

INTRADEPARTMENTAL CORRESPONDENCE

July 6, 2012
14.2

TO: The Honorable Board of Police Commissioners

FROM: Chief of Police

SUBJECT: OPERATIONS-SOUTH BUREAU TIMEKEEPING INSPECTION
(IAID NO. 12-011)

RECOMMENDED ACTION

That the Board of Police Commissioners REVIEW and APPROVE the attached Operations-South Bureau Timekeeping Inspection.

That the Board of Police Commissioners REVIEW and APPROVE the attached Executive Summary thereto.

DISCUSSION

Pursuant to the Los Angeles Police Department's Annual Audit and Inspection Plan for 2011/2012, Internal Audits and Inspections Division conducted the Operations-South Bureau Timekeeping Inspection to assess timekeeping controls.

If you have any questions, please contact Gerald L. Chaleff, Special Assistant for Constitutional Policing, at (213) 486-8730.

Respectfully,



CHARLIE BECK
Chief of Police

Attachment

LOS ANGELES POLICE DEPARTMENT

***Operations-South Bureau
Timekeeping Inspection***

(IAID No. 12-011)



Conducted by

Internal Audits & Inspections Division

**CHARLIE BECK
Chief of Police**

Fourth Quarter, Fiscal Year 2011/2012

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EXECUTIVE SUMMARY
OPERATIONS-SOUTH BUREAU TIMEKEEPING INSPECTION
Conducted by Internal Audits and Inspections Division

PURPOSE

In accordance with the Los Angeles Police Department's (Department) Fiscal Year 2011/12 Annual Audit and Inspection Plan, Internal Audits and Inspections Division (IAID) conducted an Operations-South Bureau (OSB) Timekeeping Inspection to assess timekeeping controls.

SCOPE AND METHODOLOGY

Internal Audits and Inspections Division randomly selected a stratified sample of 68 OSB employees from the Department's Sworn/Civilian Personnel Divisional Roster. Each of the 68 employees' timekeeping records for Deployment Period (DP) No. 12 (November 6, 2011 to December 3, 2011), was reviewed to ensure proper maintenance and accuracy in processing timekeeping information, proper overtime authorization, and compliance with a key Fair Labor Standards Act requirement in which civilian employees are required to take a lunch break (commonly referred to as a "Code-7").

SUMMARY OF RESULTS

The objectives and results for this inspection are reflected in the table below.

TABLE NO. 1 – INSPECTION OBJECTIVES AND SUMMARY OF RESULTS

	Objectives	Results
1	Maintenance of the Required Daily Timekeeping Records	98% (995/1,014)
2	Employee's Processed Time was Consistent with Available Timekeeping Records During the Entire Deployment Period	78% (53/68)
3	Reported Overtime Properly Approved	71% (146/207) ¹
4	Civilian Employees Either Took a "Code-7" or were Compensated with Overtime	98% (91/93)

This inspection found that civilian employees took a "Code-7" or were compensated with overtime when a lunch break was not taken. Also, the Department properly maintained required daily timekeeping records (i.e., Daily Field Activities Reports, Sergeant's Daily Reports, Watch Commander's Daily Reports, and/or Daily Sign-in Sheets) to support the timekeeping information processed. On the other hand, the inspection identified 15 (22%) of 68 employees in the sample that had one or more variations between timekeeping records and PaySR during DP No. 12, 2011. Furthermore, the inspection found that 61 (29%) of 207 overtime reports submitted by the sampled employees were processed but did not contain any evidence of commanding officer (CO) or designee review and approval. Although 60 of these overtime reports were reviewed and approved by a supervisor, a CO or designee review and approval of the overtime report is required per the Office of the Chief of Police, Administrative Order No. 20, dated September 3, 1999, as well as to ensure compliance with Los Angeles City Administrative Code Section 4.169, Certificate of Authorization.

¹ Sixty of the sixty-one overtime reports with no evidence of review and approval by a CO or designee were from 77th Street Area. The CO of 77th Street Area indicated that procedures have been implemented to ensure all overtime reports are reviewed and approved by the Patrol, Detective, or Area CO going forward.

Since salary expenditure is a significant part of the Department's budget (96%), the timely review and approval of overtime reports by a CO to ensure necessity is critical and a reconciliation to ensure accuracy of timekeeping information processed to detect and prevent errors and inaccuracies should be conducted diligently each DP by the Areas/divisions within OSB. Due to the number of findings identified in this inspection, IAID plans to conduct an unannounced follow-up inspection of OSB within the next year to determine whether there have been improvements within these areas.

RECOMMENDATION

It is recommended that the Department provide Department-wide clarification on the limited circumstances in which the "No Code-7" Program applies to detective and administrative assignments, further specifying that supervisors and COs must periodically monitor compliance with this area to ensure all sworn employees are abiding with the "No Code-7"/"Code-7" Program requirements.

ACTIONS TAKEN

Internal Audits and Inspections Division provided a draft copy of this inspection to the CO of OSB and Area/division COs. Their actions taken were summarized in the inspection report. A courtesy copy of the report was also provided to the Assistant to the Director of Office of Operations.

In addition, the CO of IAID met with the CO of Planning and Research Division and the Employee Relations Administrator to discuss the recommendation. Currently the Department is considering an Office of the Chief of Police Notice to provide clarification related to the "No Code-7"/"Code-7" Program as reflected in IAID's recommendation.

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OPERATIONS-SOUTH BUREAU TIMEKEEPING INSPECTION
Conducted by Internal Audits and Inspections Division
Fourth Quarter, Fiscal Year 2011/12

PURPOSE

In accordance with the Los Angeles Police Department's (Department) Fiscal Year 2011/12 Annual Audit and Inspection Plan, Internal Audits and Inspections Division (IAID) conducted an Operations-South Bureau (OSB) Timekeeping Inspection to assess timekeeping controls.¹

BACKGROUND

A majority (96%) of the Department's \$1.2 billion dollar budget is devoted to payroll expense, including overtime.² Timekeeping records (i.e., Daily Field Activities Reports (DFARs), Sergeant's Daily Reports, Watch Commander's Daily Reports, and/or Daily Sign-in Sheets (DSISs) are the basis for payroll payments. Two systems are utilized for timekeeping and overtime processing. These systems are the Deployment Planning System (DPS) and the Online Overtime System (OLOTS). Specifically, DPS maintains planned and actual deployment of non-overtime hours. The Department's daily timekeeping is maintained on DPS. The Online Overtime System module in Payroll System Replacement (PaySR) maintains actual overtime hours. Any overtime hours worked are entered into the OLOTS module in PaySR separately from DPS. The PaySR is a City-wide system that processes regular and overtime pay, and issues payroll checks. The PaySR is maintained and managed by the City Controller's office.

The Department's timekeeping process begins with an approved deployment plan maintained on DPS. Actual work hours are captured on DFARs, Sergeant's Daily Reports, Watch Commander's Daily Reports, and/or DSISs. These timekeeping records are then utilized to update DPS if there are any variances between the planned work schedule and actual work schedule for employees. Generally, any updates to actual hours worked in DPS are made by Area/division timekeepers; however, Area watch commanders also update actual hours worked in DPS for sworn employees assigned to patrol functions. Any overtime hours worked are separately entered into OLOTS. Data from DPS are uploaded to PaySR and combined with information that is entered into OLOTS to process payroll checks. A Time Sheet Correction Report, Form 2.30.00, is used to make corrections within DPS or OLOTS after the close of a pay period.

PRIOR AUDITS/INSPECTIONS

In November 2011, IAID issued a Department-wide Timekeeping and Fair Labor Standards Act (FLSA) audit that found that the Department properly maintained required timekeeping records (i.e., DFARs, Sergeant's Daily Reports, Watch Commander's Daily Reports, and/or DSISs) to support timekeeping processing and civilian employees took a lunch break (commonly referred to as a "Code-7") or were compensated with overtime when a lunch break was not taken. As IAID considers payroll processing a high risk area and the Department-wide audit found that five (8%) of the 61 employees in the small random sample of Department personnel had one or more variations between timekeeping

¹ Operations-South Bureau includes Southwest Area, Harbor Area, 77th Street Area, Southeast Area, South Traffic Division, and Criminal Gang and Homicide Division.

² Based on the Department's Fiscal Year 2011/12 budget.

records and PaySR for Deployment Period (DP) No. 1, 2011, IAID decided to conduct periodic timekeeping inspections, by bureau. Operations-South Bureau was selected for IAID's first bureau-wide timekeeping inspection.

SCOPE AND METHODOLOGY³

Internal Audits and Inspections Division selected a stratified random sample of 68 OSB employees from the Department's Sworn/Civilian Personnel Divisional Roster.⁴ Each of the 68 employees' timekeeping records for DP No. 12 (November 6, 2011 to December 3, 2011) was reviewed to ensure proper maintenance and accuracy in processing timekeeping information, proper overtime authorization, and compliance with a key FLSA requirement in which civilian employees are required to take a lunch break.⁵

SUMMARY OF RESULTS

The objectives and results for this inspection are reflected in Table No. 1 below.

TABLE NO. 1 – INSPECTION OBJECTIVES AND SUMMARY OF RESULTS

	Objectives	Results
1	Maintenance of the Required Daily Timekeeping Records	98% (995/1,014)
2	Employee's Processed Time was Consistent with Available Timekeeping Records During the Entire Deployment Period	78% (53/68)
3	Reported Overtime Properly Approved	71% (146/207) ⁶
4	Civilian Employees Either Took a "Code-7" or were Compensated with Overtime	98% (91/93)

This inspection found that civilian employees took a "Code-7" or were compensated with overtime when a lunch break was not taken. Also, the Department properly maintained the required daily timekeeping records (i.e., DFARs, Sergeant's Daily Reports, Watch Commander's Daily Reports, and/or DSISs) to support the timekeeping information processed. On the other hand, the inspection identified 15 (22%) of 68 employees in the sample that had one or more variations between timekeeping records and PaySR during DP No. 12, 2011. Furthermore, the inspection found that 61 (29%) of 207 overtime reports submitted by the sampled employees were processed but did not contain any evidence of Commanding Officer (CO) or designee review and approval. Although 60 of these overtime reports were reviewed and approved by a supervisor, a CO or designee review and approval of the overtime report is required per the Office of the Chief of Police, Administrative Order No. 20,

³ Government Auditing Standards published by the United States Government Accountability Office were utilized as a guide in the planning, fieldwork, and reporting phases of this inspection.

⁴ A sample size of 63 was obtained using the one-tail test with a 95% confidence level and a plus precision of 5%. However, IAID added five OSB primary timekeepers into the sample, resulting in a total of 68 employees being evaluated in this inspection.

⁵ The FLSA is a United States Federal law enacted in 1938 that protects workers by setting certain workplace standards.

⁶ Sixty of the sixty-one overtime reports with no evidence of review and approval by a CO or designee were from 77th Street Area. The CO of 77th Street Area indicated that procedures have been implemented to ensure all overtime reports are reviewed and approved by the Patrol, Detective, or Area CO going forward.

dated September 3, 1999, as well as to ensure compliance with Los Angeles City Administrative Code Section 4.169, Certificate of Authorization.

Since salary expenditure is a significant part of the Department's budget (96%), the timely review and approval of overtime reports by a CO to ensure necessity is critical and a reconciliation to ensure accuracy of timekeeping processed to detect and prevent errors and inaccuracies should be conducted diligently each DP by Areas/divisions within OSB. Due to the number of findings identified in this inspection, IAID plans to conduct a follow-up inspection of OSB within the next year to determine whether there have been improvements within these areas.

INSPECTION RESULTS

Objective No. 1 – Maintenance of the Required Daily Timekeeping Records

Criteria

Department Manual Section 3/705.05 requires employees to document their "Code-7" and start/end of watch times on DSISs unless the employees have already documented their time on DFARs, Sergeant's Daily Reports, or Watch Commander's Daily Reports. Employees who use these types of daily activities reports are not required to use the DSISs. Timekeepers must ensure these documents are maintained and filed.

Procedures

Internal Audits and Inspections Division attempted to collect the daily timekeeping records/entries for the 68 employees, in which IAID attempted to collect and review 1,014 records/entries of timekeeping information for DP No. 12, 2011.

Results

Internal Audits and Inspections Division was able to locate 995 (98%) of the 1,014 days of timekeeping information needed to support timekeeping information processed for the 68 employees. For the remaining 19 days, IAID was unable to locate timekeeping records for six employees.⁷ On those days, the employees were paid an accumulated total of 186.5 hours, amounting to \$7,666.31. For those days, IAID was unable to verify the accuracy of time processed for the six employees.⁸

⁷ The 19 days for which timekeeping records were not located were for the following geographic Areas: Southwest Area (12 days/four employees) and 77th Street Area (seven days/two employees).

⁸ Additionally, IAID identified two instances in which an employee received overtime but an overtime report was not located and the overtime was not documented on a timekeeping record. Specifically, an employee from 77th Street Area received 2.5 hours of overtime, worth \$174.19, and an employee from Southeast Area received 2.3 hours of overtime, worth \$152.21. Management from both 77th Street Area and Southeast Area indicated that the overtime appeared to have been worked by these employees but the associated overtime reports may have been misplaced or misfiled.

Summary of Southwest Area's Response:

The Commanding Officer indicated that she would discuss the importance of proper maintenance of DFARs with Watch Commanders and supervisors in charge of specialized units. The Commanding Officer further indicated that the Watch Commanders and supervisors would be advised to ensure all officers are completing DFARs on a daily basis and that these DFARs are properly filed.

Summary of 77th Street Area's Response:

The Commanding Officer's staff indicated that one officer was assigned to the Crime Suppression Taskforce which did not require officers to complete DSISs or DFARs. Instead the unit's supervisor maintained the employee's time on his Sergeant's Daily Report. However, as indicated above, per Department policy, employees need to account for their own time. As a result, 77th Street Area indicated that the taskforce employees will now begin to utilize the required timekeeping records to document their own time. For the remaining employee, 77th Street Area indicated the timekeeping record could not be located.

Other Related Matter – “Front Desk” and “Kit Room” Assignment Timekeeping Records⁹

While completing this inspection, IAID found that “front desk” and “kit room” officers do not account for their work hours on any timekeeping record. Although the officers' work hours are generally documented by a watch commander who completes a Daily Work Sheet, the Department should ensure employees assigned to the “front desk” or “kit room” account for their work hours to ensure the required timekeeping evidence is present to support timekeeping information processed.

Summary of Office of Operation's Response:

The Assistant to the Director of Office of Operations indicated that the issue was brought to the attention of direct reports on June 19, 2012. He further indicated that the Office of Operations will issue a Notice in the near future clarifying that all front desk and kit room personnel must document their work hours on a DSIS.

Objective No. 2 – Employee's Processed Time was Consistent with Available Timekeeping Records During the Entire Deployment Period

Criteria

Department Manual Section 3/705.05 indicates that timekeepers are responsible for ensuring that information documented on timekeeping records is updated into DPS in a timely manner. This process is what ultimately uploads into PaySR and results in payroll payments.

⁹ An equipment room, commonly referred to as a “kit room”, is located at all geographic Areas, traffic divisions, and certain specialized divisions where items such as astro radios, shot guns, tasers, and vehicle keys are maintained.

Procedures

Internal Audits and Inspections Division compared the timekeeping records for the 68 employees to PaySR information for DP No. 12, 2011 to determine: 1) whether the number of hours each employee was paid reconciled with timekeeping records and, 2) whether the variation code of the hours paid (e.g., hours worked, sick time, vacation time, paid leave, etc.) reflected the employee's work status documented on timekeeping records.¹⁰

Results

Fifty-three (78%) of 68 employee's hours and variation codes contained in timekeeping records reconciled with PaySR for DP No. 12, 2011.¹¹ For the remaining 15 employees, there were one or more unexplained variances between information documented in timekeeping records and information contained in PaySR during DP No. 12, 2011.

For the 15 employees with one or more unexplained variances between timekeeping records and PaySR, the responsible Areas/divisions determined that variances for seven (46%) employees resulted from input errors into DPS, variances for six (40%) employees resulted from employees inaccurately updating DSISs, DFARs or Daily Reports, variances for one (7%) employee resulted from the employee failing to submit time-off reports, and the variance for the remaining employee (7%) resulted from the employee failing to submit an overtime report.

Table No. 2, below, provides a synopsis of the variances identified for each employee and the resulting actions taken after the applicable Areas/divisions were notified of the variance by IAID.

TABLE NO. 2 – VARIANCES BETWEEN TIMEKEEPING RECORDS AND PaySR

Southwest Area¹²
<p>Employee No 1: For one day, timekeeping records indicated that the employee worked 10 hours but PaySR indicated 10 hours of time-off (with no time-off report to support the entry), resulting in an apparent unsupported 10-hour reduction of the employee's accumulated compensatory time-off, which would have resulted in an underpayment of \$475.40 to this employee if this error was not identified by IAID and the employee left Los Angeles City service or exhausted his/her compensatory time off. Follow-up completed by Southwest Area determined that there was an input error into DPS.</p>
<p>Summary of Southwest Area's Response: <i>A Time Sheet Correction Report dated 12/04/11 was previously faxed to Fiscal Operations Division (FOD) to be processed. After IAID identified that the Time Sheet Correction Report had not been processed, Southwest Area re-faxed the Time Sheet Correction Report to FOD on May 14, 2012.</i></p>

¹⁰ Instances in which a civilian employee did not document a "Code-7" on timekeeping records, giving the appearance of possibly working overtime for the day, are reported in Objective No. 4, as it is unknown whether it was an administrative oversight by the employee/supervisor.

¹¹ As mentioned in Objective No. 1, 19 days of timekeeping records for six employees could not be located. Thus, IAID was unable to determine whether variances existed between those records and PaySR.

¹² For Southwest Area, 16 employees were sampled.

Employee No 2: For one day, timekeeping records indicated that the employee was on a scheduled day off, but PaySR indicated that the employee worked 10 hours. This variance gave the appearance that the employee was overpaid 10 hours that were not worked. Follow-up completed by Southwest Area determined that the employee worked on this day but failed to update the DSIS.

Summary of Southwest Area's Response:

Southwest Area determined that the employee work on this day and had switched her regularly scheduled day off with another day. The employee was reminded to update the DSIS when working.

Employee No. 3: For a holiday, the employee worked two additional hours to account for her 10-hour work day on different days and this information was documented on the applicable DSISs. However, when the time was processed, two hours of vacation time was erroneously deducted for this employee, which would have resulted in an underpayment of \$65.21 to this employee if this error was not identified by IAID and the employee left Los Angeles City service or exhausted his/her vacation time. Follow-up completed by Southwest Area determined that there was an input error into DPS.

Summary of Southwest Area's Response:

Internal Audits and Inspections Division notified the Southwest Area timekeeper of this discrepancy in April 2012 and as a result, a Time Sheet Correction Report was submitted by Southwest Area to FOD to reverse the erroneous two hour vacation deduction.

Employee No. 4: For one day, timekeeping records indicated that the employee was on a scheduled day off, but PaySR indicated that the employee worked 12 hours, resulting in an overpayment of \$414.96 for 12 hours that were not worked by this employee. Follow-up completed by Southwest Area determined that there was an input error into DPS.

Summary of Southwest Area's Response:

No evidence was located by Southwest Area to indicate that the employee worked on this day. Therefore, on May 14, 2012, Southwest Area submitted a Time Sheet Correction Report to FOD to change the 12 hours worked to a regular day off. The issue was discussed with the timekeeper to prevent a re-occurrence in the future.

Employee No. 5: For one day, the timekeeping records indicated that the employee worked three hours overtime, but PaySR did not indicate any overtime was received by this employee for this day, resulting in the employee not receiving three hours of overtime, worth \$154.78. Additionally, an overtime report was not located for this employee for this particular day. Follow-up completed by Southwest Area determined that the employee failed to submit an overtime report.

Summary of Southwest Area's Response:

The employee believed that she adjusted the three hours listed as overtime on this day and only worked seven hours the following day. However, no adjustments were identified on the DSISs before or after this date. Therefore, the employee was requested to submit an overtime report for the three hours and she was counseled regarding the requirement to obtain management approval prior to making adjustments to her work schedule. The employee was also reminded to ensure any adjustments are accurately reflected on the DSISs going forward.

Harbor Area¹³

Employee No. 1: For one day, timekeeping records indicated that the employee worked 12 hours, but PaySR indicated that the employee used 12 hours of family ill, resulting in an erroneous reduction of this employee's accumulated sick time, which would have resulted in an underpayment of \$358.44 if this error was not identified by IAID and the employee exhausted his/her sick time. Follow-up completed by Harbor Area determined there was an input error into DPS.

Summary of Harbor Area's Response:

A Time Sheet Correction Report was submitted on May 8, 2012 to correct the error and return the officer's sick time.

Employee No. 2: For one day, timekeeping records indicated that the employee used 10 hours of time-off, but PaySR indicated that the employee received 10 hours of "no pay", resulting in an underpayment of \$406.90. For another day, timekeeping records indicated that the employee worked seven hours and used three hours of time-off, but PaySR indicated that the employee worked 10 hours, resulting in an apparent overpayment of \$122.07 for three hours that were not worked by this employee. Time-off reports for this employee for these two days were not located. Follow-up completed by Harbor Area determined the employee failed to submit a time-off report on these days.

Summary of Harbor Area's Response:

The matter was discussed with the employee and it was determined that the employee did not submit a time-off report in a timely manner. Therefore, time-off reports were completed for the respective days and a Time Sheet Correction Report was submitted to FOD to correct the underpayment for time-off on the first day and the overpayment for hours worked on the second day.

77th Street Area¹⁴

Employee No. 1: For one day, timekeeping records indicated that the employee was on vacation, but PaySR indicated that the employee worked 9.5 hours with 0.5 smoothing hours (for night shift), amounting to an apparent overpayment of \$243.28 for 10 hours not worked by this employee. Instead, there should have been a 10-hour reduction of the employee's accumulated vacation time. Follow-up completed by 77th Street Area determined there was an input error into DPS.

Summary of 77th Street Area's Response:

This employee was on a vacation day and this time was not properly input into DPS resulting in an overpayment of hours worked and no deduction of vacation time. The 77th Street Area timekeeper has contacted FOD and is in the process of correcting the error with a Time Sheet Correction Report. Training has been provided to the related timekeeping and supervising personnel regarding this deficiency.

Employee No. 2: For one day, timekeeping records indicated that the employee worked two hours overtime, but PaySR did not indicate any overtime was received by this employee for this day, resulting in the employee apparently not receiving two hours of overtime. For another day, timekeeping records indicated that the employee worked two hours overtime, but PaySR did not indicate any overtime was received by this employee for this day, resulting in the employee apparently not receiving the two hours overtime. Overtime reports were not located for this employee for both days. Follow-up completed by 77th Street Area determined the employee incorrectly completed the

¹³ For Harbor Area, 11 employees were sampled.

¹⁴ For 77th Street Area, 16 employees were sampled.

DSISs for these days and the employee did not work any overtime.

Summary of 77th Street Area's Response:

It was discovered that this employee signed out incorrectly on both days and did not work the overtime reflected on the timekeeping records. Training has been provided to the employee, timekeeping and supervising personnel regarding this deficiency.

Southeast Area¹⁵

Employee No. 1: For one day, timekeeping records indicated that the employee worked 10 hours, but PaySR indicated 10 hours of "no pay" for the employee on this day, resulting in an underpayment to the employee of \$520.50 for 10 hours worked. Follow-up completed by Southeast Area determined the employee worked this day and that there was an input error into DPS.

Summary of Southeast Area's Response:

A Time Sheet Correction Report was submitted to FOD to reflect that this employee worked 10 hours on the date in question. Appropriate supervisory personnel were notified of this timekeeping processing error to prevent reoccurrence in the future.

Employee No. 2: For one day, timekeeping records indicated that the employee worked nine hours, but PaySR indicated 10 hours worked, resulting in an apparent overpayment of one hour not worked. Follow-up by Southeast Area determined that the employee incorrectly documented his end of watch on his Daily Report.

Summary of Southeast Area's Response:

This employee incorrectly documented his end of watch on his Daily Report. It should have reflected an end of watch one hour later for this day. The applicable Daily Report was corrected to reflect the proper end of watch time.

Employee No 3: For one day, timekeeping records indicated that the employee worked 10 hours, but PaySR indicated nine hours worked and that one hour of sick time was utilized on this day, resulting in an apparent erroneous reduction of the employee's accumulated sick time by one hour. Follow-up completed by Southeast Area determined the employee failed to document the one hour of sick time on the DSIS.

Summary of Southeast Area's Response:

The employee neglected to update the DSIS to reflect the one hour of sick time she used on this particular day. The DSIS was corrected to reflect the hour of sick time usage.

Employee No. 4: For one day, timekeeping records indicated that the employee worked 2.5 hours overtime, but PaySR indicated that the employee worked 0.5 overtime hours, resulting in an apparent underpayment for two hours of overtime worked. Follow-up completed by Southeast Area determined the employee and his partner incorrectly documented their start of watch time and two additional activities on their DFAR and no additional overtime was worked.

Summary of Southeast Area's Response:

This employee and his partner confirmed that they listed an inaccurate start of watch and two additional activities of their DFAR and that only 0.5 overtime hours were worked on this day. The inaccuracy was confirmed by a review of the applicable Watch Commander's Daily Report and the

¹⁵ For Southeast Area, 14 employees were sampled.

Vehicle and Equipment Assignment Report. The DFAR has since been updated to reflect the employee and his partner's actual start of watch for the day in question. The issue was discussed with the employee and his partner to ensure their DFARs contain accurate entries going forward.

Employee No. 5: For one day, timekeeping records indicated that the employee worked 5.5 hours overtime, but PaySR did not indicate this overtime was received by the employee for this day, resulting in the employee apparently not receiving 5.5 hours of overtime. Follow-up completed by Southeast Area determined the employee's time was incorrectly documented on the DSIS and he did not work overtime on this day.

Summary of Southeast Area's Response:

The DSIS did indicate that the employee worked an extended end of watch (overtime) on this day, but his Supervisor's Daily Report indicated that the employee went end of watch at his regularly scheduled end time. Therefore, it does not appear that the employee was entitled to the overtime documented on the DSIS and as a result, the DSIS has been updated to reflect the correction.

South Traffic Division¹⁶

No Findings

Criminal Gang and Homicide Division¹⁷

Employee No. 1: For one day, timekeeping records indicated that the employee worked eight hours, but PaySR indicated that the employee worked nine hours, resulting in an apparent overpayment of \$22.51 for the one hour not worked by this employee. Follow-up completed by Criminal Gang and Homicide Division determined that there was an input error into DPS.

Summary of Criminal Gang and Homicide Division's Response:

A Time Sheet Correction Report was submitted to FOD for this employee as she only worked eight hours on this day. The matter was discussed with the employee to prevent a future reoccurrence.

Operations-South Bureau¹⁸

No Findings

Objective No. 3 – Reported Overtime Properly Approved

Criteria

Department Manual Section 3/708.02 specifies that "No work may be done outside the employee's scheduled work hours unless approved in advance by his or her immediate supervisor." Commanding Officer approval of the overtime report is required per the Office of the Chief of Police, Administrative Order No. 20, dated September 3, 1999, as well as to ensure compliance with Los Angeles City Administrative Code Section 4.169, Certificate of Authorization.

¹⁶ For South Traffic Area, five employees were sampled.

¹⁷ For Criminal Gang and Homicide Division, four employees were sampled.

¹⁸ For Operations-South Bureau, two employees were sampled.

Procedures

Internal Audits and Inspections Division reviewed 207 overtime reports submitted by the 68 sampled employees during DP No. 12, 2011, to ensure the overtime reports contained evidence of both supervisor and CO or designee review and approval.¹⁹

Results

One hundred forty-six (71%) of the 207 overtime reports contained evidence of supervisory and CO or designee approval. The remaining 61 overtime reports (one from Southwest Area and 60 from 77th Street Area) did not contain any evidence of CO or designee review and approval. However, 60 of those overtime reports did contain evidence of review and approval by a supervisor.

Summary of Southwest Area's Response:

Commanding Officer approval was obtained for this overtime report after being notified by IAID. Steps will be taken to minimize this oversight from re-occurring.

Summary of 77th Street Area's Response:

Since being notified of this concern, procedures have been implemented within 77th Street Area to ensure all overtime reports are reviewed and approved by the Patrol, Detective, or Area CO.

Other Related Matter – Analysis of Operations-South Bureau Overtime

At the suggestion of the Office of the Inspector General, IAID performed a high level analysis of overtime (in cash and “compensatory time”) received by all employees within OSB. To complete this analysis, IAID requested FOD to provide a Detailed Overtime Report for OSB for DP Nos. 6 to 12, 2011 (May 22 through December 3), 2011. The Detailed Overtime Report contained overtime entries for 1,802 employees, in which a total of 129,845 overtime hours were provided to the employees via “compensatory” straight time, “compensatory” time and a half, “cash” paid straight time and “cash” paid at time and a half.

Of the 129,845 overtime hours, 26,418 (20%) hours was paid in cash overtime, totaling \$1,812,933. However, it appeared that 21,356 hours of the cash overtime (81% or \$1,471,644) was related to grants, task forces or reimbursable expenses, in which the Department billed or may bill both State and federal agencies or other City Departments to reimburse the cash overtime.

Of the 129,845 overtime hours, 103,427 (80%) hours were received as “compensatory” overtime. Eventually, these “compensatory” overtime hours will be paid out to the employee, which will amount

¹⁹ It should be noted that three employees had an accumulated total of four overtime payment entries within PaySR totaling 7.3 hours, amounting to \$507.90, in which the timekeeping records supported that the overtime was worked but IAID was unable to locate the overtime reports. Therefore, IAID was unable to evaluate whether the overtime reports properly contained evidence of supervisor and CO review and approval.

to over \$6.3 million dollars.²⁰ Table No. 3, below, delineates the “compensatory” overtime earned by employees by Area/bureau/division.

TABLE NO. 3 – “COMPENSATORY” OVERTIME BY AREA/BUREAU/DIVISION

Area/Bureau/Division	“Compensatory” Straight Time Hours	“Compensatory” Time and a Half Hours	Total “Compensatory” Overtime Hours
Southwest	2,205	20,510	22,715
Harbor	2,909	14,451	17,360
77 th Street	2,596	26,655	29,251
Southeast	2,313	18,941	21,254
South Traffic	1,452	4,103	5,555
Criminal Gang and Homicide	2,226	4,607	6,833
OSB	18	441	459
Total	13,719	89,708	103,427

Of the 103,427 “compensatory” overtime hours received by the employees, it appeared that 75% (or 77,067 “compensatory” overtime) fell into the following four categories: felony court-related (34%), patrol operations (24%), detective operations (10%) and homicide investigations (7%).

Given the current fiscal situation facing the Department and the City of Los Angeles, supervisors and Area/bureau/division COs must continue to closely scrutinize all overtime prior to approving to ensure that it is necessary and crucial to meet the Department’s operational needs. Future bureau timekeeping inspections will include an analysis of overtime for management’s consideration.

Objective No. 4 – Civilian Employees Either Took a “Code-7” or were Compensated with Overtime

Criteria

The FLSA requires civilian employees to take a non-compensated meal period (“Code-7”) of a minimum half hour, after five hours, except when a workday will be completed in six hours or less and there is mutual employer/employee consent to waive the lunch break.

Furthermore, Department Manual Sections 3/705.05 and 708.02 require employees to document their “Code-7” on the DSISs or any other timekeeping record used. If a “Code-7” is not documented, supervisors are required to identify if the cause was due to employee oversight or if the employee worked through his or her unpaid “Code-7” and should be compensated for overtime, whether or not it was pre-approved.

²⁰ This figure is based on the employees’ current hourly rate as of DP No. 12, 2011.

Procedures

Of the 68 sampled employees, eight were civilians. Internal Audits and Inspections Division reviewed all 93 days worked by the eight employees to determine if a "Code-7" was documented in timekeeping records and if not, whether the employee was paid overtime. If a "Code-7" was not documented on a day when the employee worked a minimum of six hours, the overtime report or the detail PaySR report was reviewed to ensure the employees received overtime compensation.

Results

Ninety-one (98%) of the 93 entries in the timekeeping records indicated that a "Code-7" was taken if required. For the remaining two entries (one from OSB and one from Southwest Area), timekeeping records indicated that the two employees worked 10.5 hours with no "Code-7" documented on the timekeeping records, but they were only compensated for 10 hours. This resulted in the appearance that the employees worked a half hour over their regular work schedule, and did not receive overtime compensation. Follow-up completed by OSB and Southwest Area determined that the employees inadvertently omitted their "Code-7" time on the DSISs for the applicable days.

Summary of OSB's Response:

The employee inadvertently omitted her "Code-7" time on the DSIS. On May 8, 2012, all OSB personnel were advised of the importance of properly accounting for their work hours and updating time keeping records when adjustments have been approved to ensure complete accuracy. This topic will also be discussed during the next squad meeting scheduled in DP No. 6, 2012.

Summary of Southwest Area's Response:

The employee was reminded to document her "Code-7" time on the DSIS each day she works to be compensated properly, in accordance with FLSA guidelines.

Other Related Matter – "No Code-7"/"Code-7" Program for Sworn Employees

Department Manual Section 702.20 provides for officers to be allowed off-duty or unpaid "Code-7" time but indicates that when an emergency arises, concerned officers would be considered to have reverted to on-duty status. In October 2008, the Department implemented a "No Code-7" Pilot Program for sworn employees assigned to geographic Area Patrol Divisions and Traffic Divisions which eliminated the unpaid "Code-7" time. The Program was primarily implemented to minimize overtime and improve response times to radio calls. Essentially, sworn employees assigned to a patrol or traffic function are allowed to take a paid lunch break as long as they remain "available" for radio calls. This time is considered paid and not required to be deducted from their working hours.

The program did not apply to sworn employees assigned to detective and administrative assignments as their duties are more static in nature. However, in January 2010, the Employee Relations Administrator issued an Intradepartmental Correspondence to all COs clarifying that sworn employees assigned to detective and administrative functions are not required to deduct for a lunch break if they eat at their desk as long as they continue to perform their work functions. It is further specified that if a sworn employee assigned to detective and administrative functions leaves the work site to dine at a

restaurant, he/she would need to either extend their shift time to cover the absence or deduct an equal amount of time from their overtime bank. The Intradepartmental Correspondence dated January 2010, covers additional instances in which employees assigned to detective and administrative assignments would need to extend their shift time to cover the absence or deduct an equal amount of time from their overtime bank, but the Intradepartmental Correspondence is not located anywhere on the Local Area Network and was only directed to COs. Although Employee Relations Group's internal website includes information on this area, it is likely that only a small number of Department employees and supervisors are accessing the website for this information. Given the large number of sworn detective and administrative employees within the Department and the potential for misinterpretations of the "No Code-7" Program rules between patrol/traffic assignments versus detective and administrative assignments, this additional guidance related to detective and administrative assignments should be clarified with all Department employees and supervisors to ensure they are made aware of requirements related to this area. Additionally, the Department should specify that supervisors and COs must periodically monitor compliance with this area to ensure all sworn employees, including those assigned to detective/administrative assignments are abiding with the "No Code-7"/"Code-7" Program requirements.

RECOMMENDATION

It is recommended that the Department provide Department-wide clarification on the limited circumstances in which the "No Code-7" Program applies to detective and administrative assignments, further specifying that supervisors and COs must periodically monitor compliance with this area to ensure all sworn employees are abiding with the "No Code-7"/"Code-7" Program requirements.

ACTIONS TAKEN

Internal Audits and Inspections Division provided a draft copy of this inspection to the CO of OSB and Area/division COs. Their actions taken were summarized in the inspection report. A courtesy copy of the report was also provided to the Assistant to the Director of Office of Operations.

In addition, the CO of IAID met with the CO of Planning and Research Division and the Employee Relations Administrator to discuss the recommendation. Currently the Department is considering an Office of the Chief of Police Notice to provide clarification related to the "No Code-7"/"Code-7" Program as reflected in IAID's recommendation.