

**APPROVED**

**VIRTUAL AUDIT ADVISORY BOARD REGULAR MEETING  
CITY OF FORT LAUDERDALE  
Hybrid Meeting- City Hall 8<sup>th</sup> Floor Conference Room  
Thursday, October 28, 2021, 3:00 PM**

<b><u>Board Member</u></b>	<b><u>Attendance</u></b>	<b>Cumulative Attendance</b>	
		<b><u>Present</u></b>	<b><u>Absent</u></b>
D. Keith Cobb, Chairman	P	1	0
Paul Czerwonka	A	0	1
Joey Epstein	P	1	0
Thomas Bradley	P	1	0
Lane Hacker	P	1	0

**Staff Present**

Linda Short, Deputy Director, Finance

John Herbst, City Auditor

Laura Reece, Director, Office Management & Budget

Laura Garcia, Controller, Finance

Devin Carter, Assistant Controller, Finance

Ingrid Kindbom, Assistant Structural Innovation Manager, Office Management & Budget

Angela Mahecha, Assistant to the Director, City Auditor

Megan Gaillard, Assistant City Auditor III

Marco Hausy, Assistant City Auditor III

Debra Conyers, Board Liaison

**Other Attendees**

John Weber, Crowe, LLP

Michele Blackstock, Crowe, LLP

**Call to Order**

Chairman Keith Cobb called the meeting to order at 3:00 PM.

**Roll Call**

At the time of roll call, four appointed members to the Board were present, allowing for a quorum.

### **Review of Meeting Minutes for Approval**

Chairman Cobb directed the review of the previous meeting minutes.

Joey Epstein motioned to approve the March 25, 2021 meeting minutes. Lane Hacker seconded. The meeting minutes were approved unanimously in a voice vote.

### **Floor Open for Public Input**

Chairman Cobb opened the floor for public input. No members of the public came forward.

### **Review of FY 2020 Single Audit**

John Weber, Crowe LLC stated they issue an opinion on compliance with laws and regulations related to federal grants, as well as state grants. The audit report on the federal side covers one federal program public assistance grant program and it was really the Irma money. On the state side there was two programs the transit quarter development program and the State housing initiatives partnership Program. So, Crowe LLC's opinion read that the city complied, in all material respects, with the compliance requirements and laws and regulations related to the spending of those grant funds so that was a non-modified opinion. The single audit did not have any significant deficiencies or material weaknesses and internal control over compliance, nor did it have any question costs related to those three grant programs.

### **FY 2021 Financial Audit Timeline**

Laura Garcia spoke briefly regarding vacancies in the City's Treasury Division and how staffing issues may delay the gathering of information needed to complete the financial audit report. Ms. Garcia stated she is hoping to have the financial report ready by March 5, 2022.

Further discussion regarding the Financial Audit Timeline ensued between Laura Garcia, Board members, and City staff. (see attached handout)

### **Client Service Plan**

Michelle Blackstock and John Weber, Crowe LLC briefly spoke about the Client Service Plan's letter to management, Crowe audit engagement, and audit planning discussions.

Further discussion regarding the Client Service Plan ensued between Crowe, Board members, and City staff. (see attached handout)

### **Quarterly Audit Compliance Report- September 2021**

John Herbst stated that a couple of findings were closed, two in the Finance Department and three with the Police Department. Mr. Herbst spoke in depth about the City Auditor's report "Continuous Monitoring of Overtime" regarding the Public Works Department and the Police Department. He also, mentioned that The Police Department was very quick

jumping on the findings and addressed updates to their internal policies related to overtime issues.

Further detailed discussion ensued between John Herbst and the Board members. (see attached Quarterly Audit Compliance Report, City Auditor's Report #20/21-08, and City Auditor's Report #20/21-02)

### **City Auditor Update**

Megan Gaillard spoke about this year plans to be super busy with conducting three different audits, with a possible fourth. She stated that the City Auditor will be conducting an audit of the new ERP system to make sure it is implemented with the correct and good controls. Ms. Gaillard expressed the audit of the police evidence room was being finalized and is hoping to get the report out in February. John Herbst explained in detail regarding the Public Works and Parks and Recreation Department regarding work performed out of scope for the contract used and the excessive amount of money spent that was not budgeted.

Further detailed discussion ensued between the City Auditor's and the Board members. (see attached Audit Workplan)

### **ERP Update**

Linda Short stated that last month the City did execute the contract to relaunch the implementation that was approved by Commission in September. Ms. Short mentioned a kickoff meeting was held on Tuesday with the consultant on Tuesday and will start to engage staff next month with the launch of the project. Ms. Short shared that next time the board meets she will share the implementation timeline, which is still being finalized right now. She stated the goal right now is to go live with our financial management on October 1, 2022, which is the projected go live date and the payroll division will be six months behind, with a go live date of March 2023.

### **Other Business**

The Audit Board members discussed keeping the original meeting time of 5:00 PM.

### **Communication to the City Commission**

N/A

### **Adjournment**

The next regularly scheduled Audit Advisory Board meeting will be January 27<sup>th</sup>, 2022 at 5: 00 PM.

The meeting adjourned at 4:00 PM

[Minutes prepared by Debra Conyers, Board Liaison]



# Client Service Plan

## September 30, 2021

City of Fort Lauderdale, Florida



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Crowe LLP  
Independent Member Crowe Global

City of Fort Lauderdale, Florida  
Fort Lauderdale, Florida

We appreciate the opportunity to discuss with you various issues related to planning our audit services, and gaining an understanding of your expectations of us as your independent public accountants.

We will discuss with you how we plan to assist you to meet your needs, share our proposed client service plan, and review other key issues related to the audit. It is our philosophy to continually improve the quality of our service. We look forward to any comments you or others may have on our service. This client service plan should be considered a working document which will be updated during our meeting. We welcome your recommendations for additions or changes so that we can best meet all of your needs.

Thank you for the opportunity to discuss the client service plan. We look forward to assisting you.

Sincerely,

A handwritten signature in black ink that reads "John C. Weber".

John C. Weber  
Crowe LLP

## Crowe Client Service Team

Role	Name	Phone	Email	Definition of Role
Client Relations/Audit Partner	John Weber	813.209.2585	john.weber@crowe.com	John will work with our engagement team to understand your expectations and ensure that your needs are met through the delivery of our services. John is also the partner signing our reports on your financial statements.
Audit Senior Manager	Michelle Blackstock	954.202.2924	michelle.blackstock@crowe.com	Michelle will oversee the execution of the audit, focusing on overseeing engagement management and on accounting and financial reporting matters.
Senior Staff - In Charge	Alex Nhan	954.993.0779	alex.nhan@crowe.com	Alex will oversee the execution of the audit and accounting and financial reporting matters.
Information Systems Senior Manager	Robert Vittitow	502.420.4452	robert.vittitow@crowe.com	Robert will oversee the identification and testing of the information systems risks and controls related to the financial statements and internal control audits.

## Client Experience

### Why Do Our Clients Choose Crowe?

Clients tell us when our technical expertise, industry knowledge, and applied technology come together, exceptional service and value result. At Crowe LLP, we take pride in our relationships with our clients. Our vision is that our people come to work every day motivated to provide our clients with an exceptional experience in every interaction and to help our professionals maintain objectivity in the delivery of our services. We are proud to report Crowe is one of the 2020 "Fortune 100 Best Companies to Work For".



### How Do We Do This?

We have learned from our clients that there are certain attributes important to their overall experience, and each client perceives value differently. To help us meet our clients' expectations, we conduct an engagement survey that allows our clients to evaluate our performance. Proof of this can be found in what our clients say about us, in our client engagement survey results, and through recognition we've received from client experience organizations.

In addition, if a client is faced with a challenge or issue that is unresolvable with their Crowe partner, we encourage clients to contact our Client Experience Leader at [qualtrics@crowe.com](mailto:qualtrics@crowe.com). The client experience leader works with our clients and Crowe leaders to understand the issue(s), and resolve the situation(s) while taking steps to try to avoid similar situations in the future .

### Exceptional Client Experience

Our 2020 client feedback survey results\* impressively show:

**96%** { 96% of respondents said they would recommend Crowe to a colleague.

**94%** { 94% of respondents agreed that Crowe helps them to make smart decisions.

**60%** { Nearly 60% of respondents recognized someone from Crowe for delivering above & beyond service.

\*Based upon nearly 2,000 surveys completed in Crowe's fiscal year 2020.

## Crowe's Services and Deliverables

We are committed to providing you with the highest level of professional service and to exceeding your expectations. We wish to ensure that we have an understanding of the services we are to perform and the deliverables that we are to provide.

Service	Deliverable
Audit of the City's basic financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in <i>Government Auditing Standards</i>	<ul style="list-style-type: none"> <li>Independent auditor's report on financial statements</li> </ul>
Audit of the City of Fort Lauderdale Community Redevelopment Agency (CRA)	<ul style="list-style-type: none"> <li>Independent auditor's report on financial statements</li> </ul>
Assistance with drafting the CRA financial statements	<ul style="list-style-type: none"> <li>Draft financial statements for management review and approval</li> </ul>
Audit of the City of Fort Lauderdale General Employees' Retirement System	<ul style="list-style-type: none"> <li>Independent auditor's report on financial statements</li> </ul>
Audit of the City's compliance with the requirements applicable to each major federal program and state project	<ul style="list-style-type: none"> <li>Independent auditor's report on compliance for each major federal program and state project and report on internal control over compliance</li> </ul>
Communication of internal control deficiencies and other matters	<ul style="list-style-type: none"> <li>Independent auditor's report on internal control over financial reporting and on compliance and other matters</li> <li>Schedule of findings and questioned costs</li> <li>Management letter in accordance with the Rules of the Florida Auditor General</li> <li>Letter to those charged with governance</li> </ul>
Audit of the schedule of large user wastewater treatment rate computation	<ul style="list-style-type: none"> <li>Independent auditor's report on the schedule of large user wastewater treatment rate computation</li> </ul>
Examination of the City's compliance with the requirements of Section 218.415, Florida Statutes	<ul style="list-style-type: none"> <li>Independent accountant's report on compliance with Section 218.415, Florida Statutes</li> </ul>
Examination of the CRA's compliance with the requirements of Section 163.387(6) and (7), Florida Statutes in accordance with the requirements under the Florida Auditor General Rule 10.556 10(f).	<ul style="list-style-type: none"> <li>Independence accountant's report on compliance with Sections 163.387(6) and (7), Florida Statutes</li> </ul>

## Audit Timeline

To ensure we appropriately understand your expectations regarding the time frames for delivery and completion of our services, we wish to discuss with you the following draft timeline we have prepared.

### **City of Fort Lauderdale:**

Activity	Date
Interim fieldwork	September 7, 2021
IT audit fieldwork	November 8, 2021
Final Trial Balance due from City	December 23, 2021
Final SEFA due from City	January 14, 2022
Year End Fieldwork	January 4 – March 4, 2022
Complete AFR and Other Deliverables to be provided by City	March 5, 2022
City Final AFR and other Deliverables to be provided to Audit Advisory Board	TBD
Presentation of AFR and other Deliverables to City Commission	TBD

### **City of Fort Lauderdale Community Redevelopment Agency (CRA):**

Activity	Date
Interim fieldwork	September 13, 2021
Final Trial Balance due from CRA	November 22, 2021
Year End Fieldwork	November 22 – December 23, 2021
Complete Financial Statements and Other Deliverables to be provided to City	February 4, 2022
CRA Final AFR and other Deliverables to be provided to Audit Advisory Board	TBD
Presentation of AFR and other Deliverables to City Commission	TBD

### **City of Fort Lauderdale General Employees' Retirement System (GERS):**

Activity	Date
Final Trial due from from GERS	December 20, 2021
Year End Fieldwork	December 20, 2021 – February 25, 2022
GASB 72 investment information to be provided to Crowe from GERS	February 21, 2022
Statement of Fiduciary Net Position and Changes in Fiduciary Net Position and the 10/1/2019 – 9/30/2020 DROP reconciliation to actuary to complete GASB 67	January 17, 2022
Actuary to provide GASB 67 report	February 21, 2022
GERS draft Financial Statements and other Deliverables to be provided to management and Audit Committee.	TBD
Presentation of final Financial Statements and other Deliverables to Board of Trustees	TBD

## Required Communication

### Auditor's responsibilities under Generally Accepted Auditing Standards

- The auditor is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of those charged with governance are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.
- The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.
- The auditor is responsible for performing the audit in accordance with:
  - Generally accepted auditing standards
  - The standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States
- The design of the audit is to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.
- An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting.
- The auditor is responsible for communicating significant matters related to the financial statement audit that are, in the auditor's professional judgment, relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Generally accepted auditing standards do not require the auditor to design procedures for the purpose of identifying other matters to communicate with those charged with governance.
- When applicable, the auditor is also responsible for communicating particular matters required by laws or regulations, by agreement with the entity or by additional requirements applicable to the engagement.
- Certain information prepared by management that will accompany the audited financial statements will not be subjected to the auditing procedures applied in the audit of the basic financial statements and therefore we will express no opinion on this information. This includes the introductory section, required supplemental information, management's discussion and analysis of financial condition and results of operations, and statistical tables included in the statements after the notes to financial statements.
- We will review the concept of materiality in our planning and will consider the internal control structure in determining our amounts.
- We will address the significant risks of material misstatement, whether due to fraud or error during our planned testing procedures.
- Internal control and the results of internal control testing will be a factor in determining the substantive testing performed.
- Whenever Crowe has determined that there is evidence that fraud may exist, that matter will be brought to the attention of an appropriate level of management. Fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements will be reported directly to those charged with governance.
- We will assist in the preparation of the draft financial statements for the City of Fort Lauderdale Community Redevelopment Agency. With respect to other services provided, management is responsible for making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.



**CITY OF FORT LAUDERDALE**

# **Status of Open Audit Findings**

**Single Audit**

**Programmatic Audit**

**City Commission Audit**

**As of September 30, 2021**



**WE BUILD COMMUNITY**



# CITY OF FORT LAUDERDALE

## OPEN AUDIT FINDINGS STATUS REPORT

The Structural Innovation Division of the Office of Management and Budget compiles the quarterly Open Audit Findings Status Report. The report is based upon updates provided by departmental staff. It provides the status of open audit findings from external auditors and the City Commission Auditor’s Office each quarter.

There are currently eight open audit findings, including observations. As departments implement the corrective action plans and upload supporting documentation into the Audit Compliance Tracking System (ACTS), they are required to notify the Commission Auditor that they believe a finding has been resolved. The Auditor’s Office will continuously review these responses throughout the year and will notify the System Administrator in the Structural Innovation Division to close findings that have been cleared.

This quarter three new findings related to monitoring overtime in the Public Works Department were added to the report.

Five audit findings were also closed. All five were associated with the City Auditor’s findings; two originated in the Finance Department and three in the Police Department. The Finance Department’s findings related to P-Card spending within Public Works and Parks and Recreation Departments, and the P-Card fixed asset inventory procedure. The three findings in the Police Department all related to monitoring overtime.

Department staff are required to review and update the status of each of their open findings on a quarterly basis. Following the update, a report is compiled and distributed to the City Manager and the City’s Leadership Team. This report is presented to the Audit Advisory Board on a quarterly basis.

The department breakdown can be found in the table below.

**Number of Open Findings**

DEPARTMENT	September 2017	September 2018	September 2019	September 2020	December 2020	March 2021	June 2021	September 2021
City Manager’s Office	4	3	2	0	0	0	0	0
Community Redevelopment Agency	2	1	1	0	0	0	0	0
Finance	2	0	26	6	4	4	3	1
Human Resources	7	7	4	3	3	3	3	3
Information Technology Services	0	0	0	1	1	1	0	0
Parks and Recreation	9	6	1	1	1	1	0	0
Police Department	0	0	0	0	0	0	3	0
Public Works Department	0	0	0	0	0	0	0	3
Sustainable Development Department	4	2	2	2	1	1	1	1
<b>TOTAL</b>	<b>28</b>	<b>22</b>	<b>64</b>	<b>13</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>8</b>

All current open findings/observations originate from reports issued by the Office of the City Auditor.

**Status of Audit Findings  
as of September 30, 2021**

Issue No	Closed Audit Findings	Status Reported by Staff	Page
<b>Finance Department</b>			
431	Finding #14: P-Card Spending Issues with Public Works and Parks and Rec	Implemented	2
435	Finding #10: P-Card Fixed Asset Inventory Procedure	Implemented	3
<b>Police Department</b>			
457	Memo No: 10/21-03 Continuous Monitoring of Overtime - Police Department - Finding # 1: PD's policy 109 deviates from City's PSM 6.32.1.	Implemented	4
458	Memo No: 10/21-03 Continuous Monitoring of Overtime - Police Department - Observation #1: Monitoring controls	Implemented	5
459	Memo No: 10/21-03 Continuous Monitoring of Overtime - Police Department - Observation # 2: Justification reporting for overtime	Implemented	6
<b>City Auditor's Office Findings</b>			
<b>Finance Department</b>			
429	Finding #12: Duplicate P-Card Detection	Partially Implemented	9
<b>Human Resources Department</b>			
95	Report #09/10-01 Audit of the Human Resources Department Finding 9 - Succession Planning	Partially Implemented	11
100	Report #09/10-01 Audit of the Human Resources Department Auditor Comment 3 - Training	Partially Implemented	12
237	Report #09/10-01 Audit of the Human Resources Department Auditor Comment 9 - Employee Handbook	Partially Implemented	13
<b>Public Works Department</b>			
460	Continuous Monitoring of Overtime, Finding #1 - Preapproval of overtime	Not Implemented	16
461	Continuous Monitoring of Overtime, Finding #2 - Tracking overtime	Not Implemented	17
462	Continuous Monitoring of Overtime, Finding #3 - Accurate supervisor approval	Not Implemented	18
<b>Sustainable Development Department</b>			
108	Report #10/11-06 Audit of the Code Enforcement Lien Process - Finding 2	Partially Implemented	20

# Findings Closed this Quarter

**Finance Department (2)**  
**Police Department (3)**



# Finding #14: P-Card Spending Issues with Public Works and Parks and Rec

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Issue No: 431

Date of Finding: 03/01/2019

Final Date of Completion 07/22/2021

		Name	Title	Department
<u>Responsible Person 1</u>	lgarcia	Laura Garcia	Controller	Finance
<u>Responsible Person 2</u>	jboutilier	Jason Boutillier	Management Analyst	Finance

Correction Plan Status: Implemented Finding Type: Material Weakness

Next Milestone

Milestone Date of Completion

Department: Finance

Audit Initiator Commission Audit

Title: Finding #14: P-Card Spending Issues with Public Works and Parks and Rec

Issue / Observation Two departments with heavy P-card spending during the audit period Public Works (\$11M) and Parks & Recreation (\$8M), each experienced P-card fraud discovered during the audit. The extent of fraud discovered was \$25K-\$100K for Public Works and over \$100K for Parks & Recreation. Subsequent event: Both of these fraud events involved multiple individuals within and outside of the City. Cause: Internal controls over P-card Program administration were inadequate to ensure that departments with expectedly significant P-card spending volume have the capacity and understanding of adequate controls over decentralized purchasing. In the case of Public Works, its system wasn't capable of tracking job costs at all. Impact: Departments lacking job costing systems are more susceptible to fraud, waste, and abuse, which is what actually occurred.

Recommendation: The City Manager should implement effective job cost tracking systems and subsequently monitor their appropriate use in departments that are work-order oriented. In addition, pensions of those involved with the fraud should be revoked.

Correction Plan: Management takes the theft of public funds seriously. The employees who committed these fraudulent transactions were terminated and have been prosecuted criminally. In addition, pension revocation is complete in both cases. To mitigate future risk of fraud, the Public Works Department is reducing the card-in-hand segment of the department to 11 from 173. The Parks and Recreation Department is reducing to 50 from 140.

Current Status: This finding has been closed by the City Auditor's Office.

# Finding #10: P-Card Fixed Asset Inventory Procedure

Issue No: 435  
Date of Finding: 03/01/2019  
Final Date of Completion 07/22/2021  
Responsible Person 1 lgarcia  
Responsible Person 2 jboutilier  
Correction Plan Status: Implemented

Name	Title	Department
Laura Garcia	Controller	Finance
Jason Boutilier	Management Analyst	Finance

Finding Type: Deficiency

Next Milestone

Milestone Date of Completion

Department: Finance

Audit Initiator Commission Audit

Title: Finding #10: P-Card Fixed Asset Inventory Procedure

Issue / Observation The City's inventory procedures and records were not in compliance with State law (Section 274.02, Florida Statutes; 69I-73.002, Florida Administrative Code) pertaining to recording of "items of a value or cost of \$1,000 or more and a projected useful life of 1 year." The audit found a significant (40%) level of inaccurate sub-object coding for inventoriable purchases. Additionally, the review of property inventory was not conducted by the Director of Finance. In addition, departments were in violation of having no track of inventoriable purchases. Cause: This condition was attributed to the prolonged lack of enforcement, which can encourage noncompliance. Impact: Untracked inventory allows for the possibility of theft. Projection of the sub-object coding error estimates a range of \$2.6M to \$3.5M of merchandise within transactions each costing more than \$1,000 purchased during the audit period was untracked and susceptible to theft.

Recommendation: The City Manager should require the Director of Finance to review and ensure the City is in compliance with State law regarding inventory by requiring a periodic review of departmental inventory controls and records.

Correction Plan: The Finance Department will institute periodic required departmental reviews of tangible items purchased from \$1,000-\$5,000, as a part of their fixed assets inventory process.

Current Status: This finding has been closed by the City Auditor's Office.

# Continuous Monitoring of Overtime - Police Department - Finding #1

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Issue No: 457

Date of Finding: 03/01/2021

Final Date of Completion 07/21/2021

Responsible Person 1

plynn

Name	Title	Department
Patrick Lynn	Interim Chief of Police	Police

Responsible Person 2

Correction Plan Status: Implemented

Finding Type: Deficiency

Next Milestone

Milestone Date of Completion

Department: Police

Audit Initiator Commission Audit

Title: Continuous Monitoring of Overtime - Police Department - Finding #1

Issue / Observation

Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. Between January 1, 2020 and March 31, 2020, most of the City's overtime paid was recorded by the Police and Public Works departments. Therefore, the City Auditor's Office performed a limited scope audit of overtime for these two departments. This report focuses on overtime within the Police Department (PD).

Finding #1: PD's policy #109 deviates from the City's PSM 6.32.1 regarding internal controls governing overtime. While the PSM requires that all overtime be approved by the immediate supervisor, whereas policy #109 allows for any supervisor, generally ranked Sergeant and above for sworn officers, to approve overtime requests. Because of this, Telestaff, in practice, is not programmed to restrict overtime approvals to immediate supervisors.

Recommendation: The CAO recommends that PD's policy #109 be revised to be consistent with PSM 6.32.1.

Correction Plan:

Current Status: This finding has been closed by the City Auditor's Office

# Continuous Monitoring of Overtime - Police Department - Observation #1

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Issue No: 458

Date of Finding: 03/01/2021

Final Date of Completion 07/21/2021

Responsible Person 1 plynn

Name	Title	Department
Patrick Lynn	Interim Chief of Police	Police

Responsible Person 2

Correction Plan Status: Implemented

Finding Type: Observation

Next Milestone

Milestone Date of Completion

Department: Police

Audit Initiator Commission Audit

Title: Continuous Monitoring of Overtime - Police Department - Observation #1

Issue / Observation Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. Between January 1, 2020 and March 31, 2020, most of the City's overtime paid was recorded by the Police and Public Works departments. Therefore, the City Auditor's Office performed a limited scope audit of overtime for these two departments. This report focuses on overtime within the Police Department (PD).

Observation #1: While all overtime had been approved by a supervisor, neither the policy nor practices in place stipulate that the supervisor has verified that they were "actually worked". Moreover, the amount of overtime hours being worked should be assessed for reasonableness to avoid fatigue. This practice would also reduce the risk of excessive or imbalanced overtime by individual personnel.

Recommendation: The CAO recommends that PD consider implementing monitoring controls where the supervisor approving overtime has knowledge of the hours worked/duties performed and that overtime hours are also reviewed in aggregate by employee, for validity and reasonableness to improve overtime management.

Correction Plan:

Current Status: This observation has been closed by the City Auditor's Office

# Continuous Monitoring of Overtime - Police Department - Observation #2

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Issue No: 459

Date of Finding: 03/01/2021

Final Date of Completion 07/21/2021

Responsible Person 1 plynn

Name	Title	Department
Patrick Lynn	Interim Chief of Police	Police

Responsible Person 2

Correction Plan Status: Implemented

Finding Type: Observation

Next Milestone

Milestone Date of Completion

Department: Police

Audit Initiator Commission Audit

Title: Continuous Monitoring of Overtime - Police Department - Observation #2

Issue / Observation Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. Between January 1, 2020 and March 31, 2020, most of the City's overtime paid was recorded by the Police and Public Works departments. Therefore, we performed a limited scope audit of overtime for these two departments. This report focuses on overtime within the Police Department (PD).

Observation #2: Once overtime hours are approved, there is no reporting available from Telestaff to see the note field that describes the justification for the overtime (details only visible for pending overtime hours; approved overtime can be only viewed within the audit trail of the system screen-by-screen). Such reporting would ensure that overtime is documented properly for monitoring as well as for overtime reimbursement.

Recommendation: The CAO recommends standardizing the description of all overtime with the same granularity and enhancing reporting features. In addition, the policy should be updated to reflect these changes.

Correction Plan:

Current Status: This observation has been closed by the City Auditor's Office.

# Reports Issued by the City Auditor's Office



# Finance Department



# Finding #12: Duplicate P-Card Detection

Issue No: 429  
Date of Finding: 03/01/2019  
Final Date of Completion 09/30/2022

		Name	Title	Department
<u>Responsible Person 1</u>	lgarcia	Laura Garcia	Controller	Finance
<u>Responsible Person 2</u>	jboutilier	Jason Boutilier	Management Analyst	Finance

Correction Plan Status: Partially Implemented Finding Type: Material Weakness

Next Milestone Leverage ERP system to identify and stop duplicate payments.

Milestone Date of Completion 09/30/2022

Department: Finance

Audit Initiator Commission Audit

Title: Finding #12: Duplicate P-Card Detection

Issue / Observation The current internal control system does not prevent or detect duplicate P-card payments of invoices processed by both Accounts Payable and the respective departments.

Cause:

Finance lacked software that would enable and facilitate a control over a high volume of transactions.

Impact:

Material waste could occur as uncorrected duplicate payments of the same transaction.

Recommendation: Finance should enhance internal controls to prevent and detect duplicate payments of P-card invoices.

Correction Plan: With the implementation of the new ERP in fiscal year 2020, P-Card charges will be approved by the Department and routed through Accounts Payable ("AP") for processing. Part of this process will include uploading the P-card charge directly to the corresponding AP vendor file, which will help identify duplicate invoices. This will aide Management by identifying duplicate payments.

Current Status: Finance will leverage the new ERP system in order to identify and stop duplicate invoices . In preparation for ERP implementation, Finance has restructured the P-card hierarchy in the SunTrust Enterprise Spending Platform system, which will allow P-card data to automatically feed into the ERP. ERP implementation kickoff is anticipated in Q1 of FY'22.

# Human Resources Department



# Report #09/10-01 Audit of the Human Resources Department Finding 9 - Succession Planning

Issue No: 95  
Date of Finding: 12/29/2009  
Final Date of Completion 06/30/2023

		Name	Title	Department
<u>Responsible Person 1</u>	tasmith	Tarlesha Smith	Asst. City Manager/ Director of Human Resources	Human Resources
<u>Responsible Person 2</u>	karthurs	Kerry Arthurs	Administrative Supervisor	Human Resources

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone Implementation, Testing and Validation of Infor Performance, Learning and Succession Planning modules.

Milestone Date of Completion 06/30/2023

Department: Human Resources

Audit Initiator Commission Audit

Title: Report #09/10-01 Audit of the Human Resources Department Finding 9 - Succession Planning

Issue / Observation Condition:  
 The City does not actively engage in employee succession planning and mentoring for key functions/positions throughout the City and many such positions lack written policies and detailed procedures. Under the Committee of Sponsoring Organizations (COSO) framework Internal Control Environment component 1.2 "Commitment to Competence", succession planning is a standard element of the internal control environment. It helps to ensure a smooth transition, minimize disruption and mitigate costs resulting from the loss of institutional knowledge when long-term employees leave the organization.

Cause:  
 Management has not mandated succession planning and the development of standard operating procedures for all departments.

Impact:  
 Without formal succession planning and mentoring, the City risks decreased efficiency, effectiveness and quality of service delivery as new employees attempt to gain sufficient knowledge to perform the key aspects of their jobs.

Recommendation: The City Manager should instruct all department directors to develop a comprehensive employee succession/mentoring plan for key functions/positions within their respective departments. Moreover, a significant component of a successful employee succession/mentoring plan is having a regularly updated set of written policies and procedures for each of these key functions/positions. This recommendation is further emphasized in Finding 1.

Correction Plan: Succession planning in its truest sense may be difficult to accomplish in the public sector given Personnel Rules, seniority considerations among bargaining units, etc; however, the human resources department (HRD) will continue to work with City departments on workforce planning and identification of key skills that must be maintained within the department.

One of HRD's future initiatives is to develop a comprehensive succession planning program. However other foundational components are required before implementation, such as: the development of Citywide Values and Competencies aligned with career ladders. Once these components are in place, HRD can develop a robust succession planning program.

Current Status: Succession Planning will be implemented as part of the now approved Cloud ERP system and will follow the ERP implementation timeline. The Performance Planning and Learning Management Module of the ERP are at the end of the implementation timeline.

# Report #09/10-01 Audit of the Human Resources Department Auditor Comment 3 - Training

Issue No: 100  
Date of Finding: 12/29/2009

Final Date of Completion 12/31/2021

		Name	Title	Department
<u>Responsible Person 1</u>	tasmith	Tarlesha Smith	Asst. City Manager/ Director of Human Resources	Human Resources
<u>Responsible Person 2</u>	karthurs	Kerry Arthurs	Administrative Supervisor	Human Resources

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone Review of Survey Analysis with HR Managers and HR Department

Milestone Date of Completion 10/29/2021

Department: Human Resources

Audit Initiator Commission Audit

Title: Report #09/10-01 Audit of the Human Resources Department Auditor Comment 3 - Training

Issue / Observation Condition:  
 The City Auditors Office's (CAO's) review of the Human Resources Department's (HRD's) efforts to meet stakeholder needs and expectations revealed that they are not proactively seeking input from either internal or external customers to gauge user satisfaction with the quality and effectiveness of the services HRD provides. Furthermore, HRD staff is not currently receiving customer service training, which is of paramount importance for a department that primarily exists to provide services to other departments within the government.

Criteria:  
 Under the Committee of Sponsoring Organizations (COSO) framework Information and Communication component 4.1 "Mechanisms that support information flow inside the organization", internal survey processes and component 4.2 "Mechanisms that support information flow outside the organization", external surveys are a standard element of the internal control system.

Recommendation: The City Manager should require the Director of HRD to:  
 1. Develop and conduct an annual survey of job applicants and City employees to inquire about their level of satisfaction with the array of services provided by HRD. The survey results should be analyzed and used as a planning tool to promote and prioritize service delivery improvements.  
 2. Provide HRD staff with annual customer service training to ensure that staff responds to service requests with a customer focused approach.

Correction Plan: HRD will explore the possibility of conducting an annual customer service survey. Staff will receive customer service training budget permitting.

Current Status: The employee engagement survey was launched starting August 9,2021 and ended September 3, 2021. The results have been compiled and are currently being analyzed. When completed, the analysis will be presented to management to utilize for process improvement and staff training .

# Report #09/10-01 Audit of the Human Resources Department Auditor Comment 9

Issue No: 237  
Date of Finding: 12/29/2009

Final Date of Completion 10/31/2021

		Name	Title	Department
<u>Responsible Person 1</u>	tasmith	Tarlesha Smith	Asst. City Manager/ Director of Human Resources	Human Resources
<u>Responsible Person 2</u>	karthurs	Kerry Arthurs	Administrative Supervisor	Human Resources

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone Launch the Citywide Employee Handbook.

Milestone Date of Completion 10/15/2021

Department: Human Resources

Audit Initiator Commission Audit

Title: Report #09/10-01 Audit of the Human Resources Department Auditor Comment 9

Issue / Observation Condition  
 The City Auditor's Office (CAO) found that Human Resources Department (HRD) does not publish a comprehensive employee handbook. Instead, HRD relies on the combined information contained in the specific union contracts, the policy standard manual (PSM), and the Personnel Rules. These combined documents serve to provide information on many of the topics typically covered in the sample of employee handbooks reviewed by the CAO as well as best practice literature. However, the CAO noted that it was difficult and time consuming to research specific items from among the various sources, which collectively substitute for a traditional employee handbook. This is not a user-friendly method and can leave staff confused and without complete and accurate information.

Recommendation: The City Manager should require the Director of HRD to:

1. Create and publish an employee handbook and/or,
2. Create a matrix by employee-type and include hyperlinks on the HRD website that would serve to centralize and guide both union and non-union employees to pertinent information pertaining to the City's various policies and procedures as well as other important employee information.

Correction Plan: Employee handbooks typically contain various policies, including standards of conduct, such as workplace violence, discrimination, anti harassment, and benefits. While the City does not have one official document entitled "Employee Handbook", the previously described information can be found in the City's Personnel Rules, Policy and Standards Manual, Pay Plan Ordinance and the various collective bargaining agreements. The compilation of such information into one document would require a significant outlay of staff resources. Additionally, because an employee handbook is often the focus of employment related litigation, any compilation or drafting of a citywide employment manual would require the involvement of the City Attorney's office and/or outside counsel for constant review and updating. In light of the above, HRD does not agree with the CAO's recommendation.

**REBUTTAL**

The CAO feels strongly that employee handbooks are such an important resource as to be almost universal in their use. We are unaware of any organization of our size that fails to have a comprehensive handbook to educate and inform employees of their rights, benefits and obligations. While the production of such a resource may be time consuming and detailed, the benefits to the employees far outweighs the cost to the City.

Current Status:

Strategic Communications have implemented all recommended edits to the employee handbook and presented a final version. Upon final approval, access to the handbook will be made available via LauderShare and in print where the need arises.

# Public Works Department



# Continuous Monitoring of Overtime - Public Works

## Department Finding # 1

Issue No: 460  
Date of Finding: 09/09/2021  
Final Date of Completion 12/31/2021

		Name	Title	Department
<u>Responsible Person 1</u>	adodd	Alan Dodd	Director of Public Works	Public Works
<u>Responsible Person 2</u>	fford-powell	Felicia Ford-Powell	Sr. Management Analyst	Public Works

Correction Plan Status: Not Implemented Finding Type: Significant Deficiency

Next Milestone Create internal form for requesting and tracking overtime.

Milestone Date of Completion 11/08/2021

Department: Public Works

Audit Initiator Commission Audit

Title: Continuous Monitoring of Overtime - Public Works Department Finding # 1

Issue / Observation Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. The limited scope audit focused on the most dollars earned and the most overtime hours incurred by employees between January 1, 2020 and March 31, 2020 in the Public Works department.

Public Works department's Basic Workweek and Overtime Policy (PW#1001) that details the overtime request and approval process was last revised in September 2018. The policy's process aligns with, and defers as supplemental to, the City's PSM 6.32.1, Reporting on Overtime.

While both the PSM 6.32.1 and the departmental policy (PW#1001) require pre-approvals for overtime hours, the City Auditor's Office did not find evidence of this within or outside of the Kronos time-keeping system.

Recommendation: The City Auditor's Office recommends that the Public Works department implement a documented pre-approval process as required by the PSM 6.32.1 and PW#1001. The City Auditor's Office also recommends that the City updates the PSM 6.32.1 to reflect "unforeseen" overtime.

Correction Plan: Management Response:  
 In response to the findings and recommendations, Public Works will be taking the following actions:

- Add language to PW#1001 Basic Workweek and Overtime Policy, allowing for verbal approval of overtime, when necessary (e.g., field work requiring office supervisor approval), written approval would follow.
- Inform Human Resources of the concerns with the Citywide PSM 6.32.1.
- Create internal controls in the form of an internal procedure, form, and database for requesting, approving, and tracking overtime. The form will at a minimum meet the requirements of form J-224, Overtime Authorization Form, that is referenced in PSM 6.32.1 as an alternative to record overtime.

Current Status: Staff is currently working with Public Works Management team to develop and implement internal tracking processes for overtime in addition to revising the PW#1001 Basic Workweek and overtime policy.  
 The organizational chart for the department is being reviewed and will be updated to ensure supervisors are accurate.

# Continuous Monitoring of Overtime - Public Works

## Department Finding # 2

Issue No: 461  
Date of Finding: 09/09/2021

Final Date of Completion 12/31/2021

		Name	Title	Department
<u>Responsible Person 1</u>	adodd	Alan Dodd	Director of Public Works	Public Works
<u>Responsible Person 2</u>	fford-powell	Felicia Ford-Powell	Sr. Management Analyst	Public Works

Correction Plan Status: Not Implemented Finding Type: Significant Deficiency

Next Milestone Create internal form for requesting and tracking overtime.

Milestone Date of Completion 11/08/2021

Department: Public Works

Audit Initiator Commission Audit

Title: Continuous Monitoring of Overtime - Public Works Department Finding # 2

Issue / Observation The City Auditor's Office noted that the Kronos system is not capable of recording justification for overtime, as required by the PSM 6.32.1. However, the PSM provides an alternative to record overtime details utilizing form J-224, Overtime Authorization Form. This form is not utilized by Public Works. Rather, several Public Works supervisors developed their own spreadsheets for overtime tracking. Reviewing the six spreadsheets provided, we found the following internal control weaknesses:

- a. The spreadsheets were incomplete. 11 out of the sample of 23 (48%) had no approval support.
- b. The spreadsheets only record total overtime hours, while form J-224 requires regular and overtime beginning and ending times to clearly demonstrate when overtime occurred.

Recommendation: ISSUE/OBSERVATION CONTINUED:  
 c. The spreadsheets do not require approver signatures and dates, while form J-224 requires all forms to be signed and dated by the approver.  
 d. The spreadsheets record the location and task/event for the overtime, while form J-224 also requires "reason overtime was required" to be documented.

RECOMMENDATION:  
 The City Auditor's Office recommends that a standardized method of tracking overtime be implemented. At the minimum, documentation should mirror the requirements on form J-224. Such as details on the beginning and end of overtime hours, the reasoning for the overtime, the approving supervisor, and the date of approval.

Correction Plan: Management Response:  
 In response to the findings and recommendations extracted below, Public Works will be taking the following actions:  
 • Create internal controls in the form of an internal procedure, form, and database for requesting, approving, and tracking overtime. The form will at a minimum meet the requirements of form J-224 referenced in the findings.

Current Status: Staff is currently working with Public Works Management team to develop and implement internal tracking processes for overtime in addition to revising the PW#1001 Basic Workweek and overtime policy.  
 The organizational chart for the department is being reviewed and will be updated to ensure supervisors are accurate.

# Continuous Monitoring of Overtime - Public Works

## Department Finding # 3

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Issue No: 462  
Date of Finding: 09/09/2021

Final Date of Completion 12/31/2021

		Name	Title	Department
<u>Responsible Person 1</u>	adodd	Alan Dodd	Director of Public Works	Public Works
<u>Responsible Person 2</u>	fford-powell	Felicia Ford-Powell	Sr. Management Analyst	Public Works

Correction Plan Status: Not Implemented Finding Type: Significant Deficiency

Next Milestone Create internal form for requesting and tracking overtime.

Milestone Date of Completion 11/08/2021

Department: Public Works

Audit Initiator Commission Audit

Title: Continuous Monitoring of Overtime - Public Works Department Finding # 3

Issue / Observation Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. The limited scope audit focused on the most dollars earned and the most overtime hours incurred by employees between January 1, 2020 and March 31, 2020 in the Public Works department.

From the sample of Public Works high overtime earners, 15 out of 30 (50%), Kronos approvers did not match the worker's named supervisor per the Public Works organizational chart .

Recommendation: The City Auditor's Office recommends ensuring that Kronos approvers are in line with the Public Works Department's organizational chart.

Correction Plan: Management Response:  
 In response to the findings and recommendations extracted below, Public Works will be taking the following actions:

- Add language to PW#1001, the department's Basic Workweek and Overtime Policy, to clarify who is authorized to approve overtime.
- Review organizational charts to ensure supervisors are accurate.

Current Status: Staff is currently working with Public Works Management team to develop and implement internal tracking processes for overtime in addition to revising the PW#1001 Basic Workweek and overtime policy.  
 The organizational chart for the department is being reviewed and will be updated to ensure supervisors are accurate.

# Sustainable Development Department



# Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 2

Issue No: 108  
Date of Finding: 10/24/2011  
Final Date of Completion 12/31/2021

	Name	Title	Department
<u>Responsible Person 1</u>	abattle Alfred Battle	Deputy Director Sustainable Development	Sustainable Development
<u>Responsible Person 2</u>			

Correction Plan Status: Partially Implemented      Finding Type: Deficiency

Next Milestone Update records in Accela with corrected payment information that did not properly convert

Milestone Date of Completion 12/31/2021

Department: Sustainable Development

Audit Initiator Commission Audit

Title: Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 2

Issue / Observation Condition  
 The City of Fort Lauderdale is not reporting code liens in accordance with generally accepted accounting principles (GAAP), specifically Governmental Accounting Standards Board (GASB) 33. Auditor Note: The City Auditor's Office (CAO) has communicated the potential financial reporting issue to the external auditor for their consideration.

Criteria  
 GASB Statement No. 33 establishes accounting and financial reporting standards for imposed nonexchange revenue transactions – governments are required to recognize assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first.

Recommendation: The CAO recommends that the City Manager require the following:  
 1. The Director of the Building Department work in conjunction with the Finance Director to determine the total outstanding code lien receivables owed to the City.  
 2. The Director of the Building Department develop a policy to communicate to the Finance Department when liens are established, the amounts that are accruing, and payments received.  
 3. The Director of the Building Department develop a policy for the City Commission's consideration to set the minimum acceptable level for code lien settlements to allow the Finance Department to determine the net collectible receivable to be recorded in the financial statements, in accordance with GASB 33.

Correction Plan:  
 1) Management concurs. The Director will work with the Finance Department and Information Technology (IT) to enhance the current Community Plus software to provide the ability to determine the total outstanding code liens and fines owed to the City at any given time. If the current software is not capable of such enhancement, a replacement product will be sought.  
 2) Management concurs. The Director will develop a policy to communicate to the Finance Department when liens are established, the amounts that are accruing, and payments received. The current software enhancement should include the ability to communicate and share this information with Finance. If that is not possible, an alternate software product should be sought as stated above.  
 3) Management concurs. The Director will develop a policy and will make recommendations to the City Commission for setting minimum acceptable levels for Code lien settlements to allow the Finance Department to determine the net collectible receivable.

Current Status:

As of October 6, 2021, Community Enhancement is 25% complete with the record review. At the 50% completion mark, Community Enhancement will request an updated reported and complete a quality check. The Division is on target to meet the December 2021 deadline to complete the record review.

## Audit Workplan with Notes for Assignments:

Department	Risk Rating	Division/Function
<b>CARRYFORWARDS</b>		
1 POLICE	65%	Evidence Room
2 PUBLIC WORKS	85%	CRI Engagement
3 CIP	73%	Police Headquarters
4 CIP	78%	Aquatic Center Development
5 CIP	73%	Fire Station Construction Bond
6 ITS	63%	Computer Software and Program Inv.
7 FIRE	58%	Station 46
8 FIRE	58%	Station 54
9 FIRE	58%	Station 8
10 FXE	63%	Leases
11 ITS	60%	ERP Monitoring
12 FIRE	18%	IAFF Monitoring
<b>FY 2022 NEW</b>		
13 ITS	60%	ERP Audit (limited scope)
14 ITS	63%	Application Controls
15 ITS	73%	Security Monitoring and Audits
16 TRANSPORTATION	48%	Parking Garage
17 COVID-19	75%	Homelessness and Housing Assistance
18 FINANCE	83%	Procurement Sole Source Contracts
19 FINANCE		Annual Report to Bondholders Review
20 FINANCE		PAFR Review
21 CRA		CRA Annual Report and Financial Report
22 PUBLIC WORKS	75%	Work Order Process
23 GOVERNMENT AFFAIRS AND ECONOMIC DEVELOPMENT	48%	Incentive Grants
<b>Other (If Time Available)</b>		
24 MULTIPLE	73%	DAVID System
25 PUBLIC WORKS	75%	Water Quality-Cross Connection Program
26 FINANCE	55%	Inventory (Capital Assets)
27 FINANCE	55%	Land and Buildings
28 PUBLIC WORKS	60%	Fleet - Fuel
29 GOVERNMENT AFFAIRS AND ECONOMIC DEVELOPMENT	48%	Business Expansion and Retention
30 PUBLIC WORKS	88%	Engineering Design
31 ITS	65%	IT Infrastructure & Ops
32 CARES ACT	75%	CARES Act Funding



Memorandum No: 21/22-01

Date: November 2, 2021

To: Honorable Mayor and Commissioners

From: John Herbst, CPA, CGFO, CGMA  
City Auditor

Re: Computer Software and Programs Inventory Review

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### **Conclusion**

*The City Auditor's Office (CAO) found that the ITS Department (ITS) had material weaknesses for the master inventory listing for the computer software and programs used by various departments city wide (the users) for operations. As a result of a weak internal control environment, there is the potential for security vulnerabilities and/or breaches.*

### **Objective**

The objective of this review was to determine if the ITS master inventory listing for computer software and programs was accurate and up to date.

### **Scope and Methodology**

The review focused on determining what computer software and programs are in use throughout the City for various operations. The scope of the review included all Charter Office and departmental usage of computer software and programs. The timeframe reviewed was Fiscal Year (FY) 2021.

The CAO conducted its assessment of the computer software and programs using the February 2014 National Institute of Standards Technology (NIST) which provides the best practices and framework for Improving Critical Infrastructure Cybersecurity.<sup>1</sup> This framework includes the core function listing which comprises of Identify, Protect, Detect, Respond, and Recover.

The review methodology included, but was not limited to:

- Reviewing the NIST Framework for best practices,
- Reviewing the ITS master inventory listing for computer software and programs,
- Reviewing information received from users,

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<sup>1</sup> The National Institute of Standards and Technology (NIST) definition. NIST is a federal agency within the United States Department of Commerce. NIST issued the Framework for Improving Critical Infrastructure Cybersecurity Manual on February 12, 2014.

- Clarifying information received from users,
- Meeting / Interviewing appropriate personnel, and
- Compiling a list of the results.

We identified two Findings during the review. The detailed findings and recommendations have been provided to City Management. The detailed information is not contained in this report to protect the security and operations of the City's network.

A Finding results from a failure to comply with policies and procedures, rules, regulations, contracts, and fundamental internal control practices. These findings are considered material weaknesses.

A finding is categorized as a "deficiency," a "significant deficiency" or a "material weakness" as defined below:

- *A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis.*
- *A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.*
- *A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.*

This review was conducted in accordance with generally accepted government auditing standards. These standards require that we plan and perform the review to obtain sufficient appropriate evidence to provide a reasonable basis for our conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our objectives.

**Attachment:**

Exhibit 1 – Management Response

cc: Chris Lagerbloom, City Manager  
Greg Chavarria, Assistant City Manager  
Tarlesha Smith, Assistant City Manager  
Andrew Parker, Director – IT Services  
Alain E. Boileau, City Attorney  
Jeff Modarelli, City Clerk

Exhibit 1 – Management Response



CITY OF  
FORT LAUDERDALE



**Memorandum**

**Memorandum No: 21-35**

**Date:** October 22, 2021  
**To:** John Herbst, CPA, CGFO, CGMA, City Auditor  
**From:** Chris Lagerbloom, ICMA-CM, City Manager  
**Re:** Computer Software and Programs Inventory Audit Response

A handwritten signature in blue ink, appearing to read "CLagerbloom".

The Information Technology Services (ITS) Department participated with the City Auditor's Office (CAO) audit of the City's Computer Software and Programs Inventory. ITS supports the findings of the audit report and has taken remediation actions and commits to continue addressing outstanding findings. As such, on October 21, 2021, ITS completed the effort of updating its software inventory list.

As recommended by the CAO, ITS will implement a new process to improve the maintenance of the City's software inventory list and update the list no less than once a year. Additionally, ITS will revise the City's Technology Purchase Policy and Standards Manual (PSM) to require all departments to notify ITS of new software purchases. The described effort aims to assist in tracking and inventorying software used throughout the City.

We appreciate the collaboration and thorough recommendations presented. If you have any questions, please do not hesitate to contact me.

C: Alain Boileau, City Attorney  
Jeff Modarelli, City Clerk  
Greg Chavarria, Assistant City Manager  
Tarlesha Smith, Assistant City Manager  
Andrew Parker, Director – IT Services

# *CITY OF FORT LAUDERDALE*

## OFFICE OF THE CITY AUDITOR

*Continuous Monitoring of Overtime –  
Public Works Department*

*Report #20/21-08*

September 9, 2021



Memorandum No: 20/21-09

Date: September 9, 2021

To: Honorable Mayor and Commissioners

From: John Herbst, CPA, CGFO, CGMA  
City Auditor

Re: Continuous Monitoring of Overtime – Public Works Department

Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. Between January 1, 2020 and March 31, 2020, a significant amount of the City's overtime paid was recorded by the Police and Public Works departments. Accordingly, we performed a limited scope audit of overtime for these two departments. This Memo focuses on overtime within the Public Works Department (PBS); a separate Memo was previously issued for the Police Department.

**Conclusion**

*The CAO found that all overtime hours were approved and payments materially reconciled to timekeeping records. However, we identified internal control weaknesses, described in Findings 1 – 3. We consider our Findings to be internal control “significant deficiencies,” as outlined under the Methodology section, which precluded us from reaching a meaningful conclusion on the existence and appropriateness of approvals. As a result of a weak internal control environment, there is a potential for overpayment of overtime.*

*In addition, as noted in the attached Exhibit 1 there are some instances of PBS workers receiving overtime equal to approximately 50% or more of their base pay that we believe merits further review by management.*

**Background**

The Public Works Department's overtime hours, as a percentage of the City's overtime hours, remained the second highest among all departments with an increase in FY2020 (see table for OT actuals at FYE):

Year	City	PBS	% of City
FY2017	\$ 12,819,373	\$ 2,862,889	22%
FY2018	\$ 11,852,997	\$ 2,881,767	24%
FY2019	\$ 13,553,219	\$ 2,543,646	19%
FY2020	\$ 13,870,110	\$ 2,964,637	21%
Total	\$ 52,095,699	\$ 11,252,939	22%

PBS developed a Basic Workweek and Overtime Policy (Policy #PW 1001) that was last revised in September 2018 and details the overtime request and approval process. The policy's process aligns with, and defers as supplemental to, the City's overtime requirements in the Policy and Standards Manual (PSM 6.32.1).

PBS uses Kronos to record overtime hours and approvals, as well as, uses spreadsheets to log justifications and approvals.

### **Scope and Objectives**

The limited scope audit focused on the *most dollars earned* and the *most overtime hours incurred* by employees between January 1, 2020 and March 31, 2020. The purpose of the audit was to evaluate the existence and appropriateness of approvals (signoffs) within the timekeeping system (Kronos) and accuracy of payments in the payroll system (Cyborg).

The engagement involved obtaining an understanding of internal controls over the overtime approval and payment processes, assessing internal control design adequacy and effectiveness, and determining any substantive exceptions.

### **Methodology**

The CAO conducted its assessment of internal controls using the May 2013 updated Internal Control—Integrated Framework established by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). The framework defines internal control, describes the components of internal control and underlying principles, and provides direction for all levels of management in designing and implementing internal control and assessing its effectiveness. The five components of the COSO framework are: control environment, risk assessment, control activities, information and communication, and monitoring activities.

To meet our scope and objectives, we obtained an understanding of overtime approval and payment processes within PBS by reviewing its departmental Basic Workweek and Overtime Policy (Policy #PW 1001), inquiring of City personnel (PBS, IT, Payroll, Finance), performing data analysis, and inspecting documentation. Kronos time records for the sample were reconciled to the Cyborg payroll system to determine the accuracy of pay with timekeeping, and overtime pay was independently recalculated. In addition, we reviewed section 6.32.1 of the City's PSM on Reporting of Overtime Worked to Policy #PW 1001 to ensure there were no contradictions between the policies as it relates to overtime management.

We have identified three Findings during the audit. A Finding results from a failure to comply with policies and procedures, rules, regulations, contracts, and fundamental internal control practices.

A finding is categorized as a "deficiency," a "significant deficiency" or a "material weakness" as defined below:

- *A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis.*

- *A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.*
- *A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.*

This limited scope audit was conducted in accordance with generally accepted government auditing standards. These standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our objectives.

### **Findings**

1. While both the PSM and the departmental policy (PW#1001) requires pre-approvals for overtime hours, we did not find evidence of this within or outside of the Kronos time-keeping system.

**Recommendation:** The CAO recommends that the Public Works Department implement a documented pre-approval process as required by the PSM and PW #1001. We also recommend that the City updates the PSM to reflect “unforeseen” overtime.

#### **Management Response:**

In Response to the findings and recommendations extracted below, Public Works will be taking the following actions:

- Add language to the internal Basic Workweek and Overtime Policy allowing for verbal approval of overtime, when necessary (e.g., field work requiring office supervisor approval), written approval would follow.
  - Inform Human Resources of the concerns with the Citywide PSM.
  - Create internal controls in the form of an internal procedure, form, and database for requesting, approving, and tracking overtime.
    - The form will at a minimum meet the requirements of form J-224 referenced in the findings.
2. We noted that the Kronos system is not capable of recording justification for overtime, as required by the PSM. However, the PSM provides an alternative to record overtime details utilizing form J-224 - “Overtime Authorization Form.” This form is not utilized by PBS. Rather, several PBS supervisors developed their own spreadsheets for overtime tracking. Reviewing the six spreadsheets provided, we found the following internal control weaknesses:
    - a. The spreadsheets were incomplete. 11 out of the sample of 23 (48%) had no approval support.
    - b. The spreadsheets only record total overtime hours, while form J-224 requires regular and overtime beginning and ending times to clearly demonstrate when overtime occurred.

- c. The spreadsheets do not require approver signatures and dates, while form J-224 requires all forms to be signed and dated by the approver.
- d. The spreadsheets record the location and task/event for the overtime, while form J-224 also requires “reason overtime was required” to be documented.

**Recommendation:** The CAO recommends that a standardized method of tracking overtime be implemented. At the minimum, documentation should mirror the requirements on form J-224. Such as details on the beginning and end of overtime hours, the reasoning for the overtime, the approving supervisor, and the date of approval.

**Management Response:**

In Response to the findings and recommendations extracted below, Public Works will be taking the following actions:

- Create internal controls in the form of an internal procedure, form, and database for requesting, approving, and tracking overtime.
    - The form will at a minimum meet the requirements of form J-224 referenced in the findings.
3. From the sample of PBS high overtime earners, 15 out of 30 (50%), Kronos approvers did not match the worker’s named supervisor per the PBS organizational chart.

**Recommendation:** The CAO recommends ensuring that Kronos approvers are in line with the PBS organizational chart.

**Management Response:**

In Response to the findings and recommendations extracted below, Public Works will be taking the following actions:

- Add language to the internal Basic Workweek and Overtime Policy to clarify who is authorized to approve overtime.
- Review organizational charts to ensure supervisors are accurate.

**Attachments:**

- Exhibit 1 – Top 30 Employees with Most Overtime Incurred (FY 2Q2020)
- Exhibit 2 – Basic Workweek and Overtime Policy (Policy #PW 1001)
- Exhibit 3 – Policy and Standards Manual 6.32.1 – Reporting of Overtime Worked
- Exhibit 4 – Management Response

cc: Chris Lagerbloom, City Manager  
Greg Chavarria, Assistant City Manager  
Tarlesha Smith, Assistant City Manager  
Talal Abi-Karam, Interim Director of Public Works  
Alain E. Boileau, City Attorney  
Jeff Modarelli, City Clerk

**Exhibit 1 - Top 30 Employees with Most Overtime Incurred (FY 2Q2020)**

Sample #	DEPARTMENT	Highest OT Dollars Earned and/or Hours Incurred (2Q2020)	Total OT for FY2020	Base Pay (as of 10/1/2020)
1	PBS	\$ 36,346.24	\$73,537.17	\$80,382.90
2	PBS	\$ 30,506.79	\$69,056.37	\$71,041.88
3	POL	\$ 25,363.37	\$54,079.79	\$97,926.40
4	PBS	\$ 21,837.14	\$57,197.34	\$61,900.80
5	PBS	\$ 21,088.78	\$53,500.26	\$62,816.00
6	POL	\$ 20,125.23	\$64,284.33	\$69,451.20
7	PBS	\$ 19,323.21	\$37,535.29	\$68,827.20
8	POL	\$ 18,758.78	\$44,874.41	\$97,926.40
9	POL	\$ 18,435.51	\$49,528.40	\$115,460.80
10	PBS	\$ 18,306.54	\$30,901.62	\$64,529.14
11	PBS	447.25	\$49,855.25	\$57,033.60
12	POL	395	\$26,947.04	\$48,734.40
13	PBS	394.5	\$31,899.26	\$52,208.00
14	PBS	337.5	\$11,893.70	\$40,556.36
15	PBS	329.25	\$18,837.79	\$45,676.80
16	PBS	328.25	\$23,534.03	\$54,038.40
17	PBS	322	\$35,104.21	\$73,465.60
18	POL	321.75	\$22,513.52	\$48,734.40
19	PBS	316.25	\$22,547.39	\$53,393.60
20	PBS	308.5	\$19,715.44	\$42,390.40
21	PBS	304	\$29,984.80	\$51,459.20
22	PBS	297.75	\$41,332.87	\$51,459.20
23	POL	293	\$53,801.28	\$77,792.00
24	PBS	293	\$16,146.83	\$69,784.00
25	PBS	284.25	\$21,862.78	\$64,313.60
26	PBS	281.25	\$38,439.85	\$62,816.00
27	PBS	276.75	\$30,123.81	\$50,689.60
28	PBS	274	\$25,912.98	\$59,675.20
29	PBS	267.75	\$18,118.14	\$47,049.60
30	PBS	263.75	\$38,003.97	\$57,990.40

## Exhibit 2 - Basic Workweek and Overtime Policy (Policy #PW 1001)



### PUBLIC WORKS DEPARTMENT BASIC WORKWEEK AND OVERTIME - POLICY

Rev: 1 | Revision Date: 9/27/2018

I.D. Number: PW 1001

Uncontrolled in hard copy unless otherwise marked

#### **Purpose**

The purpose of the Basic Workweek and Overtime Policy is to define the basic workweek and provide guidelines for distributing, tracking, and declining overtime work.

#### **Policy**

##### **Basic Workweek:**

1. With the exception of continuous operations and programs, sections, or work units where an alternate schedule has been deemed necessary<sup>1</sup>, the basic workweek shall consist of five (5) consecutive eight (8) hour workdays<sup>2</sup>.
2. Continuous operations is any program, section, or work unit, which operates on a seven (7) day a week, 24 hour a day basis<sup>3</sup>.
  - The normal workweek for Community Builders, who are in a continuous operation, shall consist of five (5) eight (8) hour days, which may not be consecutive<sup>4</sup>.
3. Alternate schedules, if deemed necessary for operations or desirable, may be implemented for an individual or an entire program, section, or work unit, according to the terms of current labor agreements and personnel rules, with the approval of the appropriate Assistant Public Works Director.
  - The Public Works Director must be informed of any approved alternate schedule.
  - Alternate schedules must result in full-time Community Builders working a total of 80 hours within a two week pay period.
4. There shall be no split shifts<sup>5</sup>.
5. All Public Works Community Builders (hourly and salaried) are to have an established start and end time for each day within their workweek<sup>6</sup>.
  - With the exception of shift work, the established start and end time should ensure Community Builders are working during core business hours from 9:00AM to 3:00PM; however, alternate start and end times, if deemed necessary or desirable, may be implemented for an individual or an entire program, section, or work unit, according to the terms of current labor agreements and personnel rules, with the approval of the appropriate Assistant Public Works Director.
  - It is the responsibility of each supervisor to ensure their direct reports are adhering to their individual schedule.



## PUBLIC WORKS DEPARTMENT BASIC WORKWEEK AND OVERTIME - POLICY

Rev: 1 | Revision Date: 9/27/2018

I.D. Number: PW 1001

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6. It is the responsibility of each Community Builder to communicate any variance from their established work schedule and to seek approval from their supervisor, if they desire or require a temporary or permanent change to their scheduled work hours in advance of the change.
  - Supervisors may approve changes to scheduled work hours, at their discretion, in consideration of operational impacts.

### Overtime:

1. All authorized and approved<sup>7</sup> work performed by "Fair Labor Standards Act (FLSA) nonexempt" (hourly) Community Builders in excess of forty (40) hours in any one workweek shall be considered as overtime and shall be paid at the overtime rate of one and one-half (1-1/2) times the Community Builder's regular hourly rate of pay or shall be accrued as compensatory time at one and one-half (1-1/2) times the overtime hours worked<sup>8</sup>.
  - The choice of compensatory time off or overtime pay shall be at the Community Builder's discretion, unless that compensatory time off would interfere with operational needs or there are insufficient funds to pay overtime<sup>9</sup>.
  - It is the supervisor's responsibility to inform a Community Builder scheduled to perform overtime work if compensatory time cannot be offered or there are insufficient funds to pay overtime.
2. All overtime must be approved by the Community Builder's immediate supervisor prior to the Community Builder beginning an overtime shift.
  - If a Community Builder is unable to reach their supervisor, they must seek and obtain approval from their acting supervisor, their supervisor's delegate (delegation must be in writing), or their supervisor's supervisor.
  - Community Builder's clocking in early or clocking out late without their supervisor's permission will not be considered to have worked approved overtime and may be subject to progressive disciplinary action.
  - Community Builders should notify their supervisor as early as possible if they can reasonably anticipate that overtime may be required.
3. Overtime opportunities will be distributed equitably among Community Builders in the same job classification, within their programs, sections, or work units, as far as the nature of the work permits<sup>10</sup>.
  - If a Community Builder declines an opportunity for overtime, the time they were offered will be counted as overtime worked for equalization purposes, not for payment purposes<sup>11</sup>.
4. If a Community Builder volunteers for overtime work or is mandated to work an overtime assignment, they must report to work as if reporting for a regularly scheduled workday<sup>12</sup>.



## PUBLIC WORKS DEPARTMENT BASIC WORKWEEK AND OVERTIME - POLICY

Rev: 1 | Revision Date: 9/27/2018

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5. In non-emergency situations, no more than 16 hours may be worked by an individual Community Builder in a 24 hour period, without prior approval from the appropriate Assistant Public Works Director.
  - In operational emergency situations, as declared by the appropriate Assistant Public Works Director, all shift limits will be suspended.
6. All "FLSA exempt" (salaried) Community Builders are expected to work whatever reasonable hours in excess of 40-hours per week that are required to fulfill their position responsibilities without additional compensation.

\*\*\*Please note that this internal policy is meant to supplement, not supersede, any existing City Policy, Personnel Rules, or labor agreement.

<sup>1</sup> Teamsters Contract Pg. 22 Article 22 Section 1 states "If the City desires to change the normal workweek, it shall provide written notice to the union of its intent. Upon receipt of the notice, the union shall have five (5) calendar days within which to request bargaining. If bargaining is requested, the parties agree to bargain over the City's proposed change for a period of no more than thirty (30) calendar days from the date of the request. If an impasse is reached, the City may implement the change within ten (10) calendar days. However, such change shall be subject to the results of the impasse resolution procedure. If no timely request for bargaining is made by the union, the City may implement the change no earlier than thirty (30) calendar days from the date of its notice. Employees may elect to work hours, days, and workweeks pursuant to the provisions of the City's Flexible Working Arrangement initiative in accordance with its terms."

<sup>2</sup> Personnel Rules Pg. 41 Rule XI, Section 1 states "The city manager shall establish hours of work which insofar as practicable shall be uniform within occupational groups, which shall be determined in accordance with the needs of the service, and which shall take into account the reasonable needs of the public who may be required to do business with various city departments."

Teamsters Contract Pg. 22 Article 22 Section 1 states "With the exception of continuous operations and refuse collection activities, the normal workweek shall consist of five (5) consecutive eight (8) hour workdays and forty (40) hours per week which may be interrupted by an unpaid lunch period. The normal workweek shall consist of forty (40) hours; however the parties, by mutual agreement, may agree to work schedules in specific work units that may vary from the normal five (5) consecutive day, eight (8) hours per day workweek."

Federation of Public Employees Contract Pg. 17 Article 22, Section 1 states "The workweek shall be determined by the Department Director or designee in accordance with the provisions of Article 12, Management Rights of this Agreement. The standard workweek for bargaining unit employees consists of forty (40) hours."

<sup>3</sup> Teamsters Contract Pg. 22 Article 22 Section 1 states "For purposes of this Agreement, continuous operation is any division which operates on a seven (7) day a week, twenty-four (24) hour basis."  
Federation, Personnel Rules and PSM are silent on this issue.

<sup>4</sup> Teamsters Contract Pg. 22 Article 22 Section 1 states "The normal workweek for employees covered by this Agreement who are in a continuous operation shall consist of eight (8) hours per day and forty (40) hours per week."



## PUBLIC WORKS DEPARTMENT BASIC WORKWEEK AND OVERTIME - POLICY

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It is understood that in continuous operations the workweek shall not necessarily consist of five (5) consecutive workdays."

Federation, Personnel Rules and PSM are silent on this issue.

<sup>5</sup> Teamsters Contract Pg. 23 Article 22 Section 5 states "There shall be no split shifts."

A split shift is a working shift comprising of two or more separate periods of duty within a single day (e.g. First shift 8:00AM-12:00PM and second shift 4:00PM to 8:00PM.)

<sup>6</sup> The only mention of start or end times occurs in PSM 6.2.4. Attendance Policy, where it references reporting to work after a starting time and calling in prior to starting time.

<sup>7</sup> PSM 6.32.1 Reporting of Overtime Worked stated "Prior to working any overtime, employees must receive approval from their immediate supervisor. Where practicable, employees must receive written approval prior to working overtime."

<sup>8</sup> Personnel Rules Pg. 41 Rule XI, Section 1 states "Public necessity of an occasional nature may require reasonable overtime on the part of city employees. Employees who work over stipulated hours whenever necessity demands additional service of an occasional nature shall be compensated at the overtime rate or given compensatory time off in accordance with and subject to the provisions of Section 2-29.6 of the Pay Plan.

Teamsters Contract Pg. 22 Article 22 Section 2 states "All authorized and approved work performed in excess of forty (40) hours in any one workweek shall be considered as overtime and shall be paid (unless the employee is granted compensatory time off) at the overtime rate of one and one-half (1-1/2) times the employee's regular, hourly rate of pay. Compensatory time is time earned at one and one-half (1-1/2) times the overtime hours worked by an employee."

Federation of Public Employees Contract Pg. 17 Article 22, Section 1 states "All bargaining unit employees are expected to work whatever reasonable hours in excess of 40-hours per week that are required to fulfill their position responsibilities without additional compensation."

<sup>9</sup> Teamsters Contract Pg. 22 Article 22 Section 2 states "The choice of compensatory time off or overtime pay shall be at the employee's option unless that compensatory time off would interfere with the operational needs of the department involved or there are insufficient funds to pay overtime. Accrued unused compensatory time off may not exceed forty (40) hours. Once the forty (40) hours compensatory time maximum accrual has been reached, employees required to work in excess of forty (40) hours in a designated workweek shall be paid overtime at the time and one-half rate. Accrued compensatory time must be used within six (6) months of the accrual date or shall be paid at the applicable overtime rate of pay."

<sup>10</sup> Teamsters Contract Pg. 23 Article 22 Section 4 states "Employees may be required to work overtime as scheduled. Overtime will be distributed equitably among employees in their particular job classification, in their organizational units, (i.e. major shop areas, department, shift, section, etc.) as far as the nature of the work permits. Although temporary imbalances in the distribution of overtime may occur, nothing in this Section shall be construed as alleviating the continuing intent of departmental management to distribute overtime fairly and equitably over an extended period of time. Departmental management will maintain overtime records and will make such information available to a Union representative upon request."

<sup>11</sup> Teamsters Contract Pg. 23 Article 22 Section 7 states "An employee declining overtime shall be credited with the overtime worked by the employee accepting or assigned to the overtime for equalization purposes. Employees may be passed over in order to comply with equalization objectives."

Public Works Policies and Procedures, Public Works - General, Policy





# PUBLIC WORKS DEPARTMENT BASIC WORKWEEK AND OVERTIME - POLICY

Rev: 1 | Revision Date: 9/27/2018

I.D. Number: PW 1001

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<sup>12</sup> Teamsters Contract Pg. 23 Article 22 Section 7 states "If an employee volunteers for overtime work or is mandated to work an overtime assignment, he/she must report to work as if reporting on a regularly scheduled workday. Failure to so report will result in appropriate disciplinary action."

**Exhibit 3 - Policy and Standards Manual 6.32.1 – Reporting of Overtime Worked**

				6	32	1	1
				CH	SEC	SECT	PAGE
CITY OF FORT LAUDERDALE						DATE ISSUED: 09-25-06	
<b>POLICY and STANDARDS MANUAL</b>				CHAPTER:			
				EMPLOYEE RELATIONS AND WELFARE		6	
				SECTION:			
				REPORTING OF OVERTIME WORKED		32	
SUBJECT: GENERAL POLICY AND PROCEDURES						1	
PURPOSE	<p>To explain the procedures that employees must follow when overtime hours are worked, and to ensure that all overtime is promptly reported so that employees are paid timely for all overtime worked or credited with the proper amount of compensatory ("comp") time. The prompt recording of overtime worked is required so that departments can adequately monitor overtime expenditures on an on-going basis. Procedures for earning overtime are contained in the individual bargaining agreements. This policy is not meant to change those requirements.</p>						
COVERAGE	<p>This policy applies to all "nonexempt" employees of the City of Fort Lauderdale per the provisions of the Fair Labor Standards Act (FLSA). These employees are commonly referred to as hourly-paid employees - they receive either cash overtime or comp time for hours worked beyond their normal workweek (usually 40 hours).</p>						
POLICY	<p><u>Prior to working any overtime, employees must receive approval from their immediate supervisor. Where practicable, employees must receive written approval prior to working overtime. It is each supervisor's responsibility to ensure that sufficient funds are available in their department budget to cover all overtime expenses, and that all overtime is justified and properly documented.</u></p> <p>Employees must submit the appropriate timekeeping documentation to their immediate supervisor at the end of the work day/shift during which the overtime was worked. Form J-224 (see attachment) will be used to document overtime worked unless the department uses an automated timekeeping system (Scantron, Kronos, etc.). It is each supervisor's responsibility to train their employees regarding the following: 1) the overtime pre-approval process; 2) the documentation required for overtime hours worked; and 3) the requirement that all overtime documentation must be submitted for supervisory approval in a timely manner.</p> <p>Supervisors (including acting supervisors) are required to review overtime documentation submitted by their employees and to timely approve/disapprove this documentation so that the payment of the cash overtime or crediting of comp time is included in the pay check issued for the bi-weekly pay period during which the overtime was worked. IAFF union personnel assigned to a 48-hour workweek schedule are on a 21-day work cycle (for overtime pay calculation purposes). Except in extraordinary circumstances, overtime pay for these IAFF employees should be included in the paycheck immediately following completion of the 21-day work cycle.</p>						

In the event there are any contradictions between these procedures and any provision(s) of a labor agreement, the labor agreement will control.

Please contact your department's timekeeper with any questions. For questions that cannot be resolved at the department level, contact either the Classification and Compensation Manager or Personnel Records Specialist in the Human Resources Department.

### CITY OF FORT LAUDERDALE, FLORIDA OVERTIME AUTHORIZATION FORM

CASH

"COMP" TIME

EMPLOYEE NAME: \_\_\_\_\_

EMPLOYEE #: \_\_\_\_\_

DATE OVERTIME WAS WORKED: \_\_\_\_\_

REGULAR WORK SHIFT HOURS: \_\_\_\_\_ A.M./P.M. - \_\_\_\_\_ A.M./P.M.  
(from) (circle) (to) (circle)

LUNCH PERIOD: \_\_\_\_\_ A.M./P.M. - \_\_\_\_\_ A.M./P.M.  
(from) (circle) (to) (circle)

NUMBER OF OVERTIME HOURS WORKED: \_\_\_\_\_

OVERTIME WAS WORKED: \_\_\_\_\_ A.M./P.M. - \_\_\_\_\_ A.M./P.M.  
(from) (circle) (to) (circle)

REASON OVERTIME WAS REQUIRED: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**MY SIGNATURE BELOW CONFIRMS THAT THE ABOVE IS A COMPLETE AND ACCURATE RECORD OF THE HOURS I WORKED FOR THE LISTED TIME PERIOD. I UNDERSTAND THAT WILLFULLY PROVIDING FALSE PAYROLL INFORMATION MAY SUBJECT ME TO DISCIPLINARY ACTION UP TO AND INCLUDING DISMISSAL.**

EMPLOYEE'S SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
SUPERVISOR'S NAME/JOB TITLE

FORM J-224

## Exhibit 4 – Management Response

**From:** [Jason Snifield](#)  
**To:** [Maria Panyi](#)  
**Cc:** [John Herbst](#); [Raj Verma](#); [Talat Abi-Karam](#)  
**Subject:** RE: OT Audit Management Responses  
**Date:** Wednesday, June 30, 2021 1:49:45 PM  
**Attachments:** [image001.png](#)  
[memo 20-21.04 OT monitoring V3 DRAFT.docx](#)

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Good afternoon Maria,

Thank you for reaching out and taking the time to speak with me yesterday. Public Works has reviewed the findings in the attached and concurs with the findings. Staff will be working to address them over the next few months.

In response to the findings and recommendations extracted below, Public Works will be taking the following actions:

- Add language to the internal Basic Workweek and Overtime Policy allowing for verbal approval of overtime when necessary (e.g. field work requiring office supervisor approval), written approval would follow (Finding #1).
- Inform Human Resources of the concerns with the Citywide PSM (Finding #1).
- Create internal controls in the form of an internal procedure, form, and database for requesting, approving, and tracking overtime (Findings #1 and #2).
  - The form will at a minimum meet the requirements of form J-224 referenced in the findings.
- Add language to the internal Basic Workweek and Overtime Policy to clarify who is authorized to approve overtime (Finding #3).
- Review organizational charts to ensure supervisors are accurate (Finding #3).

### **City Auditor's Office – Findings and Recommendations:**

1. While both the PSM and the departmental policy (PW#1001) requires pre-approvals for overtime hours, we did not find evidence of this within or outside of the Kronos time-keeping system.

**Recommendation:** The CAO recommends that the Public Works Department implement a documented pre-approval process as required by the PSM and PW #1001. We also recommend that the City updates the PSM to reflect "unforeseen" overtime.

2. We noted that the Kronos system is not capable of recording justification for overtime, as required by the PSM. However, the PSM provides an alternative to record overtime details utilizing form J-224 - "Overtime Authorization Form." This form is not utilized by PBS. Rather, several PBS supervisors developed their own spreadsheets for overtime tracking. Reviewing the six spreadsheets provided, we found the following internal control weaknesses:
  - a. The spreadsheets were incomplete. 11 out of the sample of 23 (48%) had no approval support.
  - b. The spreadsheets only record total overtime hours, while form J-224 requires regular and overtime beginning and ending times to clearly demonstrate when overtime occurred.

- c. The spreadsheets do not require approver signatures and dates, while form J-224 requires all forms to be signed and dated by the approver.
- d. The spreadsheets record the location and task/event for the overtime, while form J-224 also requires "reason overtime was required" to be documented.

**Recommendation:** The CAO recommends that a standardized method of tracking overtime be implemented. At the minimum, documentation should mirror the requirements on form J-224. Such as details on the beginning and end of overtime hours, the reasoning for the overtime, the approving supervisor, and the date of approval.

- 3. From the sample of PBS high overtime earners, 15 out of 30 (50%), Kronos approvers did not match the worker's named supervisor per the PBS organizational chart.

**Recommendation:** The CAO recommends ensuring that Kronos approvers are in line with the PBS organizational chart.

Kind regards,

Jason Snifeld, MPA  
Senior Assistant to the Director – Public Works  
City of Fort Lauderdale  
O: (954) 828-7882 C: (561) 418-1942



WE BUILD COMMUNITY

# *CITY OF FORT LAUDERDALE*

## OFFICE OF THE CITY AUDITOR

*Continuous Monitoring of Overtime – Police Department*

*Report #20/21-02*

March 1, 2021



CITY OF  
FORT LAUDERDALE

City Auditor's Office

Memorandum No: 10/21-03

Date: March 1, 2021

To: Honorable Mayor and Commissioners

From: John Herbst, CPA, CGFO, CGMA  
City Auditor

Re: Continuous Monitoring of Overtime – Police Department

Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. Between January 1, 2020 and March 31, 2020, most of the City's overtime paid was recorded by the Police and Public Works departments. Therefore, we performed a limited scope audit of overtime for these two departments. This Memo focuses on overtime within the Police Department (PD); a separate Memo is issued for Public Works.

**Conclusion**

*The CAO found that all overtime hours were approved and payments reconciled to timekeeping records without exceptions. However, we identified an internal control weakness, described in Finding #1, as well as opportunities for internal control enhancements, described in Observations #1 and #2. We consider Finding #1 an internal control "deficiency," as outlined under the Methodology section.*

*In addition, as noted in the attached Exhibit 1 there are several instances of officers receiving overtime equal to approximately 50% or more of their base pay that we believe merit further review by management.*

**Background**

The Police Department's overtime hours, as a percentage of the City's overtime hours, remained the highest among all departments with an increase in FY2020 (see table for OT actuals at FYE):

Year	City	PD	% of City
FY2017	\$ 12,819,373	\$ 6,564,934	51%
FY2018	\$ 11,852,997	\$ 6,219,438	52%
FY2019	\$ 13,553,219	\$ 7,022,333	52%
FY2020	\$ 13,870,110	\$ 7,802,576	56%
Total	\$ 52,095,699	\$ 27,609,281	53%

PD developed an Overtime/Compensation Time Policy (Policy #109) that was last revised in November 2018 and details the overtime request and approval process. According to the policy

and the official philosophy of PD, overtime is intended to be minimized and “shall only be utilized when necessary, for the completion of a particular assignment, for appearance in court or in the best interest of the Department in fulfilling its mission.”

For the period audited, approximately 50% of PD’s overtime hours were incurred by the detention center. The next highest usage category, at approximately 20% was related to staffing shortages. Tertiary categories, at approximately 5% each, were the special assignments occurring outside regular shift of patrolling NW Progresso CRA and FBI task force participation. These categories represented 80% of total overtime during the January 1, 2020-March 31, 2020 period with all other categories being of immaterial value.

### **Scope and Objectives**

The limited scope audit focused on the *most dollars earned* and the *most overtime hours incurred* by employees between January 1, 2020 and March 31, 2020. The purpose of the audit was to evaluate the existence and appropriateness of the approval (sign-off) within the timekeeping system (Telestaff) for a target sample of 30 City employees.

The engagement involved obtaining an understanding of internal controls over the overtime approval and payment processes and assessing internal control design adequacy and effectiveness. 100% of overtime payments for the selected sample had been independently re-calculated. Within the sample (of 30 the most dollars paid and most overtime hours incurred), a sub-sample of 30 overtime transactions were judgmentally selected for substantive testing of approvals and inspection of the audit trail within Telestaff.

### **Methodology**

The CAO conducted its assessment of internal controls using the May 2013 updated Internal Control—Integrated Framework established by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). The framework defines internal control, describes the components of internal control and underlying principles, and provides direction for all levels of management in designing and implementing internal control and assessing its effectiveness. The five components of the COSO framework are: control environment, risk assessment, control activities, information and communication, and monitoring activities.

To meet our scope and objectives, we obtained an understanding of overtime approval and payment processes within PD by reviewing its departmental Overtime/Compensation Time Policy (Policy #109), inquiring of City personnel (Police, IT, Payroll, Finance), performing data analysis, and inspecting digital documents/forms on a test-sample basis within the Telestaff scheduling and timekeeping system. Regarding substantive testing of payments, Telestaff time records for the sample were reconciled to the Cyborg payroll system to determine accuracy of pay with timekeeping, and overtime pay was independently recalculated. In addition, we reviewed section 6.32.1 of the City’s PSM (Policy and Standards Manual) on Reporting of Overtime Worked. We also inspected the relevant labor agreement, as referenced by the PSM on page 2, to ensure there are no contradictions with the PSM and Policy #109 as it relates to overtime management.

We have identified both a Finding and two Observations during the audit. A Finding results from a failure to comply with policies and procedures, rules, regulations, contracts, and fundamental internal control practices. An Observation represents an opportunity to improve on design or

functionality of an existing internal control.

A finding is categorized as a “deficiency,” a “significant deficiency” or a “material weakness” as defined below:

- *A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis.*
- *A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.*
- *A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.*

### **Finding**

1. PD’s policy #109 deviates from the City’s PSM 6.32.1 regarding internal controls governing overtime. While the PSM requires that all overtime be approved by the immediate supervisor, whereas policy #109 allows for any supervisor, generally ranked Sergeant and above for sworn officers, to approve overtime requests. Because of this, Telestaff, in practice, is not programmed to restrict overtime approvals to immediate supervisors.

**Recommendation:** The CAO recommends that PD’s policy #109 be revised to be consistent with PSM 6.32.1.

### **Observations**

1. While all overtime had been approved by a supervisor, neither the policy nor practices in place stipulate that the supervisor has verified that they were “actually worked”. Moreover, the amount of overtime hours being worked should be assessed for reasonableness to avoid fatigue. This practice would also reduce the risk of excessive or imbalanced overtime by individual personnel (See Exhibit 1 for top overtime hours and top overtime dollars incurred during the second quarter (2Q) of fiscal year 2020).

**Recommendation:** The CAO recommends that PD consider implementing monitoring controls where the supervisor approving overtime has knowledge of the hours worked/duties performed and that overtime hours are also reviewed in aggregate by employee, for validity and reasonableness to improve overtime management.

2. Once overtime hours are approved, there is no reporting available from Telestaff to see the note field that describes the justification for the overtime (details only visible for pending overtime hours; approved overtime can be only viewed within the audit trail of the system screen-by-screen). Such reporting would ensure that overtime is documented properly for monitoring as well as for overtime reimbursement. *(Note: currently for FEMA, a separate form is used as not all governmental requirements are met by the documentation in*

*Telestaff. This improvement could reduce utilization of additional forms and labor hours).*

**Recommendation:** The CAO recommends standardizing the description of all overtime with the same granularity and enhancing reporting features. In addition, the policy should be updated to reflect these changes.

**Management Response** – Exhibit 4

**Attachments:**

Exhibit 1 – Top 30 Employees with Most Overtime Incurred (FY 2Q2020)


Exhibit 2 – Overtime/Compensatory Time Policy #109

Exhibit 3 – Policy and Standards Manual 6.32.1 – Reporting of Overtime Worked

cc: Chris Lagerbloom, City Manager  
Greg Chavarria, Assistant City Manager  
Tarlesha Smith, Assistant City Manager  
Patrick Lynn, Interim Police Chief  
Alain E. Boileau, City Attorney  
Jeff Modarelli, City Clerk

**EXHIBIT 1**  
**Top 30 Overtime FY 2Q2020**

Sample #	DEPARTMENT	Highest OT Dollars Earned and/or Hours Incurred (2Q2020)	Total OT for FY2020	Base Pay (as of 10/1/2020)
1	PBS	\$ 36,346.24	\$73,537.17	\$80,382.90
2	PBS	\$ 30,506.79	\$69,056.37	\$71,041.88
3	POL	\$ 25,363.37	\$54,079.79	\$97,926.40
4	PBS	\$ 21,837.14	\$57,197.34	\$61,900.80
5	PBS	\$ 21,088.78	\$53,500.26	\$62,816.00
6	POL	\$ 20,125.23	\$64,284.33	\$69,451.20
7	PBS	\$ 19,323.21	\$37,535.29	\$68,827.20
8	POL	\$ 18,758.78	\$44,874.41	\$97,926.40
9	POL	\$ 18,435.51	\$49,528.40	\$115,460.80
10	PBS	\$ 18,306.54	\$30,901.62	\$64,529.14
11	PBS	447.25	\$49,855.25	\$57,033.60
12	POL	395	\$26,947.04	\$48,734.40
13	PBS	394.5	\$31,899.26	\$52,208.00
14	PBS	337.5	\$11,893.70	\$40,556.36
15	PBS	329.25	\$18,837.79	\$45,676.80
16	PBS	328.25	\$23,534.03	\$54,038.40
17	PBS	322	\$35,104.21	\$73,465.60
18	POL	321.75	\$22,513.52	\$48,734.40
19	PBS	316.25	\$22,547.39	\$53,393.60
20	PBS	308.5	\$19,715.44	\$42,390.40
21	PBS	304	\$29,984.80	\$51,459.20
22	PBS	297.75	\$41,332.87	\$51,459.20
23	POL	293	\$53,801.28	\$77,792.00
24	PBS	293	\$16,146.83	\$69,784.00
25	PBS	284.25	\$21,862.78	\$64,313.60
26	PBS	281.25	\$38,439.85	\$62,816.00
27	PBS	276.75	\$30,123.81	\$50,689.60
28	PBS	274	\$25,912.98	\$59,675.20
29	PBS	267.75	\$18,118.14	\$47,049.60
30	PBS	263.75	\$38,003.97	\$57,990.40

<b>POLICY 109</b>	<b>OVERTIME/COMPENSATORY TIME POLICY</b>	
	REVISED: 1/93, 12/00, 05/03, 06/07, 05/10, 12/10, 04/11, 12/13, 03/18, 6/18, <b>11/18</b>	RELATED POLICIES: 103.0
	CFA STANDARDS:	REVIEWED: AS NEEDED

**A. PURPOSE**

The purpose of this policy is to provide guidelines for authorization and submission for Overtime, Court Appearance, Stand-by and Callback compensation.

**B. POLICY**

It is the policy of the Fort Lauderdale Police Department to keep overtime at a minimum. It shall only be utilized when necessary, for the completion of a particular assignment, for appearance in court or in the best interest of the Department in fulfilling its mission.

**C. PROCEDURE**

1. Overtime, Court Appearances, Stand-by, Callback and compensatory time benefits are negotiated benefits and governed by the collective bargaining agreements between the City of Fort Lauderdale, the Fraternal Order of Police Lodge 31 and the Teamsters. Department employees should refer to the appropriate collective bargaining agreement for their specific schedule of benefits.
2. Employees shall be limited to work a total of 20 hours per day, not to exceed 80 hours per week unless mandated by the Department. Employees are also prohibited from working consecutive 20 hour days. The total number of work hours includes all hours worked for the City and voluntary employment (such as off-duty details). The Police Chief or Acting Chief of Police may authorize any exceptions to this policy.
3. Except for mandatory court appearances, all overtime shall be approved, in advance, by a supervisor/manager.
4. The TeleStaff System shall be utilized to document all overtime. The overtime request shall be submitted by an employee to a supervisor of a higher rank for approval, before the end of the pay period in which the overtime occurred.
5. Officers shall indicate in TeleStaff the reason for the overtime.
6. It is the employee's choice to request overtime pay or compensatory time for the overtime worked.
7. Supervisors shall review overtime requests to ensure the submission is properly completed (time, shift, O.R. #, etc.). A supervisor shall approve the overtime indicating approval of the requested overtime payment. Supervisory overtime

approval shall take place no later than 0800 hours on the Monday following the end of the overtime's pay period unless exigent circumstances exist.

8. The District Commanders, Bureau Commanders and Division Commanders shall review their respective district's, bureau's and division's overtime usage on a weekly basis.
9. Editing a work code on the Roster or on a Calendar for a pay period that has already been finalized is prohibited.
10. Employees are prohibited from working overtime during their regular shift hours. This includes employees on approved leave from their regular shift. This is a violation of the Fair Labor Standards Act (FLSA) and prohibited by the Department. If an employee was ordered back to work by their Supervisor while on approved leave and during their regular shift hours, the Supervisor shall submit a request for Call Back while On Leave to TeleStaff Admin so that the employee can be appropriately compensated.
11. Adjusted Days Off (ADOs) must be entered within the same 40 hour work week of an employee's schedule adjustment. Supervisors are prohibited from entering ADOs for employees in any other work week in an effort to make up the time from the modified work week.
12. The TeleStaff function, Edit Without Rules, shall be used in accordance with training and for the limited number of tasks for which it is required (changing call signs, posting self-fill overtime, reviewing audit trail, etc.). Edit Without Rules shall not be used to circumvent the normal approval process for leave or overtime. Edit Without Rules shall not be used to edit a record on a finalized roster or to submit overtime during regular shift hours. Payroll/Personnel and TeleStaff Admin may use Edit Without Rules to edit a finalized roster pursuant to their payroll processing duties.
13. Shift Trades (substitutions) are an agreement between two employees. Employees working Shift Trades for other employees are not eligible for overtime compensation or other premium pays such as Holiday Pay.

**D. COURT APPEARANCE**

All court related compensation (including standby) shall be tracked and approved by the Court Liaison office.

**E. COMMITTEES/BOARDS**

Personnel will not receive overtime compensation for voluntary participation on committees, boards or other similarly comprised groups.

				6	32	1	1
				CH	SEC	SUBJ	PAGE
CITY OF FORT LAUDERDALE						DATE ISSUED: 09-25-06	
<b>POLICY and STANDARDS MANUAL</b>				<b>CHAPTER:</b> EMPLOYEE RELATIONS AND WELFARE		6	
				<b>SECTION:</b> REPORTING OF OVERTIME WORKED		32	
<b>SUBJECT:</b> GENERAL POLICY AND PROCEDURES						1	
PURPOSE	To explain the procedures that employees must follow when overtime hours are worked, and to ensure that all overtime is promptly reported so that employees are paid timely for all overtime worked or credited with the proper amount of compensatory ("comp") time. The prompt recording of overtime worked is required so that departments can adequately monitor overtime expenditures on an on-going basis. Procedures for earning overtime are contained in the individual bargaining agreements. This policy is not meant to change those requirements.						
COVERAGE	This policy applies to all "nonexempt" employees of the City of Fort Lauderdale per the provisions of the Fair Labor Standards Act (FLSA). These employees are commonly referred to as hourly-paid employees - they receive either cash overtime or comp time for hours worked beyond their normal workweek (usually 40 hours).						
POLICY	<p><u>Prior</u> to working any overtime, employees must receive approval from their immediate supervisor. Where practicable, employees must receive written approval prior to working overtime. It is each supervisor's responsibility to ensure that sufficient funds are available in their department budget to cover all overtime expenses, and that all overtime is justified and properly documented.</p> <p>Employees must submit the appropriate timekeeping documentation to their immediate supervisor at the end of the work day/shift during which the overtime was worked. Form J-224 (see attachment) will be used to document overtime worked unless the department uses an automated timekeeping system (Scantron, Kronos, etc.). It is each supervisor's responsibility to train their employees regarding the following: 1) the overtime pre-approval process; 2) the documentation required for overtime hours worked; and 3) the requirement that all overtime documentation must be submitted for supervisory approval in a timely manner.</p> <p>Supervisors (including acting supervisors) are required to review overtime documentation submitted by their employees and to timely approve/disapprove this documentation so that the payment of the cash overtime or crediting of comp time is included in the pay check issued for the bi-weekly pay period during which the overtime was worked. IAFF union personnel assigned to a 48-hour workweek schedule are on a 21-day work cycle (for overtime pay calculation purposes). Except in extraordinary circumstances, overtime pay for these IAFF employees should be included in the paycheck immediately following completion of the 21-day work cycle.</p>						

In the event there are any contradictions between these procedures and any provision(s) of a labor agreement, the labor agreement will control.

Please contact your department's timekeeper with any questions. For questions that cannot be resolved at the department level, contact either the Classification and Compensation Manager or Personnel Records Specialist in the Human Resources Department.

### CITY OF FORT LAUDERDALE, FLORIDA OVERTIME AUTHORIZATION FORM

CASH

"COMP" TIME

EMPLOYEE NAME: \_\_\_\_\_

EMPLOYEE #: \_\_\_\_\_

DATE OVERTIME WAS WORKED: \_\_\_\_\_

REGULAR WORK SHIFT HOURS: \_\_\_\_\_ A.M./P.M. - \_\_\_\_\_ A.M./P.M.  
(from) (circle) (to) (circle)

LUNCH PERIOD: \_\_\_\_\_ A.M./P.M. - \_\_\_\_\_ A.M./P.M.  
(from) (circle) (to) (circle)

NUMBER OF OVERTIME HOURS WORKED: \_\_\_\_\_

OVERTIME WAS WORKED: \_\_\_\_\_ A.M./P.M. - \_\_\_\_\_ A.M./P.M.  
(from) (circle) (to) (circle)

REASON OVERTIME WAS REQUIRED: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**MY SIGNATURE BELOW CONFIRMS THAT THE ABOVE IS A COMPLETE AND ACCURATE RECORD OF THE HOURS I WORKED FOR THE LISTED TIME PERIOD. I UNDERSTAND THAT WILLFULLY PROVIDING FALSE PAYROLL INFORMATION MAY SUBJECT ME TO DISCIPLINARY ACTION UP TO AND INCLUDING DISMISSAL.**

EMPLOYEE'S SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
SUPERVISOR'S NAME/JOB TITLE

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**FORT LAUDERDALE POLICE DEPARTMENT**


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**MEMORANDUM #21-09**

DATE: March 10, 2021

TO: John Herbst, CPA, CGFO, CGMA  
City Auditor

FROM: Patrick Lynn, Interim Chief of Police 

SUBJECT: Continuous Monitoring of Overtime Audit – Police Department Response

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Staff has reviewed the audit conducted by your office "Continuous Monitoring of Overtime", which included one finding and two observations. The audit indicates, "50% of the PD's overtime hours were incurred by the detention center." We have begun the process of hiring employees to staff the detention center eliminating associated overtime costs.

Your first finding recommends, "PD's policy #109 be revised to be consistent with PSM 6.32.1." In response, we added two procedures to Fort Lauderdale Police Department Policy #109 to reflect PSM 6.32.1. First addition: "Prior to working any overtime, employees must receive approval from a supervisor, preferably their immediate supervisor if available, with the exception of mandatory court appearances." Second addition: "The supervisor authorizing any overtime must verify the overtime hours were actually worked." (Please note, the Police Department is a twenty-four hour operation, and at times, the officer's immediate supervisor is not working while the officer is working. This means the officer can be working their original shift or an overtime shift and their immediate supervisor is unavailable.)


Your first observation includes, "...neither the policy nor practices in place stipulate that the supervisor has verified that they were actually worked." The aforementioned policy change addresses this issue. Regarding management review of overtime, Fort Lauderdale Police Department Policy #109 requires, "The District Commanders, Bureau Commanders and Division Commanders shall review their respective district's, bureau's and division's overtime usage on a weekly basis."

Your second observation relates to an enhancement of Telestaff's note field to include a short narrative of the description of overtime use and lack of detail for FEMA reimbursement. In response, Fort Lauderdale Police Department Policy #109 requires, "Officers shall indicate in Telestaff the reason for the overtime." There is a note field in Telestaff the officers will use to indicate reason for overtime when logging overtime. For example, if there is a staffing shortage in patrol, the overtime code is "Overtime SS" which indicates a Staffing Shortage. In addition, our employees complete FEMA Form 214 any time a FEMA incident is in progress, which logs work hours in detail for potential reimbursement opportunities.

If you have additional questions, please do not hesitate to contact me.

c: Chris Lagerbloom, ICMA-CM, City Manager

PL/DM/md

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Proposed changes due to city audit.

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