

**AUDIT TEAM**

***Jim Williamson, CPA, CIA, City Auditor***

***Matt Weller, CPA, Assistant City Auditor***

***Brett Rangel, MS, CIA, Audit Manager***

***Tim Alvarez, CICA, Senior Auditor***

**OKLAHOMA CITY POLICE DEPARTMENT  
PAYROLLS**

**FOLLOW-UP ON PREVIOUS  
RECOMMENDATIONS**

**OCTOBER 8, 2013**

**MAYOR AND CITY COUNCIL**

<b><i>Mick Cornett</i></b>	<b><i>Audit Committee, Mayor</i></b>
<b><i>James Greiner</i></b>	<b><i>Ward 1</i></b>
<b><i>Ed Shadid</i></b>	<b><i>Ward 2</i></b>
<b><i>Larry McAtee</i></b>	<b><i>Audit Committee, Ward 3</i></b>
<b><i>Pete White</i></b>	<b><i>Ward 4</i></b>
<b><i>David Greenwell</i></b>	<b><i>Audit Committee, Ward 5</i></b>
<b><i>Margaret S. "Meg" Salyer</i></b>	<b><i>Ward 6</i></b>
<b><i>John A. Pettis Jr.</i></b>	<b><i>Ward 7</i></b>
<b><i>Patrick Ryan</i></b>	<b><i>Ward 8</i></b>



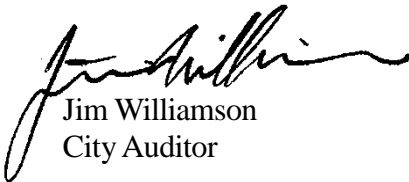
October 8, 2013

The Mayor and City Council:

The Office of the City Auditor has completed an audit of Oklahoma City Police Department (OCPD) payroll controls and followed up on recommendations and management responses included in our previous payroll-related audit report dated November 1, 2011. Based upon the results of our audit, we believe that:

- OCPD payrolls were materially accurate, complete, valid, and reasonably complied with applicable payroll-related regulations during the four months ended March 31, 2013.
- Certain OCPD payroll policies and procedures were not consistently applied across all pay locations. See Recommendations (1) through (4).
- Significant progress had been made as of June 30, 2013 in addressing citywide payroll processing recommendations arising from our previous audit.
- As previously recommended, the Oklahoma City Fire Department had not developed policies governing recording and use of some leave types as of June 30, 2013. See Status (6) and Status (7).

The content and emphasis of the items in this report have been discussed with appropriate management representatives to assure a complete understanding of the observations arising from our audit. Management responses are attached to this report in their entirety.

  
Jim Williamson  
City Auditor

  
Matt Weller  
Assistant City Auditor

  
Brett Rangel  
Audit Manager

# AUDIT OF OKLAHOMA CITY POLICE DEPARTMENT PAYROLLS

## AUDIT OBJECTIVE, BACKGROUND, SCOPE AND METHODOLOGY

The objectives of this audit were to:

- Evaluate the adequacy and determine the effectiveness of controls established to reasonably ensure Oklahoma City Police Department (OCPD) payrolls processed during the four months ended March 31, 2013 were accurate, complete, valid, and in compliance with applicable payroll-related regulations.
- Evaluate the status, as of June 30, 2013, of recommendations and management responses included in our previous audit report dated November 1, 2011.

During fiscal year 2012, City of Oklahoma City (City) payrolls totaled approximately \$300 million, including approximately \$93 million (31%) paid to more than 1,400 OCPD employees. OCPD payroll processing duties are decentralized across 17 different pay locations. Payroll clerks and supervisors at these 17 locations are responsible for processing employee payrolls in compliance with collective bargaining agreements (CBAs), the federal Fair Labor Standards Act (FLSA), City and departmental policies and procedures.

Procedures performed during our audit included interviews of management personnel; reviews of relevant CBAs, federal regulations, and City and departmental payroll policies; assessment of OCPD's approval hierarchy and payment practices; examinations of personnel files; and analysis of OCPD check details.

We conducted our 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.

We were unable to completely test one of seven pay locations selected where the payroll clerk was on extended leave. Although the untested pay location accounted for 5% of sampled items, the potential impact on our conclusions was deemed immaterial based on the findings resulting from the testing that was completed.

The following sections of this report include recommendations intended to provide constructive suggestions for improving OCPD payroll processing and the status of prior audit recommendations. Each recommendation and status included in this report is immediately followed by *management's response*. *Management's responses* are attached to this report in their entirety.

## RESULTS OF WORK PERFORMED

*Results of our audit indicate that, during our audit period, management controls were reasonably adequate and effective to ensure OCPD payrolls were materially accurate, complete, valid and in compliance with applicable payroll-related regulations. However, certain payroll policies and procedures were not consistent across pay locations.*

OCPD payrolls include uniformed officers covered by the Fraternal Order of Police (FOP) CBA, civilian employees covered by the American Federation of State, County and Municipal Employees (AFSCME) CBA and non-represented civilian employees. Each OCPD pay location is individually responsible for ensuring work and leave time is accurately and completely recorded in the City's Kronos timekeeping system (Kronos) in compliance with payroll-related regulations and the varying contractual requirements.

### Review and Approval Procedures

Review and approval procedures ensuring the accuracy and completeness of payroll hours should be consistent across OCPD pay locations.

OCPD uses manual timesheets to document both the employee and supervisory approval of all work and leave hours. Generally, the supervisor or payroll clerk at each pay location enters the hours into Kronos for review and approval by a second employee.

Secondary review and approval of hours entered into Kronos was not occurring at 3 of 7 pay locations reviewed. Employee and supervisory approvals of manual timesheets were not consistently documented at one of these pay locations.

Inconsistent procedures for reviewing and approving Kronos and manual time records could lead to inaccurate or incomplete payrolls.

### Recommendation (1)

OCPD should ensure that all pay locations follow consistent procedures for independent secondary review and approval of time entered into Kronos and documentation of employee and supervisory review and approval of manual timesheets. Documented review and approval procedures should be distributed to supervisors and payroll clerks at each OCPD pay location.

### OCPD Response (1)

*Agree with recommendation. OCPD will ensure that all pay locations follow consistent procedures for independent secondary review and approval of time entered into Kronos and documentation of employee and supervisory review and approval of manual timesheets. Documented review and approval procedures will be developed and distributed to supervisors and payroll clerks at each OCPD pay location by June 30, 2014.*

## OCPD-Mandated Work Schedule Changes

OCPD-mandated work schedule changes should be treated consistently across pay locations.

OCPD occasionally changes regular work schedules for certain FOP employees to accommodate job requirements or for training. The CBA does not address paying overtime for time worked outside an employee's regular schedule for temporary OCPD-mandated work schedule changes.

Time worked by employees outside of regular work schedules because of temporary mandated schedule changes are recorded and paid as overtime at 1 of 9 pay locations reviewed.

Inconsistent payment of overtime to employees is inequitable and could lead to employee grievances.

### Recommendation (2)

OCPD should work with the Personnel Department and the Municipal Counselor's Office to develop a policy to ensure FOP employee time worked outside of the regular work schedule is consistently and equitably recorded and paid. The developed policy should be documented and distributed to payroll clerks and supervisors at all pay locations.

### OCPD Response (2)

*Agree with recommendation. OCPD will work with the Personnel Department and the Municipal Counselor's Office to develop procedures to ensure FOP employee time worked outside of the regular work schedule is consistently and equitably recorded and paid. The developed procedures will be documented and distributed to payroll clerks and supervisors at all pay locations by June 30, 2014.*

## Employee-Initiated Work Schedule Changes

OCPD policies governing employee-initiated work schedule changes in lieu of leave usage should be formalized.

Employee-initiated changes to regular work schedules in lieu of leave usage are informally prohibited for FOP employees. The CBA does not specifically address employee-initiated changes to regular work schedules.

While employee-initiated work schedule changes were not identified in our testing, such changes were noted by the Personnel Department in a recent personnel investigation.

Informal policies could result in inconsistent payroll processing.

### **Recommendation (3)**

OCPD policies governing FOP employee-initiated work schedule changes in lieu of leave usage should be documented and distributed to supervisors and payroll clerks at all OCPD pay locations.

### **OCPD Response (3)**

*Agree with recommendation. OCPD procedures governing FOP employee-initiated work schedule changes in lieu of leave usage will be documented and distributed to supervisors and payroll clerks at all OCPD pay locations by June 30, 2014.*

### **Leave Hour Payments**

The appropriateness of paying certain employees for more than 40 hours in a week when leave hours are recorded during a week with 40 or fewer worked hours should be determined.

Certain AFSCME and non-represented employees are occasionally required to work more hours than scheduled on a given day. These extra hours are recorded and paid as overtime when total worked hours exceed the regularly scheduled 40-hour workweek. When fewer hours are worked on another day during the week and total worked hours are 40 or fewer for the week, some pay locations record leave for all time off rather than just enough for 40 hours to be paid.

Leave hours are recorded for all time off in the scenario described above at 7 of 9 pay locations reviewed increasing total hours paid at straight time for a week to exceed 40 hours. OCPD paid approximately \$7,000 department-wide during the audit period for leave hours recorded such that total hours paid for the week exceeded 40 hours.

Inconsistent treatment of leave hours and pay for more than 40 hours in a week when 40 or fewer hours are worked is inequitable and could lead to employee grievances.

### **Recommendation (4)**

OCPD should determine if AFSCME and non-represented employees will be paid for more than 40 hours in a week by recording leave when 40 or fewer hours are worked. A policy should be adopted and consistent practice communicated to supervisors, payroll clerks, and employees at all OCPD pay locations.

### **OCPD Response (4)**

*Agree with recommendation. OCPD will develop procedures to clarify if AFSCME and non-represented employees will be paid for more than 40 hours in a week by recording leave when 40 or fewer hours are worked. The developed procedures will be documented and distributed to employees, payroll clerks and supervisors at all pay locations by June 30, 2014.*

## Other Issue

Improved procedures for ensuring the completeness of payroll reimbursements and direct deposit of reimbursements with the City Treasurer should be pursued.

The City annually receives approximately \$675,000 in reimbursements from federal grants or other agreements for time worked by OCPD employees on certain programs. Program Coordinators record time in Kronos from manual timecards submitted by employees and invoice the reimbursing entity. The OCPD Administration Office verifies the completeness of reimbursement collections using copies of invoices received from Program Coordinators.

Reimbursement billing completeness is not verified by personnel independent of those responsible for invoicing. Further, program hours are not distinctly recorded in Kronos or PeopleSoft and/or summary reports<sup>1</sup> are not available to allow adequate verification of completeness.

Lack of independent verification of billing completeness and/or inadequate verification could result in unbilled hours.

Reimbursements totaling approximately \$500,000 are collected directly by the OCPD Administration Office where completeness of collections is verified.

Segregation of record-keeping and collection duties is necessary to adequately prevent or detect theft.

## Recommendation (5)

OCPD should work with the Finance Department's Payroll Division to distinctly record program hours in Kronos or PeopleSoft and obtain summary reports to facilitate periodic comparisons to reimbursement invoices by the OCPD Administration Office.

## OCPD Response (5)

*Agree with recommendation. OCPD will work with the Finance Department's Payroll Division to distinctly record program hours in Kronos or PeopleSoft and obtain summary reports to facilitate periodic comparisons to reimbursement invoices by the OCPD Administration Office by June 30, 2014.*

## Finance Response (5)

*Agree with recommendation. The Finance Department, Payroll Section, will continue to work with the OCPD to add any pay codes needed to track program hours.*

---

<sup>1</sup> At least one reimbursable program involves compensatory time for which use of a distinct time code would not be practical. In this instance, the recorded time would need to be specifically queried and a summary report generated to be compared to billings.

**Recommendation (6)**

OCPD should work with reimbursing entities on direct deposit of all reimbursements with the City Treasurer to end direct receipt of reimbursements by the OCPD Administration Office.

***OCPD Response (6)***

*Agree with recommendation. OCPD will work with reimbursing entities on direct deposit of all reimbursements with the City Treasurer to end direct receipt of reimbursements by the OCPD Administration Office by September 30, 2014.*

***Finance Response (6)***

*Agree with recommendation. The Finance Department, Treasury Division, will work with the OCPD Administration Office to accommodate payments being mailed directly to the City Treasurer’s Office. Any information or documents included with these payments will be immediately forwarded to the OCPD Administration Office for recordkeeping purposes. The City Treasurer will pursue efforts to establish a shared database to communicate this information electronically.*

**STATUS OF PREVIOUS REPORT RECOMMENDATIONS**  
*Significant progress has been made in addressing previous general payroll processing recommendations, while most of the previous recommendations relating to Oklahoma City Fire Department (OCFD) payrolls have not been addressed.*

**Status (1) - Partially Addressed.** Settings for some Kronos profiles have been modified to disallow employee self-edits or approvals of timecards without an independent review. Except for self-edits using generic Kronos user accounts, exception reports identifying employee timecard self-edits or approvals are distributed to department directors.

Most Kronos profile settings allowing self-edits of leave balances have not been modified and exception reports identifying such edits have not been developed. In addition, a process has not been established to periodically review and ensure profile settings prevent self-edits of leave balances.

***Finance Response***

*We agree the recommendation has been partially addressed. A report to list any activity by generic users that approve or sign off on any timecards has been developed and will be implemented in September 2013. The Finance Department will work with the Information Technology Department to develop a report to identify any self-edits or edits by generic users to accrued leave balances.*



### ***Information Technology Response***

*Information Technology will work with Finance to develop a report to identify any self-edits or edits by generic users to accrued leave balances.*

**Status (2) – Partially Implemented.** Generic PeopleSoft user accounts allowing unauthorized self-edits have been disabled where practical. An exception report identifying login activity on the remaining generic PeopleSoft user accounts has been developed and is reviewed. However, report review duties have not been adequately segregated through assignment to personnel without access to the generic accounts and the report is not periodically assessed to ensure the addition of any new generic accounts created.

### ***Information Technology Response***

*We agree the recommendation has been partially addressed. A report will be created to track any new accounts created that would assist in identifying the creation of a new, or cloning of, an existing Peoplesoft generic account. If a generic account were to be created or cloned, it would then be added to the existing exception report to track logins with the new generic account. IT has created a request #CR64927 to determine a method to track what activities are performed by Peoplesoft Generic Accounts.*

**Status (3) - Addressed.** Risks of inadequate segregation between departmental payroll and employment-related responsibilities were substantially addressed by requiring enhanced controls over direct deposit editing and electronic payroll payments to all City employees, except for OCFD and OCPD employees, which are not required to receive electronic payroll payments under the terms of their respective CBAs.

### ***Finance Response***

*Concur. Procedures were addressed.*

**Status (4) – Implemented.** The risk of payroll data file manipulation has been reduced by restricting employee access to files and completely automating payment data submission to the bank.

### ***Finance Response***

*Concur. Procedures were implemented.*

### ***Information Technology Response***

*We agree the recommendation has been fully implemented.*

**Status (5) - Substantially Implemented.** Kronos licenses assigned to terminated employees are less likely because the timeframe for the PeopleSoft process to update Kronos employment statuses has been extended. While less of a risk because of segregation issues addressed in Status (3), employee accounts without payroll activity for an extended period of time are not automatically deactivated.

#### ***Information Technology Response***

*We agree the recommendation has been substantially implemented.*

**Status (6) - Not Addressed.** OCFD has initiated work with the Personnel Department to develop policies ensuring compensatory time accruals, use, and related compensation rates comply with applicable FLSA, CBA, and City requirements and are appropriately monitored. Compensatory time accruals and use are not yet recorded in Kronos.

#### ***OCFD Response***

*Agree with modification. The Fire Department has drafted a Compensatory Time SOP putting the policy in writing. OCFD has forwarded this draft to City Legal and the Personnel Department for review. Once this review is completed, the draft will be forwarded to the SOP Committee for review. Implementation will be dependent upon negotiations with the IAFF, per current CBA. This recommendation should state, "Partially addressed."*

**Status (7) – Not Addressed.** OCFD has initiated work with the Personnel Department and Municipal Counselor’s Office to develop policies<sup>2</sup> ensuring consistent leave recording and usage in accordance with all applicable FLSA, CBA, and City policy requirements.

#### ***OCFD Response***

*Agree with modification. The Fire Department has drafted an addendum to add to the Temporary Light Duty SOP, an addendum to add to the current CBA section dealing with Exchange Time (Section 18.4), and a new HR Leave Time SOP. These three SOPs put the policies in writing. OCFD has forwarded this draft to City Legal and the Personnel Department for review. Once this review is completed, the draft will be forwarded to the SOP Committee for review. Implementation will be dependent upon negotiations with the IAFF, per current CBA. This recommendation should state, "Partially addressed."*

**Status (8) – Substantially Addressed.** OCFD has implemented controls to identify and correct meaningful incentive payment frequency and assignment errors.

---

<sup>2</sup> Policies specifically addressing leave designated as “worked” in calculating overtime, leave relating to unfulfilled shift exchanges, and leave recorded at less than a 1:1 ratio have not yet been developed.

**OCFD Response**

*Agree. The Fire Department worked with the Personnel Department and City Payroll to determine correct pay codes for incentive payments; especially in relation to overtime and shift differential. Pay codes were corrected and payments adjusted for personnel to the extent possible by OCFD staff. In addition, it is understood that calculation of overtime for employees receiving shift differential will have to be conducted manually. Further changes will have to take place at the City Payroll level (for example, rounding incentive payments to more than two decimal places).*



# MEMORANDUM

The City of  
**OKLAHOMA CITY**  
Police Department

TO: Jim Williamson, City Auditor  
THROUGH: James D. Couchy, City Manager  
FROM: William Citty, Chief of Police  
DATE: September 6, 2013  
SUBJECT: Audit #13-01 Police Department Payrolls

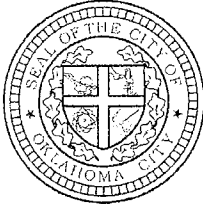


Following are management's responses to recommendations outlined in Audit #13-01 Police Department Payrolls.

1. Agree with recommendation. OCPD will ensure that all pay locations follow consistent procedures for independent secondary review and approval of time entered into Kronos and documentation of employee and supervisory review and approval of manual timesheets. Documented review and approval procedures will be developed and distributed to supervisors and payroll clerks at each OCPD pay location by June 30, 2014.
2. Agree with recommendation. OCPD will work with the Personnel Department and the Municipal Counselor's Office to develop procedures to ensure FOP employee time worked outside of the regular work schedule is consistently and equitably recorded and paid. The developed procedures will be documented and distributed to payroll clerks and supervisors at all pay locations by June 30, 2014.
3. Agree with recommendation. OCPD procedures governing FOP employee-initiated work schedule changes in lieu of leave usage will be documented and distributed to supervisors and payroll clerks at all OCPD pay locations by June 30, 2014.
4. Agree with recommendation. OCPD will develop procedures to clarify if AFSCME and non-represented employees will be paid for more than 40 hours in a week by recording leave when 40 or fewer hours are worked. The developed procedures will be documented and distributed to employees, payroll clerks and supervisors at all pay locations by June 30, 2014.
5. Agree with recommendation. OCPD will work with the Finance Department's Payroll Division to distinctly record program hours in Kronos or PeopleSoft and obtain summary reports to facilitate periodic comparisons to reimbursement invoices by the OCPD Administration Office by June 30, 2014.

6. Agree with recommendation. OCPD will work with reimbursing entities on direct deposit of all reimbursements with the City Treasurer to end direct receipt of reimbursements by the OCPD Administration Office by September 30, 2014.





# MEMORANDUM

The City of  
OKLAHOMA CITY



TO: Jim Williamson, City Auditor

THROUGH: James D. Couch, City Manager *Joc*

FROM: Craig Freeman, Finance Director *CF*

DATE: September 5, 2013

SUBJECT: Audit No. 13-01 - Finance Department – Oklahoma City Police  
Department Payrolls Audit Response

Following are Finance Department responses to recommendations outlined in the recent Audit of Oklahoma City Police Department Payrolls where required.

## **Recommendation 5**

OCPD should work with the Finance Department's Payroll Division to distinctly record program hours in Kronos or PeopleSoft and obtain summary reports to facilitate periodic comparisons to reimbursement invoices by the OCPD Administration Office.

### **Finance Department Response 5**

Agree with recommendation. The Finance Department, Payroll Section, will continue to work with the OCPD to add any pay codes needed to track program hours.

## **Recommendation 6**

OCPD should work with reimbursing entities on direct deposit of all reimbursements with the City Treasurer to end direct receipt of reimbursements by the OCPD Administration Office.

### **Finance Department Response 6**

Agree with recommendation. The Finance Department, Treasury Division, will work with the OCPD Administration Office to accommodate payments being mailed directly to the City Treasurer's Office. Any information or documents included with these payments will be immediately forwarded to the OCPD Administration Office for recordkeeping purposes. The City Treasurer will pursue efforts to establish a shared database to communicate this information electronically.

## **Follow-up Audit of Oklahoma City Fire Department Payrolls**

### **Status 1**

#### **Partially Addressed**

Settings for some Kronos profiles have been modified to disallow employee self-edits or approvals of timecards without an independent review. Except for self-edits using generic Kronos user accounts, exception reports identifying employee timecard self-edits or approvals are distributed to department directors.

Most Kronos profile settings allowing self-edits of leave balances have not been modified and exception reports identifying such edits have not been developed. In addition, a process has not been established to periodically review and ensure profile settings prevent self-edits of leave balances.

#### **Finance Department Response 1**

We agree the recommendation has been partially addressed. A report to list any activity by generic users that approve or sign off on any timecards has been developed and will be implemented in September 2013. The Finance Department will work with the Information Technology Department to develop a report to identify any self-edits or edits by generic users to accrued leave balances.

### **Status 3**

#### **Addressed**

Risks of inadequate segregation between departmental payroll and employment-related responsibilities were substantially addressed by requiring enhanced controls over direct deposit editing and electronic payroll payments to all City employees, except for OCFD and OCPD employees which are not required to receive electronic payroll payments under the terms of their respective CBAs.

#### **Finance Department Response 3**

Concur. Procedures were addressed.

### **Status 4**

#### **Implemented**

The risk of payroll data file manipulation has been reduced by restricting employee access to files and completely automating payment data submission to the bank.

#### **Finance Department Response 4**

Concur. Procedures were implemented.



# MEMORANDUM

The City of  
OKLAHOMA CITY



TO: Jim Williamson, City Auditor  
THROUGH: Jim Couch <sup>JOC</sup> City Manager  
FROM: Schad Meldrum, Information Technology Director <sup>WSM</sup>  
DATE: September 30, 2013  
SUBJECT: Follow-up Audit of Oklahoma City Fire Department Payrolls

**Status (1) – Partially Addressed.** Settings for some Kronos profiles have been modified to disallow employee self-edits or approvals of timecards without an independent review. Except for self-edits using generic Kronos user accounts, exception reports identifying employee timecard self-edits or approvals are distributed to department directors.

Most Kronos profile settings allowing self-edits of leave balances have not been modified and exception reports identifying such edits have not been developed. In addition, a process has not been established to periodically review and ensure profile settings prevent self-edits of leave balances.

#### Information Technology Response

Information Technology will work with Finance to develop a report to identify any self-edits or edits by generic users to accrued leave balances.

**Status (2) – Partially Implemented.** Generic PeopleSoft user accounts allowing unauthorized self-edits have been disabled where practical. An exception report identifying login activity on the remaining generic PeopleSoft user accounts has been developed and is reviewed. However, report review duties have not been adequately segregated through assignment to personnel without access to the generic accounts and the report is not periodically assessed to ensure the addition of any new generic accounts created.

#### Information Technology Response

We agree the recommendation has been partially addressed. A report will be created to track any new accounts created that would assist in identifying the creation of a new, or cloning of, an existing Peoplesoft generic account. If a generic account were to be created or cloned, it would then be added to the existing exception report to track logins with the new generic account. IT has created a request #CR64927 to determine a method to track what activities are performed by Peoplesoft Generic Accounts.



**Status (4) - Implemented.** The risk of payroll data file manipulation has been reduced by restricting employee access to files and completely automating payment data submission to the bank.

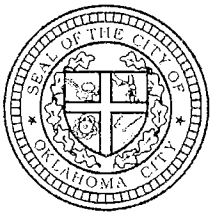
Information Technology Response

We agree the recommendation has been fully implemented.

**Status (5) - Substantially Implemented.** Kronos licenses assigned to terminated employees are less likely because the timeframe for the PeopleSoft process to update Kronos employment statuses has been extended. While less of a risk because of segregation issues addressed in Status (3), employee accounts without payroll activity for an extended period of time are not automatically deactivated.

Information Technology Response

We agree the recommendation has been substantially implemented.




# MEMORANDUM

The City of  
OKLAHOMA CITY



TO: Jim Williamson, City Auditor

THROUGH: James D. Couch <sup>Joe</sup> City Manager

FROM: G. Keith Bryant, Fire Chief 

DATE: September 27, 2013

SUBJECT: Audit #10-07 Fire Department, Audit of General Payroll Processing and OCFD Payrolls

## **“Recording of Compensatory Time Accruals and Use”**

### **RECOMMENDATION (6)**

**Status (6) - Not Addressed.** OCFD has initiated work with the Personnel Department to develop policies ensuring compensatory time accruals, use, and related compensation rates comply with applicable FLSA, CBA, and City requirements and are appropriately monitored. Compensatory time accruals and use are not yet recorded in Kronos.

### ***OCFD Response***

Agree with modification. The Fire Department has drafted a Compensatory Time SOP putting the policy in writing. OCFD has forwarded this draft to City Legal and the Personnel Department for review. Once this review is completed, the draft will be forwarded to the SOP Committee for review. Implementation will be dependent upon negotiations with the IAFF, per current CBA. This recommendation should state, “Partially addressed.”

## **“Consistency of Leave Usage Policies with CBA Requirements”**

### **RECOMMENDATION (7)**

**Status (7) – Not Addressed.** OCFD has initiated work with the Personnel Department and Municipal Counselor’s Office to develop policies ensuring consistent leave recording and usage in accordance with all applicable FLSA, CBA, and City policy requirements.

### ***OCFD Response***

Agree with modification. The Fire Department has drafted an addendum to add to the Temporary Light Duty SOP, an addendum to add to the current CBA section dealing with Exchange Time (Section 18.4), and a new HR Leave Time SOP. These three SOPs put the policies in writing. OCFD has forwarded this draft to City Legal and the Personnel Department for review. Once this review is completed, the draft will be forwarded to the SOP Committee for review. Implementation will be dependent upon negotiations with the IAFF, per current CBA. This recommendation should state, “Partially addressed.”

**“System Set Up and Incentive Payment Calculations”**

**RECOMMENDATION (8)**

**Status (8) - Substantially Addressed Partially Implemented.** OCFD has implemented controls to identify and correct meaningful incentive payment frequency and assignment errors.

***OCFD Response***

Agree. The Fire Department worked with the Personnel Department and City Payroll to determine correct pay codes for incentive payments; especially in relation to overtime and shift differential. Pay codes were corrected and payments adjusted for personnel to the extent possible by OCFD staff. In addition, it is understood that calculation of overtime for employees receiving shift differential will have to be conducted manually. Further changes will have to take place at the City Payroll level (for example, rounding incentive payments to more than two decimal places).