response:**

The Police Department is assuming additional risk by not fully implementing this recommendation. The Police Department is willing to revise its current procedures in dating the overtime request. The Police Department is also willing to practice the procedure of appointing a temporary Commander, Captain, or Civilian Manager.

The additional risks lie with the Police Department addressing the submission and justification of overtime by using the POLICE MANAGER System. The KRONOS System is capable of recording, processing, and monitoring overtime. The Police Department needs to implement the use of the KRONOS Time Management System in handling its overtime, which is the City of El Paso's official Time Management System. KRONOS currently interfaces with the City of El Paso's Payroll System.

**First Follow-Up Observation**

- Overtime (OT) requests are electronically submitted, approved, and posted to KRONOS via Agency Web on the day the overtime is worked. Overtime slips are no longer used, with the exception of TXDOT grant overtime and when the electronic system is down. The number of earn codes utilized by both Agency Web and KRONOS has increased in order to help identify the overtime reason.
- A sample of 74 overtime requests (excluding grant overtime), submitted by five officers during the period of March 28, 2010 to April 24, 2010 were selected for review. The results of our review indicated the following:
  - 12 out of 74 (16%) of OT occurrences reviewed were not submitted in Agency Web on the day the overtime was worked.
    - 11 occurrences were submitted the day after the OT was worked.
    - One occurrence was submitted five days after the OT was worked.
  - 50 out of 74 (68%) of OT occurrences were not approved on the same day the overtime was worked.
    - 31 occurrences were approved the day after the OT was worked.
    - 11 occurrences were approved two days after the OT was worked.
    - Five occurrences were approved three days after the OT was worked.
    - Two occurrences were approved four days after the OT was worked.
    - One occurrence was approved five days after the OT was worked.

**Status**

In Progress

The El Paso Police Department should consider revising its procedures regarding the submission and approval of overtime to allow more time for overtime requests to be submitted and approved.

**Current Observation**

- A sample of 50 overtime requests (excluding grant overtime), submitted by four officers during the period of May 29, 2011 to June 25, 2011, were selected for review. The results of our review indicated the following:
  - 17 out of 50 (34%) of OT occurrences reviewed were not submitted in Agency Web on the day the overtime was worked.
  - 39 out of 50 (78%) of OT occurrences were not approved on the same day the overtime was worked.
- During the first follow-up audit police officers were not submitting their overtime requests on the day the overtime was worked 16% of the time. Supervisors were not approving leave requests on time, 68% of the time. The exception rates increased during this Second Follow-Up Audit. The majority of late overtime requests were

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submitted the day after the overtime was worked and the majority of late overtime requests approvals were approved the day after the overtime request was submitted. The Police Department should consider revising its overtime request and approval procedures to correspond to actual practice.

**Current Status**

Not Implemented. The Police Department will assume the risk that until revisions are made in the submission and approval requirements, the non compliance rates will remain high.

**Original Finding 11**

**Vacation Leave Pre-Approval**

A review of the vacation leave taken by 5 Airport Division officers for a period from 1/1/05 to 12/31/05 indicated the following:

- Eight out of 39 instances (20.5%) were not approved by management before the leave was taken.
- Three out of 39 instances (7.7%) were not approved by management in Police Manager.

A review of the vacation leave taken by 5 Airport Division officers for a period from 1/1/06 to 6/16/06 indicated the following:

- Five out of 20 instances (25.0%) were not approved by management before the leave was taken.
- Two out of 20 instances (10.0%) were not approved by management in Police Manager.

**Recommendation**

Management needs to ensure that all vacation leave requests are submitted 24 hours in advance and approved by management before the leave date in accordance with the Collective Bargaining Agreement, Article 10, Section 2. The approval can be processed through KRONOS. KRONOS is the City's official Time Management System, and using it exclusively should help reduce inefficiencies and the risk of erroneous entries. In addition, it should help to ensure the timeliness of the approvals and submittals, resulting in reliable information to aid management in making scheduling decisions.



**Management's Response**

A major management challenge facing the Police Department is prompt review and approval of leave requests. Whether the system is the old paper system or a new electronic one, the department due to its sheer size has always struggled with supervisors promptly reviewing and processing employee leave requests.

- The Police Department will refine the POLICE MANAGER System to include an escalation component as what presently exists within COURT NOTIFY. Presently, supervisors receive an automatic notification through MS Outlook email when subordinate employees submit leave requests in COURT NOTIFY. This automatic notification will be further refined to escalate the leave request up the employee's chain of command if the immediate supervisor fails to review and act on the request within 24 hours. Likewise, the leave request will continue to escalate at each supervisory level if the leave request is not acted upon within 24 hours at each supervisory level. This quality control escalation will ensure leave requests are promptly processed, reducing the number of leave requests left unresolved or not acted while also reducing the number of retroactive pay adjustments required by payroll. Automatic escalation is one example of an extremely useful feature available in COURT NOTIFY/POLICE MANAGER that does not exist in KRONOS.

**Responsible Party**

Diana Kirk, Assistant Police Chief

**Implementation Date**

April 7, 2007

**Chief Internal Auditor's Response**

In reviewing the Police Department's response regarding refining the COURT NOTIFY System with an escalation component to notify supervisors of leave request. This procedure is not necessary as the KRONOS System currently provides this feature. Emails notifications are sent by KRONOS to the approving supervisor upon receiving an employee's leave request.

By refining the COURT NOTIFY System to process leave requests would create a duplication of effort on behalf of the Police Department. KRONOS is the official Time Management System for the City of El Paso. KRONOS currently interfaces with the City of El Paso's Payroll system. Implementation of the recommendation in this finding is necessary to improve the efficiency of approving leave requests.

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**First Follow-Up Observation**

A review of vacation leave taken by 10 police officers for the period of January 1, 2010 to March 31, 2010 indicated the following:

- Seven out of 25 (28%) instances of vacation leave taken were not submitted and approved in Agency Web prior to leave being taken.
  - In one of the instances, the vacation leave was directly entered into KRONOS and not submitted and approved in Agency Web.
- One out of 25 (4%) instances of vacation leave taken were submitted but not approved in Agency Web prior to leave being taken.

**Status**

In Progress

**Current Observation**

A review of vacation leave taken by 10 police officers for the period of March 1, 2011 to May 31, 2011 indicated the following:

- 2 out of 52 (4%) instances of vacation leave taken were not submitted and approved in Agency Web prior to leave being taken.
- 10 out of 52 (19%) instances of vacation leave taken were submitted but not approved in Agency Web prior to leave being taken.
  - In 4 of 10 (40%) instances, leave was not approved prior to leave being taken due to officer submitting their leave request within 8 minutes of leave start time, which may not give the approving supervisor enough time to make a decision and approve the leave request.

During the first follow-up audit police officers were not submitting their leave request prior to taking leave 28% of the time. Supervisors were not approving leave requests on time, 4% of the time. It appears that police officers are now submitting their leave requests prior to taking leave, but are not submitting the leave requests within enough time for their corresponding supervisor to approve their leave request prior to the officer's leave start time.

**Current Status**

In progress

The Internal Audit Office will not be conducting another follow-up on this finding. The Police Department will assume the responsibility of ensuring that vacation leave requests are submitted and approved in Agency Web prior to the leave being taken.

***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 are subject to the risk that procedures may become inadequate due to changes in conditions, or that the degree of compliance with the procedures may deteriorate.

***CONCLUSION***

We have concluded work on the audit objectives of the Police Department Overtime Second Follow-Up Audit. The original audit report, dated August 14, 2006, contained a total of thirteen findings. A First Follow-Up Audit was completed on May 19, 2010. Based on the results of the First Follow-Up Audit, eleven (11) of the original findings were classified as implemented, and two (2) were classified as in progress of being implemented. The results of this Second Follow-Up Audit indicate that one (1) finding is still in progress and one (1) has not been implemented.

- Improvements were identified with the submission of vacation leave requests since the First Follow-Up Audit, but not enough to classify the pending recommendation as fully implemented. Police Officers are now submitting vacation leave requests prior to leave being taken, but the requests are not being submitted with enough time for their approving supervisor to also approve their leave request prior to the leave being taken.
- The error rates for the submission and approval of overtime (OT) have increased since the First Follow-Up Audit. The majority of late overtime requests are submitted the day after the overtime is worked and approved the day after overtime is submitted. The requirement that OT be submitted and approved on the same day overtime is worked appears hard to meet. The Police Department should consider revising the current requirement.

The Internal Audit Office will not be scheduling additional work on this audit. The Police Department can expect future audit work in the area of overtime.

We wish to thank the El Paso Police Department's management and staff for their assistance and courtesies extended throughout this audit.

Signature on File  
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