

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT



April 19, 2011



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Executive Summary

Preface

The Office of the Performance Audit Director (Office) completed its Overtime Audit of the Orange County Sheriff-Coroner Department (OCSD) on October 28, 2008. As directed by the Board of Supervisors (Board), the scope of the initial overtime audit was to determine:

1. The cost of overtime pay in the Department
2. Whether it is less expensive to pay overtime or fill new positions
3. The appropriate crossover point, if any, where it is more economically efficient to fill a new position rather than having existing positions work overtime
4. Any other significant findings that have an impact on overtime usage or cost
5. The preliminary financial implications of any proposed conversion of sworn deputy positions to correctional officers in jails

This follow-up review reports on OCSD's progress in addressing the original study findings and recommendations. This report focuses on significant, high-level issues and key follow-up points. Specific details on the progress of OCSD in addressing each of the original 35 audit recommendations are included in Appendix 4.

Introduction

It is clear that OCSD has made commendable progress in addressing the deficiencies in overtime monitoring and controls that were identified in the audit team's 2008 report. An overall policy regarding overtime has been established and enforced by OCSD management. Follow-up data clearly illustrates the Department's drastic reduction in overtime hours and costs. Moreover, a key strategic decision by the CEO's office to pursue the change in overtime calculation has saved hundreds of thousands of dollars for OCSD and millions of dollars Countywide. In addition, the closure of several facilities, coupled with the implementation of the Platoon Schedule, demonstrates OCSD's ability to find creative solutions that increase efficiency with dwindling resources. Equally responsive and impressive is OCSD's creation and successful implementation of a new, non-sworn position classification in the jail facilities. These examples demonstrate OCSD's and the County's commitment to improving the management of overtime. This commitment and the itinerant systems of control and monitoring will likely be tested as overtime rises throughout the Department with the full implementation of the Federal Immigration and Customs Enforcement (ICE) contract and rising vacancy rates caused by attrition.

Having noted these considerable successes, the audit team has also identified some outstanding risks and remaining opportunities for improvement. Most notably, the Department's largely manual timekeeping process continues to create significant inefficiencies, and little progress has been made in solving the issue. Efforts to select, modify, and implement an electronic timekeeping/payroll system to eliminate the consuming task of manually entering payroll data for over 3,500 employees on a daily basis will result in significant savings. Based on extensive research into the options available and discussions with all affected parties, the audit team is confident that if OCSD works with CEO/Budget, CEO/IT, and the Auditor-Controller to make the resolution of this lingering problem a priority, it can be done.

The audit team would like to thank OCSD staff for their assistance in completing this follow-up review.

Scope and Methodology

In order to accurately determine OCSD's progress since the 2008 audit, similar information was reexamined, and wherever possible, data was gathered and analyzed using the same methodology as the initial audit. This follow-up review includes post-audit OCSD overtime hours and cost data for FY 2008/09 through FY 2009/10. Overtime data from prior years is included throughout this follow-up report to provide a meaningful and consistent comparison, as well as to illustrate the scale of changes in OCSD's overtime usage and costs over the last two fiscal years.

Background Information

OCSD has experienced momentous financial and operational change since the initial Overtime Audit. Subsequent to the 2008 report, flagging property and sales tax revenue have forced OCSD to make \$53 million in budget cuts over the past two fiscal years.

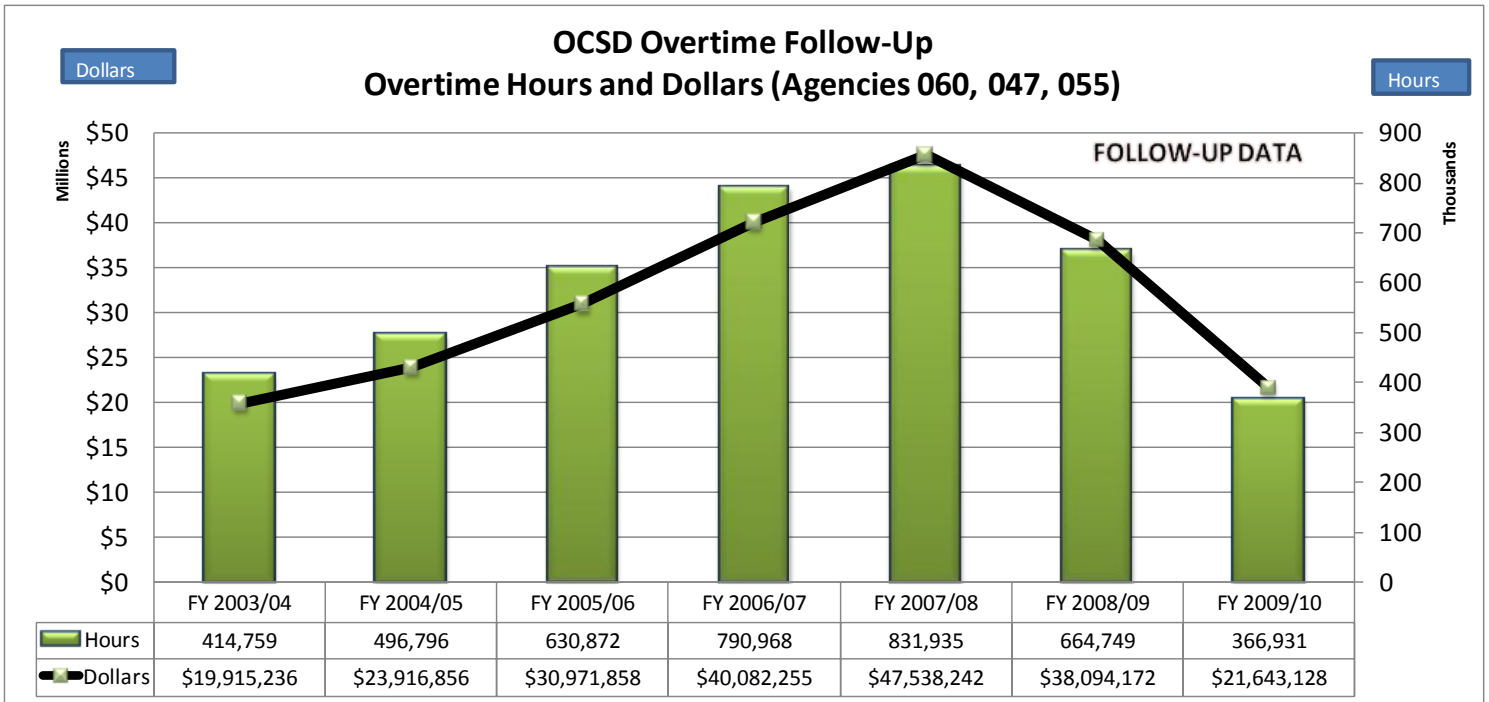
In response to this dire fiscal situation, OCSD took the following actions to reduce the Department's projected budget shortfall in FY 2010/11:

- Large scale restructuring of the organization with some staff reductions through layoffs, defunded positions, deleted positions, and position freezes.
- Active pursuit of new revenue sources, in part to offset the decrease in Prop 172 Revenues, such as the contract with Immigration and Customs Enforcement (ICE) to house Federal detainees for a daily fee per bed, paid to the County.

Progress in Addressing Key 2008 Audit Findings and Recommendations

Follow-Up Period Overtime Hours and Costs

Total overtime hours and dollars are presented in the chart below for the major OCSD budget agencies using overtime, as identified in the 2008 report: Sheriff-Coroner (060), Court Operations (047), and Sheriff’s Communications (055).



Note: FY 2008/09 and FY 2009/10 represents follow-up data for OCSD overtime hours and dollars. All data from FY 2003/04 to FY 2007/08 was included in the 2008 Overtime Audit Report.

As illustrated, over the two year follow-up period, total overtime costs dropped dramatically from \$47.5 million in FY 2007/08 to \$21.6 million in FY 2009/10, a total reduction of \$25.9 million (or 54%). In addition to the overtime control and monitoring changes made by OCSD (discussed in the following section), there are several other factors that directly contributed to the reduction in overtime during this period:

- ❑ Closure of Jail Facilities – Required budget cuts triggered the temporary closure of multiple sections of jails including some tent facilities and the East Compound and the East Kitchen at James A. Musick, the entire Women’s Jail, and the 4th Floor of Men’s Central Jail. Employees were transferred from these closed facilities to provide shift relief at other facilities which reduced the need for overtime.

- ❑ Staffing Changes – There were three primary changes to staffing over the past two years: (1) OCSD drastically restructured its organization and staffing levels through layoffs, defunded positions, deleted positions, deleted vacancies, frozen positions, and retirements. Since July 2008, OCSD has reduced funding for 296 positions (130 deleted and 166 defunded), cutting about \$41 million in Salary and Employee Benefits costs; (2) the proposed new classification of Correctional Services Assistant (CSA) to assist deputy sheriffs in jail facilities was implemented; and (3) the number of more expensive Deputy Sheriff II employees working in jail facilities was reduced.
- ❑ Implementation of New Work Schedule – OCSD implemented a new “Platoon” work schedule that has cut down the use of overtime and realized other important organizational benefits as well.
- ❑ Labor Agreement Negotiations – One of the most significant issues discussed in the initial audit was the cost impact of Memoranda of Understanding (MOUs) calculations of overtime. Prior to the audit, overtime was calculated on an “hours paid” basis which was more generous than the federal FLSA¹ standard of calculating overtime based upon “hours worked.” Subsequent to the audit, the County renegotiated overtime in many bargaining units (i.e., not just the Peace Officer unit) to an “hours worked” basis, saving the County millions of dollars.

Overtime Philosophy

A significant finding in the 2008 audit was that there was a lack of attention to overtime management at OCSD. OCSD has since acknowledged the importance of overtime management by establishing an overtime philosophy which is outlined in an updated and detailed Overtime Policy. The new policy was adopted in June 2010 and delineates specific responsibilities and protocols that serve to guide the efforts of OCSD managers in the control of overtime use.

Overtime Control and Monitoring

Consistent with the change in overtime philosophy are specific actions taken by OCSD to control overtime usage. These actions include distribution of overtime management reports, control modifications to employee timesheets, and enhancements to the InTime Scheduling system. As a result of these efforts, OCSD has been able to cut back on the excessive use of overtime (over 48 hours in a pay period) by 89% over the past two years.

¹ Fair Labor Standards Act

Overtime Budgeting

OCSD has made improvements to its overtime budgeting practices, thereby increasing transparency in projected overtime costs. However, OCSD is still struggling to accurately project and achieve overtime budget targets, and additional analytical refinements are necessary.

Follow-up on the Causes of Overtime

The 2008 audit documented the most common reasons for overtime at OCSD: filling in for vacant positions, covering for vacation or sick leave, training related shift coverage, shift extensions to complete an assignment, planned special events, and mutual aide/emergency. From a process standpoint, the audit discovered that OCSD could benefit from having additional justification codes to capture additional reasons for overtime. In response, OCSD has updated the list of justification codes, which allows the department to accurately track and monitor specific reasons for overtime.

Follow-up on Where Overtime is Worked

The 2008 audit identified the six high overtime locations in order of magnitude in FY 2007/08: jails (\$20.0M or 42%), contract cities and special districts (\$8.6M or 18%), courts (\$3.7M or 8%), north patrol (\$3.3M or 7%), transportation (\$1.7M or 4%), and airport detail (\$911K or 2%). Given the significant management attention dedicated to overtime reduction, combined with the closing of multiple jail facilities, jails are no longer the highest usage overtime location with \$4.7M spent in FY 2009/10 (or 22%). In FY 2009/10, contract cities and special districts charged the most overtime, costing \$8.1M (or 37%); the cost of this overtime is fully reimbursed to the County by the contracting entity.

Previously Identified Employee Practices that Maximize Overtime

The 2008 audit identified a number of practices that were utilized by employees to maximize overtime. To evaluate OCSD's efforts at addressing these practices, the audit team reviewed the timesheets of the highest overtime users in the department over the past two fiscal years. Observations noted include:

- The 2008 audit identified 100 employees who earned more than 50% of their base pay in overtime; the follow-up audit yielded a significant decline, as only 53 employees earned between 35% to 44% of their base pay in overtime; no employee earned more than 44%.

- OCSD's implementation of the Platoon schedule has deterred employees from taking time off or adding multiple hours of overtime on their "short day".
- OCSD's improvements to overtime monitoring and a more efficient scheduling model have curtailed the need for employees to work more than the policy limit of 16 hours in a 24-hour period.

Scheduling and Timekeeping Systems

Related to scheduling, the InTime system has been modified, and positive overtime controls have been enhanced. However, with respect to timekeeping, OCSD has made little progress in either upgrading the timekeeping system or developing an interface between the scheduling and timekeeping systems. The current payroll process requires extensive manual data entry by eight payroll specialists, a situation that has not been satisfactorily addressed for several years. The resolution of this issue will result in significant improvements to operational efficiency and cost savings/productivity gains (estimated at \$225K annually) to the Department after the initial investment for system modification and implementation.

Federal ICE Contract

The temporary closures of jail facilities, coupled with a decrease in Orange County's inmate population, allowed OCSD to pursue a new source of revenue by negotiating a contract with U.S. Immigration and Customs Enforcement (ICE) to house federal detainees awaiting deportation proceedings. The Board of Supervisors approved the ICE contract on July 20, 2010 to house up to 838 male and female detainees in the Orange County Jail System.

In order to maximize revenue, OCSD made the strategic decision to utilize existing staff to cover the workload created by the ICE contract and to not hire any new deputies for this program. This decision has, and will continue to, increase the use of overtime since there is additional responsibility without an increase in the number of employees; employees who were providing shift and vacancy relief to reduce overtime will now be otherwise engaged with the ICE contract. OCSD has estimated that the workload from the ICE contract will require approximately 69 sworn and correctional staff line positions (not including any facilities or other support staff). Collectively, these individuals would have been available to provide more than 143,000 hours of shift, training, and vacation relief elsewhere in the Department.

A "Break Even Analysis" conducted in the original audit found that it is less expensive to use overtime for safety classifications (Deputy Sheriffs, Sergeants, and Investigators) than to hire a

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new employee to fill the position, and thus, OCSD's practice of using existing personnel to provide services for the ICE contract is more efficient from a "bottom-line," financial standpoint, provided this practice does not create an imbalance in overtime usage that leads to employee fatigue.

Follow-Up Review of 2008 OCSD Overtime Audit

Introduction

2008 Overtime Audit

The Office of the Performance Audit Director (Office) completed its Board of Supervisors (Board) directed Overtime Audit of the Orange County Sheriff-Coroner Department (OCSD) on October 28, 2008 with direction to follow-up with OCSD to evaluate the status of its progress in implementing audit recommendations. The scope of the overtime audit was to determine:

1. The cost of overtime pay in the Department
2. Whether it is less expensive to pay overtime or fill new positions
3. The appropriate crossover point, if any, where it is more economically efficient to fill a new position rather than having existing positions work overtime
4. Any other significant findings that have an impact on overtime usage or cost
5. The preliminary financial implications of any proposed conversion of sworn deputy positions to correctional officers in jails

Based on these objectives, the Office found that OCSD overtime was caused by a variety of factors such as filling in for vacant positions, vacation and sick leave relief, training related shift coverage, shift extensions for the completion of an assignment, planned overtime for special events, and overtime for mutual aide/emergency. The overtime study also determined that a lack of attention to overtime management in the following areas resulted in increases to overtime costs: (1) no overarching policy or detailed protocols that help manage overtime, (2) inadequate overtime monitoring and controls, and (3) a series of management and employee practices that exacerbated overtime usage and costs. In addition, a number of specific events and management decisions increased the use of overtime at OCSD:

- Establishment and continuation of permanent position vacancies to achieve salary savings and the resulting slow down in recruitment efforts
- Lack of shift relief positions to cover short term absences
- Training-related overtime hours due, in part, to absences that result from participation in the Standards and Training for Corrections (STC) program
- Shift extensions to complete assignments such as undercover narcotics work, criminal investigations, completion of booking requirements for arrestees, and transporting inmates between jail and court facilities


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- Overtime paid to officers who work beyond their scheduled shifts or work on their scheduled days off to provide special event coverage, though such overtime is fully reimbursed by the contracting entity
- Overtime hours for Homeland Security in response to 9/11 in fiscal years 2001/02 and 2002/03, as well as emergency response to the 2007 Santiago Fire

Additionally, the overtime study found that work schedules and labor negotiations have a significant impact on OCSD's overtime. Minimum staffing levels and work schedules were not based on a detailed staffing analysis but rather had developed inconsistently over time based on the experience and discretion of law enforcement management at each of the various OCSD locations. With respect to labor negotiations, a key MOU provision previously calculated overtime based on "hours paid" in a pay period. This former provision created significant additional overtime costs for OCSD since the Fair Labor Standards Act (FLSA) permits jurisdictions to consider overtime based on a lower-cost option of "hours worked" rather than "hours paid".

In total, the audit team presented 35 recommendations for improving OCSD's overtime management, monitoring and systems in a final report submitted to the Board; OCSD agreed with 24 (or 69%) of the recommendations. Contingent on OCSD's implementation of the (35) recommendations, the audit team estimated measurable annual savings at approximately \$3 million. In addition, the audit team identified other potential savings from the use of Extra Help employees instead of overtime to fill shifts, from coordinating appropriate staffing levels and efficient work schedules, and from changing labor agreements to calculate overtime on a less costly "hours worked" basis.

Follow-up Review

As directed by the Board of Supervisors, the Office has conducted this follow-up review to report on OCSD's progress in addressing the original study findings and recommendations. This report focuses on significant high-level issues and key follow-up points. Six key recommendations for continued improvement are **highlighted in black** and flagged with a . Specific details on the progress of OCSD in addressing each of the original 35 audit recommendations are included in Appendix 4.

Scope and Methodology

For this follow-up review, audit findings and recommendations were revisited to determine what progress has been made and what improvements may still be necessary. In order to accurately determine OCSD's progress since the 2008 audit, similar information was reexamined and wherever possible, data was gathered and analyzed using the same methodology as the initial audit. This follow-up review includes post-audit OCSD overtime hours and cost data for FY 2008/09 through FY 2009/10. Overtime data from prior years is included throughout the follow-up report to provide a meaningful and consistent comparison, as well as to illustrate the scale of change in OCSD's overtime usage and costs over the last two fiscal years.

Information Reviewed

Information gathered and reviewed included:

- Overtime Hours and Costs from the Auditor-Controller ERMI database
- Relevant labor contract Memoranda of Understanding (MOUs)
- OCSD Overtime Policies and Procedures
- Position vacancy reports from OCSD Professional Standards Division (PSD)
- Summary of OCSD position and budget reductions since July 1, 2008
- Cost Analysis of housing detainees under the contract with Immigration and Customs Enforcement (ICE)
- InTime Scheduling System review
- Sheriff Timekeeping System (STS) Verification Reports review
- High overtime user sample of employee Timesheet Summaries, InTime Detail Reports, and Daily Sign-in Sheets
- OCSD Budget and Actual spending data related to overtime
- Reports on Overtime Hours Worked Over 48 Hours per pay period
- Recent OCSD Business Plans and Strategic Financial Plans
- Renegotiated Memoranda of Understanding (MOUs) in accordance with Fair Labor Standards Act (FLSA) minimum requirements
- Shift Schedules and Watch-Lists generated by InTime from multiple pay locations
- Payroll data from the Auditor-Controller used to identify high overtime users
- Benchmarking responses regarding payroll and timekeeping systems from other jurisdictions
- IntelliTime Virtual Timekeeping Interface Demo

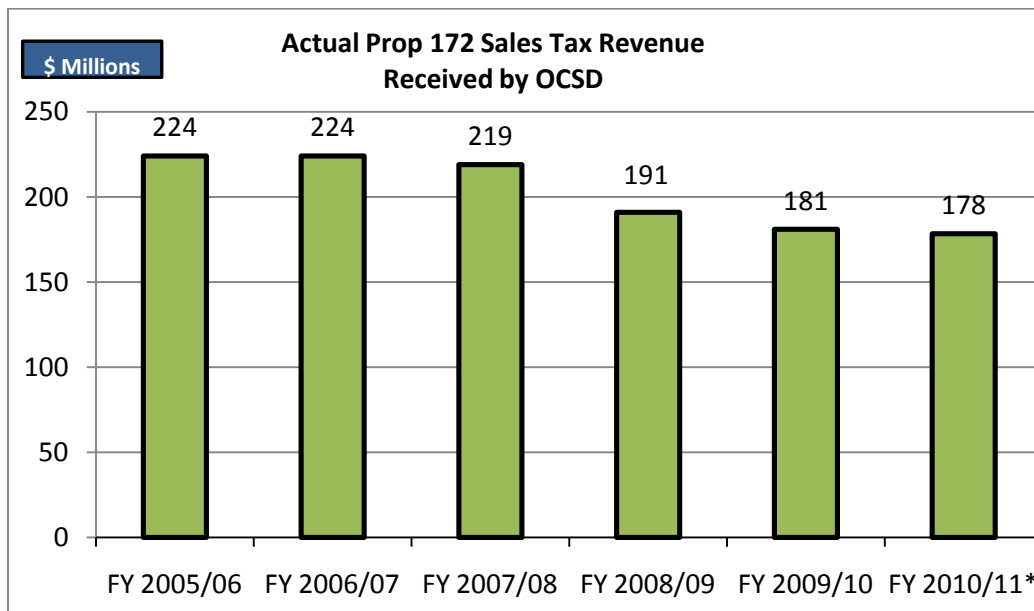
Interviews Conducted

Interviews/discussions/correspondence with:

- Various OCSD Scheduling Sergeants/Lieutenants
- Various OCSD Division Commanders (Captains)
- OCSD Administrative/Financial Staff
- OCSD Information Technology/Support Services Staff
- OCSD Payroll Staff
- OCSD Budget Staff
- County Counsel
- OCSD Executive Team
- Probation Administrative Services Staff
- Auditor-Controller Payroll and IT Staff
- Electronic Timekeeping System Vendor (IntelliTime - VTI)

Background Information

The Orange County Sheriff-Coroner Department (OCSD) has experienced momentous financial and operational changes since the initial Overtime Audit. Subsequent to the 2008 report, flagging property and sales tax revenue forced OCSD to make a \$28 million budget cut in FY 2008/09 and an additional \$25 million reduction in FY 2009/10, totaling \$53 million over two years. OCSD's largest single source of funding is Proposition 172 Public Safety Sales Tax revenue which has been steadily decreasing since FY 2008/09, as illustrated in the chart below:



*The FY 2010/11 amount is a budgeted figure, not actual.

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The amount of Prop 172 revenues allocated to OCSD decreased from \$219 million in FY 2007/08 to \$191 million in FY 2008/09, a reduction of \$28 million (or 13%) in just one fiscal year. An additional decrease of \$10 million (or 5%) occurred in the following fiscal year (FY 2008/09 to FY 2009/10). Furthermore, in the current fiscal year (FY 2010/11), Prop 172 Revenues are projected to decline an additional \$3 million (or 2%). As a result of this sustained decline in Proposition 172 Sales Tax revenues, OCSD's Prop 172 Reserve (Fund 14B) has been exhausted entirely.

With continued revenue declines in the offing, the Department braced for an estimated budget shortfall of \$64 million going into FY 2010/11. In response to this dire fiscal situation, OCSD took the following actions to reduce the Department's projected shortfall to \$38.5 million in FY 2010/11:

- Large scale restructuring of the organization with some staff reductions through layoffs, defunded positions, deleted positions, and position freezes.
- Active pursuit of new revenue sources, in part to offset the decrease in Prop 172 Revenues, such as the contract with Immigration and Customs Enforcement (ICE) to house Federal detainees for a daily fee per bed, paid to the County (OCSD and the Health Care Agency).

In addition to addressing the budget shortfall, OCSD has made significant progress in addressing issues specifically related to overtime over the last two years:

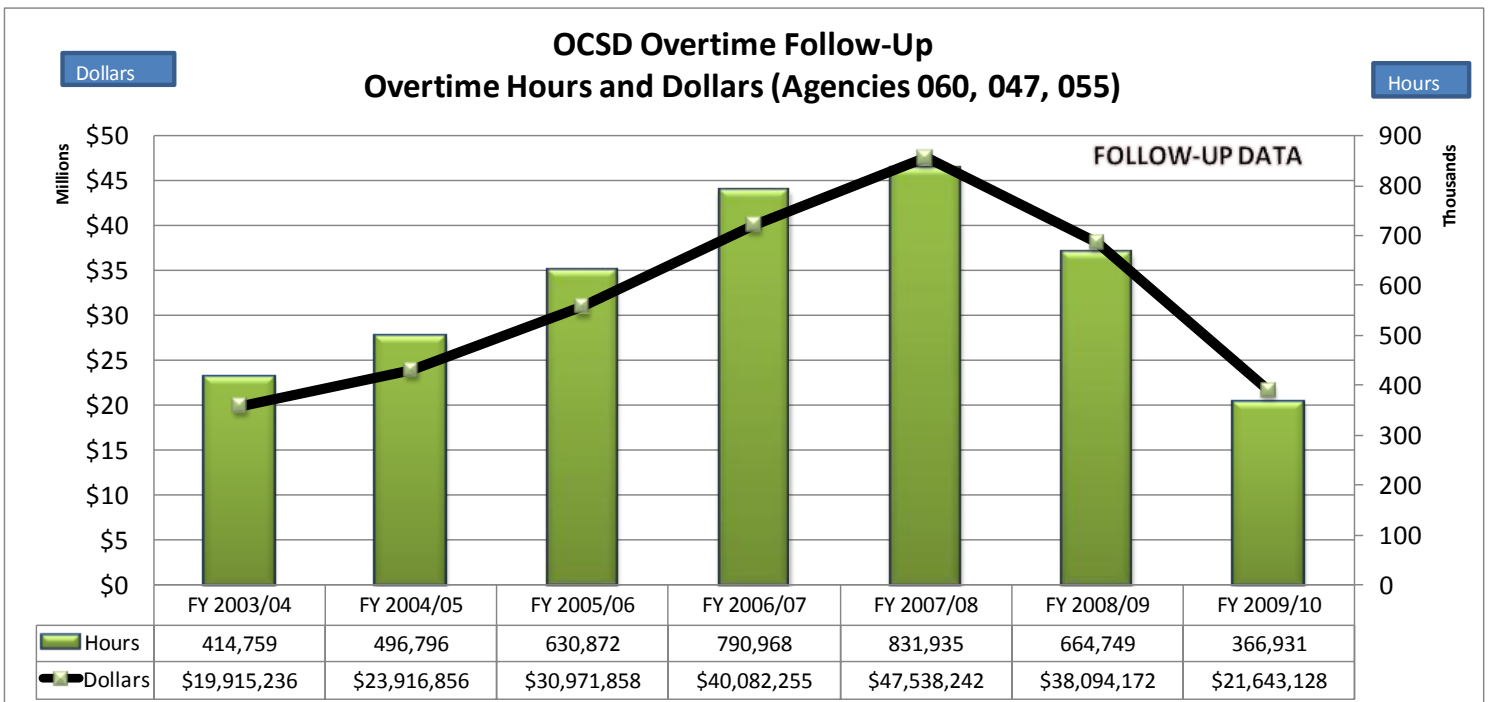
- Developed, distributed, and demonstrably enforced a department-wide Overtime Policy outlining the appropriate practices for employees, supervisors, division commanders, and OCSD financial/payroll to help monitor and manage the use of overtime.
- Decreased overtime costs as a result of closing jail facilities such as the Women's Central Jail, the 4th Floor of the Men's Central Jail, and sections of the James A. Musick Facility.
- Increased efficiency and enhanced shift relief resources through the implementation of the Platoon Schedule and a mandatory one-hour unpaid lunch break. These changes, in turn, reduced overtime in the jail facilities.
- Implemented the use of Correctional Services Assistants (CSAs), a new classification of non-sworn employees in the jail facilities, which has freed up Deputy Sheriffs and Sheriff's Special Officers (SSOs) for vacant shift coverage, allowing OCSD to conduct a more efficient and cost effective operation, which reduces the use and cost of overtime.

Progress in Addressing Key 2008 Audit Findings and Recommendations

Follow-Up Overtime Hours and Costs

This follow-up review analyzed OCSD’s overtime hours and costs for complete fiscal years 2008/09, 2009/10 and the first 11 pay periods of FY 2010/11. Data is presented in comparison to original audit observations to illustrate the progress OCSD has made in reducing overtime. To provide consistent comparisons, the same sources and methodologies used to gather and analyze data for the 2008 audit were used in the follow-up review wherever possible.

Total overtime hours and dollars are presented in the chart below for the major OCSD budget agencies using overtime, as identified in the 2008 report: Sheriff-Coroner (060), Court Operations (047), and Sheriff’s Communications (055). As noted in the original audit, the Auditor-Controller Chart of Accounts is set up in such a way that some payroll codes that are not truly overtime-related are captured in the Overtime expenditure object (0103) such as STPAY (Straight Time Pay) and MCPAY (Mandatory Comp Pay). Therefore, all overtime data in this report, with the exception of the two Budget-Actual comparison charts in the Overtime Budgeting section of this report, includes data for payroll codes that are directly related to overtime.



Note: FY 2008/09 and FY 2009/10 represents follow-up data for OCSD overtime hours and dollars. All data from FY 2003/04 to FY 2007/08 was included in the 2008 Overtime Audit Report.

As illustrated, total overtime hours and costs decreased by 20% from 831,935 hours (costing \$47.5 million) in FY 2007/08 to 664,749 hours (costing \$38.1 million) in FY 2008/09. Then, from FY 2008/09 to FY 2009/10, overtime hours declined by 45% to 366,931 hours (at a cost of \$21.6 million), the lowest amount of overtime charged since FY 2003/04. Over the two year follow-up period, total overtime costs dropped dramatically from \$47.5 million in FY 2007/08 to \$21.6 million in FY 2009/10, a total reduction of \$25.9 million (or 54%). In addition to the overtime control and monitoring changes made by OCSD (discussed in the following sections), there are several other factors that directly contributed to the reduction in overtime during this period:

Closure of Jail Facilities

Required budget cuts triggered the temporary closure of multiple sections of jails including some tent facilities, the East Compound and the East Kitchen at James A. Musick, the entire Women's Jail, and the 4th Floor of Men's Central Jail. Employees were transferred from these closed facilities to provide shift relief at other facilities which reduced the need for overtime.² For example, with the closure of the Women's Jail, 50 deputy positions were reallocated to the Theo Lacy Jail, the IRC, and the Men's Jail. Assuming each employee works 1,780 hours per year³, this reallocation provided 89,000 hours to use at these other facilities to reduce overtime. Thus, facility closures have played a critical role in the significant reduction of OCSD overtime. Nevertheless, the Department should continue to monitor the use of overtime as additional changes are implemented to ensure that overtime costs are controlled.

Staffing Changes

In addition to facility closures, OCSD has drastically restructured its organization and staffing levels through layoffs, defunded positions, deleted positions, frozen positions, and retirements. Since July 2008, OCSD has reduced funding for 296 positions (130 deleted and 166 defunded), cutting about \$41 million in Salary and Employee Benefits costs.

During the initial overtime audit, OCSD was considering the use of a lower paid Correctional Officer (CSA) classification in the jail facilities as an important cost saving strategy. Subsequent to the audit, the County created a new non-sworn position classification (CSA) to assist deputy sheriffs in jail facilities. The impact of this new position classification on overtime is discussed in the *New Jail Position Classification* section of this report. In addition, several existing sworn positions are being used to provide staffing under the new federal contract with Immigration

²It should be noted that the 4th floor of Men's Central Jail has re-opened, causing an increase in responsibility for existing personnel without a corresponding increase in the number of positions.

³ Based on the median number of regular hours worked by Deputy I and Deputy II classifications in OCSD in calendar year 2010.

and Customs Enforcement (ICE). A more detailed discussion about the ICE contract's impact on OCSD overtime is presented in the *Federal ICE Contract* section later in this report.

Lastly, the 2008 overtime audit suggested that OCSD consider reducing the presence of more expensive, patrol-trained Deputy Sheriff II employees in the jail facilities in order to cut down on the cost of overtime. The audit noted that there were 200 Deputy Sheriff II employees assigned to work in the jails in FY 2007/08, who worked approximately 97,371 hours of overtime at a cost of \$6.2M. In terms of total overtime hours at the jails, Deputy Sheriff II employees represented approximately 26%. In FY 2009/10, Deputy Sheriff II employees assigned to work at the jails worked an estimated 19,174 hours of overtime, which comprised 22% of the total 87,668 hours of overtime worked in the jails. Thus, it appears progress has been made in reducing the use of Deputy Sheriff II positions in the jails. Further significant progress is expected in the near future due to an agreement OCSD reached with AOCDS in October 2008 whereby, going forward, employees may no longer be promoted to Deputy Sheriff II within the jails.⁴

Implementation of New Work Schedule

In November 2008, a staffing analysis completed by the consultant Crout & Sida recommended an additional 455 correctional personnel in OCSD's jail facilities; however, due to poor economic conditions, the addition of these positions was unrealistic. Faced with limited resources, OCSD had to identify and actively pursue other cost saving methods to ensure it could continue to provide an acceptable level of public safety.

One significant cost saving strategy implemented by OCSD was a schedule change at the jail facilities, referred to as the Platoon Schedule. As identified in the initial audit, it was common for employees to work a 3/12 schedule (three 12-hour days per week with one 8-hour day every other week) and consistently add multiple hours of overtime onto their 8-hour "short day", resulting in a significant number of overtime hours and costs. By implementing the Platoon Schedule, employees work three 12.5 hour shifts per week and one 12-hour "short day" every other week including a mandatory 1-hour unpaid lunch break during each shift, for a total of 80 regular hours worked per pay period. This change has three primary benefits related to overtime: (1) there is less incentive for an employee to take paid time off on their "short day", (2) less overtime is needed to cover a complete 11.5 hour shift on an employee's 11-hour "short

⁴ This agreement limited promotions to Deputy Sheriff II within jail facilities to employees who had applied and were eligible for promotion at the time of the agreement. The list of employees eligible for promotion under the agreement has been exhausted; now, employees are only promoted to Deputy Sheriff II to fill vacancies in Field Operations. As the employees who were promoted to Deputy Sheriff II within the jails leave (due to attrition or promotion), there will be further reduction in overtime worked by Deputy Sheriff II employees at the jails.

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day” (net of a mandatory 1-hour unpaid lunch break), and (3) more staff resources are available for shift relief due to this more efficient schedule.

In addition to reducing overtime usage, the Platoon Schedule has resulted in other benefits for the Department such as more complete shift coverage, deputy camaraderie, and increased familiarity between supervisors and employees in the jail facilities. Shift start times on the Platoon Schedule are more consistent than the 3/12 schedule, requiring only two shifts per day compared to the previous four shifts per day, and are thereby easier to manage. Moreover, rapport is built amongst employees who are assigned to the same schedule for several months at a time (shift changes are executed every 4-6 months), and supervisors become more familiar with the work schedules of their employees, thereby enhancing the reliability of timesheet approval. These positive impacts were corroborated by multiple interviews with various OCSD Sergeants and Lieutenants.

While implementation of the Platoon Schedule is a very positive change for OCSD, the audit team did identify one issue that bears further monitoring. Based on a review of current high overtime user timesheets, 30 minutes of overtime is commonly added to an employee’s 11-hour “short day” for employees working the Platoon Schedule in the jail facilities. The overtime justification code, “Planned Overtime – Other”, is consistently used to record these half-hour overtime shifts worked by employees on their “short day”. Prior to implementation of the Platoon Schedule, the number of half-hour shifts recorded as “Planned Overtime – Other” at the jail facilities was 112 times total in FY 2008/09, an average of 4 times per pay period. Following the implementation of the Platoon Schedule, the average number of half-hour overtime shifts recorded for the same justification code at jail facilities was up to 355 times per pay period, or over 9,000 times total in FY 2009/10. Assuming 90% of these 9,000 overtime instances pertain to the identified practice of adding 30 minutes to each 11-hour “short day,” approximately 4,050 hours of overtime were utilized in FY 2009/10 for this purpose. OCSD confirms that the Platoon Schedule has created a relatively minor overtime cost in the operating model of the jails in order to provide full shift coverage. The audit team examined employee timesheets to determine if adding 30 minutes of overtime was an automatic occurrence or if approval was left to the discretion of supervisors. The timesheet review showed that half-hour overtime shifts are consistently worked on employee’s 11-hour day; however, evidence also showed employees intermittently did not work 30 minutes of overtime on their “short day”. Thus, it appears there is some level of discretion for supervisors in the approval of such overtime. In addition, the audit team confirmed that there is no formal policy requiring half-hour shifts to be automatically added to an employee’s 11-hour day.

FOLLOW-UP RECOMMENDATION #1

It is clear that the cost impact of the “30 minute extension” practice is minimal; however, OCSD should continue to monitor this issue and encourage watch commanders to exercise discretion in utilizing this overtime option based on the needs of that particular situation and shift, rather than automatically granting overtime to every 11-hour shift. In addition, this discretion should be clarified in either a memo or policy to OCSD staff.

Labor Agreement Negotiations

One of the most significant issues discussed in the initial overtime audit was the impact of Memoranda of Understanding (MOUs) on the cost of OCSD overtime. The 2008 overtime audit found that the MOU provisions for the Peace Officer (PO) Unit and the Sheriff Special Officer and Deputy Coroner (SSO/Coroner) Unit calculated overtime based on an “hours paid” basis. This MOU Overtime language made it possible for employees to take paid time off (e.g., Annual Leave, Comp Time) and work overtime during the same 24-hour period. For example, an employee could work a portion of their regular shift, take paid leave, and then return to work overtime on the same day. This language made it possible for employees to manipulate the system, creating a significant additional expense for OCSD over and above the minimum requirements of the Fair Labor Standards Act (FLSA), which allows overtime to be calculated based on “hours worked” rather than “hours paid”. The audit team estimated that calculating overtime based on “hours paid” rather than “hours worked” cost OCSD an additional \$2.5 million in overtime in FY 2007/08.

The County Executive Office (CEO) and the Human Resources Department (HRD) corroborated the significant impact of MOU provisions on overtime costs not only for OCSD, but Countywide, and consequently pursued and implemented this change with all labor organizations in the subsequent rounds of collective bargaining. As such, the PO Unit and SSO/Coroner Unit MOUs were revised to calculate overtime based on hours actually worked.⁵ For employees under the SSO/Coroner Unit MOU, overtime is paid at time and a half for hours actually worked over 80 hours per pay period. However, in a small but important difference, the PO Unit MOU defines overtime as hours worked in excess of the employee’s regularly scheduled work week. For instance, if an employee is scheduled to work 30 hours in the first week of the County’s two-week pay period and 50 hours in the second week of the pay period, overtime would be paid at time and a half for hours actually worked in excess of 30 hours

⁵ See Appendix 2 and 3 for current and historical details on the negotiated MOU provisions related to overtime for the PO Unit and SSO Deputy Coroner Unit, respectively.

during the first week and for hours actually worked in excess of 50 hours during the second week.

FOLLOW-UP RECOMMENDATION #2

An opportunity remains for the County to further align these MOUs by defining the PO Unit work period, consistent with the SSO/Coroner Unit MOU, as an 80-hour, 2-week work period. Such a change would not only remove administrative burden on OCSD Payroll, but would also achieve cost savings for the County with more overtime being paid as straight time rather than time and a half.

To illustrate the impact of this change, in FY 2009/10, OCSD paid about 22,300 hours of overtime at a straight rate, costing approximately \$754,000. Prior to the aforementioned MOU provision changes raised by the initial audit team, the same number of overtime hours would have been paid at time and a half, resulting in approximately \$1.1 million in overtime costs; thus OCSD achieved documented savings from changing this MOU language in the amount of \$377,000 for FY 2009/10.⁶

Overtime Philosophy

The Orange County Sheriff-Coroner Department has acknowledged the importance of overtime management by establishing, as recommended, an overall overtime philosophy, which is outlined in an updated and detailed Overtime Policy⁷. This philosophy is consistent with the new Memoranda of Understanding (MOU)⁸ language to compensate employees for all overtime actually worked. The new policy was adopted on June 17, 2010 and delineates specific responsibilities and protocols that serve to guide the efforts of OCSD managers in the control of overtime use.

This department-wide philosophy recognizes that overtime is necessary in law enforcement operations to maintain an appropriate level of public safety, but persistent economic difficulties, as well as good fiscal stewardship, require that the Department strive for less costly alternatives. In the 2010 OCSD Business Plan, reducing overtime costs is noted as one of many cost-saving

⁶ The new Peace Officer Unit MOU has been in effect since October 2009, 3 months into FY 2009/10; therefore, savings presented in this report only represents 9 months worth of straight overtime cost savings. Thus, on an annualized basis, the expected amount of straight overtime, as well as cost savings, would be increased by 25%. In addition, in the most recent round of labor negotiations, the County has pursued this MOU change with all labor associations which is estimated to save several millions of dollars.

⁷ For a copy of the complete Overtime Policy, please refer to Appendix 1.

⁸ Memorandum of Understanding (2009-2012) for the Sheriff's Special Officer and Deputy Coroner Unit effective June 19, 2009. Memorandum of Understanding for the Peace Officer Unit (2009-2012) effective October 9, 2009; Side Letter Agreement effective July 15, 2010. Please refer to Appendix 2.

measures employed by the Department. In addition, OCSD reinforces that every employee in the Department is accountable for the effective and efficient management of overtime. Thus, overtime management and control has become a clear department-wide priority, as evidenced by the aforementioned improvements, by discussions with various OCSD staff, and by much of the data presented throughout this report.

Overtime Control and Monitoring

Based on follow-up interviews with various OCSD staff and the Department's detailed overtime policy, it is apparent that the Department has communicated this new philosophy and parameters to all OCSD personnel and continuously emphasizes the importance of monitoring and controlling overtime costs. Specific guidelines are presented in the policy regarding appropriate overtime procedures for authorization, work periods, limits, and approval. In accordance with the current Memoranda of Understanding for the Peace Officer Unit and the Sheriff's Special Officer and Deputy Coroner Unit, OCSD's overtime policy prohibits employees from working more than 16 consecutive hours of work in one 24-hour period except in an emergency situation. According to the policy, all overtime requests are to be approved in advance by a supervisor, and employees may work no more than 48 hours of overtime per pay period. In addition to developing the new overtime policy, OCSD has put the following tools in place to further monitor and control the use of overtime:

- **Excessive Overtime Reports** – Reports are generated from the Sheriff Timekeeping System (STS) to identify employees who work more than 48 hours in one pay period. The reports are produced each pay period, and copies are distributed to OCSD Financial/Administrative Services and Division Commanders for units in which there are individuals who exceeded the 48-hour limit.
- **Modified Daily Sign-In Sheet Format** – The new sign-in sheets must be signed/approved by on-site supervisors who are familiar with the employee's work schedule. A second approval signature is necessary when the Daily Sign-In Sheet contains the name of the first approval signer. Supervisors can no longer be the sole approvers of their own sign-in sheets and approval cannot be designated below the manager level. In addition, appropriate overtime justification codes⁹ must be documented, including notes or comments to further justify the reason for overtime being charged.

⁹ An updated list of overtime justification codes was adopted June 4, 2010. A logical alphanumeric code is recorded for each overtime shift to represent the reason for overtime and the classification of the employee who works the overtime.

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT

- InTime Scheduling System Enhancements** – At the time of the initial audit, InTime had no ability to track or monitor overtime. An Overtime Module has since been implemented and allows system users, specifically Scheduling Deputies and Sergeants, to view a running balance of the amount of overtime worked by and projected for each employee during a pay period. Additionally, the system now includes an updated list of all necessary overtime justification codes, which are selected by schedulers as they build and modify shifts.
- Monthly Budget Updates** – Monthly budget reports are created by OCSD’s Budget department using data from CAPS+ Data Warehouse. These reports are distributed every month and provide details on the status of budget to actual expenditures by line item for each Division, thereby equipping Division Commanders with a tool to effectively monitor overtime costs.

The increased effectiveness of OCSD’s Overtime Policy and additional controls is supported by the data presented in the table below. The original audit revealed 2,130 instances in FY 2007/08 when an employee exceeded the 48-hour limit in a pay period. Using the same methodology, follow-up data shows that OCSD reduced the number of 48-hour violations to 442 in FY 2008/09 and only 234 in FY 2009/10; thus, the total number of violations dropped by 89% between FY 2007/08 and FY 2009/10. The number of instances when more than 55 hours of overtime was worked in a pay period also dropped significantly from 1,229 instances in FY 2007/08 to 65 instances in FY 2009/10. Although one would expect the number of violations to drop in light of the decline in total overtime hours since the 2008 audit (54% in two fiscal years), the total percentage reduction in the number of 48-hour violations over this same time period far outstripped the change in total overtime hours. As such, OCSD management and controls with respect to this area of overtime usage have become more effective since the 2008 audit.

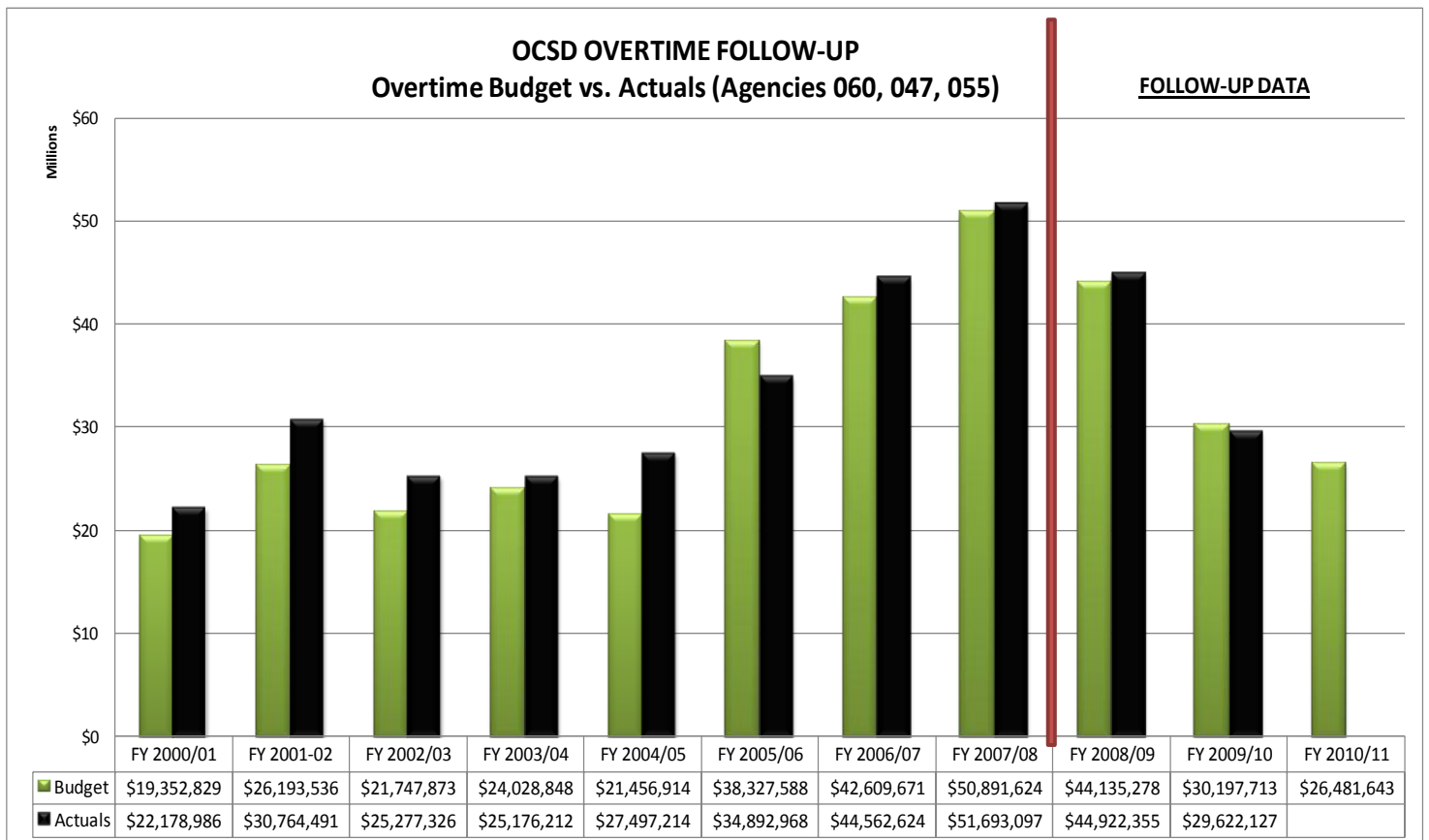
POLICY VIOLATION	Initial Audit								Follow-Up Data		
	FY 2000/01	FY 2001/02	FY 2002/03	FY 2003/04	FY 2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	% Change FY 07/08 to FY 09/10
# of Times More than 48 Hours of OT was worked in a Pay Period by One employee	455	1,521	808	560	706	1,247	2,096	2,130	442	234	-89%
# of Times More than 55 Hours of OT was worked in a Pay Period by one employee	261	987	466	309	351	721	1,209	1,229	128	65	-95%
# of Times More than 60 Hours of OT was worked in one pay period by one employee	184	706	315	201	203	433	786	759	46	23	-97%

Overtime Budgeting

In the 2008 audit findings, OCSD overtime budgets in high-user Divisions were not based on realistic anticipated overtime expenses. Instead, OCSD under-budgeted overtime in several Division Orgs and relied on Budgeted amounts in a catch-all budget organization (Org 900) to cover overages that occurred as a result of various factors such as unanticipated changes in position vacancies or emergency events. It was recommended that OCSD use historical actual expense data to more precisely budget anticipated overtime by Division instead of relying primarily on Org 900 appropriations. In response, OCSD has fully implemented the audit recommendation by maintaining a zero balance budget for overtime expenses in Org 900 starting in FY 2009/10. Amounts previously maintained in Org 900 for overtime are now appropriately distributed to Divisions based on historical overtime data.

This new practice of properly budgeting overtime amounts across Divisions allows for the meaningful comparison of budget to actual costs. As illustrated in the chart on the following page, budgeted and actual overtime amounts have decreased since the 2008 audit. In FY 2007/08, overtime expenses reached \$51.7 million and exceeded the Department's overtime budget. Since FY 2007/08, OCSD has absorbed drastic budget cuts and managed to keep FY 2009/10 actual overtime expenses under budget for the second time in the last 10 fiscal years. Although last year's overtime expenses remained under budget, the Department does not anticipate a repeat of this accomplishment for FY 2010/11. The FY 2010/11 overtime budget is \$26.5 million which is the lowest budgeted amount since FY 2004/05; however, as of November 2010, OCSD anticipates approximately \$31.9 million in actual overtime expenses which exceeds the current FY 2010/11 budget by about \$5.4 million. The reasons for this continuing challenge in overtime budgeting are discussed later in this section.

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT



Note: Data from FY 2000/01 to FY 2007/08 was presented in the 2008 audit report. FY 2008/09, FY 2009/10 and FY 2010/11 represent follow-up overtime data.

The 2008 audit identified OCSD's high overtime user Divisions and highlighted the years in which actual expenditures exceeded the budgeted amount. The table on the following page illustrates follow-up budget to actual data for the same high user Divisions.

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT

BUDGET TO ACTUAL OVERTIME EXPENDITURES BY DIVISION						FOLLOW-UP DATA		
LOCATION	BUDGET/ ACTUAL	FY 2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11*
INTAKE RELEASE CENTER	Budget	\$1,477,982	\$2,570,881	\$1,697,381	\$5,881,381	\$6,981,381	\$1,486,101	\$1,083,653
	Actual	\$2,644,145	\$3,187,371	\$4,287,161	\$5,489,125	\$5,703,687	\$1,843,463	\$2,335,616
JAMES A. MUSICK JAIL	Budget	\$745,411	\$1,127,149	\$745,411	\$2,315,613	\$1,995,411	\$1,237,953	\$2,057,775
	Actual	\$972,406	\$1,255,739	\$1,841,088	\$2,362,002	\$1,948,035	\$1,031,293	\$1,060,601
MENS CENTRAL JAIL	Budget	\$1,480,184	\$2,288,558	\$1,480,184	\$4,761,047	\$3,480,184	\$1,538,424	\$1,224,174
	Actual	\$2,493,093	\$3,123,954	\$3,815,616	\$4,612,242	\$3,453,217	\$1,820,222	\$2,374,771
NORTH PATROL BUREAU	Budget	\$1,348,897	\$1,791,982	\$1,348,897	\$3,471,520	\$2,173,807	\$1,873,807	\$1,945,490
	Actual	\$1,346,170	\$1,909,384	\$2,428,956	\$3,469,901	\$2,171,296	\$1,816,975	\$2,095,168
THEO LACY JAIL	Budget	\$1,690,286	\$3,660,337	\$1,690,286	\$8,711,156	\$7,025,290	\$1,629,606	\$2,250,654
	Actual	\$2,300,452	\$5,285,502	\$7,848,107	\$8,924,208	\$6,083,836	\$2,268,709	\$3,248,167
TRANSPORTATION	Budget	\$411,012	\$787,384	\$411,012	\$1,875,344	\$411,012	\$811,012	\$411,012
	Actual	\$1,045,185	\$1,398,053	\$1,506,255	\$1,814,271	\$1,779,790	\$862,469	\$863,381
COURTS	Budget	\$1,914,549	\$1,768,063	\$1,761,487	\$4,124,577	\$2,338,339	\$1,613,739	\$1,725,380
	Actual	\$1,087,026	\$1,623,245	\$2,506,122	\$3,210,972	\$2,752,075	\$830,800	\$1,581,793

* FY 2010/11 Actual amounts reflect anticipated overtime as of November 2010, projected by OCSD Budget.

This data demonstrates that OCSD, in spite of some positive changes to improve their overtime budgets, continues to struggle with accurately projecting and hitting the overtime budget targets. For instance, in FY 2010/11, the Department anticipates the Intake Release Center (IRC) actual expenditures to exceed budgeted expenditures by \$1.2 million. In FY 2009/10, the IRC budgeted \$1.5 million for overtime but actual expenses were \$1.8 million. Musick has managed to keep actual expenditures below budgeted amounts since FY 2008/09, but for Men’s Central Jail, actual expenditures exceeded budgeted amounts in FY 2009/10 by approximately \$280K, and FY 2010/11 actual overtime costs are projected to surpass the budget by \$1.2 million. Theo Lacy’s FY 2009/10 actual overtime costs were greater than the amount budgeted by almost \$640K, and the FY 2010/11 overtime budget is \$2.3 million with actual costs expected to reach \$3.2 million, almost a \$1 million overage. In FY 2008/09, the Department showed improvement in its ability to budget accurate amounts of overtime to specific Divisions; however, the anticipated FY 2010/11 outcome is that overtime spending will exceed the available budget at five of the seven high overtime user Divisions.

FOLLOW-UP RECOMMENDATION #3

This information points to the need for continued refinement of how OCSD analyzes and projects overtime needs for future fiscal years. In addition, though OCSD Financial now consistently provides monthly budget reports to all locations to allow for overall overtime tracking, there is no detail provided as to the causes or frequent users of overtime. Though some sworn managers at certain locations (e.g., Men's Central Jail) are having timekeepers manually keep track of the reasons for overtime and prepare summary data based on daily timesheets, this is not occurring Department-wide. OCSD Financial should provide further detail regarding overtime with the monthly budget reports in order to further equip line managers with important overtime monitoring information on a consistent, Department-wide basis.

Follow-Up on the Causes of Overtime

The 2008 overtime audit report discussed several causes of overtime based on the audit team's review of available payroll data. OCSD utilizes a list of overtime justification codes to record the specific reasons for all overtime hours worked. The following justifications were identified in 2008 as the most common reasons for overtime at OCSD:

- Filling in for Vacant Positions – 39%
- Covering for Vacation or Sick Leave – 16%
- Training Related Shift Coverage – 10%
- Shift Extensions to Complete an Assignment – 6%
- Planned Special Events – 5%
- Mutual Aide/Emergency – 3%

Based on follow-up data that was gathered and analyzed, overtime hours for all six of the most significant overtime justification categories decreased from FY 2007/08 to FY 2009/10. Specific overtime hours for each justification are presented in the chart on the following page.

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT

OVERTIME HOURS - JUSTIFICATION						FOLLOW-UP DATA				
JUSTIFICATION	FY 2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2007/08 % of Total	FY 2008/09	FY 2009/10	FY 2009/10 % of Total	Total Hours Change from FY 2007/08 to FY 2009/10	Total % Change from FY 2007/08 to FY 2009/10
Vacant Position	96,867	196,505	301,282	321,882	38.69%	153,698	34,257	9.34%	(287,625)	-89.36%
Vacation or Sick Leave	119,038	129,203	134,783	131,967	15.86%	151,970	95,573	26.05%	(36,394)	-27.58%
Training Related	58,756	68,548	84,207	80,015	9.62%	86,012	51,237	13.96%	(28,778)	-35.97%
Shift Extension - Complete Assignment	41,109	46,778	48,075	50,647	6.09%	53,299	39,532	10.77%	(11,116)	-21.95%
Planned OT - Special Event	36,073	34,304	36,122	43,433	5.22%	45,054	28,567	7.79%	(14,867)	-34.23%
Planned OT - Mutual Aide - Emergency	1,727	1,704	861	26,494	3.18%	4,014	514	0.14%	(25,979)	-98.06%
ALL OTHER REASONS	143,225	153,829	185,638	177,497	21.34%	170,703	117,249	31.95%	(60,247)	-33.94%
Grand Total	496,796	630,872	790,968	831,935	100.00%	664,750	366,930	100.00%	(465,005)	-55.89%

Follow-up data shows that total OCSD overtime hours caused by filling a vacant position decreased by almost 90% from 321,882 hours in FY 2007/08 to 34,257 hours in FY 2009/10. Data also shows that overtime hours caused by Vacation/Sick Leave decreased by approximately 28% from FY 2007/08 to FY 2009/10. In addition, overtime needed to backfill training related vacancies declined from 80,015 hours in FY 2007/08, to 51,237 hours in FY 2009/10 (or 36%). The most significant decrease was realized by overtime caused by Mutual Aide – Emergency, which fell from 26,494 hours in FY 2007/08 to just 514 hours (or 98%) in FY 2009/10. As illustrated, overtime caused by Shift Extensions to Complete an Assignment went down by more than 11,000 hours (or 22%) during the follow-up period.

From a process standpoint, the original audit discovered that OCSD did not have sufficient justification codes to capture certain reasons for overtime. In response to this audit recommendation, OCSD developed a sufficient list of justification codes which allows the Department to accurately track and monitor the reasons for overtime. For instance, OCSD staff used to record hours spent guarding arrestees who stayed in the hospital for more than 24 hours prior to being booked into jail as “vacant position” overtime. Subsequently, an overtime code specifically designated to capture hospital guarding overtime has been implemented, which likely contributes to this percentage decrease of vacant position overtime relative to total overtime hours. In addition, the audit team recommended that the Department discontinue guarding arrestees who stay in the hospital for more than 24 hours by delegating responsibility back to local police jurisdictions. As discussed, hospital guarding was previously coded as “vacant position” overtime, but for FY 2007/08, Theo Lacy Jail management estimated that 39,564 hours of overtime was caused by hospital guarding of arrestees. Subsequent to the audit, the Sheriff-Coroner notified local police jurisdictions that the Department would no longer guard arrestees in the hospital prior to being booked into jail. Although there remains some

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT

overtime caused by hospital guarding through FY 2009/10, hours data presented in the table below shows that this type of overtime has drastically decreased (by 95%) during the follow-up period, which exhibits OCSD's ability to effectively enforce the policy change.

Overtime Justification	Hours/Dollars	FY 2007/08	Follow-Up Data			
			FY 2008/09	FY 2009/10	Total Change FY 2008/09 to FY 2009/10	% Change FY 2007/08 to FY 2009/10
Hospital Security	Hours	39,564	14,991	1,970	(13,021)	-95%
	Dollars*	N/A	\$ 839,736	\$ 110,979	\$ (728,758)	-87%

*The FY 2007/08 dollar amount reflects the Theo Lacy Jail management estimation for overtime hours associated to Hospital Guarding of arrestees; associated dollar amounts were not tracked prior to FY 2008/09 because there was no "Hospital Security" overtime justification code. Thus, the percentage change of overtime dollars reflects the change from FY 2008/09 to FY 2009/10.

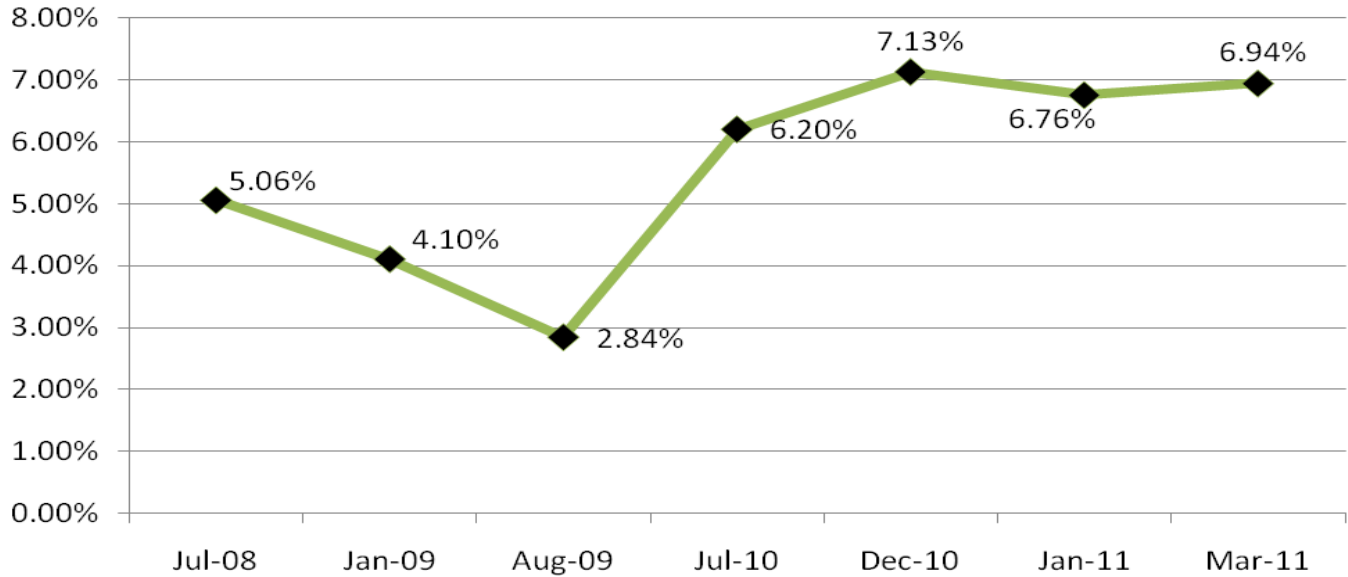
Vacancy Rate

Another major factor identified in the 2008 audit as having an impact on overtime was the Department vacancy rate. The more vacant positions the Department maintains, the more overtime is used to cover those vacancies. The chart on the following page presents OCSD's vacancy rate since completion of the initial audit in July 2008. It is interesting to note that the vacancy rate has increased significantly since August 2009; the current rate of 6.94% is higher than it was in July 2008 (5.06%). According to OCSD staff, the Department's Sworn Vacancy Rate has increased as a result of (1) attrition¹⁰ and (2) the practice of maintaining vacant positions to realize salary savings. OCSD has addressed this issue, in part, by reclassifying 58 allotted sworn positions to lower compensated CSA positions in an effort to reduce the number of sworn vacancies, consequently reducing the Department's sworn Vacancy Rate from 7.13% in December 2010 to 6.76% in January 2011. This change notwithstanding, maintaining a higher vacancy rate and slowing or even closing off the recruiting pipeline for sworn staff will continue to increase overtime costs as sworn personnel retire or leave the department. To avoid further increases in overtime as the ICE program is fully implemented and as jail populations increase, OCSD will need to have positions unfrozen in order to restart its recruitment efforts, as there has not been a Deputy Sheriff Academy in almost two years.¹¹ This issue is discussed further in the *Federal ICE Contract* section of this report.

¹⁰ There have been 213 sworn employee separations over the last three years (69 in 2008, 62 in 2009, and 82 in 2010) which contributes to the overt rise in OCSD's sworn personnel Vacancy Rate.

¹¹ According to OCSD staff, the last Deputy Sheriff Academy started June 19, 2009.

**OCSD Vacancy Rate - Sworn Personnel
(Agency 047, 060)**



Note: The data points included in this chart are the only months of data available from OCSD for the follow-up period.

Follow-Up on Where Overtime is Worked

The original audit report identified the following six high overtime user locations:

- Jail Facilities – Theo Lacy, Men’s Central Jail, Intake & Release Center, and James A. Musick
- Contract Cities/Special Districts
- Court Services
- North Patrol Operations
- Transportation Division
- Airport Detail

Jail facilities were the primary source of overtime usage and costs, responsible for 45% of all overtime hours worked and 42% of all overtime costs incurred by the Department in FY 2007/08. The chart on the following page provides overtime hours and dollars data from the initial report compared to data collected during the follow-up review for each of the high overtime user locations.

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT

OVERTIME DOLLARS AND HOURS - HIGH USER LOCATIONS							FOLLOW-UP DATA				
LOCATION	DOLLARS/ HOURS	FY 2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2007/08 % of Total	FY 2008/09	FY 2009/10	FY 2009/10 % of Total	Total Change FY 2007/08 to FY 2009/10	Total % Change FY 2007/08 to FY 2009/10
JAILS	DOLLARS	\$7,426,415	\$11,825,210	\$16,480,877	\$20,077,469	42.23%	\$15,474,213	\$4,787,360	22.12%	\$ (15,290,109)	-76.16%
	HOURS	164,140	252,090	338,313	374,287	44.99%	287,866	87,668	23.89%	(286,619)	-76.58%
CONTRACT CITIES & SPECIAL DISTRICTS	DOLLARS	\$6,151,808	\$6,288,535	\$7,703,693	\$8,630,797	18.16%	\$8,710,417	\$8,084,014	37.35%	\$ (546,783)	-6.34%
	HOURS	117,232	118,725	142,664	142,186	17.09%	137,998	127,933	34.87%	(14,253)	-10.02%
COURTS	DOLLARS	\$900,817	\$1,524,118	\$2,680,375	\$3,781,693	7.96%	\$2,578,761	\$254,542	1.18%	\$ (3,527,151)	-93.27%
	HOURS	20,243	33,975	54,475	55,272	6.64%	39,995	4,108	1.12%	(51,164)	-92.57%
NORTH PATROL	DOLLARS	\$1,220,484	\$1,744,731	\$2,277,165	\$3,356,300	7.06%	\$1,925,127	\$1,593,608	7.36%	\$ (1,762,692)	-52.52%
	HOURS	22,365	31,099	39,455	51,618	6.20%	30,344	25,203	6.87%	(26,415)	-51.17%
TRANSPORTATION	DOLLARS	\$1,090,403	\$1,383,583	\$1,481,263	\$1,792,698	3.77%	\$1,656,042	\$721,677	3.33%	\$ (1,071,021)	-59.74%
	HOURS	19,879	24,955	26,289	29,094	3.50%	27,497	11,575	3.15%	(17,519)	-60.22%
AIRPORT DETAIL	DOLLARS	\$797,864	\$733,737	\$1,261,050	\$911,563	1.92%	\$512,821	\$189,001	0.87%	\$ (722,562)	-79.27%
	HOURS	20,605	18,382	29,468	18,863	2.27%	10,542	3,510	0.96%	(15,353)	-81.39%
OTHERS	DOLLARS	\$6,329,064	\$7,471,943	\$8,197,832	\$8,987,722	18.91%	\$7,236,791	\$6,012,925	27.78%	\$ (2,974,796)	-33.10%
	HOURS	132,331	151,646	160,304	160,616	19.31%	130,508	106,933	29.14%	(53,683)	-33.42%
TOTAL	DOLLARS	\$23,916,856	\$30,971,858	\$40,082,255	\$47,538,242	100.00%	\$38,094,172	\$21,643,128	100.00%	\$ (25,895,114)	-54.47%
	HOURS	496,796	630,872	790,968	831,935	100.00%	664,750	366,930	100.00%	(465,005)	-55.89%

The table above again illustrates OCSD's overall progress in reducing overtime usage and costs. All high overtime user locations have experienced a decrease in overtime usage and costs from FY 2007/08 through FY 2009/10. Most significantly, in the jails, overtime hours and costs have decreased by more than 76% from 374,287 hours (at a cost of \$20 million) in FY 2007/08 to 87,668 hours (at a cost of \$4.8 million) in FY 2009/10. Consequently, for FY 2009/10, jail facilities are no longer the highest usage category in the Department (with only 24% of all overtime hours), but rather contract cities comprised the highest category at 35% of all overtime hours. Courts reduced overtime costs by more than 93% in two years, from \$3.8 million in FY 2007/08 to only \$254,542 in FY 2009/10. Also, North Patrol Operations, Transportation, and Airport Detail each experienced significant decreases in overtime costs with decreases of 53%, 60%, and 79% respectively, from FY 2007/08 to FY 2009/10.

Follow-Up on Who Works Overtime

As expected, with a total department overtime reduction of \$25.9 million from FY 2007/08 to FY 2009/10, each high user classification noted in the original audit experienced a decrease in overtime usage and costs. The chart on the following page presents follow-up data for all five high user classifications identified in the 2008 audit report.

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT

OVERTIME DOLLARS AND HOURS BY CLASSIFICATION							FOLLOW-UP DATA				
CLASSIFICATION	Dollars/ Hours	FY 2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2007/08 % of Total	FY 2008/09	FY 2009/10	FY 2009/10 % of Total	Total Change FY 2007/08 to FY 2009/10	Total % Change FY 2007/08 to FY 2009/10
Deputy Sheriff	Dollars	\$14,746,143	\$20,084,013	\$26,460,301	\$31,721,139	66.73%	\$ 25,040,400	\$ 14,077,521	65.04%	\$ (17,643,618)	-55.62%
	Hours	284,818	376,012	484,320	515,723	61.99%	414,563	230,077	62.70%	(285,646)	-55.39%
Sergeant	Dollars	\$2,725,988	\$2,943,287	\$3,434,822	\$4,481,525	9.43%	\$ 4,064,824	\$ 2,898,101	13.39%	\$ (1,583,424)	-35.33%
	Hours	42,672	44,236	50,319	59,195	7.12%	52,985	37,483	10.22%	(21,711)	-36.68%
Investigator	Dollars	\$1,560,381	\$1,887,585	\$2,337,626	\$2,885,271	6.07%	\$ 2,423,539	\$ 1,904,126	8.80%	\$ (981,145)	-34.01%
	Hours	29,360	33,043	39,246	42,725	5.14%	35,622	27,721	7.55%	(15,004)	-35.12%
Special Officer	Dollars	\$1,624,974	\$1,912,432	\$3,136,747	\$3,161,202	6.65%	\$ 2,670,365	\$ 803,653	3.71%	\$ (2,357,549)	-74.58%
	Hours	46,444	54,534	80,977	70,870	8.52%	60,267	20,355	5.55%	(50,515)	-71.28%
Correctional Services Staff	Dollars	\$669,169	\$990,300	\$1,252,422	\$1,394,172	2.93%	\$ 1,116,419	\$ 328,898	1.52%	\$ (1,065,274)	-76.41%
	Hours	22,847	34,289	40,845	42,335	5.09%	33,125	10,100	2.75%	(32,235)	-76.14%
All OTHER CLASSIFICATIONS	Dollars	\$2,590,201	\$3,154,240	\$3,460,337	\$3,894,933	8.19%	\$ 2,778,625	\$ 1,630,829	7.54%	\$ (2,264,104)	-58.13%
	Hours	70,654	88,758	95,260	101,088	12.15%	68,188	41,194.07	11.23%	(59,894)	-59.25%
Grand Total	Dollars	\$23,916,856	\$30,971,858	\$40,082,255	\$47,538,242	100.00%	\$ 38,094,172	\$ 21,643,128	100.00%	\$ (25,895,114)	-54.47%
	Hours	496,796	630,872	790,968	831,935	100.00%	664,750	366,930	100.00%	(465,005)	-55.89%

Deputy Sheriffs continue to use the most overtime relative to total Department overtime hours and costs but the amount of overtime charged by this position classification has been reduced from \$31.7 million in FY 2007/08 to \$14.1 million in FY 2009/10, a total decrease of \$17.6 million, or 56%, in two fiscal years. Other position classifications reduced overtime costs by amounts ranging from \$981,145 for Investigators to \$2.4 million for Sheriff's Special Officers. Correctional Services Staff experienced the most significant percentage decrease of 76% in overtime costs over two fiscal years, reducing overtime by \$1.1 million.

Previously Identified Employee Practices that Maximize Overtime

The initial audit identified a number of practices that were utilized by some employees to maximize overtime:

1. Working More Than 16 Hours in a 24-Hour Period
2. Frequently Taking Single Days Off During Each Pay Period
3. Working Overtime On Short Day
4. Taking Short Day Off Work
5. Taking Paid Time Off and Receiving Overtime on the Same Day
6. Frequent Extensions of Work Shifts
7. Employees Working Overtime in Multiple Locations

Although some overtime is necessary in law enforcement operations, the inappropriate use of methods to manipulate the system should be identified and prevented. The audit team initially

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discovered numerous overtime maximizing practices from samples of timesheet summaries and determined that employees who receive the most overtime are more likely to use the above methods of overtime maximization than the employees who were not identified as high overtime users.

In order to validate the effectiveness of OCSD's new overtime policy, monitoring, and control tools in curtailing these practices, the follow-up team performed a comparable analysis of timesheet summaries for high overtime users. The follow-up evaluation included a sample of 53 employees, identified as high overtime users, based on payroll data from the Auditor-Controller for FY 2008/09 and FY 2009/10. The original analysis identified high overtime users across six classifications as those who earned 50% or more of their annual base salary in overtime (100 employees). In a positive sign, follow-up data indicate that not one employee from the same six classifications met the original audit criteria of earning at least half of their base salary in overtime. In fact, the highest overtime user identified in the follow-up review made less than 44% of their annual base salary in overtime and therefore, the follow-up sample shifted downward to include all employees whose overtime was 35% or more of their base salary (53 employees).

Timesheet summaries for CY 2008, 2009 and 2010 were obtained for the 53 employees who earned at least 35% of their base pay in overtime (2 of the 53 employees separated prior to 2010, so only 51 employees were reviewed for 2010). The audit team determined that most of the previously identified practices still occur but to a much lesser extent. In addition, certain practices have now become disadvantageous to employees due to improvements in OCSD controls since the initial overtime audit and thus occur less frequently. One example is the reduction in the number of employees who consistently took paid time off and worked overtime during the same pay period (26 individuals in 2009 to just 6 in 2010).

The audit team also identified a decrease in the practice of employees frequently taking off their "short day" when working a 3/12 schedule. Not one high overtime user timesheet reviewed in the follow-up audit exhibited this practice in CY 2010; of the 100 high overtime users reviewed in the original audit, four individuals exhibited this particular tendency. A key reason for this positive change was the implementation of the "Platoon Schedule". Furthermore, OCSD has curtailed the practice of employees working more than 16 hours in a 24-hour period. From 2008 through 2009, 20 of the sampled high overtime users had at least one instance of working more than 16 hours in a 24-hour period, but only 13 employees had such an instance in 2010.

An area for further examination by OCSD is the practice of consistently extending work shifts. OCSD's overtime policy, in accordance with the current MOU provisions, addresses acceptable circumstances for shift extensions and approval requirements. The audit team's follow-up

review of timesheets shows that 43% of the high overtime users reviewed continue to frequently work extended shifts. From the 51 employee timesheet summaries reviewed for CY 2010, 22 individuals frequently worked several additional hours at the end of their shifts¹². Of those sampled employees frequently extending their shifts, most are assigned to contract city police services (e.g., Lake Forest, Laguna Niguel, and Dana Point), North Patrol Operations, or the Transportation Bureau, and work a 4/10 schedule.

FOLLOW-UP RECOMMENDATION #4

Though overtime costs are fully reimbursed for services provided in contract cities, OCSD should analyze the frequent need to work additional hours (either due to Shift Extension or Shift Replacement) at contract city patrol operations to ensure that all overtime is necessary and prevent any potential employee fatigue issues.

Scheduling and Timekeeping Systems

Several findings and recommendations from the initial audit pertained to the scheduling and timekeeping systems utilized by OCSD. As noted in the original report, OCSD uses the InTime Scheduling Engine (ISE) to develop and track employee schedules and the Sheriff's Timekeeping System (STS) to manually process payroll data on a daily basis. The audit team presented several findings and recommendations pertaining to these systems, which included: (1) update the timekeeping/payroll system and (2) create an interface between the scheduling system and the timekeeping/payroll system, both in an effort to eliminate the significant amount of manual timekeeping and entry of payroll data. Additionally, the audit identified several control deficiencies concerning OCSD's systems and payroll process, particularly with respect to overtime. Subsequent to the original audit, the Department addressed some of these scheduling and timekeeping issues, though opportunities for increased efficiency and substantial cost savings still exist.

Scheduling System

Since the audit, the InTime scheduling system has been modified, and positive overtime controls have been enhanced, including installation of the Overtime Management module, which allows OCSD InTime operators to view an employee's running balance and projection of overtime at any given point during a pay period. This added control allows supervisors to

¹² The follow-up audit team found that 18 of the 22 employees who frequently added multiple hours onto the end of their shifts were assigned to a 4/10 schedule. It was common for these employees to work multiple hours of overtime after their regular 10 hour shifts.

determine whether an employee has reached the maximum number of overtime hours permitted, prior to approving overtime.¹³ InTime training has also been provided to most InTime operators in the Department; however, OCSD does acknowledge that the level of InTime expertise is not uniform across the Department.

Although there have been improvements to the scheduling system, there is still no written policy that requires InTime users to accurately update InTime, as was recommended in the 2008 audit report. Per discussions with OCSD staff from jail facilities, employees are instructed to update InTime to reflect actual hours worked, but evidence from follow-up testing indicates that changes to employee schedules are not being satisfactorily updated in the scheduling system. Based on a follow-up sample review of InTime Detail Reports and corresponding timesheet summaries for 17 pay periods across CYs 2008, 2009, and 2010 for 22 employees from various OCSD units, less than 5% of actual payroll data reconciles to InTime.

Timekeeping System

With respect to timekeeping system controls, OCSD addressed one original audit finding by upgrading the STS system to include a software component which monitors all payroll data entered into the STS. Any discrepancies or errors are identified on a verification report that is generated each pay period and reviewed by Payroll staff. Additionally, a software modification tracking program was developed to track all changes made by the IT systems staff to the STS payroll data file. At the end of each two-week pay period, the STS data file is verified for accuracy by payroll staff, converted, and uploaded to the Auditor-Controller for payroll processing.

Other timekeeping control enhancements implemented by OCSD subsequent to the overtime audit include a modified timesheet format and specific policies and procedures requiring complete and accurate overtime coding with sufficient documentation of approval. In addition, audit recommendations concerning timekeeping process control deficiencies at jail facilities (i.e., inaccurate justification coding, inappropriate overtime approval, and no evidence of approval) have been addressed, and additional controls have been implemented. Timesheet testing from the initial audit found that overtime was not being accurately recorded in the jail facilities and that some reasons for overtime, such as inmate supervision at local hospitals, did not have an available corresponding justification code. As noted earlier in this report, subsequent to the audit, OCSD identified additional justification codes and established an updated list of codes to be used to record the reasons for overtime consistently and accurately Department-wide. Some of the overtime codes added in response to audit recommendations include Shift Replacement –

¹³ The OCSD Overtime Policy permits employees to work up to 48-hours of overtime per pay period.

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT

Administrative Leave, Extended Shift – Complete Investigation, Planned Overtime – Hospital Security, and Planned Overtime – Grant Activity. The additional codes have allowed OCSD to more accurately track, and subsequently better manage, overtime throughout the Department; however, OCSD should add other justification codes as the need arises (e.g., Federal ICE contract to house detainees).

Although timekeeping controls have improved since the original audit, the system has not been upgraded as recommended, nor has there been any progress in developing an interface between the scheduling and timekeeping systems. Consideration has been given to two potential vendors for a new timekeeping/payroll system: InTime and Virtual Timekeeping Interface – IntelliTime (VTI)¹⁴. According to OCSD staff, InTime does not currently have a functioning timekeeping module; however, the vendor has indicated an interest in developing a module that meets the needs of the Department sometime in the future. Conversely, VTI has provided a thorough product demonstration to OCSD staff, as well as cost estimates for implementation of the basic VTI system.¹⁵ Additionally, the Orange County Internal Audit Department (IAD) conducted an audit of the Sheriff-Coroner Payroll Process in 2009. The IAD report reiterated that the current payroll process requires extensive manual data entry by eight Payroll Specialists. Furthermore, consistent with the Office’s follow-up observations, IAD found that VTI is an effective, automated payroll timekeeping system with the ability to address the needs of a 24-hour operation.¹⁶ As of now, neither vendor has been chosen, but OCSD staff is maintaining a list of specific system requirements that must be met to satisfy the needs of OCSD’s complex scheduling and timekeeping processes. Discussions with OCSD Financial and IT staff confirmed that efforts to address audit recommendations related to upgrading the systems and creating an interface have been put on hold, pending complete implementation of the County’s CAPS+ HR system.

FOLLOW-UP RECOMMENDATION #5

OCSD should move forward in earnest, with the selection of a vendor to implement a new timekeeping system. Once implemented, a new system will result in significant cost savings/productivity gains as a result of improved efficiency from the elimination of manual data entry. Specifically, there are eight Payroll Specialists who currently spend

¹⁴ Virtual Timekeeping Interface (VTI) is the payroll system used throughout the County. OCSD is currently the only department that does not utilize VTI.

¹⁵ According to the VTI vendor, basic system implementation would cost OCSD approximately \$400K, with supplemental costs for optional components and system modifications, which should raise costs to nearly \$1M (e.g., swipe cards at pay locations and automated voice sign-in via telephone).

¹⁶ VTI currently provides services to 65 agencies outside of Orange County that all have a law enforcement department. In addition, Orange County’s Probation Department operates a 24-hour schedule with similar system needs as OCSD and has successfully implemented VTI as its department-wide timekeeping/payroll system.

approximately 50% of their time entering payroll data. The audit team estimates there will be \$225K of annual cost savings/productivity gains as a result of making this change.¹⁷

New Jail Position Classification

An important objective of the original overtime audit was to evaluate the preliminary financial implications of any proposed conversion of sworn deputy positions to correctional officers in jails. In 2008, OCSD had established a committee to research and evaluate the Department's practice of operating the jail facilities with fully sworn deputy sheriffs. OCSD's committee determined that utilizing a lower paid, non-sworn classification of Correctional Officers in jails would yield substantial cost savings which the audit team reviewed and endorsed. In response, OCSD, with the assistance of the Human Resources Department (HRD) and Board approval, established a new, lower paid position classification, Correctional Services Assistants (CSAs).

Since that time, 108 employees have been hired, trained and assigned as CSAs in OCSD jails. CSAs are non-sworn, highly-trained personnel who assist sworn personnel in monitoring inmate movement, maintaining order and controlling entry and exit to jail facilities. Implementation of the CSA classification in the jails is financially and operationally beneficial for OCSD. A top-step CSA makes \$27.41 per hour, while a top-step Deputy I makes \$39.90 per hour (31.3% more). When benefits and other pay (e.g., P.O.S.T. Pay) are included, the annual cost savings per position exceeds \$50,000. CSAs are typically assigned to lock-down positions such as guard stations; this allows deputy sheriffs to increase their physical presence throughout the jails, promoting an enhanced level of safety in the Orange County Jail System. By utilizing a combination of sworn deputy sheriffs, SSOs, and CSAs to operate the jail system, OCSD is conducting a more cost effective model which consequently reduces the use and cost of overtime.

Federal ICE Contract

As previously noted, the Orange County Sheriff-Coroner Department experienced \$53 million in budget cuts in two fiscal years: a \$28 million reduction in FY 2008/09 and an additional \$25 million reduction in FY 2009/10. The temporary closures of facilities, coupled with a decrease in

¹⁷ The original audit estimated annual salary and benefits savings of \$116K by deleting two payroll specialists in OCSD/Financial, as a result of system upgrade and integration. Based on changing compensation and a clearer understanding of payroll clerk time allocation, the audit team is revising the estimated savings reflecting productivity gains up to an amount equivalent to four Payroll Specialists or a total of \$225K annually. This estimate is also corroborated by the experience of the Probation Department, which has less than half of the number of employees as OCSD, but was able to achieve a savings of approximately three FTEs when they automated their payroll timekeeping system (VTI).

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT

Orange County's inmate population, allowed OCSD to pursue a new source of revenue by negotiating a contract with U.S. Immigration and Customs Enforcement (ICE) to house federal detainees awaiting deportation proceedings. The Board of Supervisors approved the ICE contract on July 20, 2010 to house up to 838 male and female detainees in the Orange County Jail System. The County provides housing, transportation, health services, and voluntary work programs for a fee of \$118 per detainee per day, paid to the County by the Federal government to cover the full cost of providing the services. OCSD receives \$94.15 (or 80%) of each daily bed fee and the Health Care Agency (HCA) receives the remaining \$23.85 (20%) per bed to cover inmate medical costs. All other costs (i.e., transportation of detainees and prescription drugs) are fully reimbursed to the County by the Federal government. The anticipated FY 2010/11 ICE detainee program revenue was \$21.8M (assuming at least 98% occupancy of the 838 approved beds). As of January 2011, OCSD maintains a 94% occupancy rate of the designated ICE beds and estimates revenue to reach \$21.4M by the end of the fiscal year.

In order to maximize revenue, OCSD made the strategic decision to utilize existing staff to cover the workload created by the ICE contract and to not hire any new deputies for this program. This decision has, and will continue to, increase the use of overtime since there is additional responsibility without an increase in the number of employees; employees who were providing shift and vacancy relief to reduce overtime will now be otherwise engaged with the ICE contract. OCSD has estimated that the current workload from the ICE contract requires approximately 69 sworn and correctional staff line positions (not including any facilities or other support staff). Collectively, these individuals would otherwise have been available to provide more than 143,000 hours of shift, training, and vacation relief elsewhere in the Department. As additional detainees are housed, more OCSD staff will be required to provide services. A "Break Even Analysis" conducted in the original audit found that it is less expensive to use overtime for safety classifications (Deputy Sheriffs, Sergeants, and Investigators) than to hire a new employee to fill the position, and thus, OCSD's practice of using existing personnel to provide services for the ICE contract is more efficient from a "bottom-line," financial standpoint. However, as overtime opportunities resurge with the full implementation or possible expansion of the ICE program, staffing levels and the recently implemented overtime controls and monitoring procedures will be tested, and overtime costs will rise.

Another issue mentioned earlier in this report is the most effective/efficient approach to OCSD recruitment. The average number of sworn employee separations at OCSD is 70 per year, and over the last two years, there have been no efforts to recruit additional sworn positions. In order to prevent an overtime imbalance comparable to FY 2007/08, OCSD should begin to prepare now by restoring sworn employee recruitment efforts. The recruitment process (e.g.,

background and academy) for sworn personnel takes about one year to complete, so a proactive approach is imperative to avoid significant amounts of overtime caused by a staffing shortage.

Benchmarking research conducted during the follow-up review identified a potential cost saving strategy currently employed by an adjacent local jurisdiction, known as CARPing¹⁸, which may be beneficial to OCSD in controlling overtime costs. As part of CARPing, a group of sworn employees who are primarily assigned to administrative, investigative and training units complete 80% of their regular schedule at their assigned unit and then devote the remaining time of their work week to provide shift relief at other units, as opposed to using overtime to fill those voids. Consequently, the need for line overtime is reduced. However, it is important to note that a thorough analysis to determine the levels and areas of participation should be conducted prior to implementation to avoid creating backlogs/delays in the units that provide these relief staff resources.

FOLLOW-UP RECOMMENDATION #6

Regardless of the strategies employed, OCSD should: (a) ensure the amount of overtime being charged by existing personnel as a result of implementing the ICE Contract does not exceed the Department's Overtime Policy limitations and MOU provisions and (b) analyze the current staffing levels and anticipated Department responsibilities (e.g., ICE Program expansion and reopening of jail facilities) to determine if the amount of required overtime will result in the excessive use of overtime. Recruitment efforts should be reinstated if required overtime is expected to exceed acceptable limits set forth in Department policies and MOU provisions.

Concluding Remarks

It is clear that the Orange County Sheriff-Coroner Department has expended significant time and energy and made commendable progress in addressing the deficiencies in overtime monitoring and control that were identified in the audit team's 2008 report. An overall policy regarding overtime has been established and enforced by OCSD management. Follow-up data clearly illustrates the Department's drastic reduction in overtime hours and costs. Moreover, a key strategic decision by the CEO's office to pursue the change in overtime calculation, which was initially raised by the audit team, has saved hundreds of thousands of dollars for OCSD and millions of dollars Countywide. In addition, the closure of several facilities, coupled with the implementation of the Platoon Schedule, demonstrates OCSD's ability to find creative

¹⁸ The Los Angeles County Sheriff's Department implemented the Cadre of Administrative Reserve Personnel (CARP) in March 2010. More than 25,000 8-hour shifts have been worked by LACSD employees, in lieu of overtime shifts, since inception of the CARP program.

solutions that increase efficiency with dwindling resources. Equally responsive and impressive is OCSD's creation and successful implementation of a new, non-sworn position classification in the jail facilities. These examples confirm OCSD's and the County's commitment to improving the management of overtime. This commitment and the itinerant systems of control and monitoring will likely be tested as overtime rises throughout the Department with the full implementation of the ICE contract and rising vacancies rates caused by attrition.

Having noted these considerable successes, the audit team has also identified some outstanding risks and remaining opportunities for improvement. Most notably, the inefficiencies and inherent risks in the Department's largely manual timekeeping process remain essentially unaddressed. Efforts to select, modify, and implement an electronic timekeeping/payroll system to eliminate the consuming task of manually entering payroll data for over 3,500 employees on a daily basis will result in increased efficiency and cost savings/productivity gains. Based on significant research into the options available and discussions with all affected parties, the audit team is confident that if OCSD works with CEO/Budget, CEO/IT, and the Auditor-Controller to make the resolution of this lingering problem a priority, it can be done.

In closing, the audit team would like to thank OCSD staff for their assistance in completing this follow-up review.

APPENDICES

APPENDIX 1: OCSD OVERTIME POLICY



Orange County Sheriff-Coroner Department
Policy Manual

Overtime

1038.1 PURPOSE AND SCOPE

It is the philosophy of the Orange County Sheriff's Department and in accordance with the existing Memorandum of Understanding (MOU) to compensate employees for all overtime worked. Overtime will be equitably and fairly distributed based upon management analysis of workload requirements. While the Orange County Sheriff's Department recognizes the need for overtime to maintain public safety, it will strive for less costly alternatives. All department employees have the duty to effectively and efficiently manage overtime. The following guidelines shall be used for overtime assignments.

1038.1.1 DATE POLICY APPROVED OR REVISED

Effective: June 17, 2010

1038.2 OVERTIME AUTHORIZATION

Overtime shall only be authorized when necessary to meet operational needs, safety or emergency of the department.

1038.2.1 OVERTIME WORK PERIODS

No employee shall work more than 16 consecutive hours. If an employee works 12 or more consecutive hours, the employee cannot return to duty for at least 8 hours.

- (a) Exceptions; unplanned shift extensions (i.e. late call, complete work assignment, court appearances) and emergency situations with the respective Assistant Sheriff approval.

1038.2.2 OVERTIME LIMITS

No employee shall work more than 48 hours of overtime in a pay period.

- (a) Exceptions; unplanned shift extensions (i.e. late call, complete work assignment, court appearances) and emergency situations with respective Assistant Sheriff approval.

1038.2.3 OVERTIME APPROVAL

All overtime requests shall be approved in advance by a supervisor. If circumstances do not permit prior approval, then approval must be obtained as soon as practical during the overtime shift and no later than the end of the shift in which the overtime was worked.

1038.2.4 OVERTIME OUTSIDE OF CLASSIFICATION

No employee shall be permitted to work overtime out of their classification without Division Commander approval.

1038.2.5 EMPLOYEE RESPONSIBILITIES

- (a) It is the responsibility of every employee of the Sheriff's Department to maintain fiscal accountability. No employee shall knowingly work overtime that does not meet the departmental mandate.

- (b) It shall be the responsibility of all employees to ensure they do not exceed 48 hours of overtime in any pay period. Exceptions; refer to 1038.2.2.
- (c) Employees shall record the overtime hours worked and the correct payroll coding on their respective Signin sheets. In the remarks column, the position worked or reason for the overtime should be noted.

1038.2.6 SUPERVISOR RESPONSIBILITIES

- (a) It shall be the responsibility of all supervisors to ensure that any overtime meets a legitimate business need and is consistent with Departmental policy.
- (b) Supervisors shall give consideration to reasonable rest periods. The supervisor shall deny overtime to and/or relieve from on duty status any employee who has exceeded the listed guidelines. This includes any employee who appears fatigued to the extent that the employee's job performance could be affected or public safety impacted.
- (c) Supervisors shall monitor the use of overtime and its effects on employee health, fatigue and misuse (i.e. patterns that might indicate abuse of sick leave).
- (d) Supervisors shall be responsible to review, monitor, and verify all overtime worked by their subordinates. This shall include verifying the overtime was properly coded.
- (e) Supervisors shall not delegate their authority to review and approve watch lists, sign in sheets or overtime justifications to nonsupervisory personnel.
- (f) It is the Supervisor's responsibility to distribute all overtime in a fair and equitable manner taking into consideration departmental needs. Overtime shall be closely monitored as to not overburden any particular employee.

1038.2.7 DIVISION COMMANDER RESPONSIBILITIES

- (a) Division Commanders are responsible for the use of overtime in their Divisions and should ensure:
 - 1. Overtime is used to meet a business or operational need consistent with department policy.
 - 2. Projected monthly overtime expenses do not exceed the budgeted amounts. In the event it appears overtime expenses may exceed the budgeted amount the appropriate Assistant Sheriff shall be notified.
 - 3. Accurate tracking and accountability of all overtime use.
 - 4. Adherence to the agreements developed in the existing MOU's with various labor groups.
 - 5. Maintenance of a safe, healthy, and secure working environment for employees, the public, and inmates.
 - 6. Compliance with approved policies regarding assignment, scheduling, and overtime usage, including identification of excessive overtime use.
- (b) Division Commanders shall develop and maintain division specific procedures regarding appropriate overtime utilization. These procedures shall be in accordance with all existing Memorandum of Understandings. These procedures shall identify specific instances when the use of overtime is appropriate and when it is not. These procedures shall be reviewed by OCSD Executive Command staff before implementation. Once approved, Division Commanders shall introduce and review these site specific procedures with all personnel in the division.

1038.2.8 SHERIFF'S FINANCIAL/PAYROLL RESPONSIBILITIES

Sheriff's Financial/Payroll shall provide to each Division Commander a copy of the Budget Balance and Forecast Analysis report (provided monthly) and the Overtime Report(Provided Biweekly). The information provided in these reports will be utilized in the management of each division's budget.

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT

APPENDIX 2: PEACE OFFICER UNIT MOU PROVISIONS

MOU Provisions	MOU Term					
	1997 - 1999	1999 - 2002	2003-2004	2004-2006	2006-2009	2009-2012
Work Period	40 hours/week	same	same	same	same	40 hour workweek 171 hour work period 28 day work period divided into 4 seven day periods
Overtime Pay Criteria	Work performed over 40 hours of paid time in workweek shall be OT	same	same	same	same	Side Letter Agreement (7/15/2010) with AOCDS Overtime shall be: Paid for hours worked in excess of the employee's regularly scheduled work hours for each seven day work period
Maximum Consecutive Work Day	no more than 16 hours	same	same	same	same	same
Distribution of OT	Reasonable effort to make OT available on an equal basis	same	same	same	same	same
Payment for OT	1.5 times regular rate	same	same	same	same	same
OT used to earn fringe benefits	No	same	same	same	same	same
Extra Help receives OT	Yes	same	same	same	same	same
Premium Pay that counts toward OT	All except: Call-back and On-Call pay	same	same	same	same	same
Premium Pays:						
Night Shift Differential (jail staff only)	\$100/month	same	same	same	same	same
On-Call Pay	1/4 of hourly rate	same	same	same	same	1/4 of hourly rate
Call-Back Pay	1.5 times regular rate	same	same	same	same	same
Bilingual Pay	\$52/month	same	same	same	same	\$0.30/hr (approx. \$52/month) Exceptional Bilingual: \$0.60/hr (approx. \$104/month)
P.O.S.T. Pay (only Coroner classes)	Intermediate: \$150/month Advanced: \$300/month Supervisory: \$340/month	same	same	Intermediate: \$200/month Advanced: \$350/month Supervisory: \$390/month	Intermediate: 5% base pay Advanced: 9% base pay Supervisory: 9.5% base pay	same
Hazardous Devices Assignment Pay	\$525/month	same	same	\$580/month	same	Reg Squad: \$580/month Substitutes: \$255/month
Helicopter Pilot Assignment Pay	\$525/month	same	same	\$580/month	same	same
Dive Team Assignment Pay	\$300/month	same	same	\$355/month	same	same
Training Officer Assignment Pay	\$175/month	same	same	\$230/month	same	same
Motorcycle Officer Assignment Pay	\$2/hr - Patrol, Academy \$1/hr - Jail	same	same	same	same	\$2/hr - Patrol, Harbor, Academy \$1/hr - Jail
Tactical Support Team Assignment Pay	\$175/month	same	same	\$230/month	\$250/month	\$230/month
Toxic Investigator Assignment Pay	\$175/month	same	same	\$230/month	same	same
Mounted Assignment Pay	\$175/month	same	same	\$230/month	same	same
Harbor Assignment Pay	none	\$175/month	same	\$230/month	same	same
Hazardous Devices/Explosive Detection Squad	none	none	\$175/month	\$230/month	same	same
Tactical Support/Hostage Negotiators	none	none	none	\$580/month	same	Regular: \$580/month Substitute: \$255/month
Major Accident Reconstruction Team	none	none	none	\$230/month	same	same
Inamte Transportation Pay	none	none	none	\$230/month	same	same
	none	none	none	\$75/month	same	same
Retirement	xx	same	3% @ 50	same	same	3% @ 50 3% @ 55 (effective the first day of the first full pay period that falls in the month after Board adoption of a Resolution)
General Salary Increase	Jan 98: 3.6% July 98: 3.6%	1999: 3.5% Deputy, 3.75% Investigator 2000: All 4% 2001: All 4%	none	Mar 2005: \$700 1-time April 2005: 3% Oct 2005: 2.5% Mar 2006: 2.5%	Oct 2006: 4.75% Oct 2007: 4.60% Oct 2008: 3.00%	Salary increases not automatic. Based upon merit. Granted upon recommendation of Department Head. (PO MOU Article II Section 3)

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT

**APPENDIX 3: SHERIFF'S SPECIAL OFFICER AND DEPUTY
CORONER UNIT MOU PROVISIONS**

MOU Provision	MOU Term				
	1998-2000	2001-2004	2004-2007	2007-2009	2009-2012
Work Period	40 hours/week, however may be established on an 80 hour per pay period basis	same	same	Standard: 80 hours; For employees on 3/12 schedule, the official FLSA work period shall be 28 days.	40 hr workweek, 80 hr pay period. Two 14 day periods (28 day work period).
Overtime Pay Criteria	Work periods may be established on a pay period basis. In these cases, work performed in excess of 80 hours of paid time shall be OT	same	same	same	Overtime Shall be: Work performed over 40 hrs actually worked in a workweek or Work performed over 40 hrs of paid time due to emergency. Work performed over 80 hours actually worked in each 14 day period Work performed over 80 hours of paid time in each 14 day period due to emergency
Work Schedule Studies	Upon written request by OCEA, the County agrees to study the feasibility of establishing work schedules consisting of: 4/10, 9/80, flex time.	same	same	same	same
Maximum Work Hours/Day	No more than 16 consecutive hours	same	same	same	same
Distribution of OT	Reasonable effort to make OT available on an equal basis. The County and OCEA may meet and confer to reach agreement regarding specific provisions for the distribution of overtime among employees of various individual work units.	same	same	same	same & With respects to shift extensions: If supervisor determines OT is necessary for work started on an assigned shift, assigned employee(s) may continue with that work as an extension of assigned shift. If supervisor determines OT is necessary on a situation assigned to a particular employee, OT may be assigned exclusively to that employee.
Payment for OT	1.5 times regular rate	same	same	same	same
OT used to earn fringe benefits	No	same	same	same	same
Extra Help receives OT	Yes	same	same	same	same
Premium Pay that counts toward OT	All except Call-back and On-call	same	same	same	same
Premium Pays:					
Night Shift Differential (jail staff only)	5% of salary to max of \$1.50/hour	same	same	same	5% of basic hourly rate Min: \$0.60/hr to Max: \$1.50/hr
On-Call Pay	1/4 of hourly rate	same	same	same	same
Call-Back Pay	1.5 times regular rate	same	same	same	same
Bilingual Pay	\$52/month	same	\$69/month	same	Additional \$0.40/hr (approx. \$69/month) Exceptional Bilingual Duties: \$0.70/hr (approx. \$121/month)
P.O.S.T. Pay (only Coroner classes)	none	Intermediate: \$150/month Advanced: \$300/month	same	Intermediate: \$200/month Advanced: \$350/month	same
Training Officer Assignment Pay	none	JWA/Academy: \$1/hour	same	same	same
Emergency Communications and Training Pay	none	\$2.03/hour	same	same	same
Compensation for Work on Holidays	Major 6 holidays: 1.5 times pay; Minor 6 holidays: straight time	same	same	same	same
Retirement	1/60: General 1/50: Safety	same	2.7% @ 55 effective 7/05	same	1.62% @ 65 w/option for DC Plan 2.7% @ 55
General Salary Increase	7/98: 3.25% 7/99: 3.25%	6/01: 4.0% 6/02: 4.0%	4/06: 4.75%	6/07: 2.5% 6/08: 2.5%	Salary increases not automatic. Based upon merit. Granted upon recommendation of Department Head. (SSO MOU Article II Section 3)

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT

APPENDIX 4: PROGRESS IN ADDRESSING 2008 FINDINGS AND RECOMMENDATIONS

2008 AUDIT FINDING	2008 AUDIT RECOMMENDATION	STATUS OF IMPLEMENTATION	FOLLOW UP CONCLUSION/COMMENTS
1. Overtime is caused by a variety of factors, the most common being the filling of position vacancies. In addition, several ongoing practices and specific events have and continue to significantly impact overtime usage and cost at OCSD.	1.1 Discontinue the practice of artificially maintaining vacant positions, and utilize a realistic vacancy factor. Use a variety of management tools, including staffing assessments and cost analyses, to determine when overtime or filling positions is the best practice. Any positions that are deemed unnecessary by the staffing assessment and are vacant, need to be deleted.	IMPLEMENTED	OCSD should continue to monitor the sworn vacancy rate and determine when it is more appropriate to delete vacant positions as opposed to maintaining unfilled positions to realize salary and benefits savings. For additional details on this key recommendation see the full report sections "Vacany Rate" and "Staffing Changes".
	1.2 Seek additional funding for the ICE program from the US Department of Homeland Security to compensate for the cost of these positions.	IMPLEMENTED	OCSD determined there is no additional funding available from the Federal government for the ICE Cross Designation Program; however, OCSD has pursued a new source of revenue by negotiating a contract with the Federal government.
	1.3 Follow through as soon as possible with current OCSD efforts to discontinue Sheriff Deputy guarding of other local police jurisdiction arrestees who stay longer than 24 hours in the hospital. It is estimated that the discontinuation of this practice will save OCSD between \$1-2 million overtime costs every year, according to Theo Lacy staff analysis.	IMPLEMENTED	See the full report section "Follow Up on the Causes of Overtime" for details on this key recommendation.
	1.4 Re-evaluate the current practice of sending Sheriff Special Officers to Academy Training once they have already begun working at the jails to determine if this sequence is the most efficient from a cost and management perspective.	NOT IMPLEMENTED	The last SSO academy graduated March 8, 2009 and there is no SSO academy training scheduled at this time. There are currently no staffing shortages for SSO's since Jail Operations has experienced several closures of its facilities and the use of the new position classification, Correctional Services Assistants (CSA's), has been implemented in the jails. For additional information about the impact of CSAs, see the report section "New Position Classification".
	1.5 Use Extra Help employees to cover short term, critical vacancies where feasible. This recommendation will require an exemption to the recent prohibition against using Extra Help retired employees, which was recently implemented by the CEO Office as part of the County-wide cost-saving strategy. This exemption is recommended in this particular instance as it will provide an immediate financial benefit to OCSD and the County.	IMPLEMENTED	OCSD utilizes Extra Help employees where feasible.
	1.6 Examine the feasibility of re-establishing permanent shift relief positions to cover for daily absences.	IMPLEMENTED	OCSD utilizes shift relief positions where feasible; however, given the significant changes in staffing levels and Department operations during the follow-up period shift relief availability varies by division.
	1.7 It is the responsibility of immediate supervisors to approve shift extensions. OCSD should provide these supervisors with guidelines for approving shift extensions as well as tools to monitor this overtime category.	PARTIALLY IMPLEMENTED	Exceptions to overtime shift extensions, in accordance with the existing MOU provisions, are addressed in OCSD's Overtime Policy; however, specific tools and guidelines to control shift extensions are not included. For additional details on this key recommendation see the full report section "Overtime Control and Monitoring".
	1.8 Establish a detailed policy that addresses the appropriate use of OCSD resources for special event coverage. Specifically, OCSD needs to determine whether or not coverage of special events is creating problems with internal operational coverage (on overtime or otherwise), even though most events are reimbursed by outside agencies.	NOT IMPLEMENTED	No formal policy has been developed to address the appropriate use of OCSD resources for special event coverage; however, the Department analyzes every special event request to ensure adequate staffing is available. According to OCSD staff, all costs incurred to provide special event services are reimbursed by the outside agency.

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INITIAL AUDIT FINDING	INITIAL AUDIT RECOMMENDATION	STATUS OF IMPLEMENTATION	FOLLOW UP CONCLUSION/COMMENTS
2. There is no evidence to suggest that comprehensive staffing analyses were developed for most OCSD Divisions to determine appropriate work schedules.	2.1 Perform a Staffing Assessment in all areas where overtime is an issue and, using this information, adjust work schedules as necessary to increase operational effectiveness and efficiency. 2.2 After OCSD makes determination on proposed work schedule changes, meet with the Human Resources Department to discuss notification and/or meet and confer obligations with labor associations.	IMPLEMENTED	See the full report sections "Staffing Changes" and "Implementation of New Work Schedule" for details on this recommendation.
3. MOU provisions have significantly impacted the cost of overtime.	3.1 OCSD and the HR Department should begin meeting now to formulate a negotiating strategy, particularly in light of the difficult financial situation faced by the County, and OCSD's need to curtail overtime expenditures. 3.2 A financial and operational analysis of each proposed salary or benefit enhancement should be completed prior to its inclusion on the slate of possible offerings or being agreed to at the bargaining table.	IMPLEMENTED	See the full report section "Labor Agreement Negotiations" for details on this key recommendation.
4. Combined Jail operations account for 42% of all overtime costs and 45% of all overtime hours. Other relatively large sources of overtime include: the cumulative costs of providing police services to the contract cities and special districts, Orange County Courts, North Patrol Operations, Transportation Division, and Airport Detail.	4.1 OCSD should concentrate its efforts to improve overtime management in the areas that have the highest overtime usage and cost, beginning initially with overtime issues in the Jail facilities. 4.2 OCSD should closely monitor the results of the consultant assessment to determine the feasibility of using private security at JWA, develop contingency plans as necessary, and support any reasonable opportunities to achieve overtime cost savings.	NOT OCSD RESPONSIBILITY	All major salary and benefits enhancements are currently costed out by CEO-Budget.
5. 91% of all OCSD overtime costs are concentrated in six position classifications: Deputy Sheriff I, Deputy Sheriff II, Sergeant, Investigator, Sheriff Special Officer I/II, and Correctional	NONE	N/A	
6. Lack of a comprehensive overtime policy and monitoring procedures results in increased overtime.	6.1 OCSD Executive staff should articulate an overall philosophy toward overtime, and then develop and distribute policies and standard operating procedures that convey that philosophy and delineate acceptable practices. These policies need to be specific so that line managers can easily understand their parameters and strictly enforce the department-wide guidelines. Overtime management should be included as a subset of the appropriate evaluation criteria in annual performance evaluations of managers. These policies should also drive any improvement or upgrade of system tools (IT or otherwise), so that managers have an alignment between means and tools.	IMPLEMENTED	See the full report section "Overtime Philosophy" for details on the implementation of the first part of this key recommendation. Overtime management does not appear to be a specific subset of performance evaluation criteria of managers; however, comments regarding overtime control were noted in sample evaluations reviewed by the audit team, which suggests that the management of overtime is at the least being considered during annual performance evaluations of OCSD managers.
7. Employees that work the highest amounts of overtime also engage in certain practices that allow them to maximize their overtime	7.1 Establish and enforce detailed policies and procedures to address what is and what is not acceptable in regard to overtime usage.	IMPLEMENTED	See the full report sections "Overtime Philosophy" and "Employee Practices that Maximize Overtime" for details on this key recommendation.
8. Overtime budgets in high-user Divisions often bear no reality to anticipated expenses	8.1 Budget anticipated/realistic overtime expenses in each Division Budget Org and appropriately reduce the amount budgeted to overtime in non-Distributed Appropriations Org 900.	PARTIALLY IMPLEMENTED	See the full report section "Overtime Budgeting" for details on this key recommendation.
9. The Overtime Budget Object (0103) is not a fully accurate representation of true overtime costs.	9.1 Given the current Chart of Accounts Review associated with the CAPS+ Upgrade, OCSD Financial and the Auditor-Controller should review which payroll codes are included in the "Overtime" expenditure object (0103), and determine if any modifications would help OCSD management more accurately track and budget for overtime in the Department as a whole and at specific locations within the Department.	NOT IMPLEMENTED	Object 0103 for Overtime still includes some payroll codes that are not truly overtime-related such as STPAY (Straight Time Pay) and MCPAY (Mandatory Comp Pay). OCSD and A-C should consider the payroll codes included in Object 0103 to determine whether modifications would help OCSD management more accurately track and budget for overtime.

FOLLOW-UP REVIEW OF 2008 OCSD OVERTIME AUDIT

INITIAL AUDIT FINDING	INITIAL AUDIT RECOMMENDATION	STATUS OF IMPLEMENTATION	FOLLOW UP CONCLUSION/COMMENTS
10. The InTime system is not fully utilized to manage and control overtime	10.1 OCSD should implement a written policy requiring complete and accurate updating of InTime to properly reflect actual hours worked.	NOT IMPLEMENTED	See the full report section "Scheduling System" for details on this key recommendation.
	10.2 Continue efforts to utilize the InTime system to prepare daily Sign-in sheets electronically.	NOT IMPLEMENTED	OCSD should first, select a vendor for implementation of an electronic timekeeping system. Once a vendor has been selected, OCSD should work closely with the vendor to make all necessary system modifications to meet the needs of the department. Then, OCSD should phase out the new system across departments starting with non-sworn employees and eventually implement the electronic scheduling/timekeeping/payroll system Department-wide. For additional details on this key recommendation see the full report section "Scheduling System".
	10.3 OCSD should determine additional training required to fully utilize InTime features. Professional staff should be trained as core Trainers to ensure consistent training is provided to all schedulers.	PARTIALLY IMPLEMENTED	See the full report section "Timekeeping System" for details on this key recommendation.
	10.4 OCSD should evaluate the InTime Overtime Management module on a three month basis as provided in the InTime contractor's July 2008 Training Proposal to determine if the module will provide effective overtime monitoring and control.	PARTIALLY IMPLEMENTED	OCSD should continue to evaluate the InTime system, specifically the Overtime Module, to determine if the system provides effective overtime monitoring and controls. In addition, OCSD should implement policies to ensure accurate updating of InTime to reflect useful overtime data to provide effective overtime monitoring and control.
	10.5 OCSD should evaluate whether InTime can be used across all OCSD Divisions.	IMPLEMENTED	Use of the InTime Scheduling system has expanded since the initial audit, but since the system is used primarily to schedule sworn employee shifts (e.g., patrol and jail operations) OCSD finds it unnecessary to implement the system to divisions with primarily non-sworn staff.
	10.6 OCSD should evaluate the current system configuration to determine whether changes will enhance monitoring and control practices.	IMPLEMENTED	See the full report section "Scheduling System" for details on this key recommendation.
11. There is a lack of integration between the Payroll system and the InTime Scheduling System	11.1 InTime should be integrated with the updated Payroll system to eliminate the manual entry of work hours. Such integration would yield substantial cost and resource efficiencies after an	NOT IMPLEMENTED	See the full report section "Timekeeping System" for details on this key recommendation.
	11.2 There needs to be better coordination or a change in reporting relationships to facilitate decision making between the Financial and IT sections.	PARTIALLY IMPLEMENTED	OCSD has made additional improvements in coordination between Financial IT and Support Services IT. From discussions with OCSD staff, Financial and Support Services IT will continue to work together as OCSD proceeds with the payroll upgrade. Ultimately, there needs to be an increased effort from management regarding the decision to be made about the electronic timekeeping system vendor.
12. Payroll system control weakness	12.1 Upgrade the Payroll system to allow for inputting more Premium Pay types, and restrict access to payroll production data to only Payroll personnel once this upgrade occurs. In this interim, Sheriff-IT should establish a verification report of any changes made to the payroll text file, which can be reviewed by payroll staff prior to submission of data to the Auditor-Controller.	PARTIALLY IMPLEMENTED	See the full report section "Timekeeping System" for details on this key recommendation.
13. No central management and control of employee premium pays	13.1 In the near term, articulate the specific responsibilities of each unit currently involved in entering and monitoring premium pays. In the long term, ensure that any future upgrade of the payroll system allows for centralized input of all premium pays by one designated unit.	NOT IMPLEMENTED	See the full report section "Timekeeping System" for details on this key recommendation.

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INITIAL AUDIT FINDING	INITIAL AUDIT RECOMMENDATION	STATUS OF IMPLEMENTATION	FOLLOW UP CONCLUSION/COMMENTS
14. Some control deficiencies were identified with the overtime timekeeping process at Jail facilities	14.1 OCSD should implement and enforce controls to ensure that overtime justifications are accurately recorded.	IMPLEMENTED	See the full report section "Follow Up on the Causes of Overtime" for details on this key recommendation.
	14.2 OCSD Financial should ensure that there are sufficient justification codes available to operations managers for the adequate tracking of overtime in each category.	IMPLEMENTED	See the full report section "Follow Up on the Causes of Overtime" for details on this key recommendation.
	14.3 The practice of Sergeants assigning and approving their own overtime should be discontinued and approval should be done at the appropriate management level.	IMPLEMENTED	See the full report section "Overtime Control and Monitoring" for details on this key recommendation.
	14.4 Timesheet approval responsibilities should not be delegated below the management level.	IMPLEMENTED	See the full report section "Overtime Control and Monitoring" for details on this key recommendation.
	14.5 OCSD should develop department-wide overtime reports that are consistently distributed on a monthly basis utilizing automated data from CAPS, InTime, or other automated sources. Requests for additional overtime reports should be discussed with Financial & Administrative Services to utilize appropriate system tools and controls to ensure accurate reports are generated.	IMPLEMENTED	See the full report section "Overtime Control and Monitoring" for details on this key recommendation.
15.1 The marginal, hourly cost of either approach (filling with overtime or filling with a new deputy) will always be the same. Therefore, there is no "cross-over" or "break-even" point, but rather a decision to do one or the other.	15.1 Fill any vacant Sheriff Special Officer (SSO) and Correctional Service Technician positions in order to achieve cost savings.	IMPLEMENTED	The current SSO and CST vacancy rates in the jail facilities are 4.17% and 6.54%, respectively, which are both below the Department's total sworn vacancy rate. The new position classification in the jails (CSA) provides additional shift relief to cover overtime. For additional details on this recommendation see the full report section "New Jail Position Classification".
15.2 It is cheaper to fill a vacant position with overtime rather than to hire a new employee to fill the position for a Deputy Sheriff I, Deputy Sheriff II, Investigator, and Sergeant.	15.2 Despite the fact that using overtime to fill vacant safety positions may be incrementally cheaper, OCSD needs to create a comprehensive overtime policy that puts in place the procedures necessary to ensure that the risks associated with fatigue do not rise to such a level that they outweigh any cost savings.	IMPLEMENTED	See the full report section "Overtime Philosophy" for details on this key recommendation.
15.3 It is cheaper to fill a vacant position by hiring a new employee rather than to fill it with overtime for Sheriff's Special Officers and Correctional Service Technicians.	NONE	N/A	
15.4 The cost differential is less than 10% for filling with overtime compared to filling with a new employee. This is true across all of the major six classifications examined.	NONE	N/A	