



# Follow-up Review Report



## Miami-Dade Schools Police Department Overtime Payroll



**The Miami-Dade Schools Police Department  
has taken appropriate actions to address  
most of the findings and recommendations  
in our prior audit report.**

**June 2009**

## **THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

Dr. Solomon C. Stinson, Chair

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Mr. Alberto M. Carvalho  
Superintendent of Schools

Mr. Jose F. Montes de Oca, CPA  
Interim Chief Auditor  
Office of Management and Compliance Audits

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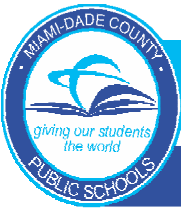
Review Supervised by:  
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# Miami-Dade County Public Schools

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## **Superintendent of Schools**

Alberto M. Carvalho

## **Miami-Dade County School Board**

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June 16, 2009

Members of The School Board of Miami-Dade County, Florida

Members of the School Board Audit Committee

Mr. Alberto M. Carvalho, Superintendent of Schools

Ladies and Gentlemen:

In accordance with School Board Rule 6Gx13-2C-1.14, Section IV.B.3 and the approved Audit Plan for FY 2008-09, we have reviewed the actions taken by management to implement the recommendations included in our prior internal audit report on Miami-Dade School Police Department (M-DSPD) overtime payroll. That report was issued June 24, 2008, and the objectives were to determine whether adequate policies, procedures and management controls are in place to maximize the efficient use of overtime, as well as whether staffing levels and shift allocations are designed to minimize overtime compensation. In addition, the audit addressed whether the budget is adequate for mandates requiring overtime.

## **EXECUTIVE SUMMARY AND CONCLUSIONS**

Our prior audit report disclosed that the Miami-Dade Schools Police Department needed to better monitor overtime to ensure that the annual overtime budget was not exceeded. Also, M-DSPD needed to maintain sufficient and proper documentation to support the overtime payroll. There were a number of areas noted where overtime cost could have been reduced by improving internal controls and management practices. Two areas where substantial savings could have been achieved were reimbursable overtime and extra duty for court appearance.

We made 25 recommendations to improve the process. Management was in general agreement with our recommendations and provided responses indicating the findings would be addressed. Of the 25 audit recommendations, 18 were fully implemented, five were partially implemented, and only two were not implemented.

Miami-Dade County Public Schools  
Office of Management & Compliance Audits

Internal Audit Report  
Follow-up Audit of Miami Dade School Police  
Department Overtime Payroll

As indicated above, the M-DSPD has fully implemented most of our prior audit recommendations and we commend management for its responsiveness. Management has exercised greater control over overtime expenditure, as recommended. As a result, based on the Office of Budget Management's analysis of the M-DSPD's year-to-date expenditures, the department is operating within its approved overtime budget and is expected to end the year with a surplus in its overtime budget. The department had exceeded its overtime budget in each of last three fiscal years ended June 30, 2008.

The department needed to improve the approval and documentation processes of overtime payroll. It has done so. One hundred twenty-nine (129) or 98% of 132 payroll records tested were sufficiently documented. Notwithstanding, the approval process still needs some improvement in relation to the agreement of hours between the working and final payroll rosters and the Daily Payroll Attendance Sheet. Moreover, two of the three locations reviewed did not completely transfer all the hours paid on the overtime payroll to the Daily Payroll Attendance Sheets. Therefore, the risk of double payments for out-of-date hours worked continues to exist. Our follow-up review, however, did not disclose any instances of overpayments.

Management was able to maintain overtime assigned to officers within the Fraternal Order of Police contract limit of 64-hours per pay period. As recommended, procedures were developed to monitor and account for the cumulative overtime hours worked by each officer. Both of these recommendations were fully implemented.

Overtime for court appearances by officers has drastically decreased, (only 6% of the total overtime hours reviewed). Improved control is being achieved, as officers are now submitting completed Court Attendance/Overtime Authorization forms with the subpoena attached, as recommended. However, management has not implemented our recommendation to negotiate with the union to reduce the amount paid for overtime related to court appearances to actual travel and work time. Management has indicated they have not done this because court-time appearance is generally reserved for officers working afternoon and midnight shifts and although the recommendation seemed practical, it would lead to officers not showing up in court and would be met with tremendous amount of resistance.

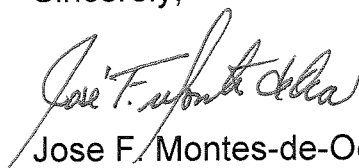
The department has improved its management of assigning overtime to officers by maintaining a temporary extra duty roster, according to seniority and by coordinating all requests for police personnel through the regional police stations. The department conducted an analysis of staffing needs and made some

downward adjustments to certain patrol shifts. Officers assigned to administrative duties, Internal Affairs unit and patrol shift would be utilized for extra-duty details when possible to avoid incurring overtime pay. Nevertheless, we were not able to obtain evidence that written standards to determine the appropriate staffing level for the various types of covered events were developed and codified. However, we acknowledge that the M-DSPD has significantly reduced the amount of overtime expenditure during FY 2008-09.

The process of managing reimbursable overtime was significantly revised, as recommended. Reimbursable overtime is now being properly billed, recorded, aged, and monitored. Through the first nine months of the fiscal year, M-DSPD has invoiced schools over \$262,000 for overtime detailed provided, and has collected more than \$232,000 or 90%. The collection rate for similar services provided over the preceding two fiscal years was 68%. However, the department still needs to work on reconciling reimbursable overtime to the general ledger account. As of the end of our fieldwork, M-DSPD was working with the accounting and budget departments to reconcile reimbursable overtime to the general ledger by fiscal year-end.

Based on our observation, the Miami-Dade Schools Police Department has taken appropriate actions to address most of the findings and recommendations in our prior audit report and is currently working to address the seven recommendations that are not fully implemented.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jose F. Montes-de-Oca". The signature is fluid and cursive, with the last name being particularly prominent.

Jose F. Montes-de-Oca, CPA

Interim Chief Auditor

Office of Management and Compliance Audits

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

The objective of this follow-up review was to determine the progress and extent of the implementation of management's plans of action for addressing the 25 recommendations in the original audit report. Subsequent to the submittal of the audit report, there was a change in management. Consequently, this review covered actions taken by management subsequent to this change.

We performed the following procedures to satisfy our objective:

- Interviewed M-DSPD staff;
- Reviewed operating policies and procedures, Fraternal Order of Police union contract and applicable School Board Rules;
- Examined on a sample basis, payroll transactions and documentation including overtime authorizations, shift strength reports, overtime tracking reports, and reimbursable overtime documentation; and
- Performed other procedures as deemed necessary

This performance audit follow-up review is not an audit, but is intended to provide a current status on prior audit findings and recommendations. However, we believe that the evidence obtained and reviewed provides a reasonable basis for our conclusions on the status of prior audit findings and recommendations. This follow-up review did not include a specific assessment of the overall internal controls.

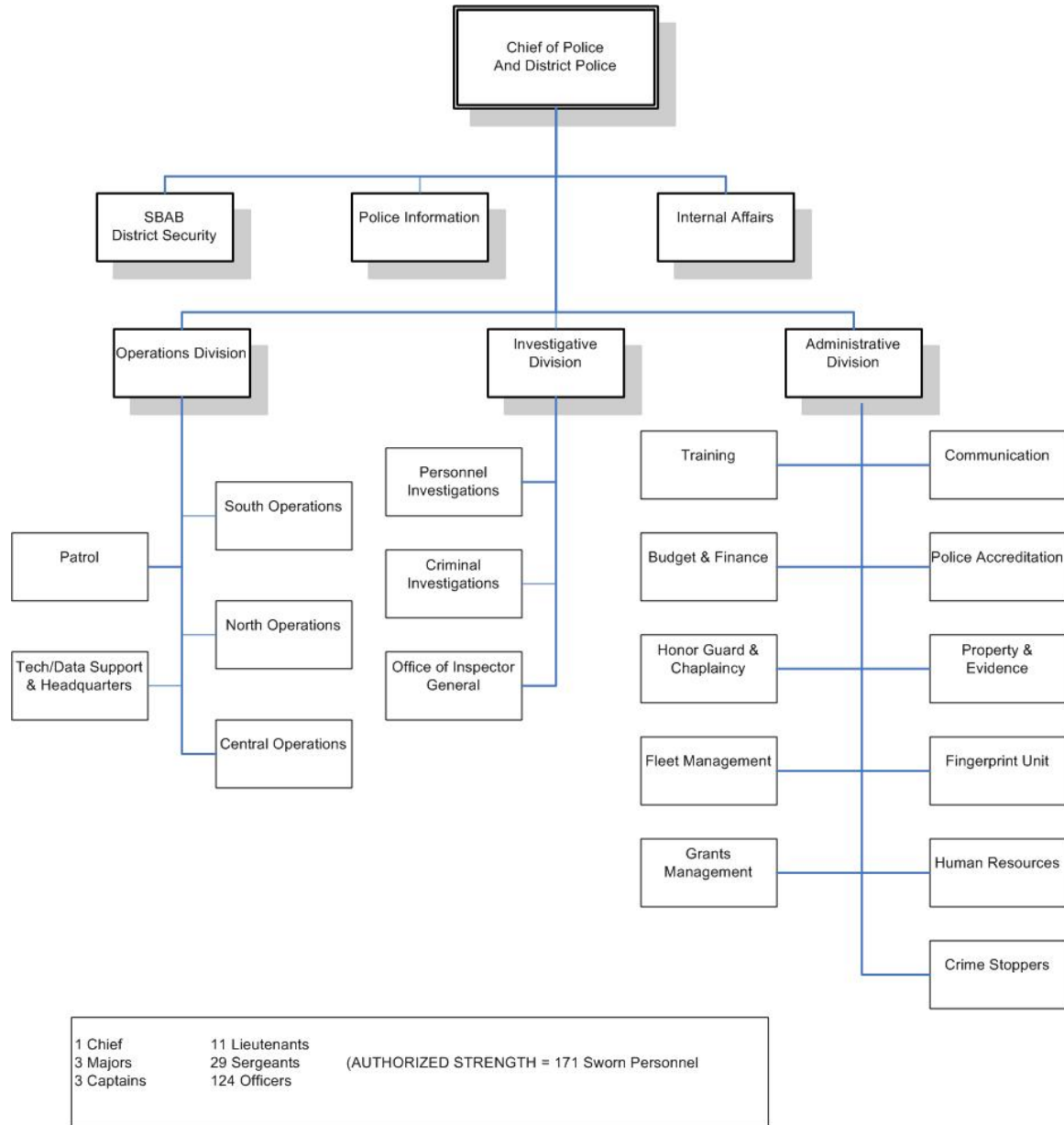
## **BACKGROUND**

The Miami-Dade Schools Police Department (M-DSPD) has an authorized force of 171 sworn law enforcement personnel. The organizational structure is presented in the condensed organizational chart on page 5. The tenure of the current administration began subsequent to the issuance of our prior audit report.

The M-DSPD general fund budget for the FY2008-09 was \$17.7 million, of which \$672,502 or 3.80% was budgeted for overtime. This represents a decrease of approximately 62.6% from the FY2006-07 \$1.8 million budgeted overtime amount reviewed during the previous audit.



## CONDENSED ORGANIZATIONAL CHART



Current Status Follow-up Review of Prior Audit Findings and Recommendations			
Miami Dade School Police Department Overtime Payroll – June 23, 2009			
Audit Findings	Recommendations	Corrective Action By Management	Auditors' Comment
1. <b>Overtime budget exceeded.</b>	1.1 M-DSPD management should carefully review staffing needs and exercise greater control over the authorization and expenditure of overtime.	Two Administrative Directives were issued: Administrative Directive #08-02, Administrative Tracking Codes, issued August 11, 2008, allows for the initial tracking of the origin of the overtime.  Administrative Directive #08-03, Extra Duty Tracking Procedures, issued August 20, 2008, was designed to track and manage extra duty.	<b>Fully implemented.</b>
	1.2 Review the National Institute of Justice Research brief titled "Police Overtime: An Examination of Key Issues" – May, 1998; and the International Association of Chiefs of Police (IACP) National Law Enforcement Policy Center concepts and issues paper titled "Overtime" – May 1, 2000; and implement the	Reviewed the National Institute of Justice Research brief and issued two Administrative Directives: Administrative Directive #08-02, Administrative Tracking Codes, issued August 11, 2008, allows for the initial tracking of the origin of the overtime.  Administrative Directive #08-	<b>Fully Implemented.</b>

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	recommended model overtime policy where possible.	03, Extra Duty Tracking Procedures, issued August 20, 2008, was designed to track and manage extra duty.	
<b>2. Overtime approval and documentation needs improvement.</b>	2.1 Enforce the department's policy requiring advanced authorization, supervisory approval, and the required supporting documentation of overtime hours before processing for payment.	During the week of January 12-16, 2009, management addressed all overtime issues with command staff. Management directed staff to have back-up documents for any overtime or it will not be paid. Physical audit was complete at each work location.	<b>Fully Implemented.</b>
	2.2 The approving supervisor should verify that the overtime hours on the working roster agree to the supporting documentation on file and the hours on the "V" coded Daily Payroll Attendance Sheet [DPAS].	On January 12-16, 2009, a meeting was held with all support staff to address proper payroll procedures and to review the payroll manual.	<b>Partially Implemented.</b> Although there were no significant exceptions noted, two of the three locations visited were not transferring the hours worked from the overtime authorization forms to the overtime payroll DPAS.

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	2.3 Supervisors should be directed to refrain from authorizing overtime for non-essential, routine, administrative functions.	Administrative Directive #08-03, Extra Duty Tracking Procedures, issued August 20, 2008, was designed to track and manage extra duty.	<b>Fully Implemented.</b>
3. <b>Officers are being overpaid.</b>	3.1 Review overtime forms for discrepancies prior to processing for payment.	Meetings were held with all authorized command staff and support personnel to review M-DCPS payroll procedures and to ensure all leave cards and overtime slips comply with M-DCPS procedures. Additionally, Administrative Directive #01-13, Payroll Approval and Overtime Accountability, dated August 21, 2001, was redistributed and made available on-line.	<b>Fully Implemented.</b>
4. <b>Duplicate overtime payments were processed.</b>	4.1 Adhere to District's payroll procedures and timely transfer overtime hours reported in the authorization forms to the Daily Payroll Attendance Sheet (DPAS) for the respective day. Compliance should be	Meetings were held with all authorized command staff and support personnel to review M-DCPS payroll procedures and to ensure all leave cards and overtime slips comply with M-DCPS procedures. Staff was instructed that no overtime will	<b>Partially Implemented.</b> Although there were no significant exceptions noted, two of the three locations visited were not

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	verified against the working payroll roster prior to final approval of the payroll.	be paid without properly signed paperwork.	transferring the hours worked from the overtime authorization forms to the overtime payroll DPAS.
	4.2 Develop procedures for processing out-of-date overtime authorization forms to prevent duplication of payment.	Form FM-5128 was revised, made available on-line, and will be updated annually to reflect the proper fringe benefit rates.	<b>Partially Implemented.</b> Although there were no significant exceptions noted, two of the three locations visited were not transferring the hours worked from the overtime authorization forms to the overtime payroll DPAS.
5. <b>Officers are working overtime hours in excess of the limit established by contract.</b>	5.1 Comply with the Fraternal Order of Police Contract's 64-hours per pay period limit.	All overtime is limited to an as-needed basis, solely authorized by an administrator, and is closely monitored by the location administrator weekly.	<b>Fully Implemented.</b>

Current Status Follow-up Review of Prior Audit Findings and Recommendations			
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	5.2 Develop procedures and processes to monitor and account for the cumulative overtime hours worked by each officer during the pay period and to ensure that overtime in excess of the limit is not assigned.	All overtime is limited to an as-needed basis, solely authorized by an administrator, and is closely monitored by the location administrator weekly and by the support specialist, bi-weekly via the required overtime tracking form and overtime tracking codes delineate in Administrative Directive #08-02.	<b>Fully Implemented.</b>
6. <b>Some travel time being paid as overtime in violation of procedure.</b>	6.1 Ensure officers are aware of the M-DSPD Standard Operating Procedure #3 and enforce compliance. The payroll clerk and appropriate management should review the dates and times posted on the authorization forms to ensure compliance.	On November 12, 2008, SOP #3, was reissued as SOP 4.7 Secondary Employment and provided the staff guidance regarding proper payroll procedures for travel times between employment.	<b>Fully Implemented.</b>
7. <b>Overtime related to court appearances is excessive.</b>	7.1 Implement a procedure requiring that the subpoena be attached to the Court Attendance/Overtime Authorization form.	Administrative Directive #01-15, which provides guidance regarding required documentation for overtime compensation related to court appearance, was issued to	<b>Fully Implemented.</b>

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		staff.	
	7.2 Require officers to use the designated Court Attendance/Overtime Authorization forms when submitting overtime for court appearance. All fields in the form should be completed before submitting.	Administrative Directive #01-15, which provides guidance regarding required documentation for overtime compensation related to court appearance, was issued to staff.	<b>Fully Implemented.</b>
	7.3 Review Section 9 of Article XX of the FOP Labor Contract and consider negotiating more reasonable terms by reducing the amount paid for overtime to actual travel and work times.	Management action is pending.  <u>Subsequent response from management:</u> This is an industry standard throughout the U.S. Court overtime paid to M-DSPD officers is generally reserved for those officers that work irregular schedules i.e., afternoon and midnight shifts. While the recommendation to reduce the amount paid for overtime to actual travel and work times appears practical, this would lead to officers not showing [up] for court, and be	<b>Not implemented.</b>  We are aware that the minimum overtime granted to officers performing extra duty varies among different law enforcement agencies within our state. We believe that an attempt, however, should be made to renegotiate a more reasonable minimum to actual

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		<p>met with a tremendous amount of resistance. The FOP is currently at impasse, and the opportunity to make this a proposal is still available; although I would strongly discourage due to the amount of court overtime being minimal.</p> <p>The option of having officers remain “on-duty” during the four hour minimum court time has disadvantages as well, due to sleep deprivation, contiguous working hour clauses in the contract and other factors...</p>	travel and work time.
8. Documentation of how overtime is allocated among officers is lacking.	8.1 Comply with the Commission of Florida Accreditation Standards and the Fraternal Order of Police Union Contract and maintain a temporary extra duty roster, by seniority, at each location. This roster should be used when assigning overtime duties.	SOP#3 was revised and reissued as SOP 4.7, Secondary Employment “V. Distribution of Overtime and Temporary Extra Duty” and provided the staff guidance regarding proper payroll procedures for assigning overtime duties to officers.	<b>Fully implemented.</b>



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	8.2 M-DSPD should develop protocol to require that all requests from principals and other non-police department groups, for police personnel, are coordinated through the appropriate regional police stations. Officers should be permitted to work only those extra duties assigned to them through the established protocol.	In October 2008, Extra Duty Form FM-5128 was revised and subsequently made available on-line.	<b>Fully Implemented.</b>
	8.3 Perform an analysis of staffing needs to determine if additional staff or scheduling adjustments could result in cost savings to the district.	Administrative memo #176, dated October 31, 2008, addressing staffing of School Board meetings and other special events was issued. Subsequently, as of January 2009, all staffing of sworn personnel at School Board meetings was cancelled, and will be provided only based on need.	<b>Fully Implemented.</b>

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9. Police services were rendered at charter schools without contract or written request.	9.1 Prior to performing any police duties on behalf of charter schools or other non-school district entity, M-DSPD should enter into a contract to provide those services.	M-DSPD has complied with the School Board Attorney's Office opinion that the School Police should no longer respond to Charter Schools.	Fully Implemented.
	9.2 Prior to performing any overtime duties under the contract, a written request to the Station Commander of the Administrative Division should be obtained.	No overtime will be permitted unless a signed contract is provided and approved by Chief of Police and the Superintendent.	Fully implemented.
10. The process for managing reimbursable overtime requires significant revision.	10.1 Develop a standard procedure for sites to request overtime coverage. This procedure should be transmitted to all locations in the district.	SOP#3 was revised and reissued as SOP 4.7, Secondary Employment and provides guidance on how the rotation of jobs will be distributed. Additionally, Administrative Directive #08-03 was issued and provides procedures for tracking Extra Duty.  Addition to the previously	Partially Implemented.  The department's revised Standard Operating Procedure 4.7 includes procedures for the scheduling overtime coverage. According to

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		<p><b>submitted Corrective Action Plan:</b> The M-DSPD developed a Standard Operating Procedure (SOP) that was distributed to all M-DSPD District locations; however, it was not transmitted to District entities outside the Department, as they would not be bound to our SOPs.</p> <p>At this point, the most suitable solution would be to collaborate with School Operations and ask that all work locations recognize our internal policy, and adhere to the guidelines outlined in the directive. This can be done immediately using the “Weekly Briefing.”</p>	management, those procedures will be communicated to district locations for their consideration and use when requesting the services of sworn officers to work a second job.
	10.2 Each police station location should maintain a log of unique, sequential numbers for assignment to the Extra Duty Authorization Form/Invoice (Form FM-5128) when overtime	An Extra Duty Form FM-5128 is completed and an invoice log maintained at each station.	<b>Fully implemented.</b>

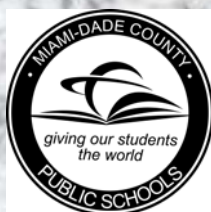
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	coverage is requested. These numbers can be sequenced to indicate the year and the region.		
	10.3 Revise form FM-5128 to eliminate the expenditure transfer option and to include additional information such as check date and check number. The form should also clearly designate which sections to be completed by the payer and by M-DSPD.	In October 2008, Extra Duty Form FM-5128 was revised and subsequently made available on-line.	<b>Fully Implemented.</b>
	10.4 Develop written procedures to ensure that all reimbursable overtime is properly billed, recorded, received, aged, accounted for, and monitored. The process should also ensure the necessary interdepartmental handoffs occur.	Administrative Directive #08-03, which delineated extra duty tracking procedures and administrative memo #302, dated January 9, 2008, which requested that schools establish a "Police Services Funding Structure" to expedite reimbursement of overtime control account were issued. The establishment of the	<b>Fully Implemented.</b>

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		recommended funding structure is still pending.	
	10.5 Reconcile reimbursed overtime to the general ledger account balance and to the overtime subsidiary ledger/reports, to determine overdue amounts and take proper action. At fiscal year end, submit a request to re-budget any available balance remaining in the tracking program (7371).	Administrative memo #302, dated January 9, 2008, which requested that schools establish a "Police Services Funding Structure" to expedite reimbursement of overtime control account was issued. The establishment of the recommended funding structure will reduce the re-budgeting of expenditures, but is still pending. Presently, program 7371 is an on-going practice to transfer funds.	<b>Partially implemented.</b>  After the audit was completed, the Department lost staff in charge of reconciling the accounts. New staff is currently in training.
11. There is no written policy regarding the number of officers required for events.	11.1 Develop standards to determine the appropriate staffing level for the various types of covered events. Those standards should be codified in a written policy and adhered to when	Industry standards will determine staffing levels for various types of events and parties involved. Based on situational concerns.	<b>Not implemented.</b>  We are aware that rigid staffing formulas may be inefficient for the department's

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	assigning staff to cover these events.		operations. Nevertheless, we believe that the department's operations could benefit from having baseline-staffing levels that at the same time allows for sufficient flexibility when warranted by specific conditions and circumstances.

**Insert Non-Discrimination In Employment Page**

## ***INTERNAL AUDIT REPORT***



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