

FOLLOW-UP REVIEW

CITY AUDITOR

Report Date:	August 18, 2016
Department:	Police
Subject:	Off Duty Employment Program
Lead Auditor:	Karen Newman, Sr. Internal Auditor

OBJECTIVE

The objective of this review was to determine whether the Police Department effectively implemented the action plans presented in response to our March 2015 Off Duty Employment Program audit report.

SCOPE & METHODOLOGY

To accomplish our objective, we reviewed departmental procedures, interviewed staff, analyzed data from the MPD Off Duty Jobs database and the City's Kronos timekeeping system, and reviewed MPD Inspections Unit reports and related correspondence.

BACKGROUND

In March 2015, we issued a report on our audit of the Police Off Duty Employment Program. The objective of that audit was to evaluate internal controls related to the program. The audit report included the following eight recommendations:

1. MPD should implement more effective internal controls to ensure that Officers are not scheduled and/or paid for more than one job at a time, that Contract Off Duty employers are billed accurately, and that all hours worked (both on and off duty) are accurately recorded.
2. To ensure compliance with all requirements of DPM 1.2.115, Off Duty Employment Protocols, management should implement additional program oversight and continuous monitoring by the MPD Inspections Unit. This should include a formal structure for corrective action and accountability when violations are detected.
3. MPD should implement controls, such as additional management oversight, to ensure that Officers working Off Duty jobs do not exceed the maximum combined number of work hours permitted by Department policy.
4. MPD should implement controls to ensure that signed Temporary Employment Agreements are obtained from all Contract Off Duty employers, maintained in a retrievable manner, and retained in accordance with records retention requirements. In addition, these Agreements should be subject to renewal on a periodic basis. Lastly, Off Duty job requests should not be accepted from any employer without the required Agreement on file.
5. MPD should require that all hours worked on Off Duty jobs, and all Off Duty vehicle usage, be fully and accurately documented in accordance with Department policy. Compliance with these

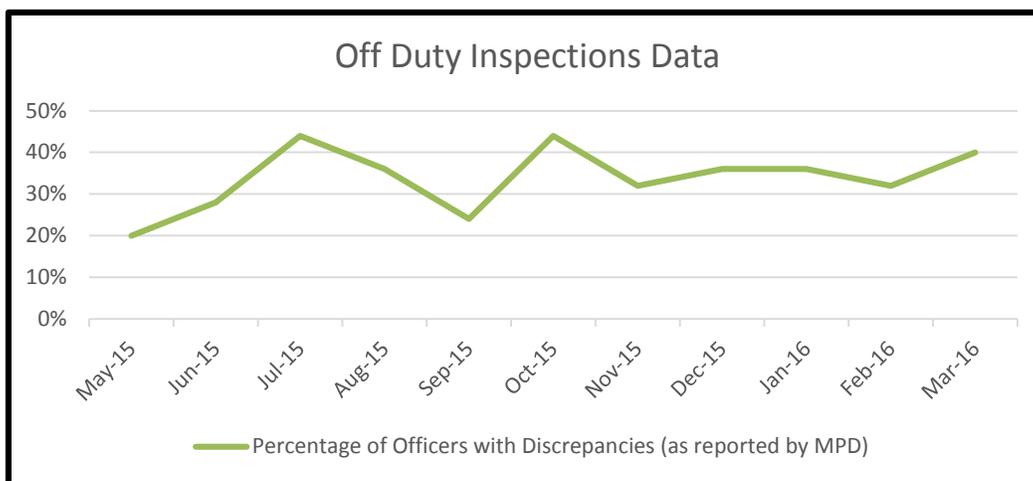
requirements should be actively monitored, and non-compliance should result in suspension of eligibility for Off Duty assignments.

6. MPD should implement controls to ensure that current insurance certificates are periodically obtained from employers, as needed to verify that required coverage is maintained. Off Duty job requests should not be accepted from any employer without the required insurance documents on file.
7. MPD should implement controls to ensure that only Officers with current, approved Annual Work Permits on file are permitted to work Off Duty jobs.
8. The forms required under DPM 1.2.115 should be updated to ensure they capture the necessary information in the most efficient and effective way possible, incorporating available electronic solutions.

CONCLUSION

While some process improvements have been realized, the number of policy violations detected during audit testing has not changed significantly since the original audit report was issued. In addition, as of April 2016, only 2 of the 8 recommendations (#5 and #7, above) had been fully/successfully implemented, and the remaining 6 were still in progress. A complete list of the original corrective action plans, along with detailed information regarding their implementation status, is presented in the attached Appendix.

It should be noted that the MPD Inspections Unit has been conducting monthly inspections of Off Duty activities since May 2015. Each month, they perform detailed compliance testing of a random sample of Officers, and they report their findings to MPD Executive Staff. The reports are then provided to Command Staff in the Officers' various work areas. However, we did not find evidence of any significant effort to address the majority of issues reported between May 2015 and March 2016, as shown below:



During the months since the audit, the MPD (with the exception of the Inspections Unit) has directed more effort towards replacing/improving the Off Duty database system than on improving Officer compliance and accountability. However, after this follow-up review began,

there was an increase in attention given to addressing the specific policy violations identified by the Inspections Unit. We are recommending that these efforts continue. Our updated recommendations, along with responses from MPD, are listed below. We plan to conduct another follow-up review in approximately 9 months.

RECOMMENDATIONS & RESPONSES

- 1. Recommendation:** MPD should implement *effective* internal controls to ensure compliance with Off Duty Program requirements. (i.e. Officers are not scheduled and/or paid for more than one job at a time; Off Duty employers are billed accurately; all hours worked (both on and off duty) are accurately recorded; Officers do not exceed the maximum combined number of work hours; Officers do not work Off Duty jobs while On Call or during other prohibited times; all required forms are obtained and completed correctly; etc.)

Response:

Agree.

Implementation Plan:

There have been four policy revisions to the Off Duty Employment Protocols Policy (DPM 1.2.115) since the audit in March 2015. Revisions to the Off Duty Hiring Coordinator responsibilities were also rewritten and formalized in February 2016 to concur with the audit recommendations and findings. A new Off-Duty Timesheet (DPM 1.2.115F4) form was implemented to ensure timely accountability of hours worked, accurate recording, and archival information for every officer working in an off duty capacity.

A Department wide education plan was initiated in March 2015 through August 2015 to educate all sworn personnel with the audit compliance and formalized Off-Duty Employment updates. These efforts included:

- Posting Off Duty Policy PowerPoint on Just the Fact's supplemented with briefing trainings conducted by the Hiring and Inspections Units.
- Emails were sent by the HR Commander to affected Division Commander's regarding personnel not in compliance. In March 2016 these discrepancies (approximately 173 in total since Sept. 2015) were resent to all affected division Commanders to ensure accountability of every Off-Duty discrepancy.
- Upon reviewing the discrepancy responses, it became clear in addition to education efforts we needed to enforce protocols for accountability.
- As a result of these changes, starting in May 2016 we saw significant reductions in Off-Duty Employment discrepancies. In May 2016 we had three discrepancies, in June 2016 we had four discrepancies, and in July 2016 we had two discrepancies.
- In August 2016, the Human Resources Commander placed four employees on Off-Duty Employment probation for 90 days.
- Unfortunately, City ITD were unable to develop online Off-Duty tracking system which we intended to use to provide better accountability for our Off-Duty program.

We are currently in the process of posting an RFP to solicit vendors who can provide this service for our department.

- See "Recommendation 2" for additional internal controls which are being implemented.

Individual or Position Responsible:

Mesa PD Inspections Unit
Human Resources Commander

Estimated Completion Date:

9/1/2016

2. **Recommendation:** MPD should implement and enforce protocols for accountability, which should apply to all Off Duty Officers and their supervisors.

Response:

Agree.

Implementation Plan:

In addition to the above listed implementations, the following have also been instituted since September 2015:

- Once an officer is selected for an Off-Duty job, his or her supervisor is notified via email to ensure officers are not exceeding maximum combined hours/not on call during prohibited times, not flexing regular schedules to accommodate off duty, etc.
- We are currently updating policy to include the following changes:
 - Kronos and the Off-Duty Timesheet are the official records when determining time worked.
 - These records will be used to verify compliance with the mandatory 15-minute break. Fifteen minute breaks are determined at the end of shift. For example:
 - If an employee times out in Kronos at 1555 hours they are compensated until 1600 hours; therefore, an Off-Duty shift cannot be commenced until 1615 hours. The mandatory Off-Duty Officer Time Sheet must reflect actual start/end time.
 - If an employee times out in Kronos at 1608 hours they are compensated until 1615 hours; therefore, an Off-Duty shift cannot be commenced until 1630 hours. The mandatory Off-Duty Officer Time Sheet must reflect actual start/end time.
 - The only exception shall be when the employee is mandated to work the Off-Duty job while on mandatory Standby.
- Exceptions to the 16-hour restriction, the 8-hour rest period, the 15-minute break, or the Standby exception must be documented and approved by a Lieutenant and documented on the Off-Duty Officer Timesheet.
- The Inspections Unit will continue to conduct monthly random inspections on employee's working Off-Duty jobs. The Human Resources Commander will review

the monthly reports and notify the employee's chain of command of all discrepancies.

- Employees chain of command are required to provide a written response to the Human Resources Commander explaining corrective action taken.
- The Human Resources Commander will review all responses to ensure consistency and appropriateness of measures taken to reconcile the discrepancy.
 - The Human Resources Commander will confer with the employee's Commander to determine if the employee will be placed on probation or an investigation needs to occur which may result in Off-Duty suspension.
- If an employee is placed on Off-Duty probation the employee will be audited each month while on probation to ensure compliance. Further violations will result in a complaint and if sustained, may result in a suspension from Off-Duty Employment.
- In addition to the Inspections Unit's report, the Hiring Unit Sergeant will conduct monthly audits of all Off-Duty forms which include:
 - Notice of Outside Employment forms
 - Off-Duty Annual Work Permits
 - Off-Duty Officer Timesheets
 - Off-Duty Patrol Vehicle Usage forms
 - Temporary Employment Agreements
 - Which includes the terms and conditions (Workers' Compensation)
- Beginning in September 2016, the Human Resources Commander will provide a monthly report to the Community Engagement and Employee Services Bureau Assistant Chief detailing the results of the Inspections Unit audit, the Hiring Unit Sergeant audit, and any corrective action taken.

Individual or Position Responsible:

Human Resources Commander

Estimated Completion Date:

9/1/2016

3. **Recommendation:** MPD should update the Temporary Employment Agreement to include insurance coverage requirements; and should ensure that proof of insurance documents obtained from employers list the City of Mesa Police Department as an Additional Insured (not just a Certificate Holder). We also recommend that forms and policies that are designed to provide legal/liability protection be reviewed for sufficiency by legal counsel.

Response:

Agree.

Implementation Plan:

The MPD Hiring Unit has ensured Temporary Employment Agreements are completed prior to any authorization of Off-Duty Employment (this includes insurance documents). The current Temporary Employment Agreement had been approved by Mesa PD legal counsel and we were unaware this form needed to be revised until the follow up Audit Report.

Mesa PD and City of Mesa attorneys are currently reviewing the wording of our insurance requirements. We are waiting for final revisions which will encompass worker's compensation, liability coverage as well as indemnification clauses.

Once the revisions are completed the new forms will be utilized for all existing and future employment contracts. We anticipate receiving these updates by the end of August.

Individual or Position Responsible:

Human Resources Commander

Estimated Completion Date:

9/1/2016

APPENDIX / 2015 CAP IMPLEMENTATION STATUS as of MAY 2016

 = Implemented  = In Progress  = Not Implemented

<u>Corrective Action</u>	<u>Implementation Status</u>	
CAP#1: Overlapping of Off Duty/On Duty Hours; Unreliable Timekeeping Data.		
<p>Recommendation 1-1: MPD should implement more effective internal controls to ensure that Officers are not scheduled and/or paid for more than one job at a time, that Contract Off Duty employers are billed accurately, and that all hours worked (both on and off duty) are accurately recorded. To that end, we recommend the following:</p> <ul style="list-style-type: none"> A. Police Officers, like other non-exempt City employees, should be required to electronically capture their exact start and end times for all City work, using a time clock, computer, or other mobile device. To facilitate this, the City now has a Kronos mobile application that enables users to clock in or out in seconds, from anywhere, using a smartphone. B. The MPD Off Duty Hiring Coordinator should develop an improved process to ensure that all hours worked on Off Duty jobs (both City and Contract) are accurately reflected in the Off Duty database and all Contract Off Duty employers are billed accurately. C. Officers should be prohibited from accepting Off Duty assignments that overlap with their regularly scheduled work hours. Assignments that immediately follow or precede a regular work shift should only be permitted when no location change or transition time is needed. <p>Management Response: 1.1.A: The police department historically provided justification as to the business need to opt out of Kronos. However, as a result of this audit, and previous internal time keeping issues, the MPD has noted this as an area for improvement. The MPD agrees there is a significant need to electronically capture exact start and end times utilizing a</p>	<p>In Progress (Implemented but Not Effective)</p> <p>The following improvements have been implemented: Kronos is now used to capture timekeeping data; record keeping in the Off Duty system has improved; Off-Duty Timesheets are now obtained from Officers; and the MPD Inspections Unit performs monthly compliance checks of Off Duty activities.</p> <p>However, despite these efforts, there has not been a significant improvement in the number of discrepancies found. Monthly reports issued by the MPD Inspections Unit confirm this as well. Their findings and ours include a variety of policy violations, with little change over the past year.</p> <p>Additionally, the plan to design a new web-based program for the Off Duty program was not feasible, so MPD is reviewing other options to implement system improvements.</p>	

APPENDIX / 2015 CAP IMPLEMENTATION STATUS as of MAY 2016

✓ = Implemented ◆ = In Progress X = Not Implemented

<u>Corrective Action</u>	<u>Implementation Status</u>	
<p>time clock, computer or other mobile device, however, the MPD has also noted there are some instances where it may be necessary to manually input employees' start and/or end times.</p> <p>Accurate timekeeping can be vastly improved through better awareness of this issue by all sworn supervisors in addition to a random monthly compliance check. The MPD Inspections Unit can develop a random monthly inspection of those individuals and their supervisors whom work off-duty jobs. Similar inspections (to various areas of MPD) are conducted on a monthly basis by the Inspections Unit.</p> <p>1.1.B: In October 2014, the off duty program system was being evaluated in an effort to improve accuracy and efficiency. As part of this evaluation, City of Mesa ITD worked with Mesa PD IT and the Off-Duty Hiring supervisors to design a web-based program, which will alleviate these inefficiencies and increase accountability and accuracy of the Off-Duty Hiring recordkeeping. This program has been scheduled as a 400-hour job by City ITD engineers and is slotted to begin development in October 2015.</p> <p>Off-Duty Hiring Coordinator to ensure all Off-Duty Time Sheets are received by members not later than 72 hours after the completion of off-duty work.</p> <p>The MPD Inspections Unit will conduct a random inspection on a quarterly basis to ensure all hours worked are accurately reflected.</p> <p>1.1.C: As of October 2014, the off-duty hiring policy has been under review. As part of this review, language will be added indicating a prohibition of overlap with regularly scheduled work hours and that of off-duty work. As well, a minimum time gap will be proposed between off-duty work hours and regular work hours. An exception will be</p>		

APPENDIX / 2015 CAP IMPLEMENTATION STATUS as of MAY 2016

 = Implemented  = In Progress  = Not Implemented		
<u>Corrective Action</u>	<u>Implementation Status</u>	
<p>permitted for those instances where a location change or transition time is not needed.</p> <p>This policy update will be included as an inspection item on a quarterly basis by the MPD's Inspections Unit.</p>		
<p>Recommendation 1-2: To ensure compliance with all requirements of DPM 1.2.115, Off Duty Employment Protocols, management should implement additional program oversight and continuous monitoring by the MPD Inspections Unit. This should include a formal structure for corrective action and accountability when violations are detected.</p> <p>Management Response: In addition to regular supervision of the Off Duty Hiring Coordinator, the MPD's Inspections Unit will develop monthly and quarterly inspections as an oversight mechanism for the off-duty hiring program. These inspections will ensure policies and procedures are consistent with off-duty hiring practices. The reports of these inspections will be routed to MPD Executive Staff for review.</p>	<p>In Progress (Partially Implemented)</p> <p>The MPD Inspections Unit has been performing monthly compliance checks since May 2015. The results of those inspections are reported to MPD Executive Staff; however, no formal structure for corrective action and accountability has been established. Therefore, no significant improvement had occurred as of May 2016.</p>	
<p>CAP#2: Combined Total Work Hours Exceeded the Allowable Maximum.</p>		
<p>Recommendation 2-1: MPD should implement controls, such as additional management oversight, to ensure that Officers working Off Duty jobs do not exceed the maximum combined number of work hours permitted by Department policy.</p> <p>Management Response: Incorporate this recommendation into the monthly/quarterly inspections.</p> <p>Conduct awareness education for Police Department Supervisors to monitor employees working off-duty jobs, so they are not working over the maximum allowable time between regular duty time and off-duty time.</p>	<p>In Progress (Implemented but Not Effective)</p> <p>For each of the past 14 months, the MPD Inspections Unit has recommended to Executive Staff that they: "Continue to educate employees..." but violations (including excessive hours) have continued to occur.</p>	

APPENDIX / 2015 CAP IMPLEMENTATION STATUS as of MAY 2016

 = Implemented
  = In Progress
  = Not Implemented

<u>Corrective Action</u>	<u>Implementation Status</u>	
CAP#3: Non-Compliance with Documentation Requirements.		
<p>Recommendation 3-1: MPD should implement controls to ensure that signed Temporary Employment Agreements are obtained from all Contract Off Duty employers, maintained in a retrievable manner, and retained in accordance with records retention requirements. In addition, these Agreements should be subject to renewal on a periodic basis. Lastly, Off Duty job requests should not be accepted from any employer without the required Agreement on file.</p> <p>Management Response: Update MPD policy to include an annual renewal process and create a tracking system to utilize by off duty hiring coordinator. This tracking system will identify when a company is nearing the annual expiration of the Temporary Employment Agreement. Once near expiration, the off-duty hiring coordinator will facilitate the renewal of the agreement with contractors. A file system will be created to ensure accessibility to the agreement.</p>	<p>In Progress (Implemented but Not Effective)</p> <p>Although significant improvements have been made in obtaining, tracking, and filing the required documentation, we still found several instances wherein Temporary Employment Agreements either were not provided or were not complete.</p>	
<p>Recommendation 3-2: MPD should require that all hours worked on Off Duty jobs, and all Off Duty vehicle usage, be fully and accurately documented in accordance with Department policy. Compliance with these requirements should be actively monitored, and non-compliance should result in suspension of eligibility for Off Duty assignments.</p> <p>Update policy to reflect repercussion for failing to complete required documentation (off-duty time sheet) in a timely manner including a scaled suspension for off-duty employment violations.</p> <p>Management Response: Implement protocols for the off-duty hiring coordinator to notify members and members'</p>	<p>Implemented</p> <p>All Uniform Off Duty Timesheets and Patrol Vehicle Usage Forms requested were provided.</p>	

APPENDIX / 2015 CAP IMPLEMENTATION STATUS as of MAY 2016

 = Implemented  = In Progress  = Not Implemented		
<u>Corrective Action</u>	<u>Implementation Status</u>	
<p>supervisors when documentation is not completed timely and accurately.</p> <p>Implement quarterly inspection as an independent compliance measure.</p>		
<p>Recommendation 3-3: MPD should implement controls to ensure that current insurance certificates are periodically obtained from employers, as needed to verify that required coverage is maintained. Off Duty job requests should not be accepted from any employer without the required insurance documents on file.</p> <p>Management Response: Implement this recommendation in conjunction with recommendation 3-1.</p>	<p>In Progress</p> <p>We found significant improvement in this area, but there were several instances in which the insurance forms were not current or were completed incorrectly.</p>	
<p>Recommendation 3-4: MPD should implement controls to ensure that only Officers with current, approved Annual Work Permits on file are permitted to work Off Duty jobs.</p> <p>Management Response: In October 2014, the off-duty program system was being evaluated in an effort to improve accuracy and efficiency. As part of this evaluation, City of Mesa ITD worked with Mesa PD IT and the Off-Duty Hiring supervisors to design a web-based program, which will alleviate these inefficiencies and increase accountability and accuracy of the Off-Duty Hiring recordkeeping. This program has been scheduled as a 400-hour job by City ITD engineers and is slotted to begin development in October 2015.</p> <p>Increased supervisory oversight off the Off-Duty Coordinator will ensure accurate and timely Annual Work Permits are on file.</p> <p>As an oversight mechanism, The MPD Inspections Unit will conduct a random inspection on a quarterly basis to ensure all hours worked are accurately reflected.</p>	<p>Implemented</p> <p>All Annual Work Permits requested were provided.</p>	

APPENDIX / 2015 CAP IMPLEMENTATION STATUS as of MAY 2016

 = Implemented

 = In Progress

 = Not Implemented

<u>Corrective Action</u>	<u>Implementation Status</u>	
<p>Recommendation 3-5: The forms required under DPM 1.2.115 should be updated to ensure they capture the necessary information in the most efficient and effective way possible, incorporating available electronic solutions.</p> <p>Management Response: As of October 2014, the off-duty hiring policy has been under review. As part of this policy review, the off-duty hiring forms are being reviewed and updated where appropriate. As well, the web-based program, as discussed, will incorporate these forms into an electronic system.</p>	<p>In Progress</p> <p>The majority of forms required under DPM 1.2.115 have been reviewed and updated where appropriate. However, according to the Deputy City Attorney responsible for Risk Management, the following changes are needed:</p> <ol style="list-style-type: none"> 1) The MPD Temporary Employment Agreement should be updated to include specific insurance coverage requirements. 2) Listing the MPD as a "Certificate Holder" on the proof of General Liability Insurance is not adequate – they must be listed as an "Additional Insured". 	