

Audit Team

Michael C. Houston, MPP, CIA
Assistant City Auditor

Orsolya Kovesdi, MBA, CIA
Senior Performance Auditor



CITY OF OAKLAND
Office of the City Auditor

M E M O R A N D U M

DATE: January 13, 2022

TO: Mayor Schaaf, President Bas, Members of the City Council, City Administrator Reiskin, Chief of Police Armstrong, City Attorney Parker, Oakland Police Commission and Oakland Residents

FROM: City Auditor Courtney Ruby

SUBJECT: **Oakland Police Department (OPD) Overtime Recommendation Follow-Up Report on OPD Overtime Performance Audit Released in 2019**

INTRODUCTION & BACKGROUND

The Office of the City Auditor released the Oakland Police Department Overtime Performance Audit in January 2015 in response to public concern regarding overtime spending in the Oakland Police Department (OPD or Department). The report identified several factors contributing to the overtime issues in the Department. These factors included staffing reductions, which led to OPD management imposing mandatory overtime, inadequate funding to pay for increasing overtime costs, inadequate internal controls to authorize, document, and monitor overtime usage, questionable pay practices that needed to be addressed in labor negotiations, and insufficient systems for managing lost time due to officer injuries.

Then, in June 2019, the City Auditor's Office released the Oakland Police Department Overtime Performance Audit for Fiscal Years (FY) 2014-15 through 2017-18. The audit's primary objective was to assess the Department's current overtime practices, which included determining whether substantial actions were taken to address the findings and recommendations from the OPD Overtime Performance Audit report issued in 2015.

The 2019 audit report contained six findings and 21 recommendations. OPD and the Administration agreed to implement 17 of the recommendations. OPD partially agreed with two recommendations and disagreed with two.

FOLLOW-UP REPORT OBJECTIVE

The purpose of this follow-up report is to assess management's progress in implementing the 2019 Oakland Police Department Overtime audit recommendations covering FY 2014-15 through FY 2017-18.

FOLLOW-UP REPORT METHODOLOGY

The Office's follow up assessment included reviewing supporting documentation.

The table below lists criteria used to measure the implementation status of the 2019 audit recommendations.

Implemented	The recommendation has been fully implemented and no additional management action is needed.
Partially Implemented	The recommendation has been partially implemented; however, part of the recommendation remains open. Further action is needed to close the recommendation.
Not Implemented	The recommendation has not been implemented.

FOLLOW-UP REPORT RESULTS

The Office's follow up process found OPD implemented five of the recommendations and partially implemented six of the recommendations. Ten of the recommendations were not implemented as shown in the attached Follow-Up Audit Matrix. It should be noted four of the recommendations require agreement between the City and the affected bargaining units, Oakland Police Management Association and Oakland Police Officers Association. New memoranda of understanding (MOUs) between the City and these units are not expected until 2024, therefore we did not anticipate these particular recommendations to be implemented prior to the release of this report.

ACKNOWLEDGMENT

I want to express our appreciation to the Oakland Police Department's staff for their cooperation during this audit recommendation follow-up process and their commitment to improving practices.



Follow-up Recommendation Audit Matrix

Oakland Police Department (OPD) Overtime
Recommendation Follow-Up Report on OPD
Overtime Performance Audit Released in 2019

Finding	2019 Audit Report Finding	2019 Audit Report Recommendations	Management Action Plan	Responsible Party	Target Date to Complete	Description on Status
1	The City still does not realistically budget for police overtime costs	1.1 The City should continue to work towards a realistic overtime budget to fund overtime and continue to work on reducing overtime hours.	The Administration agrees with the recommendation. The Oakland Police Department (OPD) staff and the Administration have discussed a realistic overtime budget, based on current and historical overtime usage, which is tied to OPD's current service level. The City Administrator's Office and OPD will draft related policy to bring the City Council for review and approval.	Oakland Police Department, Finance Bureau & City Administrator's Office	December 31, 2019	Implemented FY 2021-23 Police Overtime Budget reflects the amount required to provide baseline levels of service relative to staffing levels.
		1.2 The Department should continue working towards becoming fully staffed.	The Administration agrees with the recommendation. In a concerted effort to fill all vacancies, both sworn and professional staff, the Department has and will continue to work closely with HRM. Since January 2017, OPD has completed five (5) Police Academies, adding a total of 86 new officers. Additionally, the Department has worked hard to fill all authorized Police Communications Dispatcher vacancies, which has assisted in	Oakland Police Department & Human Resources Management Department	Ongoing	Implemented Despite myriad challenges that have prevented the Department from achieving full staffing, the Department has actively pursued increased civilian and sworn staffing levels department wide. Citywide efforts to achieve full staffing levels continue to be



Oakland Police Department (OPD) Overtime
Recommendation Follow-Up Report on OPD
Overtime Performance Audit Released in 2019

			reducing mandatory overtime in the Communications Division.			proposed and implemented, and OPD continues to be involved in these efforts.
		1.3 The City Administration should net the reimbursements received for OPD's overtime costs in OPD's overtime budget to provide a truer picture of the OPD's overtime costs.	The Administration agrees with the recommendation. Beginning in FY19-20, OPD and the Finance Bureau will net the reimbursements received for OPD's overtime costs in the quarterly Overtime reports and the Revenue and Expenditures reports.	Oakland Police Department & Finance Bureau	July 1, 2019	Implemented Beginning in FY 2019-20, OPD began netting the reimbursements received from special events in the quarterly overtime reports presented to City Council.
2	OPD needs to improve management and operational controls to ensure all overtime is adequately managed, properly authorized, and approved	2.1 The Department should update its 1999 overtime management policy.	The Administration agrees with the recommendation. The Department is in the final stages of completing the Department General Order (DGO) D-01 (Overtime) policy. In 2017, OPD created an Overtime Working Group to identify methods to control overtime usage and to update the outdated overtime policy. This past year, the draft policy went through several rounds of review internally as well as review by all three of OPD's bargaining units. OPD will implement the policy after completing	Oakland Police Department	January 1, 2021	Implemented The new overtime management policy has been in effect as of December 16, 2020.



Oakland Police Department (OPD) Overtime
Recommendation Follow-Up Report on OPD
Overtime Performance Audit Released in 2019

			the meet and confer conferences with the bargaining units.			
		2.2 The Department needs to develop a management reporting system that provides timely, accurate, and complete information on overtime usage.	<p>The Administration agrees with the recommendation.</p> <p>OPD is working with the City's Information Technology Department to develop a plan and budget for an integrated overtime management and scheduling system.</p>	Oakland Police Department & Information Technology Department	Ongoing with upgrade & integration planned for 2020	<p>Partially Implemented</p> <p>OPD worked with the City's Information Technology Department to upgrade OPD's scheduling system and integrate it with the City's financial system, Oracle. However, the integration was not feasible due to limitations of the Oracle system.</p> <p>At the conclusion of our follow-up process, OPD provided documentation of an alternative manual reporting process that went into effect December 28, 2021. The City Auditor's staff will verify the implementation of the new reporting process at the next follow-up.</p>



Oakland Police Department (OPD) Overtime
Recommendation Follow-Up Report on OPD
Overtime Performance Audit Released in 2019

		<p>2.3 The Department should develop and implement policies and procedures to ensure that all overtime forms are accounted for and reconciled to overtime claimed, including but not limited to:</p> <ul style="list-style-type: none">• Overtime reconciliation must be consistently performed and documented by payroll coordinators.• Payroll should reconcile payroll coordinators' overtime forms to ensure all overtime forms are accounted for.	<p>The Administration agrees with this recommendation.</p> <p>There is currently a process in place to ensure recommendation six (6) is completed by Payroll Coordinators; however, due to the number of professional staff vacancies Department-wide, it is neither feasible nor practical for this goal to be accomplished at this time.</p> <p>The Department is currently working with City IT to upgrade its scheduling system known as Telestaff. Once the scheduling system is upgraded, it will allow employees to enter overtime hours worked into the system, along with a narrative justification detailing the reason for overtime worked. The employee's immediate supervisor will then be required to review and approve the overtime in Telestaff daily. This will eliminate the need for paper overtime forms and will allow for a more efficient process of reconciling overtime.</p> <p>With full implementation of recommendation two (2) and the upgrade of Telestaff, the Department can move towards accomplishing this recommendation. Additionally, the responsibilities currently outlined for</p>	<p>Oakland Police Department & Information Technology Department</p>	<p>Ongoing</p>	<p>Partially Implemented</p> <p>OPD's original plan to develop and implement an automated process for accounting for and reconciling overtime claims was abandoned because of technical limitations.</p> <p>At the conclusion of our follow-up process, OPD provided documentation of an alternative manual reporting process that went into effect December 28, 2021. The City Auditor's staff will verify the implementation of the new reporting process at the next follow-up.</p>
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			Payroll Coordinators should be codified in a formal policy.			
		2.4 The Department should work on implementing an integrated overtime management and scheduling system.	The Administration agrees with the recommendation. OPD is working with the City's Information Technology Department to develop a plan and budget for an integrated overtime management and scheduling system.	Oakland Police Department and Information Technology Department	Ongoing with upgrade & integration planned for 2020	Not Implemented OPD is not able to integrate its overtime management and scheduling system.
3	OPD still lacks written policies and procedure to ensure invoices and payments for special events are processed timely and accurately and in accordance with the Municipal Code	3.1 The Department should develop and implement written policies and procedures to ensure invoices and payments for special events are processed in a timely manner and in accordance with the Municipal Code.	The Administration partially agrees with the recommendation. Since March 2015, OPD's Fiscal Services Division implemented written Standard Operating Procedures for reconciling mass overtime slips for special event invoicing and generating and printing special event invoices to ensure invoices are processed in a timely manner (average of 30 days after the event). OPD Fiscal has one Account Clerk II who generates approximately 520 invoices per fiscal year, including dozens of mid-to-large scale events (SO+ members working). Approximately three days after the pay period closes, Fiscal staff receives access to payroll data to begin the reconciliation process. Depending on	Oakland Police Department	December 31, 2019	Partially Implemented OPD has written policies and procedures to ensure invoices and payments for special events are processed in a timely manner, however they are not processed in accordance with the Municipal Code which requires the costs to be paid prior to the special event. The Department is working with the City Administration to bring this recommendation to the City Council to



			<p>the timing of the event, this can range from three days after an event to two weeks after an event. If there are no discrepancies, Fiscal immediately invoices the customer. If there are discrepancies, Fiscal resolves the issue prior to creating the invoice. The timeline for resolving discrepancies varies.</p> <p>One of the difficulties to consider is that requiring prepayment of special event costs is administratively burdensome in an organization that is understaffed. Actual costs vary from initial estimates as events can end early or extend beyond the estimated time.</p> <p>Requiring both an invoice/payment of an estimate and then reconciling such costs and invoices the difference or refunding the customer doubles the amount of work for OPD.</p> <p>The Administration will work with OPD to weigh the options of how to best proceed with invoicing special events, taking into consideration the language of the current Municipal Code and current staffing levels.</p>			<p>change the Municipal Code to reflect OPD's current practice.</p>
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Oakland Police Department (OPD) Overtime
Recommendation Follow-Up Report on OPD
Overtime Performance Audit Released in 2019

		3.2 The Department needs to provide more management oversight over the process of assigning officers to special events to ensure that the process is fair and appropriately staffed.	<p>The Administration partially agrees with the recommendation.</p> <p>There is currently a Sergeant of Police and Lieutenant of Police responsible for supervising and managing the Special Events Unit. The Department will assess the need to provide additional management oversight over the process of scheduling officers to special events.</p>	Oakland Police Department	December 31, 2019	<p>Not Implemented</p> <p>In July 2020, the City Council adopted a Resolution, which requested that the City Administration return to the City Council with amendments to the City of Oakland Special Events and Street Closure Ordinances to move the permitting of events from sworn OPD staff to the City Administrator's Office.</p> <p>As of December 2021, this move has not occurred due to time and resource constraints.</p>
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Oakland Police Department (OPD) Overtime
Recommendation Follow-Up Report on OPD
Overtime Performance Audit Released in 2019

		3.3 The City Administration should consider immediately transferring the planning and scheduling responsibilities for special events to a unit in OPD where there would be no inherent conflicts.	<p>The Administration disagrees with the recommendation.</p> <p>The Department's Special Events Unit was created to ensure proper permitting and to assess the correct number of personnel necessary for special events. This Unit is responsible for dealing directly with the special event customers, who are reimbursing the City for providing security for their events.</p> <p>The Department believes it is beneficial to have the Special Event Coordinator at mid-to- large scale events to ensure the Department fulfills its requirements. Many times, the Special Event Coordinator is working the reimbursable special event at the request of the customer.</p>	Oakland Police Department	N/A	<p>Not Implemented</p> <p>In July 2020, the City Council adopted a Resolution, which requested that the City Administration return to the City Council with amendments to the City of Oakland Special Events and Street Closure Ordinances to move the permitting of events from sworn OPD staff to the City Administrator's Office.</p> <p>As of December 2021, this move has not occurred due to time and resource constraints.</p>
		3.4 The Department should adhere to the provision in the MOU between the City and OPOA prohibiting sworn staff from receiving comp time for working	<p>The Administration agrees with the recommendation.</p> <p>The Department will immediately incorporate a list of members who incorrectly code comp time for special events as part of the Monthly Overtime report. The commanders and managers will be responsible for ensuring payroll adjustments are</p>	Oakland Police Department	June 14, 2019	<p>Implemented</p> <p>OPD has a process to review overtime reports monthly to ensure there is no comp time charged for reimbursable events.</p>



		reimbursable special events.	completed to reverse the errors from their staff. In addition, the Department will reiterate that comp time is not allowed for Special Events.			
4	OPD still needs to enforce limits on overtime hours worked	4.1 The Department should consider setting limits on the number of overtime hours an employee can earn in a fiscal year, excluding mandatory overtime.	<p>The Administration disagrees with the recommendation.</p> <p>Given the Department's current staffing level, setting limits on the number of overtime hours an employee can earn in a fiscal year can potentially lead to mandatory overtime.</p> <p>Also, setting limits on the number of overtime hours an employee can earn in a fiscal year can potentially create a violation in federal law that mandates non-exempt employees be paid for hours worked.</p> <p>The Department will evaluate limiting the number of special events an employee can work, however, doing so could have serious unintended consequences (i.e. not enough employees to work an event, causing a public safety concern).</p> <p>The Department understands the concern with employees working too much overtime and wants to ensure the wellbeing of its members and the</p>	Oakland Police Department & Human Resources Management Department	December 31, 2019	<p>Not Implemented</p> <p>OPD currently does not set limits on the number of overtime hours an employee can earn in a fiscal year.</p> <p>OPD and the Human Resources Management Department considered the City Auditor's recommendation but chose not to implement it.</p>



Oakland Police Department (OPD) Overtime
Recommendation Follow-Up Report on OPD
Overtime Performance Audit Released in 2019

			public. There is currently an eight (8) hour rest period incorporated in the OPOA MOU. The Department will continue to monitor overtime usage and rest periods and make adjustments, when necessary.			
		4.2 The Department should either adhere to its Voluntary Overtime Policy or revise it.	<p>The Administration agrees with the recommendation.</p> <p>The Voluntary Overtime Policy, dated 30 NOV 01, is outdated and will be discontinued once the DGO D-01 (Overtime) is fully implemented.</p>	Oakland Police Department	December 31, 2019	<p>Partially Implemented</p> <p>The new overtime management policy has been in effect as of December 16, 2020.</p> <p>However, OPD was not able to provide evidence that the general order is followed, specifically the audit team was not able to verify the approval of officers who worked more than 7 consecutive days.</p>
		4.3 The Department should review all situations when staff are working overtime, provide written authorization for exceptions, and	<p>The Administration agrees with the recommendation.</p> <p>1. The Department currently reviews all overtime worked at least once a month when the Monthly Overtime Report is distributed.</p>	Oakland Police Department & Human Resources Management Department	Ongoing with upgrade & integration planned for 2020	<p>Partially Implemented</p> <p>OPD worked with the City's Information Technology Department to upgrade the OPD's scheduling system and</p>



Oakland Police Department (OPD) Overtime
Recommendation Follow-Up Report on OPD
Overtime Performance Audit Released in 2019

		implement appropriate management controls to monitor when staff may work voluntary overtime and when staff may not work voluntary overtime.	<p>2. The Department is in the process of updating DGO D-01 (Overtime) and discontinuing the Voluntary Overtime Policy.</p> <p>3. Once the Department updates its Telestaff system, commanders and managers can better control and monitor overtime usage.</p>			<p>integrate it with the City's financial system, Oracle. However, the integration is not feasible due to limitations of the Oracle system.</p> <p>At the conclusion of our audit follow-up process, OPD provided documentation of an alternative manual reporting process that went into effect December 28, 2021. The City Auditor's staff will verify the implementation of the new reporting process during the next follow-up.</p>
		4.4 The Department should work on implementing an integrated management and scheduling system that will allow to track MOU and Policy requirements.	<p>The Administration agrees with the recommendation.</p> <p>OPD is working with the City's Information Technology Department to develop a plan and budget for an integrated overtime management and scheduling system.</p>	Oakland Police Department & Information Technology Department	Ongoing with upgrade & integration planned for 2020	<p>Not Implemented</p> <p>Integration of the overtime management and scheduling system does not allow tracking of MOU and policy requirements.</p>



Oakland Police Department (OPD) Overtime
Recommendation Follow-Up Report on OPD
Overtime Performance Audit Released in 2019

5	The City has not addressed any MOU issues identified in the previous report	5.1 The City Administration should negotiate with the Oakland Police Officers' Association to reduce the comp time accrual limit.	The Administration agrees with the recommendation. This recommendation is being evaluated as part of an overall review of comp time Citywide. Reducing comp time is subject to bargaining between the City and OPOA/OPMA. The MOU between the City and OPOA/OPMA does not expire until June 30, 2024.	Oakland Police Department, Human Resources Management Department & Finance Bureau	June 30, 2024	Not Implemented The OPMA and OPOA have closed contracts until 2024, and contract terms will not be proposed until that time unless directed by City Council.
		5.2 The City Administration should negotiate with the OPOA & OPMA to eliminate the provision that allows sworn staff to defer overtime payments.	The Administration agrees with the recommendation. This matter is subject to bargaining between the City and OPOA/OPMA. The MOU between the City and OPOA/OPMA does not expire until June 30, 2024.	Oakland Police Department & Human Resources Management Department	June 30, 2024	Not Implemented The OPMA and OPOA have closed contracts until 2024, and contract terms will not be proposed until that time unless directed by City Council.
		5.3 The City Administration should discontinue the informal practice of buying back comp time.	The Administration agrees with the recommendation. Per the OPOA MOU, "The City will buy down CTO banks in excess of three hundred (300) hours at a rate of no more than a total of two hundred (200) hours per calendar year." Also, included, "However, notwithstanding this provision, the City may elect to buy down any overtime worked (OTW)	Oakland Police Department, Human Resources Management Department & Finance Bureau	June 30, 2024	Not Implemented The OPMA and OPOA have closed contracts until 2024, and contract terms will not be proposed until that time unless directed by City Council.



			credit in excess of ninety-six (96) hours." The City will work with the bargaining units to ensure the procedures are clearly stated in future MOUs.			
		5.4 The City Administration should review the educational pay incentives for the Department Management in the next MOU Negotiations.	The Administration agrees with the recommendation. Currently, the OPOA MOU does not allow pyramiding educational incentives. This practice is allowed under the OPMA MOU. This matter is subject to bargaining between the City and OPMA. The MOU between the City and OPMA does not expire until June 30, 2024.	Oakland Police Department & Human Resources Management Department	June 30, 2024	Not Implemented The OPMA and OPOA have closed contracts until 2024, and contract terms will not be proposed until that time unless directed by City Council.
		5.5 The City Administration should update Administrative Instruction 124 (AI 124) to reflect current FLSA regulations.	The Administration agrees with the recommendation. The Administration will update AI 124 to reflect current FLSA regulations.	Finance Bureau & City Administrator's Office	June 30, 2020	Not Implemented AI 124 has not been updated as of the date of this report.



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Oakland Police Department (OPD) Overtime
Recommendation Follow-Up Report on OPD
Overtime Performance Audit Released in 2019

6	Worker's compensation hours have declined significantly, and more can be done	6.1 The Department should work with the Human Resources Department to develop a comprehensive training program aimed at reducing officer injuries.	OPD Training Section's Professional Development and Wellness Unit is working with HRM's Risk Management to reduce the incidence and severity of on-duty injuries. The City's Health and Wellness Committee meets monthly to analyze trends, assess risks, and develop training and education programs.	Oakland Police Department & Human Resources Management Department	The efficiency of the training program will be assessed on an annual basis	Partially Implemented The Department has worked with the Human Resources Management Department on developing and implementing a comprehensive training program, however, as of the date of this report, the Department has not been able to provide data that shows its effect on workers compensation claims.
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Oakland's City Auditor is an elected official and works for, and reports to, the residents of Oakland. The Auditor's job is to provide oversight to the City's activities. The Auditor has the authority to access and audit City financial and administrative records, plus the policies and procedures of all City agencies and departments.

To make sure this work is done objectively and without bias, the City Auditor is not connected to any other City department and has no day-to-day financial management or accounting duties for the City of Oakland. This autonomy allows for independent analyses, ensuring tax dollars and other resources serve the public interest.

Office of the City Auditor

1 Frank H. Ogawa Plaza • 4th Floor, City Hall • Oakland, CA 94612

(510) 238-3378

CityAuditor@OaklandCA.gov



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