



INTERNAL AUDIT

Police Department Payroll and Work Permits

Report 2019-03

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Internal Audit Unit

2600 Fresno Street, Suite 2162 PH (559) 621-6880 FAX (59) 498-2544
Fresno, California 93721-3611
www.fresno.gov

Kriti Agrawal, CIA
Principal Internal Auditor

Honorable Mayor and Audit Committee Members
City of Fresno, California

Internal Audit presents this audit report regarding the payroll of a selection of Fresno Police Department officers. The purpose of the audit was to investigate a claim that City management received alleging that Fresno Police Officers were teaching courses at Fresno City College while on City time. Internal Audit performed the audit procedures for the assessment period of January 1, 2015 through April 30, 2018. Results in Brief are presented on page 1 and the detailed Audit Results begin on page 3. We would like to thank the staff from the Police Department for their assistance and cooperation during the course of the audit.

Respectfully submitted,

Kriti Chadha Agrawal

KRITI AGRAWAL, CIA
Principal Internal Auditor, Internal Audit

CC: Wilma Quan, City Manager
Jim Schaad, Assistant City Manager
Jane Sumpter, Assistant City Manager
Jerry Dyer, Chief of Police

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Results in Brief

In April 2018, the City Manager and Mayor received anonymous e-mails alleging that Fresno Police Department employees were both teaching classes at the Fresno City College (FCC) Police Academy while on City time and were working more hours than allowed. In response, the City Manager requested that Internal Audit investigate the claims. Internal Audit conducted a review of the Police Department's payroll and work permits for those officers teaching courses at FCC for the audit period January 1, 2015 through April 30, 2018.

The Fresno Municipal Code (FMC) allows employees holding full-time permanent positions to work a second job outside the City after first obtaining a work permit. The purpose of this requirement is to ensure that a second job does not create a conflict of interest or impair the efficient performance of the City job. Additionally, all City employees are expected to show up for and remain at work as scheduled. However, Internal Audit found there were Fresno Police Officers who did not comply with these rules and regulations. Specifically, Internal Audit determined the following:

- Four temporary part-time officers taught courses while on City time. Each of the individuals reported time on their City timesheets that conflicted with time they reported teaching courses on their FCC timesheets.
- One officer taught courses while they were scheduled on patrol with the City.
- Three officers on special assignment had City hours that overlapped with hours they reported teaching at FCC.
- Four officers on special assignment had City hours that overlapped with hours they reported teaching at FCC. However, given their ability to flex their schedules, it could not be determined with certainty that the individuals was working for the City at the time.
- For six officers on special assignment, it could not be determined if there was overlap given that the individuals do not report the time they actually worked because their position requires schedules that regularly vary.

Additionally, the officers did not follow the FMC requiring that they maintain an active work permit and some worked more hours than permitted.

Scope and Methodology

The City Manager directed the Internal Audit Unit to investigate the individual claims made. The table below outlines the audit objectives and Internal Audit's methods for investigating each claim.

Table 1 - Audit Objectives and the Methods Used to Address Them

Audit Objective	Procedures
1. Determine if any Fresno Police Officer taught at FCC while on City time.	A. Obtained FCC timesheets for the 20 active sworn officers who taught criminology or Police Academy courses at FCC during the audit period.
	B. Reconciled the FCC timesheets for the active sworn officers to City timesheets or payroll data to determine if there was any overlap.
2. Determine if the full-time Fresno Police Officers who taught at FCC abided by the work permit requirements set in the FM C.	A. Reviewed all work permits on file in Human Resources for each of the officers to determine if they received work permits for teaching at FCC and if they maintained work permits during the audit period.
	A. Reviewed the timesheets provided by FCC to ensure that the officers were working less than the maximum hours allowed by law.

Source: Internal Audits

AUDIT RESULTS

Finding 1: Multiple Officers Taught FCC Courses While on City Time

A. Four Temporary Part-Time Officers Had City Timesheets That Conflicted With Their FCC Timesheets

Four of the sworn officers who taught courses at FCC are Background Investigators who are temporary, part-time employees. As such, these four individuals are required to fill out timesheets with their times in and out for each day in a pay period. Internal Audit compared the Background Investigators' City timesheets with their FCC timesheets to determine the number of hours that overlapped. Table 2 below summarizes the number of hours that each Background Investigator reported working for both the City and FCC and the total dollar amount that cannot be verified as being appropriately disbursed.

Table 2 – Background Investigator's Time Overlap

Background Investigator	Number of Hours Overlapped	Total Amount Unverified
Background Investigator 1	13	\$299.00
Background Investigator 2	344.5	\$7,923.50
Background Investigator 3	292.5	\$6,727.50
Background Investigator 4	167	\$3,841.00

Source: Internal Audits based on a review of Fresno Police Department and FCC timesheets.

In researching the Background Investigators' work schedules the Deputy Police Chief explained that the Background Investigators do not document the actual hours they worked. Instead, a set schedule (for example, 8:00 AM to 5:00 PM, Monday through Thursday) is recorded on the timesheets when the Background Investigators in fact frequently have to work evenings and weekends. As a result, the department cannot verify whether or not the Background Investigators were actually on City time during the hours they reported as working for the City on their timesheets. It must be noted that although these individuals did not accurately report their time worked for the City, their timesheets were signed off by their supervisors.

B. One Officer Taught Courses at FCC While Scheduled on Patrol

The Fresno Police Department maintains annual patrol matrices that list each Patrol Officer and the shifts they work for the entire year. An officer can take time off using accumulated leave or by using the "absent-with-substitute" process which allows officers to substitute for one another. Internal Audit found that one officer appropriately charged their accumulated leave or used a substitute to cover any of the shifts they

would have missed to teach courses at FCC. However, one officer had 10 hours of City time that overlapped with their reported time at FCC, which resulted in the City overpaying them \$446.

C. Three Officers on Special Assignment Had Conflicts Between Their City Schedules and Their FCC Timesheets

There were 15 officers on special assignment during the audit period who taught courses at FCC. Five of the officers had set schedules that could be compared to their timesheets for FCC. Two of the five individuals did not have any conflicts in their schedule with the City and their timesheets from FCC. However, the other three officers with set schedules had City hours that overlapped with hours they reported working for FCC. Table 3 below shows the number of hours that overlapped for the three officers.

Table 3 – Officers on Special Assignment Time Overlap

Officer	Number of Hours Overlapped	Total Amount Unverified
Officer 1	10.5	\$400.23
Officer 2	34	\$1,619.22
Officer 3	18	\$700.21

Source: Internal Audits based on a review of Fresno Police Department schedules and FCC timesheets.

According to the Deputy Police Chief, these individuals could have flexed their schedules as needed to teach courses at FCC, but such adjustments are not documented. Therefore, Internal Audit could not verify if the payments listed in Table 3 made for the hours that appear to overlap were appropriate.

The remaining ten officers on special assignment either did not have set schedules or had schedules that regularly flexed as needed; for example, for a department meeting or community event. These individuals do not record the days or times they actually worked. Therefore, Internal Audit could not determine if the hours those individuals were paid were the actual hours they worked for the City. As such, it could not be determined with certainty if those hours overlapped with the hours they taught courses at FCC.

Recommendations

To address the improper time recoding we identified, the Fresno Police Department should:

- Establish a policy that requires all part-time employees submit accurate timesheets that record the actual hours they worked and that holds the employees accountable for the hours they report on their timesheets.
- Reduce the leave balance for the Patrol Officer or seek to recover from them the wages paid to them for the time they did not work.
- Establish policies and procedures for officers in command to document instances in which a subordinate officer on special assignment with a set schedule flexes their hours.
- Establish a method by which officers in command document the actual hours worked by their subordinate officers who are on special assignment and do not have a set schedule.

PD Management Response: While discussing this with the audit team, several factors were identified that may have contributed to this finding. A number of FPD employees who teach at FCC are temporary City employees who work for FPD a total of 29 hours per week. Most of their time sheets submitted for their City employment were all the same, indicating they all work the same schedule and hours. This is typically how their time sheets are completed, despite the fact their work hours sometimes change. During the course of conducting a background investigation, persons contacted by the investigator are sometimes not available during the investigator's work hours, requiring interviews take place after hours. When this occurred, background investigators were not updating their time sheets to reflect their actual work hours. Another factor is that when background investigators taught at FCC, they adjusted their FPD work hours and they were not updating their FPD time sheets to reflect their actual work hours. This has been corrected and all background investigators have been directed to submit City time sheets that accurately reflect their work hours. Policy will also be updated to ensure all employees are aware of the policy and are complying with it.

Another factor discussed with the audit team was that officers with flexible work schedules will typically adjust or flex their City work schedules/hours so they can teach at FCC without interfering with their FPD work schedules/hours. According to our FPD Fiscal Affairs payroll person, there is not a mechanism in place in our OTTO scheduling program that allows an employee to modify their City work hours for one or a few days, when such flexing or adjusting of work schedules/hours occurs. As a result, some officers will request approval from their supervisor to adjust or flex their hours to accommodate their FCC teaching schedule, and do so while their work schedule remains the same in OTTO. This gives the appearance that the officer is requesting double compensation for the same hours worked at both FPD and FCC. The audit revealed the Department lacks a verifiable system in place to track the outside employment of Department members. Having a system in place in which an employee merely reaches an informal agreement with their supervisor to flex their work schedule/hours so they can work another job places the employee and the Department in a precarious position. As a result, the Department has begun implementing a process whereby all Department employees having outside employment will be required to report all such employment to the Personnel Bureau within a week of having worked. The employee will be required to report and account

for any outside employment worked during their normally scheduled City work hours. The reporting will also require proof of supervisory approval to flex City work schedules/hours. Approving supervisors will be accountable for ensuring the employee is fulfilling their commitment to perform their required duties as City employees, and not exceeding the work hour limit pursuant to policy and law. Department policy will be revised to incorporate the new procedure created.

Finding 2: Officers Did Not Comply With Laws Related to Work Permits

A. Officers Did Not Maintain Work Permits

The FMC states that work permits shall not exceed a period of one year and that it is the duty of the employee holding such permit and desiring its renewal to file an application for renewal sufficiently in advance of the expiration date to avoid lapse. However, only one of the 18 officers required to maintain such work permits did so. The other 17 officers did not appropriately maintain a work permit during the audit period. For example, one officer did not have a work permit for two years during the audit period in which they were teaching courses at FCC. Additionally, 16 officers were required to have a current permit on file at the time the audit was conducted. However, six of those officers did not have a current work permit on file even though they were still teaching at FCC.

B. Nine Officers Worked More Than the Maximum Hours Allowed

The FMC states that the maximum number of hours for which a work permit may be approved shall be 16 hours per week for eight and ten hour shift employees. However, nine officers reported more than 16 hours per week on their FCC timesheets. Table 4 below summarizes the number of weeks during the audit period that each officer worked more than 16 hours at FCC and the average number of hours over the maximum they worked at FCC.

Table 4 – Officers Who Worked More Than the Maximum Hours

Officer	Number of weeks the officer worked >16 hours	Average number of hours over the 16 hour max.
Officer 1	10	11
Officer 2	6	5
Officer 3	3	5
Officer 4	64	11
Officer 5	13	14
Officer 6	1	3

Officer 7	1	8
Officer 8	3	8
Officer 9	55	6

Source: Internal Audits based on a review of Fresno Police Department schedules and FCC timesheets.

The most egregious overage occurred when Officer 4 had one week during the audit period in which he worked 57 hours at FCC, or 41 hours over the maximum number of hours allowed.

Recommendations

- To address the non-compliance with the work permit requirements, the Fresno Police Department should take appropriate disciplinary actions against the officers who did not maintain their work permits and those who worked more hours than allowed by law.

PD Management Response: *The audit also determined some officers either did not have an approved work permit on file, or had failed to renew an existing work permit. Procedure 1040 requires all employees seeking outside employment to apply for a work permit. The application then goes through an approval process with FPD and Risk Management. Since the audit, all employees were directed to comply with Procedure 1040. The audit also determined that some officers teaching at FCC had worked in excess of the allowable hours. Procedure 1040 limits employees from working no more than 15 hours in a 24-hour period, or more than 70 hours within a work week. The Personnel Bureau will begin auditing employees who report outside employment to ensure they have a valid work permit on file, and to ensure their work hours do not exceed the limit allowed by Department policy and law.*

The Fresno Police Department takes the findings of the audit very seriously and has launched an internal affairs investigation into the audit team's findings. Specifically, the investigation will focus on determining if: 1) FPD employees violated Department policy by receiving double compensation for working at FCC while also working at FPD, 2) FPD employees worked outside employment without a valid work permit, and 3) FPD employees exceeded the number of work hours per day/week that are allowed by policy and law. If the internal investigation determines that employees did in fact violate Department policy, appropriate disciplinary action will be taken.

FPD policy and procedure will be revised to reflect the above changes, as well as any revisions that become necessary as a result of the internal affairs investigation findings.

Personnel Services Management Response: *During new employee orientation all new fulltime staff is advised of the need to obtain a Work Permit if they presently maintain other paid employment or if they obtain other employment, while working for the City, in the future. Going forward, the Personnel Services Department will send out quarterly Public Affairs announcements that remind full time employees of the Fresno Municipal Code (FMC)*

requirement to obtain a Work Permit when they seek to be paid for work with another employer and that such permits are for a limited duration but can be renewed on an annual basis. It is my understanding that the Police Department will be tracking the Work Permits that have been approved to ensure Department employees comply with the FMC as well as City and Department policy.