

# OFFICE OF AUDITS & ADVISORY SERVICES



## OVERTIME SALARIES AND BENEFITS – COUNTYWIDE AUDIT

*FINAL REPORT*

Chief of Audits: Juan R. Perez  
Audit Manager: Laura R. Flores, CIA, CFE, CGAP  
Senior Auditor: Mady Cheng, CPA, CIA, CISA, MSBA  
Auditor II: Michelle Ludwick, CGAP

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# County of San Diego

**TRACY M. SANDOVAL**  
DEPUTY CHIEF ADMINISTRATIVE OFFICER/  
AUDITOR AND CONTROLLER

AUDITOR AND CONTROLLER  
OFFICE OF AUDITS & ADVISORY SERVICES  
5530 OVERLAND AVENUE, SUITE 330, SAN DIEGO, CA 92123-1261  
Phone: (858) 495-5991

**JUAN R. PEREZ**  
CHIEF OF AUDITS

August 21, 2015

TO: William D. Gore, Sheriff  
Sheriff's Department

FROM: Juan R. Perez  
Chief of Audits

## FINAL REPORT: OVERTIME SALARIES AND BENEFITS – COUNTYWIDE AUDIT

Enclosed is our report on the Overtime Salaries and Benefits – Countywide Audit. We have reviewed your response to our recommendations and have attached them to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board of Supervisors Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. The Office of Audits & Advisory Services will contact you or your designee near the end of each quarter to request your response.

Also attached is an example of the quarterly report that is required until all actions have been implemented. To obtain an electronic copy of this template, please contact Michelle Ludwick at (858) 495-5655.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ  
Chief of Audits

AUD:ML:aps

Enclosure

c: Ronald J. Lane, Deputy Chief Administrative Officer, Public Safety Group  
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller  
Eunice C. Ramos, Group Finance Director, Public Safety Group  
Jill Serrano, Finance Officer, Public Safety Group



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**JUAN R. PEREZ**  
CHIEF OF AUDITS

August 21, 2015

TO: Nick Macchione, Director  
Health and Human Services Agency

FROM: Juan R. Perez  
Chief of Audits

## FINAL REPORT: OVERTIME SALARIES AND BENEFITS – COUNTYWIDE AUDIT

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JUAN R. PEREZ  
Chief of Audits

AUD:ML:aps

Enclosure

c: Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller  
Dean Arabatzis, Chief Operations Officer, Health and Human Services Agency  
Andrew Pease, Group Finance Director, Health and Human Services Agency  
Kimberly Evers, Group HR Director, Health and Human Services Agency



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**JUAN R. PEREZ**  
CHIEF OF AUDITS

August 21, 2015

TO: Michael Vu, Registrar of Voters  
Registrar of Voters

FROM: Juan R. Perez  
Chief of Audits

## FINAL REPORT: OVERTIME SALARIES AND BENEFITS – COUNTYWIDE AUDIT

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JUAN R. PEREZ  
Chief of Audits

AUD:ML:aps

Enclosure

c: David Estrella, Deputy Chief Administrative Officer, Community Services Group  
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller  
Brian Hagerty, Group Finance Director, Community Services Group



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**JUAN R. PEREZ**  
CHIEF OF AUDITS

August 21, 2015

TO: Tracy M. Sandoval  
Deputy Chief Administrative Officer/Auditor and Controller

FROM: Juan R. Perez  
Chief of Audits

FINAL REPORT: OVERTIME SALARIES AND BENEFITS – COUNTYWIDE AUDIT

Enclosed is our report on the Overtime Salaries and Benefits - Countywide Audit. As there are no findings and recommendations in the report, no audit response is required.

Thank you for the courtesousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ  
Chief of Audits

AUD:ML:aps

Enclosure

c: Tracy L. Drager, Assistant Auditor and Controller  
Damien Quinn, Group Finance Director, Finance and General Government Group



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**JUAN R. PEREZ**  
CHIEF OF AUDITS

August 21, 2015

TO: Ernest J. Dronenburg  
Assessor/Recorder/County Clerk

FROM: Juan R. Perez  
Chief of Audits

## FINAL REPORT: OVERTIME SALARIES AND BENEFITS – COUNTYWIDE AUDIT

Enclosed is our report on the Overtime Salaries and Benefits - Countywide Audit. As there are no findings and recommendations in the report, no audit response is required.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ  
Chief of Audits

AUD:ML:aps

Enclosure

c: Damien Quinn, Group Finance Director, Finance and General Government Group



# County of San Diego

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**JUAN R. PEREZ**  
CHIEF OF AUDITS

August 21, 2015

TO: Robert Kard, Director  
Air Pollution Control and District

FROM: Juan R. Perez  
Chief of Audits

**FINAL REPORT: OVERTIME SALARIES AND BENEFITS – COUNTYWIDE AUDIT**

Enclosed is our report on the Overtime Salaries and Benefits - Countywide Audit. As there are no findings and recommendations in the report, no audit response is required.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ  
Chief of Audits

AUD:ML:aps

Enclosure

c: Sarah Aghassi, Deputy Chief Administrative Officer, Land Use and Environment Group  
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller  
Lisa Keller-Chiodo, Group Finance Director, Land Use and Environment Group

## INTRODUCTION

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**Audit Objective** The Office of Audits & Advisory Services (OAAS) completed an audit of Overtime Salaries and Benefits for the County of San Diego (County). The objective of the audit was to determine whether overtime use complies with established County policies and applicable regulations.

**Background** The County provides overtime pay to employees to address emergency situations, deliver essential services, provide holiday coverage, and other business needs that require employees to work beyond their normally scheduled work hours.

Overtime is paid in accordance with the County's Compensation Ordinance, various union agreements, and the Fair Labor Standards Act (FLSA).<sup>1</sup> Employees who are non-exempt from FLSA can receive overtime paid at 1.5 times the employee's base rate in cash or compensatory time off.

During FY 2012-13, County employees recorded approximately 1.2 million hours of overtime hours. The County paid \$43.9 million in cash and \$5.6 million in compensation hours for overtime worked. This amount represented nearly 4.6% of the approximately \$1 billion spent on total personnel costs for the year.

Table 1 further illustrates FY 2012-13 overtime cost by each of the five County business groups: Land Use & Environment Group (LUEG), Finance & General Government Group (FG3), Health and Human Services Agency (HHSA), Community Service Group (CSG), and Public Safety Group (PSG):

**Table 1. Total Overtime Cost by Business Group in Fiscal Year 2012-13**

LUEG	FG3	HHSA	CSG	PSG
\$1,672,021	\$1,098,383	\$8,538,537	\$1,655,217	\$36,618,790

**Audit Scope & Limitations**

The scope of the audit covered but was not limited to, overtime salaries and benefits data for FY 2012-13. OAAS selected six County departments for audit testing, including at least one department from each of the business groups as follows:

- Air Pollution Control District (APCD)
- Assessor/Recorder/County Clerk (ARCC)
- Regional Child Welfare Services (RCWS)
- Inpatient Health Services (IHS)
- Registrar of Voters (ROV)
- Sheriff's Department

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<sup>1</sup> The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.

A summary of overtime salaries and benefits expense for each of the selected departments is presented in Table 2.

**Table 2. FY 2012-13 Overtime Hours and Expense by Sample Department**

<b>Business Group</b>	<b>Department</b>	<b>Overtime Hours</b>	<b>Overtime Salaries and Benefits Expense</b>
LUEG	APCD	5,082	\$ 228,929
FG3	ARCC	22,391	\$ 750,726
HHSA	RCWS	18,136	\$ 688,959
	IHS	54,546	\$ 1,523,961
CSG	ROV	26,574	\$ 680,229
PSG	Sheriff	636,226	\$ 29,403,320

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.

## **Methodology**

OAAS performed the audit using the following methods:

- Reviewed federal and state laws and regulations related to overtime, including FLSA and California Department of Industrial Relations/Industrial Welfare Commission.
- Examined County Compensation Ordinances and various Memorandums of Agreement (MOA).
- Interviewed Auditor and Controller (A&C), Central Payroll Administration (Central Payroll) regarding County payroll records and overtime compensation compliance.
- Reconciled County Compensation Ordinances and MOAs to County payroll and timekeeping systems to ensure consistency and accuracy.
- Conducted on-site interviews and observations within each of the selected departments to identify and evaluate controls in place related to overtime administration.
- On a sample basis, conducted detailed testing of overtime transactions to ensure compliance and data accuracy.
- On a sample basis, reviewed historical adjustments for appropriateness.
- Evaluated appropriateness of user access to Kronos based on roles and responsibilities.

## AUDIT RESULTS

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### Summary

Within the scope of the audit, there is reasonable assurance that overtime use generally complied with laws, regulations, and County policies. While no exceptions were noted at ARCC, APCD, and IHS, exceptions related to the administration of overtime were noted at the Sheriff's Department, ROV, and HHS-A-RCWS. The exceptions noted and recommendations are included in the body of this report.

### Finding I:

#### **Sheriff's Department Overtime Approval and Reporting Process**

A sample of 30 employees with the highest overtime reported during FY 2012-13 and/or highest overtime reported per shift was selected for detailed testing. Further, OAAS judgmentally selected one pay period for each of the 30 employees in the sample. OAAS identified overtime transactions incurred by each sampled employee for the selected pay period for a total of 177 overtime transactions. During our detailed review of transactions, the following issues were noted:

#### **Missing Supporting Documentation for Overtime Transactions –**

The Sheriff's Department requires the completion of a Payroll Exception Time Report (PR-1) to request and approve overtime. OAAS found that the Sheriff's Department did not consistently retain PR-1s to substantiate overtime approvals. Specifically, 82 of the 177 overtime transactions were missing supporting documentation.

The County's Global Record Retention Policy requires that personnel time records must be maintained three years after termination.

Further audit work determined that even though PR-1s document personnel time data, the Sheriff's Department established a conflicting record retention period for these documents (refer to Finding III). Therefore, PR-1s are not consistently retained for three years after termination, as required by County's Global Record Retention Policy.

As a result, OAAS was unable to verify overtime approvals and reconcile data entry accuracy for 82 of the 177 or 46% of overtime transactions selected in our sample.

**Timesheet Data Entry Errors Found –** Audit detailed testing was conducted on the 95 overtime transactions for which supporting documentation was provided. OAAS identified data entry errors on 12 of the 95 or nearly 13% of overtime transactions tested. Specifically, the following errors were noted:

- Eight transactions were posted on the wrong date.
- Five transactions had the incorrect number of hours recorded.

Incorrect number of overtime hours recorded resulted in an overpayment of 95.5 overtime hours. While the Sheriff's Department corrected four of the errors within a month of occurrence, one of these errors was not detected until the completion of this audit.

Central Payroll evaluated the data entry methodology used by the Sheriff's Department and concluded that improvements in the data entry process would help mitigate the risk of data entry errors.

**Missing Approvals on Overtime Related Documents** – OAAS' review of the 95 overtime transaction's supporting documentation found that required approval signatures are not consistently recorded. For instance:

- Four PR-1s were missing employee's signatures.
- One PR-1 was missing a supervisor's signature.

In addition, OAAS examined one Kronos timecard report for each of the 30 sampled employees to ensure required reviews were conducted. The following exceptions were noted:

- Eight timecard reports were missing employee's signatures.
- Five timecard reports were missing supervisor's signatures.

According to the Sheriff's Department's internal policies, employees and supervisors are required to complete and sign a PR-1 for overtime worked and submit the form for processing no later than the Friday after the pay period ends. Also, it is required to review and sign the Kronos timecard report within two weeks after the pay period ends.

Missing approvals increase the risk of inaccurate and/or unauthorized overtime hours reported resulting in incorrect wages paid to employees.

**Recommendation:**

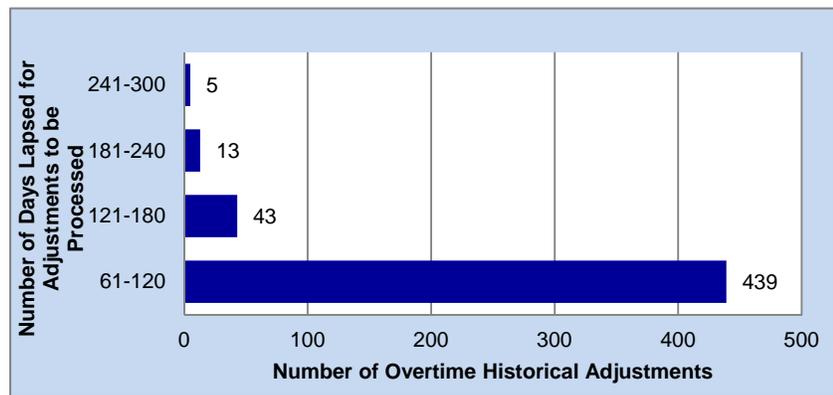
The Sheriff's Department should strengthen controls related to their overtime approval and reporting process including, but not limited to:

1. Comply with the County's Global Record Retention Policy.
2. Consult with Central Payroll to evaluate data entry method used when recording overtime into Kronos and determine adequate time entry procedures to ensure accuracy in the calculation of overtime hours. Also, communicate updated procedures to appropriate staff.
3. Provide refresher training to employees, supervisors, and departmental payroll staff to ensure that payroll documents are complete and properly signed.

**Finding II:**

**Sheriff's Department Overtime Historical Adjustments**

During FY 2012-13, the Sheriff's Department processed 3,341 or 53.6% of the 6,236 Countywide overtime historical adjustments. OAAS noted that 500 of the 3,341 overtime historical adjustments were processed more than 60 days from when the overtime was incurred, as illustrated in Table 3.

**Table 3. Sheriff's Department Overtime Historical Adjustments**

OAAS found that employees and supervisors did not consistently complete, approve, and submit PR-1s to accurately record overtime worked. Further, the Sheriff's Department does not have policies and procedures that require processing of adjustments in a timely manner.

According to the Sheriff's Department, approximately 78% of the late historical adjustments were necessary to ensure overtime incurred was charged to the correct funding source. Also, overtime historical adjustments were the result of delays in completing, approving, and processing PR-1s.

According to the Sheriff's Department's internal policy, employees and supervisors should complete a PR-1 for overtime worked and submit the form to departmental payroll no later than the Friday after the pay period ends.

Significant number of errors and/or delays recording overtime worked causes excessive historical adjustments which results in an increased workload for departmental payroll and for Central Payroll. More importantly, it causes a delay in properly compensating staff for overtime worked.

**Recommendation:** To decrease the number of overtime historical adjustments processed, the Sheriff's Department should:

1. Enhance and enforce current overtime policies and procedures to ensure timely completion, approval, submission, and processing of PR1s.
2. Provide refresher training to staff and supervisors to ensure overtime worked is recorded and charged to the appropriate grant.

**Finding III:** **Sheriff's Departmental Record Retention Policy Schedule Did Not Follow Approval Process**

OAAS found the Sheriff's Department updated its departmental records retention policy schedule in January 2010. However, they did not follow the County's required approval process which includes review and

approval by Purchasing & Contracting (P&C), A&C, and County Counsel before adopting the updated schedule.

According to the Sheriff's Department, its approved Records Retention Schedule was established in 2008. In 2010, the Sheriff's Department changed the retention for all timekeeping records to one year. Although the 2010 schedule was not properly approved, Sheriff's Payroll has followed the new retention schedule.

According to the County's Administrative Manual, Item Number 0040-09, *Document and Records Management Program*, Section VI.A:

- When departments need to make changes to Department Retention Schedule, they should notify P&C's Records Services Division.
- The Records Services Division finalizes Departmental Retention Schedule changes and complete authorization process via A&C and County Counsel.

Following an unapproved record retention schedule results in non-compliance with the County's Administrative Manual, Document and Records Management Program. Further, the Sheriff's Department could face potential liability related to premature destruction of records.

**Recommendation:**

The Sheriff's Department should ensure compliance with the County's Document and Records Management Program and obtain approval for its updated departmental record retention policy schedule according to the County's Administrative Manual, Item Number 0040-09.

**Finding IV:**

**HHS-RCWS: Unauthorized Overtime Worked and Not Recorded**

Based on inquiry with RCWS staff, some employees reported having worked unauthorized overtime and not recording it. Specifically, OAAS found that three of four supervisors interviewed were aware of staff working unauthorized overtime. Further, 6 of 10 employees interviewed stated that they do not consistently report overtime worked and offered the following reasons why unauthorized overtime may be worked but not recorded:

- Belief that management will perceive them as poor performers for being unable to keep up with their assigned workload.
- Belief that staff is expected to work unpaid overtime.
- Misconception that there is no budget for overtime or that cash overtime would not be approved once compensatory time balances reach the maximum limit.
- Perception or belief that there is excessive workload.
- Difficulty in getting management authorization to work overtime or forgetting to request authorization.

According to the County's Compensation Ordinance, Section 1.6.2(a), qualified employees working over 40 hours per week should earn overtime pay or accrue compensatory time off. Moreover, according to the Child Welfare Services Program Guide, overtime shall be authorized by the supervisor in advance, except for emergency situations, and overtime shall be reported no later than the following work day after it is worked.

Failure to report overtime may increase the risks for financial liability for unpaid wages and related penalties, grievances filed for non-compliance with labor laws or MOAs, and decreased worker productivity. Further, RCWS may have trouble retaining and recruiting qualified staff due to poor employer reputation and low employee morale.

**Recommendation:** To ensure management controls over overtime approvals are effective, RCWS management should:

1. Develop and execute a plan to clearly communicate and enforce the overtime approval and reporting policies and procedures to all RCWS staff.
2. Evaluate workload standards and countywide staffing requirements to ensure reasonableness of assignments.

**Finding V: ROV's Compensatory Time Balances Exceed Maximum Limit**

According to the County's Compensation Ordinance 1.6.2, depending on job classification, employees can accrue up to 120 hours of FLSA compensatory time and up to 40 hours Non-FLSA compensatory time.

As of March 2014, OAAS found that 5 out of 60 or 8% of ROV employees accrued more compensatory time than the maximum limits set forth by the County's Compensation Ordinance. Specifically, five employees exceeded compensatory maximum time as shown on Table 4.

Insufficient monitoring of employee's compensatory time balances can result in non-compliance with the County's Compensation Ordinance.

**Table 4. ROV Staff Exceeding Compensatory Maximum**

Employee	FLSA Comp Time Balance	Non-FLSA Comp Time Balance	Hours Over Limit
1	138.00	---	18.00
2	130.10	---	10.10
3	121.30	---	1.30
4	120.05	---	.05
5	---	40.50	.50

According to ROV, staff responsible for processing compensatory time balances is new to the process; therefore, they may have overlooked the balances during the election season.

- Recommendation:** To ensure compensatory time balances do not exceed maximum limits, ROV should:
1. Remind supervisors of their responsibilities to approve accurate timesheet data in Kronos.
  2. Enhance the monitoring process of employee's compensatory time balances, particularly during the election season.
  3. Resolve the excess hours for the five employees identified above.

**Finding VI: ROV's Paper Timesheet Errors**

OAAS selected a sample of 25 employees with the highest overtime reported during the period under review (hours per day and total hours) for detailed testing. Of the 25 employees selected, 11 were temporary employees. Temporary employees record their time in paper timesheets since they do not have direct access to Kronos. Upon reviewing the paper timesheets for the temporary employees, OAAS noted the following errors:

- Eight paper timesheets were incomplete or inaccurate. For example, shift end times were not recorded for one of the timesheets reviewed. In another example, one temporary employee did not deduct lunch time for the entire week.
- Four paper timesheets did not trace and agree to the hours reported in Kronos.
- Four paper timesheets were missing the employee's signature and three paper timesheets were missing the supervisor's signature.
- Six paper timesheets were adjusted without the supervisor's initials and date.

According to staff, each division within ROV uses a different paper timesheet to record temporary employees' hours. It was noted that some of the timesheets used did not contain key data fields, such as signature blocks for proper approval. Lack of consistency in the timesheets used contributed to the exceptions noted.

Based on the errors found on the paper timesheets, the risk of processing inaccurate and/or unauthorized overtime transactions for temporary employees' increases. OAAS did not uncover any instances of overbilling or non-compliance. However, since temporary employees can bill overtime to various departmental projects, ROV is at an increased risk of incorrectly billing, as well as potential non-compliance with FLSA<sup>2</sup> laws and regulations.

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<sup>2</sup> FLSA Fact Sheet #21, Recordkeeping Requirements, states that employers must keep accurate records for the hours worked by the employees.

Adequate timesheet approvals, authorizations, verifications, and reconciliations are an indication of a strong system of internal controls designed to ensure accuracy of payroll data reported.

**Recommendation:** To ensure the accuracy of payroll data including overtime reported for temporary employees, ROV should:

1. Develop consistent timesheet templates for temporary employees. At a minimum, the templates should contain fields for employee ID, employee name, employee and supervisor signature blocks, project number, task code, date, and hours worked.
2. Provide training on the completion of paper timesheets to temporary employees, timekeepers, and supervisors.

Office of Audits & Advisory Services



VALUE

**DEPARTMENT'S RESPONSE  
(SHERIFF'S DEPARTMENT)**



# San Diego County Sheriff's Department

Post Office Box 939062 • San Diego, California 92193-9062



*William D. Gore, Sheriff*

July 31, 2015

RECEIVED

**TO:** Juan R. Perez  
Chief of Audits

AUG 10 2015

OFFICE OF AUDITS &  
ADVISORY SERVICES

**FROM:** William D. Gore, Sheriff  
Sheriff's Department

## **DEPARTMENT RESPONSE TO AUDIT RECOMENDATIONS: OVERTIME SALARIES AND BENEFITS – COUNTYWIDE AUDIT**

In response to the Overtime Salaries and Benefits – Countywide Audit, conducted on the San Diego County Sheriff's Department (Report No. A14-022), please find the Department's response to the findings outlined in the report.

### **Finding I: Sheriff's Department Overtime Approval and Reporting Process**

#### **OAAS Recommendation:**

The Sheriff's Department should strengthen controls related to their overtime approval and reporting process including but not limited to:

1. Comply with the County's Global Record Retention Policy.
2. Consult with Central Payroll to evaluate data entry method used when recording overtime into Kronos and determine adequate time entry procedures to ensure accuracy in the calculation of overtime hours. Also, communicate updated procedures to appropriate staff.
3. Provide refresher training to employees, supervisors, and departmental payroll staff to ensure that payroll staff to ensure that payroll documents are complete and properly signed.

#### **Action Plan:**

In response to Recommendation #1, the Sheriff's Department agrees with the recommendation. During the audit it was revealed that our Payroll Division was following a proposed Record and Retention Schedule rather than the official Record and Retention

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Schedule for Payroll Exemption Time Reports (PR-1) and Kronos Timecards. On November 25, 2014 the Sheriff's Department's proposed Record and Retention schedule was approved by the Purchasing and Contracts Division, Auditor and Controller, and County Counsel. The new Record and Retention schedule requires Sheriff's Payroll to retain PR-1's for 2 years rather than the three years the previous Record and Retention Policy stated. In the proposed Sheriff's Record and Retention schedule it was suggested that Kronos timecards be retained for 2 years, it was not accepted and will remain 3 years, keeping timecard retention in line with the County's Global Retention Policy. Sheriff's Payroll will adhere to all changes and follow all procedures set forth by the updated Sheriff's Records and Retention Schedule and County Global Retention Policy.

In response to Recommendation #2, The Sheriff's Department has begun meeting quarterly with Central Payroll to discuss data entry methods. These meetings began in November 2014 and a process has been established to communicate any revised procedures to Sheriff's Payroll Staff. It was determined that many of the errors processed by Sheriff's Payroll are fixable and can be corrected with training. Central Payroll has begun providing training and will continue to provide training when needed.

In response to Recommendation #3, Sheriff's Payroll Timekeepers will be provided with annual Kronos training as a refresher conducted by Central Payroll. Sheriff's Payroll Staff received this training in January 2015 and will be hosting refresher trainings throughout the year as needed.

**Planned Completion Date:**

Action Plan was completed on January 2015.

**Contact Information for Implementation:**

Sosha Thomas, Sr. Departmental Human Resources Officer

**Finding II: Sheriff's Department Overtime Historical Adjustments**

**OAAS Recommendation:**

To decrease the number of overtime historical adjustments processed, the Sheriff's Department should:

1. Enhance and enforce current overtime policies and procedures to ensure timely completion, approval, submission, and processing of PR-1's.
2. Provide refresher training to staff and supervisors to ensure overtime worked is recorded and charged to the appropriate grant.

**Action Plan:**

In response to Recommendation #1, the Sheriff's Department agrees with the recommendation and will ensure that all overtime policy and procedures are adhered to. Sheriff's Payroll Staff has begun attending monthly Sheriff's Bureau meetings, which includes both Sworn and Professional Staff supervisors. The topics discussed are timeliness of PR-1's, who needs to approve PR-1's, and how to submit PR-1's to Sheriff's Payroll for processing. Sheriff's Payroll is also attending New Employee Orientation and the Sheriff's Supervisor Academy to discuss the same topics. In these meetings, it is communicated by the Sheriff's Payroll Staff to Supervisors, both Sworn and Professional, that all PR-1's be submitted to Payroll prior to payroll closing. Assistant Sheriff's from each respective Bureau has directed all Sworn Supervisors and Professional Staff Managers to complete and submit all PR-1's to Sheriff's Payroll no later than payroll close. Sheriff's Payroll has implemented an internal procedure, approved by Assistant Sheriff Tim Curran of the Human Resources Bureau, in which employees that submit PR1's later than 60 days of the effective date must receive Captain/Professional Staff Manager approval and provide justification as to why the PR1 was late. By doing so this will eliminate the number of late entries Sheriff's Payroll receives and the number of historical adjustments to be processed.

In response to Recommendation #2, the Sheriff's Department agrees with the recommendation and will schedule as needed training with Payroll Timekeepers, grant program managers and Sheriff's Grants Unit staff. This will keep open lines of communication between the Payroll Division, the Grants Unit and the grant program managers.

**Planned Completion Date:**

September 1, 2015

**Contact Information for Implementation:**

Sosha Thomas, Sr. Departmental Human Resources Officer

**Finding III: Sheriff's Department Record Retention Policy Schedule Did Not Follow Approval Process****OAAS Recommendation:**

The Sheriff's Department should ensure compliance with the County's Document and Records Management Program and obtain approval for its updated departmental record retention policy schedule according to the County's Administrative Manual, Item Number 0040-09.

**Action Plan:**

In response to Recommendation #1, the Sheriff's Department agrees with the recommendation. During the audit it was revealed that our Payroll Division was following a proposed Record and Retention Schedule that had not yet been approved by the Purchasing and Contracts Division, Auditor and Controller, and County Counsel, rather than following the current Retention Schedule for Payroll Exemption Time Reports (PR-1) and Kronos Timecards. On November 25, 2014 the Sheriff's Department received approval from the Purchasing and Contracts Division, Auditor and Controller, and County Counsel to update our Sheriff's Records and Retention Schedule. Sheriff's Payroll will adhere to all changes and follow all procedures set forth by the updated Sheriff's Records and Retention Schedule.

**Planned Completion Date:**

Action Plan was completed on November 25, 2014.

**Contact Information for Implementation:**

Steve Barard, Records and ID Manager

**Conclusion:**

After meeting with the Auditor and Controllers Office and Central Payroll, the changes discussed in this report will serve to better the Sheriff's Department. The Sheriff's Department has already implemented some of these changes and will continue to improve on the current processes in place. Sheriff's Payroll is currently reviewing the duties being performed by all levels of Payroll staff, from the Payroll Clerks to the Sr. DHRO. This will allow Department Payroll Specialists to handle more complex duties of processing payroll and will allow the DHRO and Sr. DHRO more time to review and audit the work performed by the staff.

If you have any questions, please contact Michael Alvarado, Human Resources Manager at (858) 974-2311.

  
WILLIAM D. GORE, SHERIFF

MA:ma

**DEPARTMENT'S RESPONSE  
(HEALTH AND HUMAN SERVICES AGENCY)**



# County of San Diego

**NICK MACCHIONE, FACHE**  
AGENCY DIRECTOR

**HEALTH AND HUMAN SERVICES AGENCY**  
1600 PACIFIC HIGHWAY, ROOM 208, MAIL STOP P-501  
SAN DIEGO, CA 92101-2417  
(619) 515-6555 • FAX (619) 515-6556

**DEAN ARABATZIS**  
CHIEF OPERATIONS OFFICER

August 19, 2015

RECEIVED

AUG 20 2015

OFFICE OF AUDITS &  
ADVISORY SERVICES

**TO:** Juan R. Perez, Chief of Audits  
Auditor & Controller, Office of Audits & Advisory Services

**FROM:** Nick Macchione, Agency Director  
Health and Human Services Agency

**DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS:** Overtime Salaries & Benefits-Countywide Audit

**Finding IV:**

**OAAS Recommendation:** To ensure management controls over overtime approvals are effective RCWS management should:

1. Develop and execute a plan to clearly communicate and enforce the overtime approval and reporting policies and procedures to all RCWS staff.

**Action Plan:** Health and Human Services Agency (HHSA) agrees with the recommendations and will take the following actions to address the finding. The Director of Child Welfare Services for HHSA and Group Human Resources Director for HHSA will continue to meet with the RCWS managers to remind them of the expectations to follow the County's overtime approval and reporting policies and procedures. CWS managers will be reminded of their duty to ensure procedures are followed and will be reminded that the failure to follow these procedures will result in appropriate action.

**Planned Completion Date:** August 31, 2015

2. Evaluate Workload standards and countywide staffing requirements to ensure reasonableness of assignments.

Juan R. Perez, Chief of Audits  
August 19, 2015  
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**Action Plan:** Health and Human Services Agency (HHSA) agrees with the recommendations and will take the following actions to address the finding. HHSA CWS staff will continue to monitor and review RCWS workload on a monthly basis. This review reflects RCWS workload trends and will continue to assist in appropriately allocating staff to regions and programs as needed.

**Planned Completion Date:** August 31, 2015

**Contact Information for Implementation:** Kimberly Evers, Group Human Resources Director, Health and Human Services Agency.



NICK MACCHIONE, Agency Director  
Health and Human Services Agency

**DEPARTMENT'S RESPONSE  
(REGISTRAR OF VOTERS)**



# County of San Diego

MICHAEL VU  
Registrar of Voters

CYNTHIA L. PAES  
Assistant Registrar of Voters

REGISTRAR OF VOTERS  
County Operations Center Campus  
5600 Overland Avenue, Suite 100, San Diego, California 92123-1266

Office: (858) 565-5800  
TDD: (858) 694-3441  
Toll Free: (800) 696-0136  
Web: www.sdvote.com

August 19, 2015

RECEIVED

TO: Juan R. Perez  
Chief of Audits

AUG 20 2015

OFFICE OF AUDITS &  
ADVISORY SERVICES

FROM: L. Michael Vu *mv*  
Registrar of Voters

## DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: OVERTIME SALARIES & BENEFITS – COUNTYWIDE AUDIT

### Finding V: ROV’s Compensatory Time Balance Exceed Maximum Limit

The department agrees with Finding V, agrees with the recommendations and has implemented the necessary steps to prevent future occurrences.

**OAAS Recommendation:** To ensure compensatory time balances do not exceed maximum limits, ROV should:

1. Remind supervisors of their responsibilities to approve accurate timesheet data Kronos.
2. Enhance the monitoring process of employee’s compensatory time balances, particularly during the election season.
3. Resolve the excess hours for the five employees identified above.

#### Action Plan:

1. Supervisors have been reminded to review leave accrual balances before approving their employees’ Kronos timesheets to ensure overtime hours are not added to FLSA Compensatory balances that have already reached the 120 hour maximum balance.
2. ROV’s new Payroll Technician immediately began using our Leaves Balance report and working with regular/permanent staff to decrease their leave balances. ROV has and will reinforce monitoring activities, through its supervisors and payroll staff, to ensure compensatory time balances do not exceed the maximum limit.

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August 19, 2015  
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3. The leave balances identified by OAAS with excess hours for five regular/permanent employees were corrected and are in compliance.

**Planned Completion Date:** Recommendation 1, 2 and 3 were completed in 2014. In addition, each recommendation will be consistently reinforced throughout peak periods of overtime use during an election cycle.

#### **Finding VI: ROV's Paper Timesheet Errors**

The department agrees with Finding VI, agrees with the recommendations and has implemented the necessary steps to prevent future occurrences.

**OAAS Recommendation:** To ensure the accuracy of payroll data including overtime reported for temporary employees, ROV should:

1. Develop consistent timesheet templates for temporary employees. At a minimum, the templates should contain fields for employee ID, employee name, employee and supervisor signature blocks, project number, task code, date, and hours worked.
2. ROV should provide training on the completion of paper timesheets to temporary employees, timekeepers, and supervisors.

#### **Action Plan:**

1. A new timesheet template was created for temporary staff that includes all fields recommended by OAAS. The template is being used department-wide for at-will temporary employees who do not have access to Kronos.
2. Supervisors were trained on the proper review and completion of paper timesheets and they in turn were tasked with sharing the process with subordinates.

**Planned Completion Date:** Recommendation 1 and 2 were completed in late 2014 to early 2015.

**Contact Information for Implementation:** Monica C. Garcia, Sr. Departmental Human Resources Officer

If you have any questions, please contact me at (858) 505-7201.

L. MICHAEL VU  
Registrar of Voters

cc: Cynthia Paes