



CITY OF HOUSTON

Annise D. Parker
City Controller

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City Auditor

Houston Police Department

Classified Employee Work Hours - Performance Audit

Submitted by:
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January 10, 2007

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Report No. 2007-11



OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

ANNISE D. PARKER

January 16, 2007

The Honorable Bill White, Mayor
City of Houston, Texas

SUBJECT: Houston Police Department – Classified Employee Work Hours
Performance Audit - Report No. 2007-11

Dear Mayor White:

In accordance with the City's contract with Mir•Fox & Rodriguez, P.C. (MFR), MFR has completed a Performance Audit of the Houston Police Department's (HPD) Classified Employee Work Hours to determine whether HPD's operational practices, organizational structure, and management practices were in compliance with current policies and procedures that govern how much time a classified officer is allowed to work. The audit also was to determine whether there is a correlation between excessive hours worked and on-duty injuries, at-fault accidents, and /or disciplinary actions within HPD. Also, the audit team was to determine whether available resources and technology tools were being utilized as effectively and efficiently as possible.

The report, attached for your review, did not identify any correlation between significant overtime hours worked and the number of disciplinary actions against an officer, accidents, or increased absences by an officer. The auditors did conclude, however, that HPD's policies and procedures related to overtime and extra employment are inadequate to manage the hours worked by classified officers and the system of internal controls related to the extra employment program was inadequate.

The observations and recommendations identified during the audit are included in the body of the report. Draft copies of the matters contained in the report were provided to Department officials. The Views of the Responsible Officials as to actions being taken are appended to the report as Exhibit L.

We commend Department management for their timely efforts to take action to remedy various deficiencies identified by MFR. We also appreciate the cooperation extended to the MFR engagement team by Department personnel during the course of the audit.

Respectfully submitted,

Annise D. Parker
City Controller

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xc: City Council Members
Anthony Hall, Chief Administrative Officer
Michael Moore, Chief of Staff, Mayor's Office
Harold L. Hurtt, Chief of Police, Houston Police Department
Judy Gray Johnson, Director, Finance and Administration Department

January 10, 2007

The Honorable Annise D. Parker
City Controller
City of Houston
901 Bagby, 8th Floor
Houston, TX 77002

Re: Houston Police Department Classified Employee Work Hours - Performance Audit

Dear Controller Parker:

Mir•Fox & Rodriguez, P.C. (MFR) has completed the performance audit of the City of Houston (the City) Police Department's (HPD) Classified Employees Work Hours as outlined in our engagement letter dated February 2, 2006 under Contract No. 56546, approved by City Council Ordinance No. 04-1296.

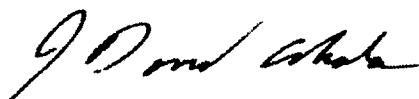
The purpose of our audit was to determine if HPD's operational practices, organizational structure, and management practices were in compliance with current policies and procedures that govern how much time a classified officer was allowed to work. In addition, the audit was to determine if the available resources and technology tools were being utilized as effectively and efficiently as possible.

Our observations, issues, communications, and recommendations noted during the independent assessment of HPD are presented in the attached report. Eleven of the twelve exhibits that are attached to the report contain additional analysis and background information related to the sample selected for overtime testing and the benchmarking survey results. The twelfth exhibit contains HPD's management response. Our procedures, which accomplished most of the objectives, were performed through June 13, 2006 and have not been updated since that date. Our observations included in this report are the only matters that came to our attention based on the procedures performed.

This report is intended solely for the information and use of the City and the Controller's Office, and is not intended to be used for any other purpose. MFR is pleased to have been given the opportunity to work on this engagement and we appreciate the cooperation received from your office and HPD.

Very truly yours,

Mir•Fox & Rodriguez, P.C.



J. David Ahola
Principal of Internal Audit

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

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CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

EXECUTIVE SUMMARY

MFR was engaged to conduct a performance audit of HPD Classified Employees Work Hours by the City Controller in an engagement letter dated February 2, 2006 pursuant to Contract No. 56546, approved by City Council Ordinance No. 04-1296.

Background

HPD has specific guidelines regarding the total number of hours a classified employee can work within a pay period. The hours are the aggregate of on-duty, overtime, and extra employment. HPD General Order, (GO) 300-7 Overtime Compensation, limits the maximum work hours to 16 hours per day and a total of 80 hours for a workweek. An on-duty shift commander can override GO-300-7.

Objectives and Scope

The purpose of this performance audit was to perform an independent assessment of the Classified Employee Work Hours by examining operational areas and records within HPD. The objectives included the following:

- Determine if there is compliance with HPD's current policies and procedures that govern how much time a classified officer is allowed to work.
- Benchmark work hour standards against other police agencies of similar geographical area and climate.
- Determine if there is a correlation between excessive hours worked and on-duty injuries, at-fault accidents, and/or disciplinary actions within HPD.
- Evaluate the effectiveness of managerial tools available to monitor the hours worked by classified HPD employees.
- Examine various similar divisions to gather information on hours worked versus output factors such as arrests made, charges filed, and cases cleared.
- Determine if the hours worked as compared to certain output factors for selected Commands are consistent throughout the department and other cities.
- Determine adequate staffing levels for the investigative divisions.

The scope of the audit was for the period July 1, 2004 through December 31, 2005 (the scope period).

MFR could not complete certain audit objectives because HPD could not provide adequate information and documentation due to the limitations in the functionality of their existing information systems. As a result MFR auditors could not complete all fieldwork satisfactorily.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

Conclusions

HPD's policies and procedures related to overtime and extra employment are inadequate to manage the hours worked by classified officers and are often disregarded. MFR did not find any correlation between significant overtime hours worked and the number of disciplinary actions against an officer, accidents by the officer, or increased absences by the officer. The system of internal controls related to the extra employment program was inadequate and there were no management tools in place to monitor the hours worked. In addition, HPD's current reporting requirements do not allow for the routine comparison of common management information across all divisions. MFR was able to benchmark with law enforcement agencies in other cities; however, comparisons of crime statistics could not be accomplished as HPD is uniquely organized. MFR's survey of other metropolitan area police forces allowed for the compilation of common data.

Significant Issues and Recommendations

The following significant issues were noted and related recommendations were made by MFR based on the information provided by HPD:

- HPD has inadequate internal controls and/or management practices in place to manage the extra employment program. MFR recommends that the Chief of Police (COP) provide the proper guidance, tools, and staff for an internal program with the responsibility to control, manage, and provide supervision to the classified officer's extra employment overtime worked. Such a program would enable HPD to control the police related activities performed by its classified officers during non-City time.
- HPD's overtime approval processes do not have sufficient controls to identify reporting and/or approval errors. MFR recommends that the COP initiate action to review existing applicable overtime reporting and approval processes to improve the systems of internal control. The respective GOs require updating and should reflect those individuals responsible for both the approval and review of the records.
- MFR did not identify any correlation between the extra hours worked for HPD and on-duty injuries, at-fault accidents, and/or disciplinary actions.
- HPD's payroll liability amount for paid time off (PTO) does not agree to the amount recorded in the City's financial records. HPD was unable to provide adequate information to support the liability. MFR recommends that HPD's Financial Analyst review the total amount of banked PTO to ensure the liability is properly recorded and that the accrued liability agrees to the amount in the financial records.
- HPD has an apparent excessive amount of PTO. MFR recommends that the COP facilitate the reduction of the annual allowable amount of PTO as well as the pay down of the accumulated PTO banks through future contract negotiations and the review of related policies and procedures.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

- HPD lacks a process to identify, track, and report the hours worked by classified employees; including regular hours, overtime hours, and extra employment hours. MFR recommends that the COP develop and implement a process to record and report the actual hours worked by the classified employees on their extra employment assignments.
- HPD lacks a management report framework that would permit performance indicator comparison for intra-divisional information. MFR recommends that the COP initiate action to compile information common to all divisions on a single report that would permit performance indicator comparison and management of intra-divisional statistics.
- HPD has a considerable number of administrative staff to process the manual documentation for its 49 divisions. MFR recommends that as the new computer systems such as SAP and extra employment are implemented, the COP should review and revise the duties of the administrative staff.

Details of these and other issues and recommendations are contained in the AUDIT DETAILS, OBSERVATIONS AND RECOMMENDATIONS section of this report.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

AUDIT DETAILS, OBSERVATIONS AND RECOMMENDATIONS

Introduction and Background

The Internal Audit Division of the Controller's Office, under the City Controller's 2006 Audit Plan, authorized MFR to conduct a performance audit related to HPD classified employees work hours in accordance with Contract No. 56546, approved by City Council Ordinance No. 04-1296. The audit was to determine if there was compliance with HPD's current policies and procedures as they relate to work hours. If during the audit, negative outcomes from non-compliance and classified employees working an excessive amount of hours were identified, MFR was to recommend changes relating to the City's policies and procedures. These recommendations are incorporated into this report.

HPD has specific guidelines regarding the total number of hours a classified employee can work within a certain period. The hours are the aggregate of on-duty, overtime, and extra employment. HPD GO 300-7, Overtime Compensation, limits the maximum work hours in a 24-hour period to 16 hours and total of 80 hours for a workweek. An on-duty shift commander can override both restrictions; accordingly there is no limit to the maximum number of hours that an on-duty HPD officer can work.

Houston has come a considerable way since it's incorporation in 1837 with one constable. HPD was founded in 1841, and Badge #1 was issued. Currently, HPD has approximately 4,817 classified men and women and 1,281 civilians performing various police related functions for the City, 24 hours a day, seven days a week, and 365 days per year. The mission of the Houston Police Department is to enhance the quality of life in the City of Houston by working cooperatively with the public and within the framework of the U.S. Constitution to enforce the laws, preserve the peace, reduce fear, and provide for a safe environment. HPD carries out their mission through the coordinated efforts of 49 divisions, 12 Command offices and all of their classified officers and civilian employees.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

OBSERVATIONS AND RECOMMENDATIONS

Audit Objective: Determine if there is compliance with HPD's current policies and procedures that govern how much time a classified officer is allowed to work.

MFR judgmentally selected a sample of 22 classified officers for overtime testing. Attributes were selected in accordance with HPD's policies and procedures. Attributes tested included existence of an overtime form, presence of appropriate approvals, the calculation of the overtime payment, the calculation of the accrual for compensatory time, if applicable, and the posting of the overtime to the City's records. The MFR audit team reviewed approximately 4,700 overtime forms related to our sample of 22 classified officers. See Exhibits A and B for the characteristics of the sample selected.

Observation 1: HPD has inadequate internal controls and/or management practices in place to manage the extra employment program.

1. HPD does not routinely require officers to report extra employment hours worked. Since the extra employment portion of the actual workweek is not managed within HPD, compliance with the total work hour limit cannot be determined. In fact, during fieldwork, it was determined at least one of the officers in the test group averaged pay for over 79 hours per week for the entire scope period without including extra employment, which he also worked.
2. An officer who has an extra employment permit has no requirement to actually work hours associated with an approved permit. Officers are allowed to obtain permits and let other officers perform the actual extra employment work. Since there is no documentation of the Extra Employment hours actually worked, there is no routine, verifiable means of determining compliance with the department's policy on Maximum Work Hours as defined in GO 300-07.
3. HPD GO 300-07 states, "when calculating Maximum Work Hours, an employee's regular shift, overtime, court overtime, and extra employment hours physically worked will be counted." GO 300-14 states in Item 5, "Supervisory Approval is not required to submit an Extra Employment Application." Later in Item 5, under the Sub-title "Supervisor's Responsibilities", the GO states "All supervisors will be held accountable for monitoring the categories and hours of extra employment worked by employees under their direct supervision". The supervisor is charged with the responsibility to monitor the categories and extra employment hours worked; however, HPD does not have a process to ensure that classified employees do not work in excess of 16 hours per day and/or 80 hours per week in both City work and extra employment work combined.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

Recommendation: MFR recommends that the COP provide the proper guidance, tools, and staff for an internal program with the responsibility to control, manage, and provide supervision to the classified officer's who work extra employment.

Features of this program might include:

- Specific GOs detailing the HPD management responsible to provide guidance for the control and efficient operation of the extra employment program and holding them accountable to do so.
- A coordinator, responsible for permits (employer and officer), scheduling of officers, tracking of hours worked, and payment of officers for hours worked.
- An integrated information system containing all of the extra employment permits issued to each officer and employer, the details related to the officers permitted to work, and the hours actually worked.
- All extra employment permits would be issued to both the employer and the HPD officer.
- Having on-duty supervisors monitor and report on extra employment activities within their designated areas of operation.

Audit Objective: Benchmark work hour standards against other police agencies of similar geographical area and climate.

MFR sent surveys to 15 cities, however only 12 cities responded. The purpose of the surveys was to benchmark their work hour standards. The survey related information is contained in Exhibits C through K.

Observation 2: HPD's payroll liability does not agree to the amount recorded in the City's financial records.

HPD has a significant amount of accrued payroll liability; however, the amount of PTO recorded by HPD is less than the amount of PTO recorded in the City's financial records.

In addition, during MFR's initial inquiries into HPD's survey response, the HPD Budget and Finance Department informed MFR that there were 42 banks of various types of PTO being utilized by 6,399 HPD employees. The HPD employees have accumulated over 8.8 million hours of PTO as of May 15, 2006. For approximately 7.3 million hours, a value of \$162,897,550 has been frozen through recent negotiation with the officer's union. HPD did not provide adequate information to permit MFR to determine if the frozen value for either the 7.3 million hours or the value for the remaining 1.5 million hours has been properly accrued as a payroll liability.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

Recommendation: We recommend that the HPD financial analyst review the total amount of banked PTO hours to ensure the City's liability is properly recorded and that the detailed amount for each officer's PTO reconciles to the amount in the City's financial records.

Observation 3: The amount of banked PTO hours significantly increases the number of hours worked by the current work force.

The 6,399 HPD employees which have the 8,812,179 PTO hours banked as of May 15, 2006 have accumulated approximately 6,300 years of PTO based upon the current negotiated annual minimum allowable PTO.

Recommendation: MFR recommends that the COP review existing policies and procedures and consider including in future contract negotiations the reduction of the annual allowable amount of PTO as well as the pay down of the accumulated PTO banks.

Audit Objective: Determine if there is a correlation between excessive hours worked and on-duty injuries, at-fault accidents, and/or disciplinary actions within the HPD.

For the sample of 22 classified officers selected in Observation 1 above, MFR reviewed their disciplinary actions, on-duty injuries, and at-fault accidents. MFR did not have any data related to the extra employment hours worked to analyze. MFR did not identify any correlation between the extra hours worked for HPD and on-duty injuries, at-fault accidents, and/or disciplinary actions.

Audit Objective: Evaluate the effectiveness of managerial tools available to monitor the hours worked by classified HPD employees.

Observation 4: There is not a process currently in place to allow HPD to record, track and/or report extra employment hours worked and the existing Extra Employment Computer System does not have the functionality for the recording, tracking, and reporting of the actual hours worked. HPD does not have a process to manage the extra employment program nor to supervise the classified officers who work extra employment.

The current extra employment computer system does not have the functionality to be a time keeping system; it contains only the minimum information about each officer's approved Extra Employment Permit. The system does not have the functionality to provide any reports for management's evaluation. Also, the computer system does not have the functionality to identify expired permits.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

Recommendation: See recommendation for Observation 1.

Consideration should be given to using the City's new SAP computer system to record all of the extra employer data and to generate management reports to facilitate HPD's monitoring of the program.

Audit Objective: Examine various similar divisions to gather information on hours worked versus output factors such as arrests made, charges filed, and cases cleared.

Observation 5: The hours worked and related performance factors could not be compared within HPD due to inadequate data.

Through inquiry and numerous information requests, MFR understands that HPD does not have a uniform method or process to report statistical information so that the data from various divisions can be compared. Specifically, with the exception of Investigative Operations, the intra-divisional HPD reports do not contain the same data points, such as number of officers working, number of regular hours worked, number of overtime hours worked, and the number of officers on various types of paid time off. Thus, the opportunity to obtain the valuable management information for intra-divisional comparison and benchmarking cannot be made.

Recommendation: We recommend that the COP initiates action to compile information common to all divisions on a single report that would permit performance indicator comparisons and management of intra-divisional statistics.

Audit Objective: Determine if the hours worked as compared to certain output factors for selected Commands are consistent throughout the department and other cities.

The hours worked could not be compared to certain output factors for selected commands due to inadequate information as noted in Observation 5.

Observation 6: As a result of the implementation of the new computer systems, HPD may need to review the existing administrative staffing level.

During MFR's fieldwork related to the benchmarking survey, HPD responded that there were 49 divisions within HPD. MFR realizes that the definition of a "division" may vary from city to city. The number of divisions combined with the manual processes that are currently within the department increases the risk of a higher number of staff to support these divisions.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

Recommendation: The COP review and revise, if necessary, the structure of HPD to consolidate any redundant administrative functions as the new computer systems are implemented.

Audit Objective: Determine adequate staffing levels for the investigative divisions.

Observation 7: Until divisions within HPD can be compared on common management statistical information and PTO amounts are significantly reduced, adequate classified officer staffing levels cannot be determined.

Since HPD does not have adequate data available to determine the hours worked (overtime and extra reporting) and the related output factors, MFR did not have adequate information to analyze the staffing levels within HPD.

Recommendation: See recommendation for Observations 5.

EXHIBITS

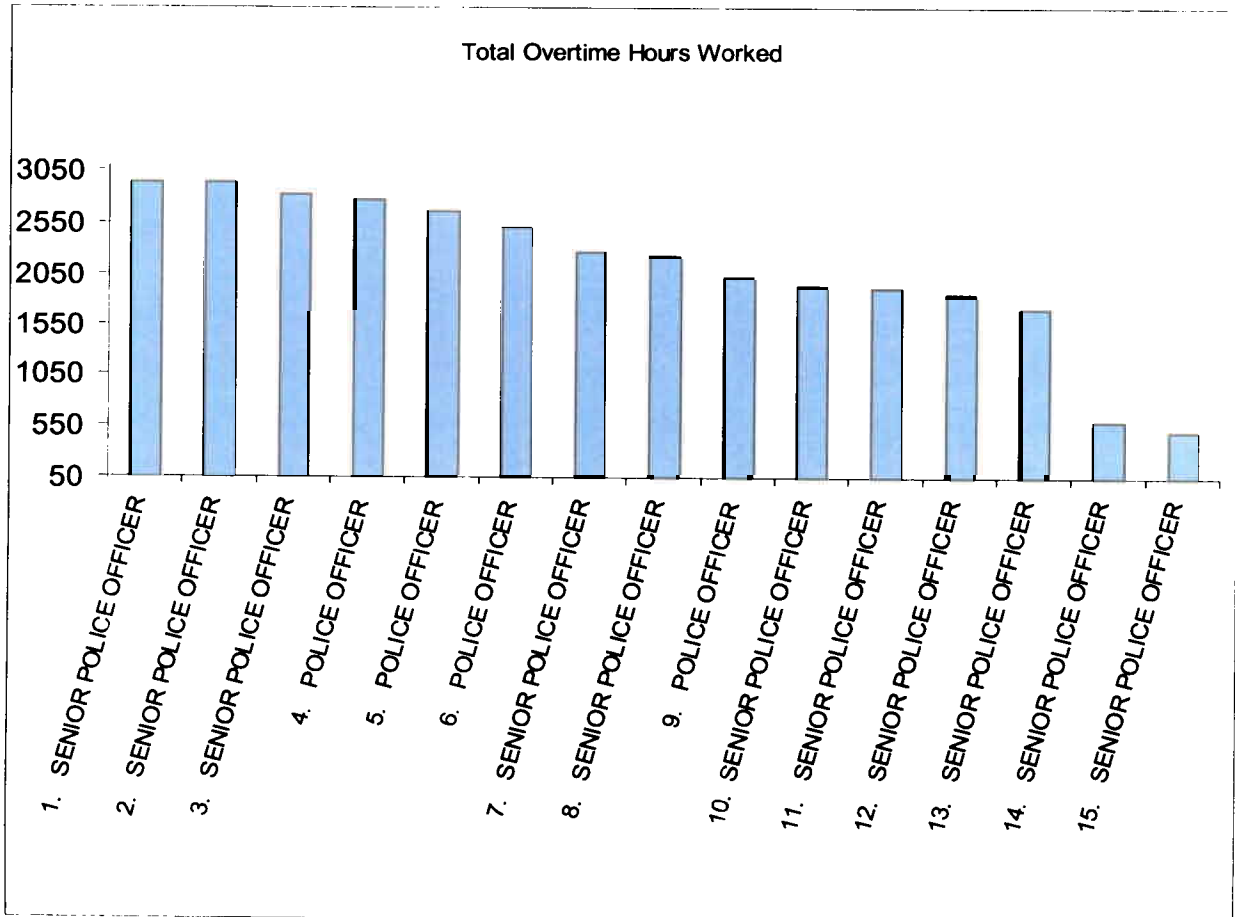
**CHARACTERISTICS OF THE SAMPLE
SELECTED FOR OVERTIME TESTING**

OVERTIME HOURS FOR SCOPE PERIOD

The following graph illustrates the number of overtime hours worked by 15 of the 22 classified officers in the sample that MFR selected. Fifteen of the 22 classified officers in the sample worked overtime in each month of the scope period. The remaining seven classified officers had several months in which they did not work any overtime for the City. It should be noted that these overtime hours are in addition to the regular 40 hours work week. This graph does not include the extra employment hours that may have been worked. MFR was not provided the current approval permits for the classified officers in the sample.

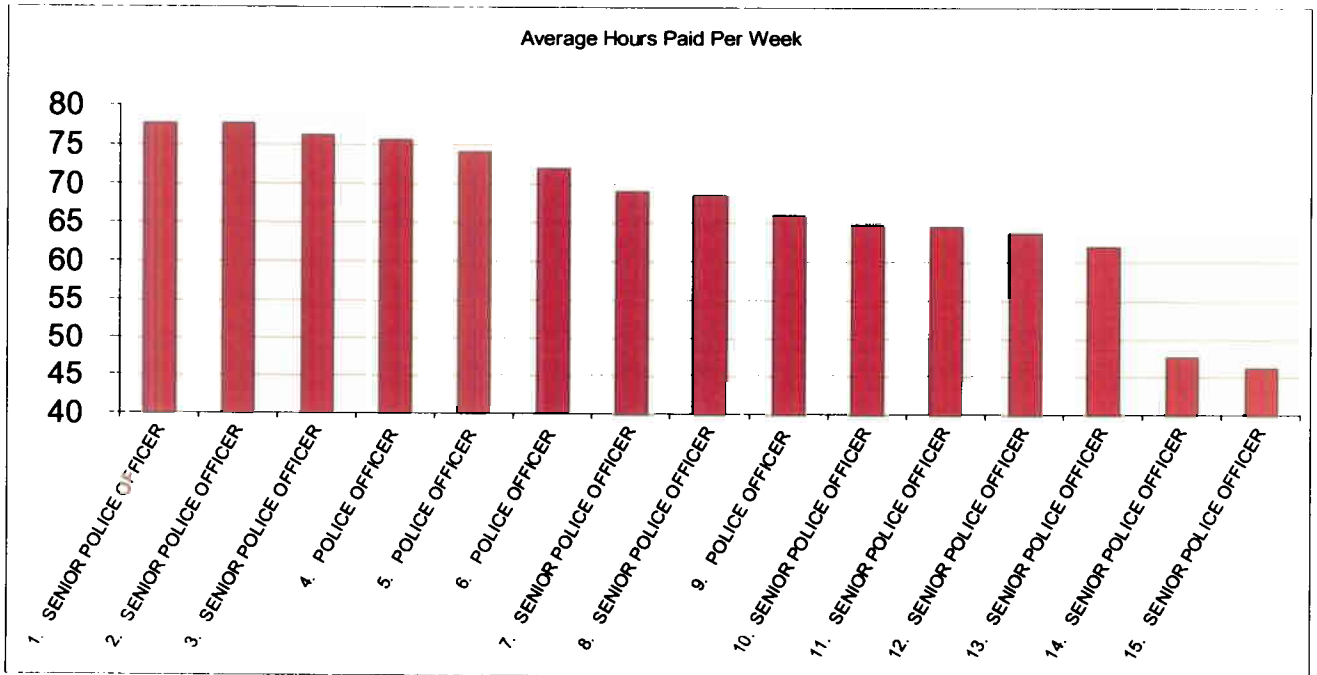
HPD has numerous safety related programs, that are funded by either State or Federal grants. HPD has created task forces to conduct the programs funded by the grants. These programs are designed to be performed outside the normal work day. HPD classified officers volunteer to participate in these programs during their non-regular work hours.

During our testing of the 22 classified officers we noted that there were numerous overtime programs such as the “Driving While Intoxicated” (DWI) task force and the “Click it or Ticket” task force.



AVERAGE TOTAL HOURS PER WEEK
FOR ENTIRE SCOPE PERIOD

The following graph illustrates the number of average total hours per week for the 15 of the 22 classified officers in the sample. Extra employment hours are not included in this exhibit as the information was not available.



BENCHMARKING SURVEY RESULTS

SURVEY DATA SUMMARY

General Data

MFR in conjunction with HPD developed and submitted a questionnaire (see Exhibit D) to 15 cities (see Exhibit E) seeking information about hours worked (regular and overtime), general population, number of uniformed officers, number of civilian police department workers, etc. Twelve (see Exhibit E) of the 15 cities responded to the questionnaire. A summary of the six largest cities' information received is as follows:

	<u>Chicago</u>	<u>Philadelphia</u>	<u>Houston</u>	<u>Phoenix</u>	<u>Dallas</u>	<u>New York</u>
Area (sq miles)	229	135	606	516	385	303
Population (millions)	2.89	1.5	2.2	1.47	1.21	8.09
Sworn Officers	13,243	6,586	4,817	2,931	2,986	36,258
Civilians	620	850	1,281	902	529	14,553
Total officers/civilians	13,863	7,436	6,098	3,833	3,515	50,811
Number of divisions	6	21	49	8	15	19
Average population per Sq mile	12,648	11,111	3,628	2,852	3,146	26,686
Average population per officer	218	228	456	502	405	223
Average officer per sq mile	58	49	8	6	8	120

Based on the survey results noted above, Houston has the greatest number of square miles of the six largest cities. This statistic does not have significant weight as there are many areas within Houston city limits which are undeveloped. Houston has the second highest average population per officer statistic in the six largest cities. This represents exactly twice as many people per officer than of Philadelphia and 2.1 times that of Chicago. The number of divisions is somewhat misleading as Chicago has six (6) boroughs; however, Houston has more than twice the number of divisions than Philadelphia the next highest city. With a high number of divisions, there is also a higher number of staff to support these divisions. To better understand the responses MFR has prepared graphs from the data collected as follows.

Several questions were asked of the respondents regarding the regular hours, overtime hours and off-duty hours (see Exhibit F). The regular hours of operation ranged from 8 to 10 hours per day as the days worked in a week ranged from 4 to 6 days. The authorized hours that could be worked by officers ranged from zero hours to 84 hours per week. Compensatory time off policies also varied by city. For off-duty hours we noted that in common with police departments throughout the country, Houston police officers are allowed to hold extra employment when they were off-duty.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

This has the benefit of providing uniformed officers to assist with providing security for events and private companies.

It also enables officers to supplement their income. According to the survey, off-duty or extra employment work policies ranged from zero hours per week to 84 hours per week.

Furthermore, MFR compared Houston's policy with the corresponding policy for Columbus, Ohio; Jacksonville, Florida; Phoenix, Arizona; and San Antonio, Texas, four cities from the initial survey. We also obtained summary information on New York City's "Paid Detail Unit" from their web site.

From a review of the procedural documentation from each city, it is obvious that all of them regard Extra (or "Off-duty") Employment as a privilege, not a right. In addition, such employment is not to interfere with any employee's regular performance or responsibilities to their police department.

There are many similarities between the policies and procedures for the cities reviewed, with a major difference being that all the cities, except Houston, have an agency that monitors extra work. In Houston, that task is given to the supervisors.

To better understand certain characteristics of the cities that responded to the survey, MFR prepared graphs that compare the cities (see Exhibit K). According to Exhibit H, Jacksonville has the largest amount of square miles per department employee. Houston ranked 5th out of the 12 cities that responded to the survey. Exhibit I shows that San Francisco has the most dense population per square mile to be policed, while Houston ranked 7th.

San Diego has the greatest number of citizens per police department employee. While Houston ranked 5th of the 12 cities, see Exhibit J for details. Chicago had the highest percentage of classified employees compared to civilian employees while San Antonio appeared to have the greatest percentage of civilian employees, see Exhibit K for details.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

EXHIBIT D

Police Department Questionnaire

City:

A. General

1. How large is the area covered by your Police Department? sq. ml.
2. Approximately what percentage of this area is:
Residential %
Commercial %
Other %

Please describe "Other"

3. What is the approximate total population in this area?

B. Police Department

1. How many employees are in the Department? Classified
Civilian

Of the Classified employees, how many are exempt?

2. How many Divisions are in your Department?
3. Is the Department unionized? Yes No

C. Regular Hours of Work

1. What is the regular work day for employees? hours
2. What is the regular work week for employees? days

D. Overtime Hours (Additional hours worked for the Department)

1. Is there a limit on the number of overtime hours per week? Yes No
If "Yes", what is the maximum permitted weekly overtime hours? hours
2. Is there an option to take compensatory time? Yes No
If "Yes", is there a maximum permitted "Comp Time" that can
be accrued before overtime pay is mandatory? Yes No
If "Yes", what is this maximum number of hours? hours
3. Other information that may be relevant.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

EXHIBIT D (Continued)

Police Department Questionnaire

E. Off-Duty Hours (Additional hours worked outside the Department)

1. Is there a limit on the number of “off-duty” hours per week Yes No
If “Yes”, what is the maximum permitted weekly “off-duty” hours? hours
2. Is there a centralized assignment for “off-duty” jobs? Yes No
3. Can an officer solicit his/her own “off-duty” jobs? Yes No
4. Are all officers able to take “off-duty” jobs Yes No
If “No”, what are the criteria for deciding who is eligible to take these jobs?
5. Is compensation for “off-duty” work paid through the City’s payroll system? Yes No
6. Is there an established pay rate for “off-duty” work? Yes No
7. Is an officer permitted to use police equipment on these jobs? Yes No
8. Does the City assume any liability risk for these jobs? Yes No
9. Is the liability cost shared between the City and the off-duty employer? Yes No
10. Are outside agencies permitted to work inside the city limit? Yes No
11. Other information that may be relevant.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

EXHIBIT E

Cities Surveyed and Their Responses

<u>City¹</u>	<u>State</u>	<u>Rank by Population</u>	<u>Rank by Size of Police Dept</u>	<u>Surveyed</u>	<u>Responded</u>
New York	New York	1	1	Yes	Yes
Los Angeles	California	2	3	Yes	No
Chicago	Illinois	3	2	Yes	Yes
Houston	Texas	4	5	Yes	Yes
Philadelphia	Pennsylvania	5	4	Yes	Yes
Phoenix	Arizona	6	9	Yes	Yes
San Diego	California	7	14	Yes	Yes
Las Vegas	Nevada	8	8	Yes	No
San Antonio	Texas	9	19	Yes	Yes
Dallas	Texas	10	11	Yes	Yes
Detroit	Michigan	11	6	Yes	No
Indianapolis	Indiana	14	13	Yes	Yes
Jacksonville	Florida	15	16	Yes	Yes
San Francisco	California	16	18	Yes	Yes
Columbus ²	Ohio	17		Yes	Yes

1. The initial sample chosen was 15 cities that were in the top 20 for both population served and size of Police Department. Honolulu was excluded as it is outside the Continental USA.
2. Size of Police Department was not available for the City of Columbus.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

EXHIBIT F

Survey Results Police Department Hours

Survey Question	Houston	Chicago	Columbus	Dallas	Indianapolis	Jacksonville	Philadelphia	Phoenix	San Antonio	San Diego	San Francisco	New York
Regular Hours												
How long (in hours) is the regular work day for employees?	8	8	8	8 or 10	(1)	11.42	8	8 or 10	8	8 or 10	8 or 10	8
How long (in days) is the regular work week for employees?	5	5	5	5 or 4	(1)	(2)	5	5 or 4	5	5 or 4	5 or 4	5
Overtime Hours (worked for the Department)												
Is there a limit on the number of overtime hours per week?	Yes	No	No	No	No	No	No	No	No	No	Yes	No
What is the maximum permitted weekly overtime hours?	(3)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20	N/A
Is there an option to take compensatory time?	Yes	Yes	Yes	Yes	Yes	Yes	(4)	Yes	Yes	Yes	Yes	Yes
If "Yes", is there a maximum permitted "Comp Time" that can be accrued before overtime pay is mandatory?	Yes	Yes	Yes	No	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No
If "Yes" what is the maximum number of hours?	480	480	160	N/A	(5)	480	N/A	180	480	80	480	N/A
Off-Duty Hours (worked outside the Department)												
Is there a limit on the number of off-duty hours per week?	Yes	Yes	No	Yes	No	Yes	No	No	Yes	No	Yes	Yes
What is the maximum permitted weekly off-duty hours?	(3)	20	N/A	72	N/A	(6)	N/A	N/A	24	N/A	20	20
Is there a limit on the total hours (including regular, overtime, and off-duty) per week?	Yes	No	No	Yes	No	No	No	No	Yes	No	No	No
What is the maximum permitted total weekly hours?	80	N/A	N/A	84	N/A	(6)	N/A	N/A	64	N/A	N/A	N/A
Is there a reporting system in place to routinely ensure that the maximum hours are not exceeded?	Yes	No	N/A	Yes	N/A	No	N/A	No	No	No	No	Yes
Is there a centralized procedure for assigning "off-duty" jobs?	No	No	Yes	No	N/A	Yes	No	Yes	Yes	No	No	Yes
Can an officer look for his/her own "off-duty" jobs?	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	No
Are all officers able to work "off-duty" jobs?	No	No	No	No	Yes	No	No	No	Yes	No	No	No
Is compensation for "off-duty" work paid through the City's payroll system?	No	No	(7)	No	No	No	Yes	(7)	(8)	No	No	No
Is there an established pay rate for "off-duty" work?	No	No	Yes	No	No	Yes	Yes	No	Yes	No	N/A	Yes
Is an officer permitted to use police equipment on these jobs?	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes
Does the City assume any liability risk for these jobs?	No	No	(7)	Yes	No	Yes	Yes	No	Yes	No	No	Yes
Is the liability cost shared between the City and the off-duty employer?	No	No	(7)	Yes	No	No	No	No	No	No	N/A	No

- (1) Operations 8.5 hrs, 6 days/week; Admin. 8hrs, 5 days/week; Traffic 10 hrs, 4 days/week
- (2) 2-5 days, depending on stage in 28 day work cycle.
- (3) Max for ALL work is 80 hrs/wk.
- (4) Only Captains & above can earn/use Comp Time. Comp Time total cap is 1,100 hours, with 208 hours use /year. Every hour above cap is lost.
- (5) Patrol Sergeant - 480 hrs; Lieutenants - 530 hrs; Captains - 800 hrs
- (6) There is no expressed weekly limit. Sworn employees work variety of 8, 10 and 11.42 hour schedules. Cannot work more than sixteen consecutive hours, must have 8 hour rest periods between shifts, cannot work more than 104 hours secondary employment monthly.
- (7) The answer depends on the type of "Off-duty" work.
- (8) Vendors pay the City, then the City pays the officer.

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

EXHIBIT G

Survey Results Extra Employment Procedures

Question	Houston	Columbus	Jacksonville	New York (based on summary)	Phoenix	San Antonio
Answer From Questionnaire						
Is there a centralized procedure for assigning "off-duty" jobs?	No	Yes	Yes	Not received	Yes	Yes
Can an officer look for his/her own "off-duty" jobs?	Yes	No	Yes	Not received	No	Yes
Answer From Procedural Documentation						
What is the name of the documentation? Date if known.	General Order 300-14; eff. September 6, 2005	Directive 3.17 - Secondary Employment; Rev. 03/30/2004	General Order L.III.9 (53) - Eff. 01-17-06	http://www.ci.nyc.us/html/nypd/htm/misc/paid_detail.html	Operations Order 3.11; Rev. 12/05	Procedure 905; Off-Duty and Outside Employment.
If documentation covers more than one type of employment, which is/are addressed below? See notes for definitions	N/A	N/A	N/A	N/A	Off-Duty, Extra-Duty	Outside Employment only
What is the name for the Department that handles off-duty / secondary / extra employment?	Extra Employment Office	Special Duty Office (SDO)	Secondary Employment Unit (SEU)	Paid Detail Unit (PDU)	Off-Duty Work Detail	Off-Duty Employment Detail
Is there a procedure to approve "vendors"?	Not stated	Yes	Yes	Yes	Yes	Not stated
Brief description of the approval procedure.	N/A	The Special Duty Officer reviews special duty requests and approves or denies them, as appropriate.	No specific details - "The SEU Commander shall review and approve all Secondary Employment applications..."	The prospective vendor must provide information regarding the company, submit to a background & credit check, then provide proof of insurance.	No specific details - "All off-duty job sites, except routine traffic control sites, require approval from the Off-Duty Work Supervisor.	N/A
Is there an agreement that vendors must sign?	Not stated	Not stated	Not stated	Yes	Not stated	Not stated
Is there a limit on hours that can be worked off-duty/secondary?	Yes	No	Yes	Not stated	Not stated here	Yes
What are the limits?	No more than 80 total hours may be worked in a week (Saturday through Friday).	N/A	For ERSE, max allowed / mth is 104 hours. Employees must have at least 8 hrs rest in any 24 hrs and may not work more than 16 hrs in any 24 hrs.	N/A	N/A	No more than 24 hrs/wk with 40 hrs regular duty. No more than 8 hrs/24 when in regular schedule. No more than 64 hrs/wk or 15hrs/24 hrs with no regular duty.
Is there an established pay rate for off-duty/secondary work?	No	Yes	Yes	Yes	No	Yes
How is this rate calculated?	N/A	FOP Union	The minimum hourly rate for ERSE is determined through collective bargaining. When a Sergeant or above acts as a supervisor, they receive additional compensation.	The rate is based on rank. Eff. 2/1/2003 the cost of a single police officer or detective will be \$30/hr.	N/A	By contract
Is the officer paid by the City or by the outside agency / vendor?	Outside Agency	Outside Agency	Outside Agency	The officer's check is made payable to him/her and sent to the PDU by the vendor.	If job is City-sponsored, City pays; otherwise vendor pays.	Vendors pay the City and the City then pays the officer
Are all officers eligible to work on Extra Employment jobs?	No	No	No	Not stated	No	No
What are the criteria for exclusion from consideration for Extra Employment?	Probationary officers, those who do not meet requisite training requirements; those who are suspended, relieved of duty, transitional duty, injury leave, or otherwise prohibited.	Officers who are on Light Duty or Restricted Duty.	Under investigation (which could lead to suspension or termination); on limited duty; receiving Workers' Comp; on FMLA, Retirement Leave Terminal Leave; relieved of duty.	Not stated - the web site has information for the benefit of vendors.	Probationers and those under investigation are not allowed to work "Off-Duty"	Officers who have not completed 1 year probationary period; officers on suspension, sick leave, injury leave, or limited duty assignments

CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

EXHIBIT G (Continued)

Survey Results Extra Employment Procedures

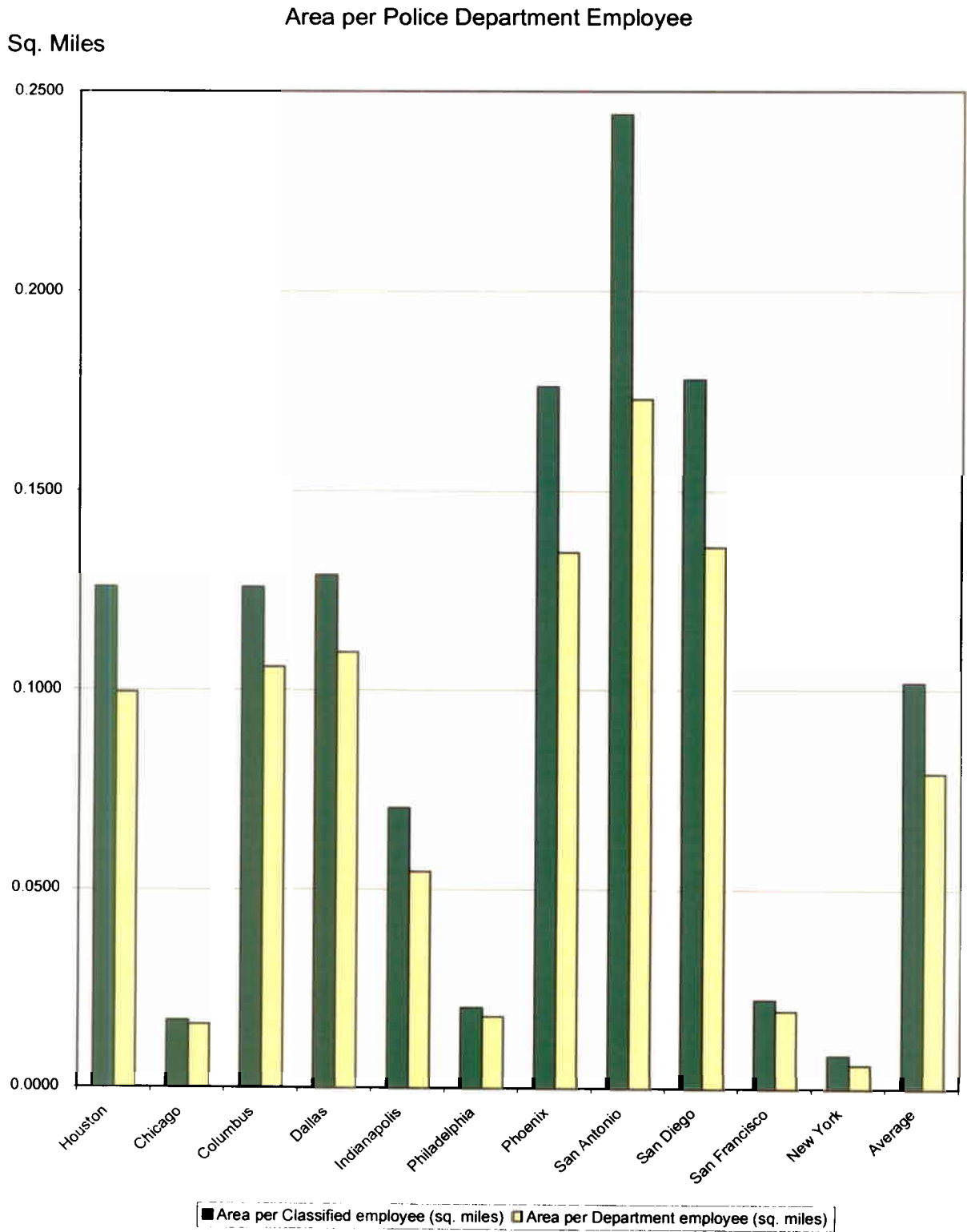
Question	Houston	Columbus	Jacksonville	New York (based on summary)	Phoenix	San Antonio
What is the procedure for requesting Extra Employment?	Employee obtains an extra employment permit number from the Intranet system. A copy must be provided to immediate supervisor for each job to be worked.	Sworn personnel may contact the SDO to check on the availability of SD work or to be placed on the list to be called when assignments are available.	Once a vendor has been approved, they are entered into the Secondary Employment database. A job site number is created. Any eligible employee is given equal opportunity to respond to notifications.	Not stated - the web site has information for the benefit of vendors.	Officer submits a Request for Off-Duty/Extra-Duty Work form and forwards it through the chain of command to the Off-Duty Work Supervisor. Once approved, names of available employees are updated quarterly.	An officer submits an Employment Permit request through the chain of command. Once granted, the Permit must be renewed each year.
Once Extra Employment has been obtained, what is the procedure for assigning / monitoring the work?	Supervisors are responsible for monitoring all aspects of the extra employment for compliance with policy.	Prior to starting work, the officer completes Special Duty Request and forwards it to the SDO.	The Department maintains a Secondary Employment Database and it is the responsibility of each officer to log in and off each time they work.	Not stated - the web site has information for the benefit of vendors.	The Off-Duty Work Detail Supervisor assigns jobs from a rotating list based on seniority and availability. Officers complete an Off-Duty Work permit for each job they work.	The officer keeps a copy of the Employment Permit and carries it while engaged in outside employment.
Are the officers to be given a W-2 (employee) or 1099 (independent contractor)?	Either is permitted	Not stated	Not stated	1099	Not stated	Not stated
Does the Department charge an Administrative fee to the vendor?	No	Not stated	Yes	Yes	Not stated	Not stated
How much / how is this calculated?	N/A	N/A	Usually \$3.50 / hour	10% of rate of pay	N/A	N/A
Is an officer permitted to work in a non-enforcement related job?	Yes	Yes (see below)	Yes	Not stated	Yes	Yes
What is the policy in regards to wearing police uniform?	Officers working uniformed police-related extra employment will wear their department issued official uniform. They must adhere to grooming standards and may wear assigned gear (like body armor)	Standard police uniform will be worn, unless prior written approval has been obtained from Deputy Chief	The complete patrol uniform, including body armor, shall be worn at all enforcement related secondary employment. Chief of Community Affairs (or designee) may grant exceptions.	Police officer will report to the approved vendor location in full uniform.	Employees working off-duty will wear the authorized uniform appropriate for the time of year. Approval for non-uniform attire require approval of commander of precinct where work is done.	If officer is expected to exercise police authority, he/she wears a regulation police uniform unless prior written approval has been given.
Is it possible to use a police car, radio, other equipment?	Use of City vehicles is prohibited; city-owned property is only allowed with written permission from Commander.	Yes; there are procedures for checking out such equipment	Yes; but such use must be stated (and approved) on the Secondary Employment Notification Form.	Not stated	Yes; there are procedures for checking out such equipment	Not stated
Other information	N/A	An officer desiring to work "Off-Duty" (see below) must send a letter to the Deputy Chief describing the duties involved. The request is reviewed by officer's supervisor, but Deputy Chief gives final approval / disapproval.	N/A	N/A	There are also regulations for working at a job relating to the Motion Picture Production industry.	N/A

Notes on terminology

- 1 ERSE Enforcement Related Secondary Employment
- 2 Columbus - Special Duty Employment - Uniformed or plainclothed employment evolving directly from the authority granted to an individual by virtue of being a sworn law enforcement officer with the Division of Police
Off-Duty Employment - Any employment or business interest that is independent of police authority.
- 3 San Antonio - Off-Duty Employment in City Facilities - entails security, crowd control and other police related activities in City Facilities
Outside Employment - work or other activity performed (could be volunteer) for an outside agency. This could be Extension of Police Service or Non-Extension of Police Service.
- 4 New York information was obtained from the New York Police Department's website.

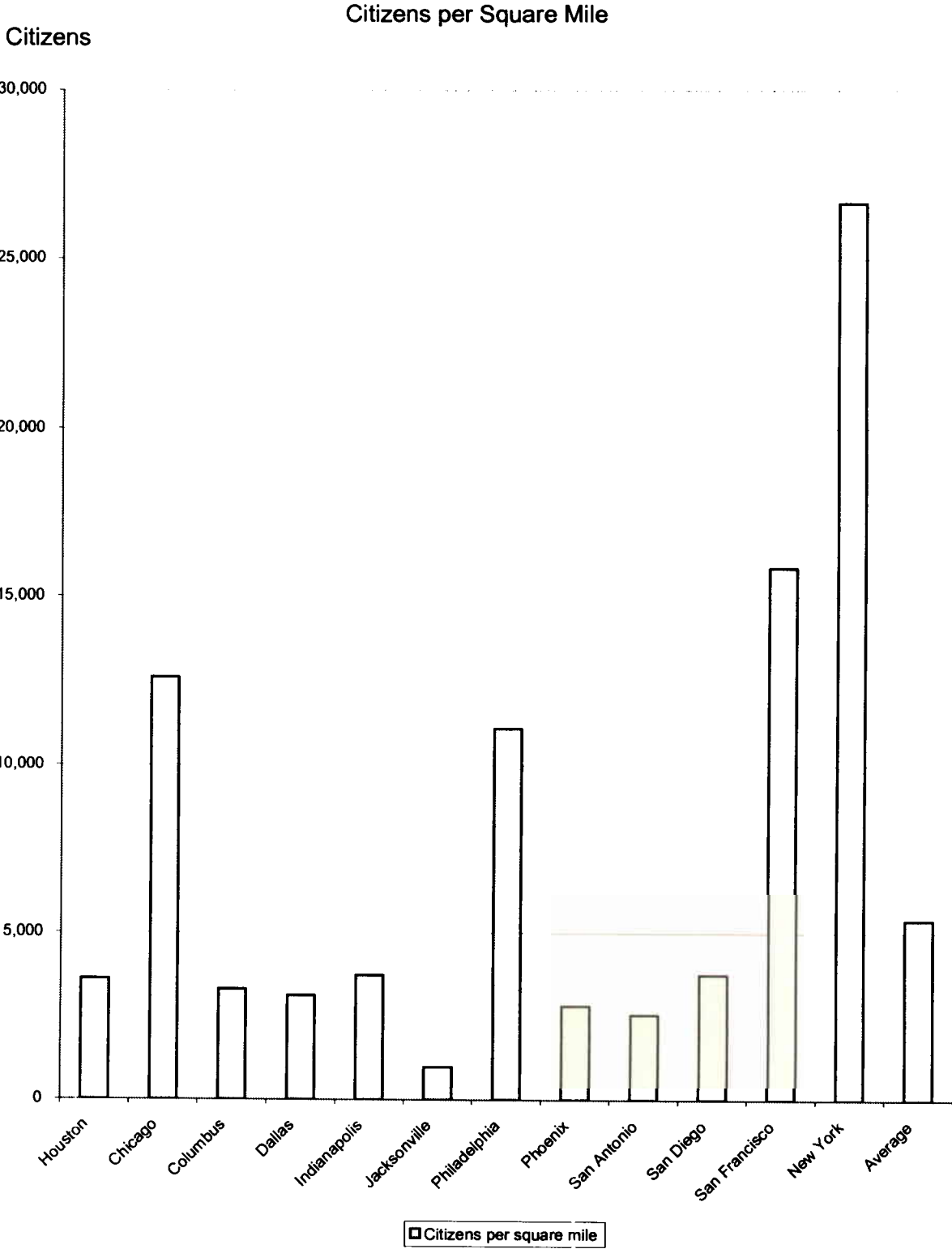
CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

EXHIBIT H



CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

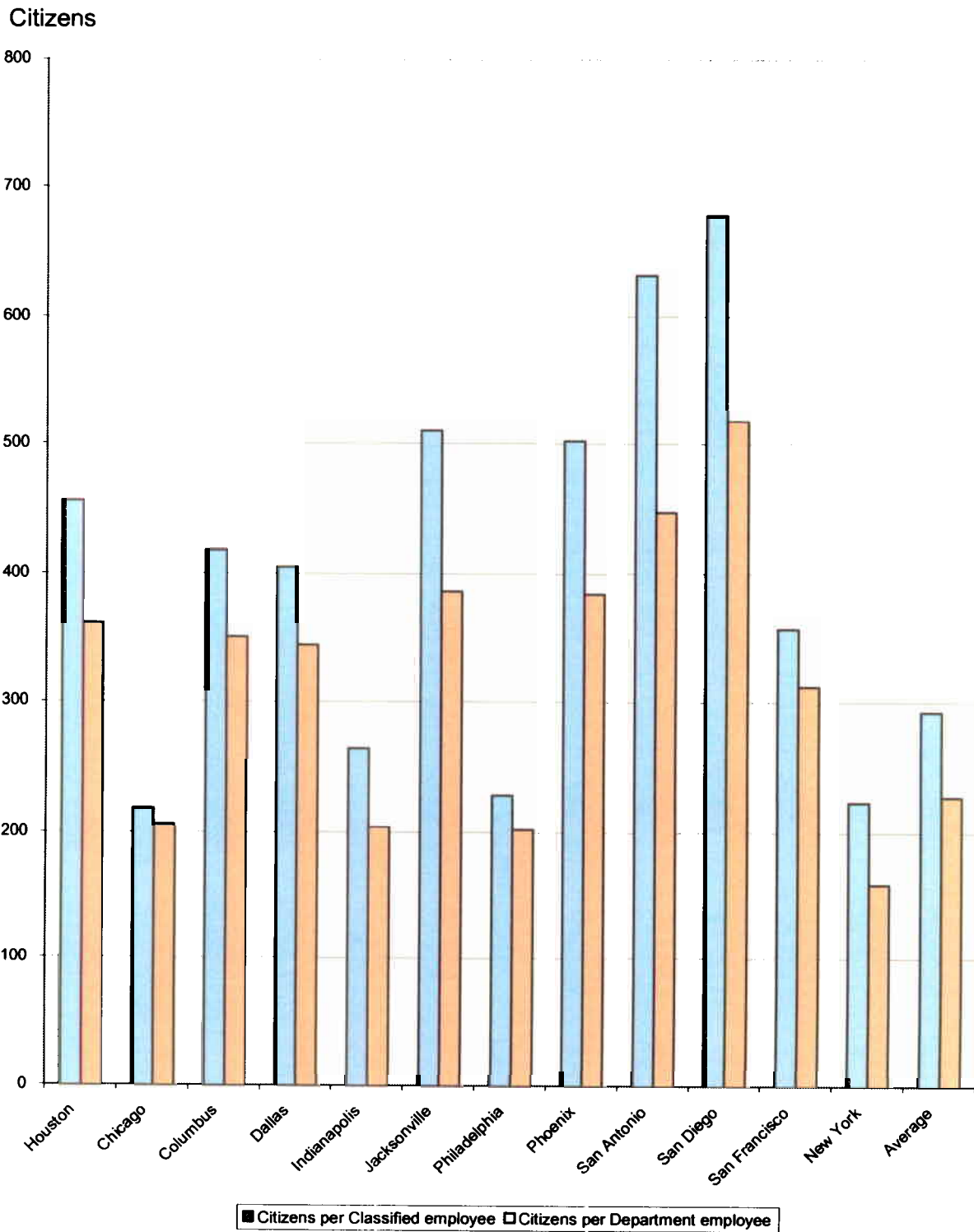
EXHIBIT I



CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

EXHIBIT J

Citizens per Police Department Employee



CLASSIFIED EMPLOYEES WORK HOURS – PERFORMANCE AUDIT

EXHIBIT K

Percentage Classified vs Civilian Employees

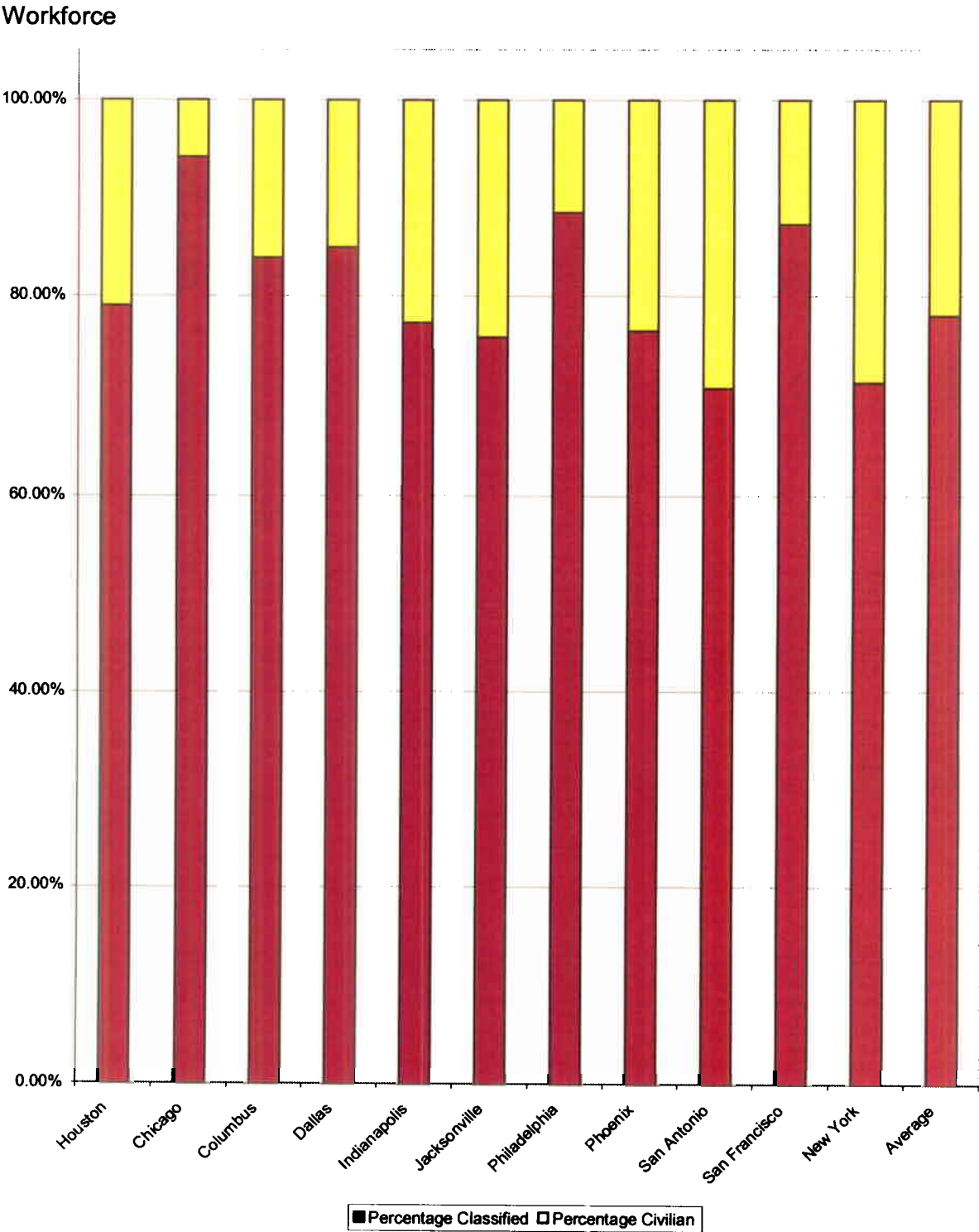


EXHIBIT L
MANAGEMENT RESPONSE
Views of Responsible Officials

EXHIBIT L

CITY OF HOUSTON

INTER OFFICE CORRESPONDENCE

TO: Annise D. Parker
City Controller

FROM: Harold L. Hurtt
Chief of Police

DATE: December 8, 2006

SUBJECT: **Houston Police Department's
Classified Employees Work Hours
Performance Audit Report**

This is in response to the audit of the Houston Police Department's Classified Employees Work Hours performed by MirFox & Rodriguez, P.C., Certified Public Accountants.

Our responses to the issues noted by Mir Fox are as follows:

- HPD has inadequate internal controls and/or management practices in place to manage the extra employment program.
 - HPD agrees and has proposed changes to address this issue.
- HPD's overtime approval processes do not have sufficient controls to identify reporting and/or approval errors.
 - HPD currently has systems in place to produce reports on the regular hours worked, overtime worked, and leave time taken. Current overtime approval, at a minimum, requires a supervisor, plus one level higher. The Department expects that the new SAP system will enhance our capabilities in these areas, especially in reporting and security. Lacking is sufficient reporting to capture total hours worked. It will implement additional reporting to capture this information.
- MFR did not identify any correlation between the extra hours worked for HPD and on-duty injuries, at-fault accidents, and/or disciplinary actions.
 - This positive finding indicates that despite the large number of hours worked by the classified workforce, there are minimal negative impacts at this time.
- HPD's payroll liability amount for paid time off (PTO) does not agree to the amount recorded in the City's financial records.
 - The difference in the amount is attributed to the value of compensatory time. The Department provided the hours, but not the value to the auditors. It agrees with the amount provided in the City's financial records.

**Views of Responsible
Officials**

EXHIBIT L

Annise D. Parker

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- HPD has an apparent excessive amount of PTO.
 - The auditor has used the term to include many types of leave, of which PTO is one. Some of the leaves included have no value. Specifically, PTO is a leave established by contract with the Major Bargaining Agent and approved by the City Council. As such, the ability to make changes or modifications to policy or amounts granted is limited.
- HPD lacks a process to identify, track, and report the hours worked by classified employees, including regular hours, overtime hours, and extra employment hours.
 - The Department agrees with this finding, and it will implement steps to correct this matter.
- HPD lacks a management report framework that would permit performance indicator comparison for intra-divisional information.
 - The Department agrees with this finding. It will work to develop reports and a better framework when the new payroll/HR portion of SAP is implemented.
- HPD has a considerable number of administrative staff to process the manual documentation for its 49 divisions.
 - HPD creates divisions that are typically managed by a captain or equivalent when it determines there is an operational need. It also regularly abolishes divisions when, either operationally or financially, it does not make good sense. While a considerable number of personnel are assigned to these duties, adequate documentation is an absolute requirement for a law enforcement agency. HPD agrees that as more up to date technology is implemented, it will reevaluate staffing, as there is a current shortage in both civilian and classified personnel. As an example, the staffing allocation of the Records Division will be reduced, when a proposed third party scanning and imaging of traffic reports is implemented later this fiscal year.

Specific comments to the auditor's observations and recommendations are included in the enclosed attachment.


Harold L. Hult
Chief of Police

hlh:gam
Attachment

COP # 06-23245

**Views of Responsible
Officials**

EXHIBIT L

ATTACHMENT TO HPD RESPONSE

Audit Objective: Determine if there is compliance with HPD's current policies and procedures that govern how much time a classified officer is allowed to work.

MFR judgmentally selected a sample of 22 classified officers for overtime testing. Attributes were selected in accordance with HPD's policies and procedures. Attributes tested included existence of an overtime form, presence of appropriate approvals, the calculation of the overtime payment, the calculation of the accrual for compensatory time, if applicable, and the posting of the overtime to the City's records. The MFR audit team reviewed approximately 4,700 overtime forms related to our sample of 22 classified officers. See Exhibits A and B for the characteristics of the sample selected.

Observation 1: HPD has inadequate internal controls and /or management practices in place to manage the extra employment program.

1. HPD does not routinely require officers to report extra employment hours worked. Since the extra employment portion of the actual workweek is not managed within HPD, compliance with the total work limit cannot be determined. In fact, during fieldwork, it was determined that at least one of the officers in the test group averaged pay for over 79 hours per week for the entire scope period without including extra employment, which he also worked.
2. An officer who has an extra employment permit has no requirement to actually work hours associated with an approved permit. Officers are allowed to obtain permits and let other officers perform the actual extra employment work. Since there is no documentation of the Extra Employment hours actually worked, there is no routine, verifiable means of determining compliance with the department's policy on Maximum Work Hours as defined in GO 300-07.
3. HPD GO 300-07 states, "when calculating Maximum Work Hours, an employee's regular shift, overtime, court overtime, and extra employment hours physically worked will be counted." GO 300-14 states in item 5, "Supervisory Approval is not required to submit an Extra Employment Application." Later in item 5, under the Sub-title "Supervisor's Responsibility", the GO states "all supervisors will be held accountable for monitoring the categories and hours of extra employment worked by employees under their direct supervision". The supervisor is charged with the responsibility to monitor the categories and extra employment hours worked; however, HPD does not have a process to ensure that classified employees do not work in excess of the 16 hours per day and/or 80 hours per week in both City work and extra employment work combined.

Recommendation: MFR recommends that the COP provide the proper guidance, tools, and staff for an internal program with the responsibility to control, manage, and provide supervision to classified officer's who work extra employment.

*Views of Responsible
Officials*

EXHIBIT L

Attachment to HPD Response

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December 7, 2006

Features of this program might include:

- Specific GOs detailing that HPD management is responsible to provide guidance for the control and efficient operation of the extra employment program and holding them accountable to do so.
- A coordinator, responsible for permits (employer and officer), scheduling of officers, tracking of hours worked, and payment of the officers for hours worked.
- An integrated information system containing all of the extra employment permits issued to each officer and employer, the details related to the officers permitted to work, and the hours actually worked.
- All extra employment permits would be issued to both the employer and the HPD officer.
- Having on-duty supervisors monitor and report on extra employment activities within their designated areas of operation.

Response:

As pointed out on page one of the audit, the Department's existing information systems have severe limitations in their functionality to provide the necessary data to management. The Department has been directed by the Chief to begin to examine and implement a systematic approach to track all categories of work hours to provide supervisors and managers the information necessary to monitor and manage employee work within the established limits.

The Department will take the following steps:

- The Department will establish a self-reporting system that will allow employees' extra job work-hours to be documented and approved by a supervisor.
- Develop standard time management reports from the SAP system, using both employee specific and division specific criteria.
- Direct divisional supervisors and managers to exercise more active supervision in this area and to use these new tools to more closely monitor extra employment and total hours worked of assigned employees.
- Increase the number of extra job checks by supervisors, particularly in clubs.
- Use the Inspections Division, third parties assigned to the Inspection Division, and/or divisional supervisors to conduct for-cause audits and random audits for hours worked by employees throughout the year in sample sizes large enough to statistically ensure compliance.
- Require the night captains to conduct roll call training sessions on extra employment and hours worked, and conduct random reviews of employee compliance with these guidelines.

Audit Objective: Benchmark work hour standards against other police agencies of similar geographic areas and climate.

MFR sent surveys to 15 cities, however only 12 cities responded. The purpose of the survey was to benchmark their work hour standards. The survey related information is contained in Exhibits C through K.

**Views of Responsible
Officials**

EXHIBIT L

Attachment to HPD Response

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December 7, 2006

Observation 2: HPD's payroll liability does not agree to the amount recorded in the City's financial records.

HPD has a significant amount of accrued payroll liability; however, the amount of PTO recorded by HPD is less than the amount of PTO recorded in the City's financial records.

In addition, during MFR's initial inquiries into HPD's survey response, the HPD Budget and Finance Department informed MFR that there were 42 banks of various types of PTO being utilized by 6,399 HPD employees. The HPD employees have accumulated over 8.8 million hours of PTO as of May 15, 2006. For approximately 7.3 million hours, a value of \$162,897,550 has been frozen through recent negotiation with the Houston Police Officers' Union. HPD did not provide adequate information to permit MFR to determine if the frozen value for either the 7.3 million hours or the value for the remaining 1.5 million hours has been properly accrued as a payroll liability.

Recommendation: We recommend that the HPD financial analyst review the total amount of banked PTO hours to ensure the City's liability is properly recorded and that the detailed amount for each officer's PTO reconciles to the amount in the City's financial records.

Response:

HPD believes this is already being done; however, it will work closer with the Controller's Office to ensure that both groups have the same understanding of what the figures represent. HPD's Budget and Finance staff works with the City's annual outside Auditors while they are testing the leave liability amount to ensure that the correct amount is recorded in the City's Financial Reports.

The primary differences between the HPD number and the City's records are due to the inclusion of the valuation for accumulated compensatory time, which is not part of the definition of PTO and the timing of the various reports provided to Mir Fox and to the City's auditors.

The liability amounts in the City's financial records include values for PTO, Compensatory Time, and other leave liabilities.

The information provided to Mir Fox does not agree with the Controller's June 30, 2006, amount because it did not include compensatory overtime liability, and it was taken as of October 11, 2006. Many officers that are on the Phase Down program are using large quantities of leave each pay period, and with the number of officers accruing leave each pay-period, it is reasonable to expect the leave balance in October to be different than the balance as of June 30, 2006.

It should be noted that "PTO" is a contractually defined term for what used to be sick leave and vacation for classified personnel. What may be confusing is that Mir Fox uses this term interchangeably for all types of leave for civilian and classified personnel.

Observation 3: The amount of banked PTO hours significantly increases the number of hours worked by the current work force.

**Views of Responsible
Officials**

EXHIBIT L

Attachment to HPD Response

- 4 -

December 7, 2006

The 6,399 HPD employees which have the 8,812,179 PTO hours banked as of May 15, 2006, have accumulated approximately 6,300 years of PTO based upon the current negotiated annual minimum allowable PTO.

Recommendation: MFR recommends that the COP review existing policies and procedures and consider including in future contract negotiations the reduction of the annual allowable amount of PTO as well as the pay down of the accumulated PTO banks.

Response:

It should be noted that the term PTO is defined as what used to be vacation and sick leave for classified employees. In this instance, Mir Fox uses the term interchangeably for all types of leave for both civilian and classified personnel. The majority of the time accumulated is attributed to classified personnel.

The referenced 8,812,179 PTO banked hours include PTO, compensatory time, personal days, and other leaves for both civilian and classified personnel. Some of the leave banks have no monetary value, and some cannot be used except in special situations. The Department is unsure of how the 6,300 years of leave was calculated, as 8,812,179 divided by 2,080 (40 hours X 52 weeks) equals approximately 4,237 years.

The current procedures and policies regarding the amount and accumulation of PTO, as well as other leave time for classified personnel, are the result of contracts with the Majority Bargaining Agent and approved by City Council. The scheduled expiration date of the current contract is June 30, 2010. The current plan results from negotiations where other considerations such as smaller pay raises were factored together. As such, the Chief is limited on how to change current policies. It will be an item for consideration in future negotiations.

Audit Objective: Evaluate the effectiveness of managerial tools available to monitor the hours worked by classified HPD employees.

Observation 4: There is not a process currently in place to allow HPD to record, track, and/or report extra employment hours worked and the existing Extra Employment computer system does not have the functionality for recording, tracking, and reporting the actual hours worked. HPD does not have a process to manage the extra employment program nor to supervise the classified officers who work extra employment.

The current extra employment computer system does not have the functionality to be a time keeping system; it contains only the minimum information about each officer's approved Extra Employment Permit. The system does not have the functionality to provide any reports for management's evaluation. Also, the computer system does not have the functionality to identify expired permits.

Recommendation: See recommendation for Observation 1.

**Views of Responsible
Officials**

EXHIBIT L

Attachment to HPD Response

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December 7, 2006

Consideration should be given to using the City's new SAP computer system to record all of the extra employer data and to generate management reports to facilitate HPD's monitoring of the program.

Response:

See [Response to Observation and Recommendation 1](#).

Audit Objective: Examine various divisions to gather information on hours worked versus output factors such as arrests made, charges filed, and cases cleared.

Observation 5: The hours worked and related performance factors could not be compared within HPD due to inadequate data.

Through inquiry and numerous information requests, MFR understands that HPD does not have a uniform method or process to report statistical information so that the data from various divisions can be compared. Specifically, with the exception of Investigative Operations, the intra-divisional HPD reports do not contain the same data points, such as number of officers working, number of regular hours worked, number of overtime hours worked, and the number of officers on various types of paid time off. Thus, the opportunity to obtain the valuable management information for intra-divisional comparison and benchmarking cannot be made.

Recommendation: We recommend that the COP initiates action to compile information common to all divisions on a single report that would permit performance indicator comparisons and management of intra-divisional statistics.

Response:

The Department will utilize the SAP system to develop standard management reports with employee names, regular hours worked, and overtime hours worked. Additional reports would provide information on the divisional level. This should provide the common data points for comparison and benchmarking. Further, the Department is in the process of acquiring a new report management system, and this system will enable the gathering of additional productivity data. Currently, the Department gathers a wealth of data on an individual and divisional basis, which guides the various units in the management of daily operations. The ability to gather this information on a more global basis will help the Department in making the more strategic decisions.

Audit Objective: Determine if the hours worked as compared to certain output factors for selected Commands are consistent throughout the department and other cities.

The hours worked could not be compared to certain output factors for selected commands due to inadequate information as noted in Observation 5.

Observation 6: As a result of the implementation of the new computer systems, HPD may need to review the existing administrative staffing level.

*Views of Responsible
Officials*

EXHIBIT L

Attachment to HPD Response

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December 7, 2006

During MFR's fieldwork related to the benchmarking survey, HPD responded that there were 49 divisions within HPD. MFR realizes that the definition of a "division" may vary from city to city. The number of divisions combined with the manual processes that are currently within the department, increases the risk of a higher number of staff to support these divisions.

Recommendation: The COP review and revise, if necessary, the structure of HPD to consolidate any redundant administrative functions as the new computer systems are implemented.

Response:

The Department agrees with this recommendation. HPD consistently reviews the structure of the department to ensure that the organization can meet its mission. Redundant functions have been and will be consolidated. For example, the Personnel, Recruiting, and Psychological Services Divisions were consolidated over two years ago. The Helicopter Division was reduced recently to a detail in the Traffic Division. Another example is the two night captains do not have administrative staffs.

Audit Objective: Determine adequate staffing levels for the investigative divisions.

Observation 7: Until divisions within HPD can be compared on common management statistical information and PTO amounts are significantly reduced, adequate classified officer staffing levels cannot be determined.

Since HPD does not have adequate data available to determine the hours worked (overtime and extra reporting) and the related output factors, MFR did not have adequate information to analyze the staffing levels within HPD.

Recommendation: See recommendation for Observation 5.

Response:

Universities and other consulting firms have been able to perform these tasks, and there are many models in existence. The models exist primarily for patrol, with less quantifiable formulas for investigations and more subjective decisions for other non-uniform functions, such as recruiting. The inability of the project team to offer a recommendation related to staffing is surprising given the ability of other entities to complete similar tasks. Data was provided to the project team to serve as a basis for the formation of a methodology to offer a staffing estimate. Also, the issue of PTO leave is not a factor in preventing such an exercise. At most, it would only have an impact on the actual calculation, but the results would still yield a reasonable estimate. The amount of leave taken by employees would only require an adjustment of the assumption of actual hours worked per employee per work year which would obviously affect the final FTE estimate.

**Views of Responsible
Officials**