CITY AUDITOR'S OFFICE

AUDIT OF PARKS, RECREATION, AND NEIGHBORHOOD SERVICES

Management Controls over Employee Overtime

Report No. CAO 1604-1314-09

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CITY AUDITOR

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AUDIT OF PARKS, RECREATION, AND NEIGHBORHOOD SERVICES MANAGEMENT CONTROLS OVER EMPLOYEE OVERTIME CAO 1604-1314-09

BACKGROUND

The Parks, Recreation, and Neighborhood Services Department (PRNS) has 13 appointive employees, 105 full-time classified employees, 6 part-time classified employees, and approximately 591 hourly employees. The full-time classified employees are eligible for overtime when working beyond their regular work hours.

PRNS employees are subject to timekeeping and overtime rules outlined in the following:

- City Policies and Procedures (see Exhibit 4)
- Department Policies and Procedures (see Exhibit 5)
- Las Vegas City Employees Association (LVCEA) Labor Contract (see Exhibit 6)
- Applicable Nevada Revised Statutes
- Official Policies of the Public Employees' Retirement System of Nevada (NVPERS) (see Exhibit 7)

During calendar years 2011 and 2012 combined, PRNS paid out approximately $352,000 in overtime. The following table summarizes the ten PRNS employees with the most overtime hours recorded in calendar years 2011 and 2012 combined. The names of the employees have been replaced with the abbreviation OT and their respective ranking.

PRNS TOP TEN OVERTIME HOURS SUMMARY					
CALENDAR YEARS 2011 AND 2012 COMBINED					
EMPLOYEE	REGULAR OVERTIME HOURS (1)	CALLBACK HOURS (2)	TILO HOURS (3)	TOTAL HOURS	TOTAL $ PAID (4)
OT1	194.50	1,797.00	0.00	**1,991.50**	**$102,155**
OT2	458.00	1.50	126.00	**585.50**	**$31,519**
OT3	489.25	1.50	0.00	**490.75**	**$37,067**
OT4	345.00	6.00	47.50	**398.50**	**$17,380**
OT5	179.00	0	88.00	**267.00**	**$8,258**
OT6	83.00	0	137.00	**220.00**	**$4,361**
OT7	203.00	0	9.00	**212.00**	**$9,673**
OT8	190.00	0	1.50	**191.50**	**$7,748**
OT9	97.00	0	90.50	**187.50**	**$4,643**
OT10	92.50	12.00	71.00	**175.50**	**$7,177**

Notes:

(1) Hours worked beyond an employee's regular shift. Employees are paid for regular overtime at 1.5 times their hourly rate of pay including longevity. Hours were obtained from Oracle CLV Timecard Reports.

(2) A special category of overtime for emergency situations requiring immediate attention where an employee who is off duty for any period of time is asked to return to duty after completing a regular shift with less

than 12 hours' notice. Employees are paid for callback hours at 1.5 times their hourly rate of pay plus longevity. Hours were obtained from Oracle CLV Timecard Reports.

(3) TILO or "Time in Lieu Of" is where an employee accepts time off rather than overtime pay. An employee receives 1.5 hours of TILO for each hour worked. Hours were obtained from Oracle CLV Timecard Reports.

(4) Obtained from payroll data provided by the Department of Finance.

In June 2012, Finance's payroll unit ran various reports of the top overtime earners in the city. Upon review of these reports, Finance identified a PRNS employee with a significant amount of callback time (identified as OT1 in table above) and began questioning the number of overtime hours being recorded and the appropriateness of the classification of these hours as callback. Finance shared this information with Human Resources and they subsequently joined Finance in questioning this employee's overtime. Our office was subsequently notified of this employee's overtime. An analysis of this employee's overtime is included in this audit.

OBJECTIVES

The primary audit objective was to evaluate the adequacy of the management controls in place to ensure overtime hours incurred by PRNS employees are properly approved, classified, and recorded.

SCOPE AND METHODOLOGY

The scope of this audit was limited to an evaluation of the management controls over the approval, classification, and recording of overtime hours by PRNS employees during calendar years 2011, 2012, and 2013 (through June). The scope of our work on internal controls was limited to the controls within the context of the audit objectives and the scope of the audit. The last fieldwork date of this audit was October 30, 2013.

Our audit methodology included:

- Research of applicable city and state regulations,
- Research of applicable policies and procedures,
- Interviews of city personnel,
- Observations of work processes, and
- Analysis of available data.

We conducted this performance audit in accordance with generally accepted government auditing standards except for the requirement for an external peer review every three years. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The exception to full compliance is because the City Auditor's Office has not yet undergone an external peer review. However, this exception has no effect on the audit or the assurances provided.

CONCLUSIONS, FINDINGS, AND RECOMMENDATIONS

The following conclusions were noted:

- PRNS management needs to implement a more efficient and effective process for approving and monitoring employee overtime. (Finding #1)
- A PRNS employee recorded a significant number of callback hours during 2011 and 2012 without adequate documentation supporting the classification of these hours as callback. We recommended that Finance management review the appropriateness of the classification of these callback hours against NVPERS policies and review the city's documented payroll policies and procedures and training documents to ensure they clearly and accurately reflect documentation requirements and overtime policies contained within the LVCEA labor contract and NVPERS policies. (Finding #2)
- Deficiencies were identified in PRNS management's oversight of employee overtime. (Finding #3)
- Finance needs to implement a formalized process for routinely monitoring employee overtime on a city-wide basis to timely identify trends, errors, and irregularities. (Finding #4)
- Human Resources needs to improve the verbiage on callback time in the LVCEA labor contract so that it more clearly reflects the NVPERS policies. (Finding #5)

Further information on these issues is contained in the sections below. While other issues were identified and discussed with management, they were deemed less significant for reporting purposes.

1. Overtime Approval and Monitoring Process Deficiencies

Criteria

An effective and efficient overtime approval and monitoring process includes:

- Policies and procedures that clearly outline the overtime approval and monitoring process.
- Efficient process to obtain timely management approval for overtime.
- Uniform enforcement of policies and procedures by management.
- Supervisory review of employee timecards for accuracy and policy compliance.
- Management review of employee overtime for errors and irregularities.

Condition

PRNS employees are required to obtain pre-approval from management for all overtime including regular overtime, callback, and TILO. An employee obtains pre-approval by completing the paper *Overtime/PERS Callback Form* (paper overtime approval form) (see Exhibit 1) and submitting it to their supervisor who then forwards it to the respective manager, deputy director, and the department director for approval.

Information from the paper overtime approval forms is input by an administrative staff identified as a department timekeeper into an excel spreadsheet (see Exhibit 2). This overtime spreadsheet is available for reference by the timekeepers and supervisors. The paper overtime approval forms are retained in a file drawer.

Employees complete bi-weekly electronic timecards that are approved electronically by their supervisors (see Exhibit 3). If an employee records any type of overtime, they must complete the electronic *Overtime/PERS Callback Form* (see Exhibit 3). The information input into this form is a master record that can be made available to NVPERS for evaluation of the city's compliance with NVPERS policies.

The following inefficiencies and deficiencies were identified with PRNS' current overtime approval and monitoring process:

- **Outdated Policies and Procedures –** While the PRNS work rules and regulations briefly address the overtime approval process, the *PRNS Overtime and TILO Policy and Procedures* (see Exhibit 5) are outdated and do not fully reflect the current overtime approval and monitoring process within the department.
- **Inconsistent Submittal of Paper Overtime Approval Forms** – Employees did not consistently submit paper overtime approval forms during calendar years 2011 and 2012 as evidenced by the following analysis of the ten PRNS employees with the most overtime hours recorded during these years combined:

Calendar Years 2011 and 2012 Combined	
Employee	**Percentage of Overtime (Regular, Callback, and TILO) Supported by a Paper Overtime Approval Form**
OT1	19%
OT2	54%
OT3	30%
OT4	1%
OT5	70%
OT6	33%
OT7	47%
OT8	51%
OT9	37%
OT10	50%

In 2013, PRNS management emphasized in department communications to employees and through an update to the department's work rules that paper overtime approval forms are required. We saw increased compliance with this requirement in 2013.

- **Inconsistencies and Errors in Completion of Paper Overtime Approval Forms** – In our testing we found inconsistencies in how the paper overtime approval forms were completed by PRNS employees. We also found reoccurring errors and incomplete sections on the forms.
- **Inefficient Management Approval Process –** The paper overtime approval forms must be forwarded from remote work sites to city hall and to multiple members of management for approval. With PRNS being a decentralized organization with work sites all around the city, the forms are not always approved in a timely manner and the forms are susceptible to getting lost or sitting in an employee's mailbox for an extended period if they are on leave.
- **Lack of Confirmation of Management Approval –** Department procedures state that "a copy of the [overtime] request will be kept on file and one will be given to the employee who performed the overtime" (see Exhibit 5). While the original paper overtime form is filed after being approved by upper management, PRNS employees do not receive a copy as confirmation that their overtime was approved and do not have access to the information on the paper overtime approval form when completing their bi-weekly timecards.
- **Redundant Information Captured in Overtime Spreadsheet –** Information already documented on the paper overtime approval forms is being input into an overtime spreadsheet for reference by the department timekeepers and supervisors. Errors and inconsistencies were identified in this spreadsheet and the maintenance of this spreadsheet is time consuming. While the overtime spreadsheet allows the timekeepers

to easily identify whether paper approval forms were submitted by employees without referring directly to the forms, the value and extent to which it is used by management appears to be minimal.

- **Lack of Defined Responsibilities for Ensuring Accurate Recording of Overtime –** The PRNS timekeepers ensure paper overtime approval forms have been received for overtime hours recorded on employee timecards. This was not consistently done during 2011 and 2012. The division of responsibility and accountability between timekeepers and supervisors for ensuring employees have obtained approval for their overtime and accurately recorded their overtime on their timecards has not been formally defined and documented and may lead supervisors to inappropriately assume that the timekeepers are ensuring the accuracy of the overtime on employee timecards. While the timekeepers are able to identify whether the overtime recorded on the timecard agrees with the number of hours documented on the paper overtime approval form, the timekeepers are not in a position to know whether the overtime was actually worked, how many hours were worked, and whether the overtime was properly classified. This responsibility rests with the supervisors who approve employee timecards. According to city policy, the supervisors are responsible for certifying through their electronic signature "that the hours on the timecard are accurate and the employee is entitled to payment for those hours" (see Exhibit 4)**.**
- **Incomplete and Inaccurate Electronic Timecards –** Errors were found within the data input by employees into the electronic *Overtime/PERS Callback Form*. In addition, PRNS supervisors who approve employee timecards are not completing the "Acknowledgment" section of the electronic *Overtime/PERS Callback Form* (see Exhibit 3) where they are to identify the time and date that they had knowledge of the need for staffing. This information is important for demonstrating the city's compliance with NVPERS requirements. With supervisors failing to complete this section of the timecard, it raises questions on the adequacy of the supervisory review of the overtime hours on the timecards.
- **Lack of Formal Department Overtime Monitoring Process –** PRNS Management has not implemented a formal process for monitoring the overtime of its employees on a department-wide basis to:
    - ensure proper classification of overtime hours,
    - identify overtime trends and irregularities,
    - evaluate alternatives to the overtime being incurred, and
    - evaluate overtime hours against budgeted hours.

Cause

- Inefficient overtime approval and monitoring process.
- Lack of fully documented procedures on all aspects of the overtime approval and monitoring process.
- Lack of uniform enforcement of department policy requiring overtime pre-approvals using the paper overtime approval form.

Effect

- Lack of assurance that employee overtime has been properly and timely approved.
- Lack of assurance that employee overtime has been properly recorded on timecards.
- Employees are unaware of whether their overtime has been properly approved.

Recommendations

1.1 PRNS management should implement a more efficient and effective overtime approval and monitoring process that includes the following elements:

a. **A more efficient and timely process by which employees can alert management of and receive approval for scheduled overtime and unplanned overtime worked.** This process should allow for timely communication of approval of overtime back to employees. Consideration should be given to reducing the number of management approvals required for approval of overtime. The approval of the employee's direct supervisor and the employee's timecard approving supervisor if different from the direct supervisor may be sufficient with the implementation of the additional controls recommended in this audit report. Consideration should be given to exploring alternatives to using the paper *Overtime/PERS Callback Form* as the method by which overtime approval is documented. Alternatives may include use of the city's email system or the implementation of an automated process similar to that used by PRNS for approval of annual or sick leave.

b. **A methodology for retention of overtime approvals.** If an automated approach is adopted for overtime approval, a methodology for retention of the electronic approvals would be needed.

c. **Increased responsibility and reliance on timecard approving supervisors (rather than the timekeepers) to monitor overtime approval, the number of overtime hours worked, and to ensure that the overtime on the employee's timecard is "accurate and the employee is entitled to payment for those hours."** With the implementation of a new overtime approval process and increased responsibility by the timecard approving supervisors for monitoring overtime, there should no longer be a need for the overtime approval spreadsheet currently being maintained by the timekeepers.

d. **Training of PRNS employees in the proper completion of the electronic *Overtime/PERS Callback Form* to ensure this information is complete and accurate.** While the paper *Overtime/PERS Callback Form* may no longer be used in the overtime approval process, the information thereon must still be entered by employees when completing their bi-weekly timecard.

e. **Review of the electronic *Overtime/PERS Callback Form* by timecard approving supervisors in conjunction with their review and approval of employee timecards.** The timecard approving supervisors should review and approve all sections of employee timecards to ensure their completeness and

accuracy. In addition, the "Acknowledgement" section of the electronic *Overtime/PERS Callback Form* must be completed by the supervisor.

f. **Implementation of a formalized department overtime monitoring process** whereby upper management routinely reviews summaries of overtime being recorded within their department to identify trends and irregularities and explores alternative work arrangements to reduce or eliminate the overtime. Management should consult with Finance and create or identify reports that can be run on a regular basis to facilitate the overtime monitoring.

1.2 PRNS management should update its documented policies and procedures and work rules to coincide with the newly implemented overtime approval and monitoring process. The procedures should clearly outline all aspects of the overtime approval and monitoring process including the following:

a. The roles and responsibilities of employees, supervisors, and management in the process.
b. The information that must be shared with a supervisor when requesting scheduled overtime approval.
c. How and when to appropriately report unplanned overtime to a supervisor.
d. What employees must do if they end up working less or more overtime than anticipated when they requested approval.

1.3 PRNS management should train employees in the new overtime approval and monitoring process.

2. Inadequate Support for Callback Hours

Criteria

The classification of employee overtime hours must be in accordance with the requirements outlined in the *Official Policies of the Public Employees' Retirement System of Nevada* (see Exhibit 7).

Condition

The city requires employees to identify on their bi-weekly timecards whether their overtime hours are regular overtime or callback. The *Official Policies of the Public Employees' Retirement System of Nevada* (see Exhibit 7) have specific requirements that must be met for overtime hours to be classified as callback.

This differentiation between overtime and callback is important as callback pay impacts an employee's retirement benefits while overtime pay does not. According to the NVPERS policies, the compensation used to calculate an employee's retirement benefits is the monthly average of the highest consecutive 36 months of salary reported by the employer. The city is

required to include callback pay and exclude overtime in an employee's reported salary and in the calculation of its contribution to NVPERS.

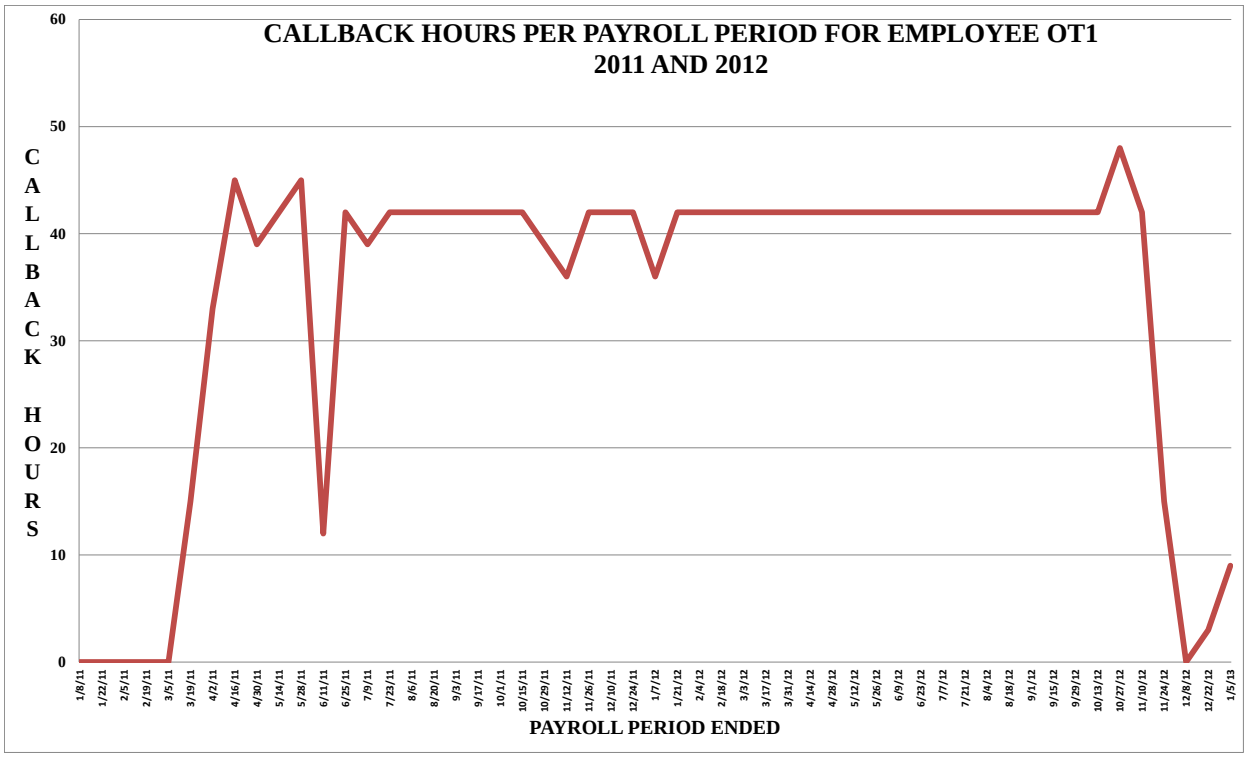
Our audit included a review of the overtime of the top ten PRNS overtime earners in 2011 and 2012 combined. Their overtime included time spent on various special events, tournaments, camps, registrations, covering shifts, and the implementation of a new system. The employee identified as OT1 in the table at the beginning of this report stands out among these employees due to the significant amount of overtime reported and the classification of most of his overtime as callback. Accordingly, additional analysis was completed on this employee's overtime.

Evaluation of OT1's Overtime Hours

During calendar years 2011 and 2012 combined, OT1 recorded 1,797 hours of callback and received approximately $92,000 for these callback hours in addition to his annual base salary (including longevity) of approximately $71,000. The regularity of the callback time being recorded by OT1 is highlighted in the following data.

- OT1 accounted for approximately **93% of all callback hours** recorded by PRNS employees during 2011 and 2012 combined. The employee with the second highest number of callback hours during this period only had 22.5 hours compared to OT1's 1,797 hours.
- Between March 10, 2011 (initial recording of 3 hours of callback) and November 12, 2012, OT1 recorded 3 hours of callback on **94% of the days** including holidays and weekends.
- Between July 1, 2011 and November 12, 2012, OT1 recorded 3 hours of callback on **99% of the days** including holidays and weekends.
- In addition to callback hours, OT1 recorded 194.50 hours of regular overtime in calendar years 2011 and 2012 combined.
- During calendar years 2011 and 2012, OT1 only used 4.5 and 19 hours of annual leave, respectively.

The following chart shows the regularity of OT1's recording of callback time by payroll period during calendar years 2011 and 2012. During those weeks where OT1 recorded three hours of callback per day, he accumulated a total of 42 hours of callback time during the payroll period (14 days x 3 hours).



While the frequency of OT1's callback hours began decreasing in November 2012, he continued to record callback hours. For the period from January 1, 2013 through June 30, 2013, OT1 recorded 127 callback hours.

OT1 consistently recorded the following information on his electronic *Overtime/PERS Callback Form*:

Data Field in Electronic Timecard (see Exhibit 3)	Information Recorded by OT1
Normal work hours:	7:00 a.m. to 5:00 p.m.
Overtime/Callback hours:	5:00 p.m. to 11:00 p.m.
Time of Notification:	5:00 p.m.
Arrival Time:	5:00 p.m.
Notified by:	PRNS Deputy Director
Reason for Overtime /Callback Hours:	
7/24/2011 to 8/7/2011	*On call for all CLV sports field light programming and related maintenance issues.*
8/8/2011 to 6/9/2012	*On call for all CLV sports field light/allocated user group programming and related maintenance issues.*
6/10/2012 to 6/23/2012	*Manage Musco field lighting system, City Field Monitors, City adult sports leagues, allocated permit user group field/park issues and weekend permitted tournament usage.*

6/24/2012 to 7/7/2012	*Manage and program Musco Lighting System for all CLV sports fields, supervise CLV staff Field Monitors and handle allocated/tournament user group issues.*
7/8/2012 to 11/24/2012	*Manage and program Musco Lighting system for all CLV Sports Fields and additional Park areas. Assist CLV Field Monitors with all field and allocated user group, tournament, CLV Adult Sports programs, and maintenance issues and or concerns.*

In order for OT1's overtime to be classified as callback under NVPERS policies (see Exhibit 7), the following conditions must be met:

- Employee returns to duty after completing his regular shift.
- Employee is off duty for any period of time.
- Employee is requested to return to duty with less than 12 hours' notice.

OT1's overtime hours do not appear to meet these conditions based upon our interpretation of the policies and our understanding of his work arrangement. However, an evaluation of OT1's overtime is hindered by incomplete and unauditable supporting documentation as follows:

- OT1 only submitted paper overtime approval forms for approximately 19% of his overtime and callback hours.
- OT1 did not document the event that initiated the callback on each day (e.g., phone call, text, email) and when it occurred on his electronic timecard or elsewhere.
- OT1 did not document the actual hours of overtime worked on his electronic timecard or elsewhere. Instead, OT1 repeatedly reported three hours of callback, his "Overtime/Callback hours" as being from 5:00 p.m. to 11:00 p.m. (immediately after his regular shift ending at 5:00 p.m.), and his "Arrival Time" as 5:00 p.m. regardless of the actual hours worked.
- OT1 did not document the details of the work performed on his electronic timecard or elsewhere. Instead, OT1 repeated the same general description of work performed for extended periods on his electronic *Overtime/PERS Callback Form* (see table above).

Note: NVPERS is the governing authority over the interpretation of their policies and any conclusions by them on this matter would supersede our conclusions.

Cause

- OT1 failed to adequately document work performed during overtime hours to support the classification of his overtime as callback and the number of hours worked.
- PRNS management did not adequately understand the callback requirements.

Effect

- Inadequate documentation for evaluation of proper recording of overtime.

Recommendations

2.1 Finance management should review the appropriateness of the classification of OT1's callback hours against NVPERS policies in consultation with NVPERS representatives and submit any required adjustments to NVPERS.

2.2 Finance should complete a review of its documented payroll policies and procedures and training documents to ensure they clearly and accurately reflect documentation requirements and overtime policies contained within the LVCEA labor contract and NVPERS policies.

2.3 PRNS management should implement a process requiring management and staff to periodically attend payroll policy and timecard completion training conducted by Finance.

3. Overtime Management Deficiencies

Criteria

Effective management of overtime hours requires:

- A clear understanding of applicable overtime rules by both management and employees
- Regular training of employees in the applicable overtime rules
- Continual consideration and evaluation of alternatives to overtime hours
- Management oversight and review of overtime hours being recorded on timecards to ensure the applicable overtime rules are being followed
- Continual monitoring of overtime hours against budgeted hours

Condition

The following deficiencies were identified in PRNS management's oversight of employee overtime:

- **Inadequate Understanding of Overtime Rules** – PRNS management acknowledged deficiencies in their understanding of the overtime rules. PRNS management did not adequately understand the callback rules and the financial consequences of callback time to employees and the city as evidenced by the acceptance of OT1's work arrangement.
- **Lack of Uniform Enforcement of Departmental Policy** – The PRNS overtime policy states that an employee "may not work overtime of any kind without advance written authorization of their immediate Supervisor and/or Division Manager" (see Exhibit 5). This policy was not uniformly enforced by PRNS management during 2011 and 2012 as evidenced by the lack of submittal of paper overtime approval forms by employees during this period (see Finding #1).

- **Inefficient Overtime Approval Process** – As discussed in Finding #1, the overtime approval process is inefficient and ineffective at providing employees timely approval of their overtime requests.
- **Inadequate Management Monitoring of Employee Overtime** – As discussed in Finding #2, the PRNS employee identified as OT1 repeatedly recorded callback hours on his electronic timecard without adequate information to support the classification of the overtime hours as callback and the number of hours of callback.
- **Inadequate Supervisory Review of Employee Timecards** – PRNS Supervisors are not adequately reviewing and approving all sections within the electronic timecard as evidenced by the following:
    - Errors were found within the data input by employees into the electronic *Overtime/PERS Callback Forms*.
    - The "Acknowledgement" section of the electronic *Overtime/PERS Callback Form* is not being completed by the supervisors.
    - The PRNS employee identified as OT1 had four different supervisors who approved his bi-weekly timecard between March 10, 2011 (initial recording of 3 hours of callback) and November 12, 2012. These supervisors failed in their responsibility as timecard approvers to verify that the time being recorded by OT1 was in compliance with policy and that the information being input into the electronic timecard supported the classification of his overtime as callback and the number of hours of callback. OT1 was permitted to repeatedly input the same general description of work performed on his electronic timecard rather than details of the specific work performed each day.
- **Inadequate Evaluation of Overtime Work Arrangement** – PRNS management failed to adequately evaluate the implications of OT1's work arrangement and alternative options to the significant amount of overtime:
    - An employee with an annual salary of $71,000 (including base pay plus longevity) was assigned to work a significant number of reoccurring overtime hours rather than adjusting the shift of a less highly compensated employee or using a part-time or hourly employee.
    - PRNS management relied exclusively on OT1 for overseeing and making changes to the lighting system. This reliance increased the risk of not being able to satisfy the sports field lighting requirements of the sports leagues.

Cause

- Inadequate oversight and scrutiny of employee overtime by various levels of PRNS management.

Effect

- Inadequate management controls in place to timely identify employee overtime errors and irregularities.

Recommendations

3.1 The PRNS Director should evaluate whether any disciplinary measures should be taken against any employees as a result of the management deficiencies identified in this finding.

3.2 PRNS management should implement a formalized department overtime monitoring process whereby upper management routinely reviews summaries of overtime being recorded within their department to identify trends and irregularities and explores alternative work arrangements to reduce or eliminate the overtime. Management should consult with Finance and create or identify reports that can be run on a regular basis to facilitate the overtime monitoring.

3.3 PRNS management should attend training by Finance on the proper application of overtime policies and completion of timecards. Management who approve timecards should be trained on how to appropriately review and approve employee timecards and reminded of their responsibility for ensuring the completeness and accuracy of the timecards they review.

3.4 PRNS management should request that Finance train their employees more thoroughly on how to appropriately comply with overtime policies and complete their timecards. Employees should be reminded that they are responsible for ensuring their timecards are complete and accurate.

3.5 PRNS management should formally review department policies and procedures and revise them as needed so that they clearly reflect current overtime rules and regulations.

4. Enhancements Needed in Overtime Monitoring by Finance

Criteria

Effective management of an organization's overtime hours includes a formalized and routine process for monitoring and analyzing overtime hours recorded for trends, irregularities and against budgeted hours.

Condition

Finance is deserving of much credit in identifying OT1's unusual amount of callback hours and in bringing this irregularity to the attention of Human Resources and PRNS. However, Finance does not have a formalized process in place for routinely reviewing employee overtime city-wide and analyzing the overtime hours for possible errors or irregularities. Finance could have identified this overtime irregularity in a more timely manner with such a process.

Cause

- Lack of a formalized process in Finance for routinely analyzing overtime on a city-wide basis to identify trends and irregularities.

Effect

- Overtime irregularities not identified in a timely manner.
- Increased difficulty in correcting an irregularity that has been occurring over a long period of time.

Recommendations

4.1 Finance should implement a formalized process for routinely monitoring overtime on a city-wide basis to timely identify trends, errors, and irregularities. Finance employees should be encouraged to question departments on any irregularities noted.

4.2 Finance should create or identify reports that can be run on a regular basis that facilitate overtime monitoring and analysis.

4.3 Finance should implement a formalized process whereby overtime reports are routinely made available and/or shared with departments and the City Manager's Office for use in fulfilling their responsibility to monitor the overtime of their employees.

5. Clarifications Needed in Labor Contract Verbiage

Criteria

Labor contract verbiage should reflect applicable laws and regulations where applicable.

Condition

The verbiage within the LVCEA labor contract regarding callback (see Exhibit 6) inadequately reflects the NVPERS policies as follows:

- The term callout is used in the labor contract rather than callback.
- NVPERS has different policies on callback depending on the employee's effective date of membership (i.e., on or before June 30, 2008, on or after July 1, 2008, on or after January 1, 2010). These differences are not reflected in the labor contract.
- The requirements of being "off-duty" and "returning to duty" are not adequately discussed.
- The 12 hour notification requirements are not addressed.

Cause

- Dated contractual language.

Effect

- LVCEA labor contract rules on callback do not fully reflect NVPERS policies.

Recommendation

5.1 Human Resources management in consultation with Finance management should improve the verbiage in the LVCEA labor contract in future negotiations so that it more accurately reflects the NVPERS policies on callback time.

EXHIBITS

Exhibit 1 – Paper Overtime/PERS Callback Form

OVERTIME/PERS CALLBACK FORM

It is requested that:

_____ _____ _____
Employee Name Employee # Hire Date

Be: ☐ Paid ☐ TILO (Select One) **For:** ☐ Call-Back ☐ Overtime (Select One)

Total # of Hours _____

From: _____ _____ **To:** _____ _____
Time Date Time Date

Normal Work Hours: _____ To _____

Were you called in? ☐ **Yes** ☐ **No** **OR** **Held Over?** ☐ **Yes** ☐ **No**

Standby? ☐ **Yes** ☐ **No**

Notified by whom? _____

Time and Date Notified: _____ _____
Time Date

Time Arrived for duty: _____ _____
Time Date

Reason for Call-Back/Overtime:

_____

_____

_____ _____
Employee Signature **Date**

_____

Indicate the time and date that the employer had knowledge of the need for staffing:

_____ _____
Time Date

_____ _____
Supervisor/Manager/Director Signature **Date**

****Must attach a copy of declaration of emergency for employees enrolled after July 1, 2008.****

Exhibit 2 – Overtime Approval Form Tracking Spreadsheet

FIRST NAME	LAST NAME	Employee #	Hours	Type	Date	Start Time	End Time	Comments
			8	Overtime	3/3/2012	7:00 AM	4:00 PM	Corporate Challenge Torch Relay
			2	OT/TILO	3/3/2012	4:30PM	6:30 PM	Youth connections monthly meeting
			10	TILO/OT	3/5/2012	7:30 AM	5:30 PM	I am needed to open and cover the facility. Our site has only two full time employees.
			10	TILO	3/17/2012	7:00 AM	5:00 PM	Corporate Challenge Table Tennis
			2	OT/TILO	3/23/2012	10:00AM	12:00PM	Youth connections monthly meeting special tour of smith center.
			12	OT/TILO	3/24/2012	7:00 AM	7:00 PM	Corporate Challenge
			8	TILO	3/24/2012	8:00 AM	4:00 PM	Corporate Challenge Track and Field Event
			13	TILO	3/24/2012	7:00 AM	8:00 PM	Corporate Challenge
			5.5	TILO	3/24/2012	7:00 AM	12:30 PM	Corporate Challenge
			4	TILO	3/31/2012	6:00 AM	10:00 AM	Working Corporate Challenge event 5K
			1	Overtime	4/2/2012	7:00 PM	8:00 PM	Cimarron Rose is running Spring Break Camp. Need to cover facililty closure.
			5	Overtime	4/13/2012	12:00 PM	5:00 PM	Call Center Coverage
			4	TILO	4/13/2012	8:00 AM	12:00 PM	Call Center Coverage
			7.5	TILO	4/21/2012	7:30 AM	5:00 PM	Corporate Challenge Swimming
			9	TILO	4/21/2012	7:30 AM	8:30 PM	Corporate Challenge Swimming

Note: Employee names and numbers have been removed from this exhibit.

Exhibit 3 – Electronic Timecard and Overtime/PERS Callback Form

Electronic Timecard

Show Accrual Balances

Period September 29, 2013 - October 12, 2013 Comments

Template Apply Template

Hours Type	Projects	Task	Options	Sun, Sep 29	Mon, Sep 30	Tue, Oct 01	Wed, Oct 02	Thu, Oct 03	Fri, Oct 04	Sat, Oct 05	Sun, Oct 06	Mon, Oct 07	Tue, Oct 08	Wed, Oct 09	Thu, Oct 10	Fri, Oct 11	Sat, Oct 12	Total
																		0
																		0
Add Another Row	Recalculate			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Template Name Save As A Template

Electronic Overtime/PERS Callback Form

Overtime/PERS Callback Form

* Indicates required field

Employee Name

Employee #

TIP *** OT form exists

* Paid or TILO

* From Date (example: 16-Sep-2013)

* From Time (example: 09:15, 15:45, etc.)

* Normal Work Hours From (example: 09:15, 15:45, etc.)

* Called In (Y/N)

* Standby (Y/N)

* Notified By

* Date Notified (example: 16-Sep-2013)

* Time Notified (example: 09:15, 15:45, etc.)

* Callback or Overtime

* To Date (example: 16-Sep-2013)

* To Time (example: 09:15, 15:45, etc.)

* Normal Work Hours To (example: 09:15, 15:45, etc.)

* Held Over/Scheduled (Y/N)

* Arrived for Duty Date (example: 16-Sep-2013)

* Arrived for Duty Time (example: 09:15, 15:45, etc.)

Reason

Reason for Call-Back/Overtime:

* Reason

Acknowledgement

Indicate the time and date that the employer had knowledge of the need for staffing:

* Acknowledged By

* Acknowledged Date (example: 16-Sep-2013)

* Acknowledged Time (example: 09:15, 15:45, etc.)

Exhibit 4 – City Timecard Procedure Excerpts

The following are selected excerpts from the city's *Timecard Procedure (FN207a)*:

Employees are responsible for:

- Ensuring the time entered on the timecard and labor distribution record is accurate and legible
- Signing and dating the timecard to certify that the hours on the timecard are accurate and they are entitled to payment for those hours
- Submitting timecards by the designated date/time established by the supervisor
- Submitting forms with employee signature and date, as required by policy:
  - Leave slips - Documents to be retained by the individual departments for 3 years
  - Overtime justification forms, if required by Division Manager – If used, documents to be retained by the individual departments for 3 years

Departmental Timekeepers are responsible for:

- Verifying the biweekly hours recorded on the timecard reflect total compensable hours for that pay period.
- Correcting any information on the timecard to reflect information provided by the employee and/or supervisor, securing both the employee and supervisor signatures authorizing the changes, and submitting the changes in a timely manner to the Payroll Office.

Managers and/or Supervisors are responsible for:

- Review and approval of all timecards and changes to timecards.
- Signing the timecard and revised timecard to certify that the hours on the timecard are accurate and the employee is entitled to payment for those hours.
- Final Approval of electronic timecard prior to deadline established by Payroll.

The **Department Directors** are responsible for:

- Ensuring that timecards are signed and a signor has been designated in their absence.
- Review and approval of all timecards and revised timecards for those under their direct supervision to certify that the hours on the timecard are accurate and the employee is entitled to payment for those hours.

Exhibit 5 – PRNS Overtime Policies and Procedures Excerpts

The following are selected excerpts from PRNS department policies, procedures, and work rules:

Overtime and TILO Policy (LS-7, effective 6/25/2007)

Scheduled Overtime and TILO
The Department policy is to allow overtime and TILO opportunity to all eligible staff as long as they are qualified for the work required within the classification. An eligible employee may not work overtime of any kind without advance written authorization of their immediate Supervisor and/or Division Manager.

Emergency/ADHOC Overtime and TILO
The Department policy is to allow overtime and TILO opportunity to all eligible staff as long as they are qualified for the work required. An eligible employee may request verbal approval by their immediate Supervisor and/or Division Manager based on the circumstances. Once the work is completed, the written authorization will then need to be completed and signed by the immediate Supervisor and/or Division Manager.

Overtime and TILO Procedures (LS-7-PR, effective 6/25/2007)

Scheduled Overtime and TILO
Overtime/TILO request may be initiated by the employee, or the supervisor. In either case, the overtime request will be indicated on the overtime request form. The form requires that the overtime hours to be worked, the date the overtime is to be performed, the work that will be accomplished and an explanation or reason why the work must be accomplished using overtime and cannot be done during regular hours. The supervisor will review the request. The supervisor will ensure that there is budget money available and that the task warrants overtime use. If both conditions are true, the supervisor will pre-approve the overtime, by signing and dating the form and then forwarding it to the division manager for final approval, if required by the applicable Division Manager.

Emergency/ADHOC Overtime and TILO
Overtime/TILO request may be initiated by the employee, or the supervisor. If an emergency arises that necessitates the employee work overtime or TILO the employee must contact their supervisor and get an oral approval. An overtime request must be completed once the work is completed that required the employee to work beyond their designated work hours. The request requires the overtime hours worked, the date the overtime was performed, the work that was accomplished and an explanation or reason why the work had to be accomplished using overtime and could not be done during regular hours. The supervisor will then formally approve the overtime by signing and dating the form and forwarding the form to the Division Manager for notification and approval. A copy of the request will be kept on file and one will be given to the employee who performed the overtime.

Work Rules and Regulations (dated 2/5/13)

Overtime/PERS Callback

Overtime must be pre-approved by completing in its entirety the Overtime/PERS Callback form and forwarded to your immediate supervisor, manager and department director for approval. Failure to obtain approval could result in disciplinary action.

Persons with pre-approved overtime are also required to complete the electronic overtime/callback section of their timecard with their approved hours.

Exhibit 6 – LVCEA Labor Contract Excerpts

The following are selected excerpts from the *Las Vegas City Employees' Association Labor Contract (June 18, 2006 – June 22, 2014)*:

23.3.1 Overtime

Compensation. Overtime pay is defined as additional compensation earned by an employee who comes in early for a regularly scheduled shift, or who is held over on a regularly scheduled shift, or who returns to work after completing a normal shift as requested, or who reports to work on a day in which a normal shift is not scheduled, or works hours in addition to their regular shift.

Employees who work longer than their normal work day shall be paid overtime on a time and one-half (1½) hourly rated basis based on their hourly rate of pay at their normal weekly working hours, including longevity, for all overtime work; provided however that if the overtime worked is not in conjunction with the employee's regular hours the employee shall be paid a minimum of three (3) hours or the actual time worked whichever is greater.

Employees who do not report to work but who respond to telephone calls or perform work related tasks through use of a computer will be paid a minimum of one and a half (1.5) hours overtime or the actual time performing those tasks, whichever is greater.

23.3.2 Call Out

Compensation. In emergency situations requiring immediate attention, where the department head or designee feels that it is necessary to call out one or more members of a department, an employee shall be paid overtime on a time and one-half (1½), plus longevity, rated basis, for all call-out hours or any fraction thereof worked. The employee shall be paid for a minimum of three (3) hours regardless of having returned to work for less than three (3) hours on the total call-out. In the event that the period of call-out extends into the employee's normal working shift, the employee shall be paid for a minimum of three (3) hours in addition to the normal working shift. If the period of call-out exceeds three (3) hours, but does not extend into the employee's normal working shift, the employee shall be paid for the amount of time actually worked at the overtime rate.

Multiple Call Outs. An employee who returns to work for less than three (3) hours on the initial call-out and is then called out a second time during the initial three (3) hour period shall not be entitled to any additional overtime pay unless the aggregate time worked for both occurrences shall exceed three (3) hours, in which case he shall be paid for the aggregate time so worked. In the event an employee is called out for a second time after the expiration of three (3) hours from the first call-out, he shall be paid for a minimum of three (3) hours for each call-out except as provided in the previous paragraph.

23.3.4 TILO (Time in Lieu Of)

In General. Because the workload of some functions fluctuates both within and beyond the payroll period, employees may work Time in Lieu of (TILO). The purpose of TILO is to allow employees to accumulate and to take TILO time in conjunction with workload peaks and lows, rather than be paid at the overtime rate. Employees shall have the option of TILO accumulation rather than overtime pay up to the maximum allowed. In situations involving special funding, the City and the LVCEA will meet, discuss and agree to the method of overtime payment.

Accumulation of TILO. To accumulate TILO time, employees may volunteer to accept time off rather than overtime pay. This TILO time will be accumulated at a time and one-half (1½) rate for payment purposes. No employee can be required to take time off rather than be paid at the overtime rate. No employee may have an accumulated balance of TILO time exceeding two hundred forty (240) hours at the end of any pay period. Employees may not have a deficit TILO time balance. Employee shall be paid for any TILO time in excess of two hundred forty (240) hours.

Use of TILO. To use TILO time, employees must schedule their absence from work with their supervisor in advance of the absence. Such absences will normally only be scheduled when the workload will allow the employee to be absent. This means that employees may be denied the use of TILO time whenever, in the supervisor's judgment, it is felt that to allow the employee to use such time will require the City to pay other employees at the overtime rate or accumulate TILO time.

23.3.5 Stand-By Time

In General. Stand-by time is defined as time that an employee is assigned, in writing and in advance, to be ready to work outside their normal work hours.

Schedule and Response. While on stand-by time, the employee must be ready and able to report to work within forty-five (45) minutes if so notified by telephone, pagers, or other electronic device provided by the City. Stand-by time shall be scheduled so that an employee does not have a day of stand-by time that is isolated from either a normal workday or another stand-by day. Employees on stand-by shall be subject to the call out provisions of this Article.

Payment. Stand-by time shall be paid at a rate of thirty-five dollars ($35) per day on a normal day worked and fifty ($50) per day on a normal day off. Stand-by time shall not be included in the computation of overtime. No employee shall receive stand-by pay while out on sick leave.

Exhibit 7 – NVPERS Official Policies Excerpts

The following are excerpts from the *Official Policies of the Public Employees' Retirement System of Nevada:*

286.025(2) 1.11 CALL-BACK PAY

a. Except as it may conflict with the Nevada Administrative Code at 284.214, call-back pay is defined as compensation earned for returning to duty after a member has completed his regular shift, is off duty for any period of time, and is requested to return to duty with less than 12 hours' notice.
b. Scheduling the 12-hour rule set forth in subsection (a) will be activated by the electronic call-out required for the shift scheduling from the public employer. Any electronic response system must comply with the 12-hour rule and not allow the employee call-in response to govern notification for purposes of the 12-hour rule.
c. An employer may not convert what would otherwise be an overtime shift to a call-back shift by waiting until there is less than 12 hours' notice to request a return to duty, if the employer has knowledge more than 12-hours before the start of the shift to be staffed, either through notification or through normal staffing policies, of the staffing need.
d. This policy applies to all members with an effective date of membership on or before June 20, 2008.

286.025(2) 1.11 CALL-BACK PAY

a. Except as it may conflict with the Nevada Administrative Code at 284.214, call-back pay is defined as compensation earned for returning to duty after a member has completed his regular shift and is requested to return to duty with less than 12 hours' notice to respond to an emergency, except for any member who is (1) called into work while on standby status, (2) not required to leave the premises where he is residing or located at the time of notification in order to respond, or (3) called back to work if the work begins 1 hour or less before or after his scheduled work shift.
b. For the purposes of this Policy 1.11, "emergency" means a sudden, unexpected occurrence that involves clear and imminent danger and requires immediate action to prevent or mitigate the endangerment of lives, health, or property. Such an emergency must be declared by the governing body or chief administrative officer of the public employer.
c. Scheduling the 12-hour rule set forth in subsection (a) will be activated by the electronic call-out required for the shift scheduling from the public employer. Any electronic response system must comply with the 12-hour rule and not allow the employee call-in response to govern notification for purposes of the 12-hour rule.
d. An employer may not convert what would otherwise be an overtime shift to a call-back shift by waiting until there is less than 12 hours' notice to request a return to duty, if the employer has knowledge more than 12-hours before the start

of the shift to be staffed, either through notification or through normal staffing policies, of the staffing need.

e. This policy applies to all members with an effective date of membership on or after July 1, 2008.

286.025 1.11 CALL-BACK PAY

a. Returning to duty within 12 hours after one's regular working hours to respond to an emergency.

b. As used in this Policy 1.11(a), "emergency" means a sudden, unexpected occurrence that is declared by the governing body or chief administrative officer of the public employer to involve clear and imminent danger and require immediate action to prevent and mitigate the endangerment of lives, health or property.

c. This policy applies to all members with an effective date of membership on or after January 1, 2010.

286.025 1.36 OVERTIME PAY

Except as it may conflict with the Nevada Revised Statutes at 284.180 and the Nevada Administrative Code at 284.250, overtime pay is defined as additional pay earned by a member who is held over on his regular shift or is requested to return to duty under conditions that do not meet the definition of call-back pay applicable to that member.

MANAGEMENT RESPONSES

1. Overtime Approval and Monitoring Process Deficiencies

1.1 PRNS management should implement a more efficient and effective overtime approval and monitoring process that includes the following elements:

a. **A more efficient and timely process by which employees can alert management of and receive approval for scheduled overtime and unplanned overtime worked.** This process should allow for timely communication of approval of overtime back to employees. Consideration should be given to reducing the number of management approvals required for approval of overtime. The approval of the employee's direct supervisor and the employee's timecard approving supervisor if different from the direct supervisor may be sufficient with the implementation of the additional controls recommended in this audit report. Consideration should be given to exploring alternatives to using the paper *Overtime/PERS Callback Form* as the method by which overtime approval is documented. Alternatives may include use of the city's email system or the implementation of an automated process similar to that used by PRNS for approval of annual or sick leave.

b. **A methodology for retention of overtime approvals.** If an automated approach is adopted for overtime approval, a methodology for retention of the electronic approvals would be needed.

c. **Increased responsibility and reliance on timecard approving supervisors (rather than the timekeepers) to monitor overtime approval, the number of overtime hours worked, and to ensure that the overtime on the employee's timecard is "accurate and the employee is entitled to payment for those hours."** With the implementation of a new overtime approval process and increased responsibility by the timecard approving supervisors for monitoring overtime, there should no longer be a need for the overtime approval spreadsheet currently being maintained by the timekeepers.

d. **Training of PRNS employees in the proper completion of the electronic *Overtime/PERS Callback Form* to ensure this information is complete and accurate.** While the paper *Overtime/PERS Callback Form* may no longer be used in the overtime approval process, the information thereon must still be entered by employees when completing their bi-weekly timecard.

e. **Review of the electronic *Overtime/PERS Callback Form* by timecard approving supervisors in conjunction with their review and approval of employee timecards.** The timecard approving supervisors should review and approve all sections of employee timecards to ensure their completeness and accuracy. In addition, the "Acknowledgement" section of the electronic *Overtime/PERS Callback Form* must be completed by the supervisor.

f. **Implementation of a formalized department overtime monitoring process** whereby upper management routinely reviews summaries of overtime being recorded within their department to identify trends and irregularities and explores alternative work arrangements to reduce or eliminate the overtime. Management should consult with Finance and create or identify reports that can be run on a regular basis to facilitate the overtime monitoring.

Management Action Plan:

a. Over the next 12-months, the Information Technologies Department will build an application using current available tools to facilitate and route the overtime requests for approval. Over the long term (2-3 years), IT will request an enhancement from Oracle to include an overtime request process with full integration into the timecard system.
b. PRNS is working with IT to automate the overtime approval process which will allow the approvals to be tracked and stored electronically. The records will be maintained as part of the employee record.
c. The existing policy states: "Supervisors must approve the OT Callback form prior to the timecard is approved. To help supervisor with this process, a training guide can be found at the following link: http://clvportal/sites/DoIT/orp/ot/default.aspx."
d. Training will occur for all affected staff in concert with training provided by the Department of Finance.
e. Training will occur for all affected staff in concert with training provided by the Department of Finance.
f. The Overtime/TILO/Callback Pay report is a report for Management to be aware of the amount, both hours and dollars that are being charged to their department. It is reported monthly. Specifically, the month closes around the 4th business day of the following month (e.g. January 2014 closed on February 6th, 2014). The data is pulled via "CLV OT Summary by Fund/Org report" out of ORACLE. The data is pulled and copied into the template, where it populates the pivot table and verified using the General Ledger by org. If there are any discrepancies a report out of Kbace or ORACLE "CLV Labor Distribution report" is used to determine what org the error occurred in. It is then sent to the Managers to determine if there are any "red-flags" that need to be addressed.

Estimated Date of Completion: June 1, 2015 - Training will occur in concert with Finance. Policy approval will occur in Q2, and the management reporting process is complete and currently implemented.

1.2 PRNS management should update its documented policies and procedures and work rules to coincide with the newly implemented overtime approval and monitoring process. The procedures should clearly outline all aspects of the overtime approval and monitoring process including the following:

a. The roles and responsibilities of employees, supervisors, and management in the process.
b. The information that must be shared with a supervisor when requesting scheduled overtime approval.

c. How and when to appropriately report unplanned overtime to a supervisor.
d. What employees must do if they end up working less or more overtime than anticipated when they requested approval.

Management Action Plan: The PRNS Overtime policy, noted above, is in draft form and is being reviewed by the Departments of Finance and Parks, Recreation & Neighborhood Services. Once the review has been completed, the document will be approved and implemented. Training will occur to ensure staff is aware of the revised policy.

Estimated Date of Completion: December 31, 2014

1.3 PRNS management should train employees in the new overtime approval and monitoring process.

Management Action Plan: Training of employees and supervisors will be in concert with training developed by the Department of Finance.

Estimated Date of Completion: December 31, 2014

2. Inadequate Support for Callback Hours

2.1 Finance management should review the appropriateness of the classification of OT1's callback hours against NVPERS policies in consultation with NVPERS representatives and submit any required adjustments to NVPERS.

Management Action Plan: Finance will review OT1's records, consult with PERS and submit required adjustments.

Estimated Date of Completion: April 2014 PERS report

2.2 Finance should complete a review of its documented payroll policies and procedures and training documents to ensure they clearly and accurately reflect documentation requirements and overtime policies contained within the LVCEA labor contract and NVPERS policies.

Management Action Plan: A review of documented payroll policies, procedures and training documents is currently underway and will be completed.

Estimated Date of Completion: July 2014

2.3 PRNS management should implement a process requiring management and staff to periodically attend payroll policy and timecard completion training conducted by Finance.

Management Action Plan:

PRNS: When classes become available, PRNS will require all timecard approving staff to attend payroll policy and timecard completion training at least bi-annually.
Finance: Finance will coordinate with PRNS to ensure ample training sessions are offered and require that all Supervisors, Managers and Timekeepers attend.

Estimated Date of Completion:

PRNS: January 2015
Finance: January 2015

3. Overtime Management Deficiencies

3.1 The PRNS Director should evaluate whether any disciplinary measures should be taken against any employees as a result of the management deficiencies identified in this finding.

Management Action Plan: Management is reviewing issues identified in the audit and working with Human Resources to evaluate whether disciplinary action should be taken against any employees based on the findings. Furthermore, given there have been 11 audits of both the Leisure Services and Parks, Recreation, and Neighborhood Services Departments over the past 10 years, resulting in frequent recurrence of similar audit findings in areas such as procedural controls and financial and cash management among others, the City Manager's Office will be reorganizing the department in such a way as to avoid future reoccurrence of similar findings.

Estimated Date of Completion: July 31, 2014

3.2 PRNS management should implement a formalized department overtime monitoring process whereby upper management routinely reviews summaries of overtime being recorded within their department to identify trends and irregularities and explores alternative work arrangements to reduce or eliminate the overtime. Management should consult with Finance and create or identify reports that can be run on a regular basis to facilitate the overtime monitoring.

Management Action Plan: Since 2012, the PRNS Budget Analyst distributes a monthly Overtime, Callback & TILO report to PRNS executive management team. The report is used to identify "red flags" and to monitor the trending. The Department identified that more training is

necessary to ensure accountability at each level. Additionally, the Department's overtime policy will be updated to reflect the expectations and responsibilities with respect to monitoring and managing overtime. Also, the City Manager's Office will be working with an appropriate department independent of PRNS, most likely Finance, to provide frequent and periodic monitoring of overtime reporting that will be made available to CMO and PRNS management such that early intervention of any overtime usage and discrepancies may be possible.

Estimated Date of Completion: December 31, 2014

3.3 PRNS management should attend training by Finance on the proper application of overtime policies and completion of timecards. Management who approve timecards should be trained on how to appropriately review and approve employee timecards and reminded of their responsibility for ensuring the completeness and accuracy of the timecards they review.

Management Action Plan: When training is available, PRNS will require all timecard approvers to attend training provided by Finance.

Estimated Date of Completion: December 31, 2014

3.4 PRNS management should request that Finance train their employees more thoroughly on how to appropriately comply with overtime policies and complete their timecards. Employees should be reminded that they are responsible for ensuring their timecards are complete and accurate.

Management Action Plan: Training of employees and supervisors will be in concert with training developed by the Department of Finance.

Estimated Date of Completion: December 31, 2014

3.5 PRNS management should formally review department policies and procedures and revise them as needed so that they clearly reflect current overtime rules and regulations.

Management Action Plan: PRNS reviews the department policies and procedures annually and makes revisions as necessary. PRNS management is currently reviewing and revising the overtime policy, which is ultimately approved by the Department Director.

Estimated Date of Completion: September 1, 2014

4. Enhancements Needed in Overtime Monitoring by Finance

4.1 Finance should implement a formalized process for routinely monitoring overtime on a city-wide basis to timely identify trends, errors, and irregularities. Finance employees should be encouraged to question departments on any irregularities noted.

Management Action Plan: Finance will implement a formalized process for routinely monitoring overtime on a city-wide basis to identify trends, errors and irregularities. Finance employees will be encouraged to question irregularities.

Estimated Date of Completion: April 2014

4.2 Finance should create or identify reports that can be run on a regular basis that facilitate overtime monitoring and analysis.

Management Action Plan: Finance will identify existing reports or work with IT, if needed, to create reports that will facilitate overtime monitoring.

Estimated Date of Completion: April 2014

4.3 Finance should implement a formalized process whereby overtime reports are routinely made available and/or shared with departments and the City Manager's Office for use in fulfilling their responsibility to monitor the overtime of their employees.

Management Action Plan: Overtime reports will be made routinely available/shared with departments and the CMO office.

Estimated Date of Completion: April 2014

5. Clarifications Needed in Labor Contract Verbiage

5.1 Human Resources management in consultation with Finance management should improve the verbiage in the LVCEA labor contract in future negotiations so that it more accurately reflects the NVPERS policies on callback time.

Management Action Plan: The audit recommendation #5.1 has been accepted and will be negotiated and/or clarified in the current LVCEA negotiations via language changes prior to the sixth meeting, hopefully no later than the end of March 2014.

Estimated Date of Completion: March 31, 2014