

OFFICE OF THE SHERIFF
SECONDARY EMPLOYMENT

APRIL 16, 2002

REPORT NO. 546

OFFICE OF THE COUNCIL AUDITOR
Suite 200, St. James Building



April 16, 2002

Report No. 546

Honorable Members of the City Council
City of Jacksonville

INTRODUCTION

Pursuant to Section 5.10 of the Charter of the City of Jacksonville and Chapter 102 of the Jacksonville Municipal Code, we examined the activities of the Secondary Employment Unit of the Jacksonville Sheriff's Office and present this report thereon.

The Secondary Employment Unit maintains the secondary employment records. Secondary employment is a means that provides Sheriff's Office employees an opportunity to work a second job in addition to their primary duties with the Sheriff's Office. Secondary employment must be approved for all Sheriff's Office employees; however, police officers are the primary users of secondary employment. There are approximately 1,726 Sheriff's Office employees (police officers, correctional officers and civilians) that work secondary employment. There are approximately 1,500 sworn police officers and there are approximately 4,000 companies that employ off-duty police officers. The Sheriff's Office views the process of providing police officers for off-duty employment as a service to the community. An administrative fee of \$2.00 per hour (\$2.50 after 10/1/01) is paid to the City of Jacksonville for every hour that a police officer receives payment for secondary employment. The administrative fee applies only to secondary employment that requires the use or implied use of police authority and is used to offset the costs of equipment and employee benefits. The administrative fee is the same whether or not a police officer uses his/her vehicle while working secondary employment. Per the Sheriff's Office, the administrative fee was initiated by the Sheriff's Office in 1992 and was included in the union contract that began on October 1, 1996. The union contracts in effect from October 1, 1999 through September 30, 2000 were approved by the City Council on December 14, 1999 and changed the hourly rates for secondary employment. The rate for a police officer increased from \$21/hr to \$22/hr and the rate for a police officer in a supervisory position increased from \$24/hr to \$25/hr. The current union contracts in effect from October 1, 2000 through September 30, 2003 changed both the hourly rates for secondary employment and the administrative fee. This contract was not approved by the City Council until August 20, 2001. The changes were as follows: the rate for a police officer increased from \$22/hr to \$24.50/hr, the rate for a police officer in a supervisory position increased from \$25/hr to \$27.50/hr, and the administrative fee paid by the officer to the City increased from \$2/hr to \$2.50/hr. The revenue received from the payment of the administrative fee was \$943,127 in fiscal year 1999/2000 and \$1,077,434 in fiscal year 2000/2001. The amount budgeted for fiscal year 2001/2002 is \$1,023,642.

STATEMENT OF OBJECTIVE

The objective of the audit was to determine that the Sheriff's Office is in compliance with General Order L111.5 (53), which dictates the procedures for Secondary Employment.

STATEMENT OF SCOPE

The audit period for testing was June 1, 1999 through May 31, 2001.

STATEMENT OF METHODOLOGY

A compliance questionnaire was developed to determine compliance with General Order L111.5 (53).

The questions addressed areas that could not be tested. The universe of Sheriff's Office employees who work secondary employment totaled 1,726 employees. The 1,726 employees include police officers, correctional officers and civilians. A sample of 71 employees was randomly selected based on a 95% confidence level using the Stat. V.1.1 sampling program and an additional three employees were judgmentally selected for a total of 74 Sheriff's Office employees. The majority of these 74 employees were police officers. We tested the Secondary Employment Authorization Form (P-052), and the Secondary Employment Verification Form (P-1724) for the 74 employees. From the sample of 74 employees, every other one was selected to test the employee's attendance records in regards to secondary employment. We also selected companies that do not pay the officer's \$2 administrative fee and requested independent verification of the hours worked for the month of April 2001. The employees who work secondary employment are maintained through an Access database that is not interfaced with any other system of the Sheriff's Office.

STATEMENT OF AUDITING STANDARDS

We conducted our audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgements and conclusions regarding the organization, program, activity, or function under audit. This audit also included an assessment of applicable management controls and compliance with requirements of laws and regulations when necessary to satisfy audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

AUDIT CONCLUSION

The Secondary Employment Unit is primarily in compliance with General Order LIII.5. (53); however, we noted several internal control weaknesses and findings.

AUDIT OBJECTIVE #1

Internal Control Weakness #1

The Secondary Employment Verification Form (P-1724) is completed by each officer at the end of every month who work secondary employment. It lists the applicable job numbers, the business name of the secondary employer, the hours worked and the administrative fee due. Secondary employers that pay the administrative fee on behalf of the employee must submit a monthly report that lists each officer's name, job number, Sheriff's Office identification number, and number of hours for which pay was received. The filing of the Secondary Employment Verification Forms (P-1724) and the reports submitted by the companies was several months behind which hinders the ability of the Secondary Employment Unit to maintain an accurate and timely status of each officer's secondary employment.

Recommendation

We recommend that emphasis be placed on the timely filing of forms and reports. This would assist in keeping the officers accountable and would allow for a reconciliation between the hours reported by the officer and the hours reported by the company.

Internal Control Weakness #2

General Order L111.5(53), Section I.L. states that *“Lieutenants will monitor secondary employment locations and the officers who are employed at such sites. All watch commanders will be responsible for the secondary employment locations within their respective zones.”* There is no evidence that the lieutenants or zone commanders are monitoring officers who are working secondary employment.

Recommendation

We recommend that lieutenants or zone commanders appropriately supervise all officers working secondary employment as required by the General Order. The process should include surprise spot checks and a periodic report should be submitted to the Commanding Officer.

Internal Control Weakness #3

There is not a system to determine that all of the Secondary Employment Verification forms (P-1724) have been received by the Secondary Employment Unit. A Secondary Employment Authorization Form (P-052) is entered into the system; however, it does not necessarily mean that the officer worked the secondary employment job for which he was originally authorized. As a result, it cannot be determined by the system whether a Secondary Employment Verification Form (P-1724) is due from the officer.

Recommendation

We recommend that a system be developed that would enable the Secondary Employment Unit to account for the status of every officer’s secondary employment (authorized to work, currently working, or whether a verification form is due).

Internal Control Weakness #4

An independent verification of the number of hours worked for officers who report their own hours and pay their own administrative fee is not performed on a consistent basis. An officer’s hours are only verified with the employer on an exception basis.

Recommendation

We recommend that a system be developed that would enable the Secondary Employment Unit to verify the number of hours worked that are submitted by the officer on his/her Secondary Employment Verification Form (P-1724). One method may be to compare the officer’s hours reported on the form to the hours reported by the company to determine if the hours are correct.

Finding #1

General Order LIII.5 (I)(B) from the Office of the Sheriff states: *“All members of the Office of the Sheriff, sworn and civilian, who intend to engage in Secondary Employment shall submit through their chain of command the Secondary Employment Authorization Form, P-052. The form will be forwarded to the Secondary Employment Unit after being signed by the employees’ commanding officer. Members must receive approval prior to engaging in actual secondary employment.”* Of the

394 authorization forms tested, our results were as follows:

- One (0.25%) authorization form had no hours per week or rate of pay listed.
- Two (0.50%) authorization forms did not state whether or not a police vehicle or a police uniform would be used.
- One (0.25%) authorization form did not have the approval of the Secondary Employment Unit.

Recommendation

The officer within the Secondary Employment Unit approving the form should determine that the entire form is complete prior to its approval.

Finding #2

General Order LIII.5 (53), Section VIII.D states “*The fee must be remitted by the tenth (10) day of the following month*”. Section 25.6 of the Fraternal Order of Police (FOP) contract states “*All fees due and payable for a one (1) month period must be paid by the 10th day of the following month. Employees more than two (2) weeks late will be subject to appropriate discipline, which may include loss of secondary employment privileges*”. Due to the grace period provided in the FOP contract, the Sheriff’s Office considers the due date to be the 24th of the following month instead of the 10th. The results are as follows:

Of the 930 verification forms tested,

- 462 (49.7%) of the forms were not submitted by the 10th of the following month,
- 30 (3.2%) were not submitted by the 24th of the following month,
- 19 (2.0%) could not be determined if they were received by the 24th at midnight because the due date fell on a weekend or a holiday,
- 13 (1.4%) of the forms had a receipt date that was illegible or missing and
- one (0.1%) of the forms was submitted for more than one month.

Of the 109 receipts tested from the 930 verification forms,

- 52 (47.7%) receipts did not have the \$2 administrative fee paid by the 10th of the following month,
- five (4.6%) were not remitted by the 24th of the following month and
- three (2.8 %) could not be determined if they were paid by the 24th at midnight because the due date fell on a weekend or a holiday.

Recommendation

We recommend that the receipt of the administrative fee, if applicable, and the Secondary Employment Verification Form (P-1724) be tracked for every officer who works secondary employment to ensure that they are remitted by no later than the 24th of the following month as required by the FOP contract. The privilege of working secondary employment should be suspended for officers who are late on a frequent basis. We also recommend that the General Order be revised to reflect the same language in the FOP contract if the Sheriff plans to continue to adopt the policy of the two-week grace period that is provided in the FOP contract.

Finding #3

Of the 881 verification forms tested, 45 (5.1%) had the administrative fee calculated incorrectly that totaled \$308.17 (\$328.17 overpayments and \$20.00 in underpayments) and two (0.2%) did not have the number of hours listed, thus making it impossible to determine the correct administrative fee. The 881 verification forms consist of verification forms where only an administrative fee was due.

Recommendation

All Secondary Employment Verification Forms (P-1724) should be recalculated and initialed by the Secondary Employment Unit to determine that the officer is paying the correct administrative fee.

Finding #4

In an attempt to verify that the officers are reporting all hours worked and are paying the correct administrative fee, we selected two companies that do not pay the administrative fee. The companies were Bombardier Capital and Publix Supermarkets. The timesheets kept by each company for the month of April 2001 were compared to the Secondary Employment Verification Form (P-1724) submitted by the officer. The findings were as follows:

- Three (9.7%) of the 31 officers tested that worked for Bombardier Capital and Publix Supermarkets did not have a form P-1724 for April 2001. The unreported hours totaled 72.5 and the administrative fee totaled \$145.00.
- Three (9.7%) of the 31 officers tested that worked for Bombardier Capital and Publix Supermarkets did not list all of the hours worked in April 2001. The unreported hours totaled 16.5 and the administrative fee totaled \$33.00.

Recommendation

We recommend that a report be requested on a periodic basis from the companies that do not pay the administrative fee for the purpose of reconciling the hours worked reported by the company to the hours worked reported by the officer to ensure that all hours worked are reported and that the correct administrative fee is being paid.

Finding #5

According to General Order L111.5(53)(IV)(J), *“The number of hours an employee may work off-duty shall be limited to forty-eight (48) hours per pay period. The 48 hours of extra duty may be supplemented by Annual Leave, Compensatory Leave or Holiday Leave. The Sheriff or designee may at his/her discretion, waive the 48-hour per pay period limitation. Members shall ensure that the number of secondary employment hours worked does not adversely affect their ability to perform their on-duty assignment”*. Of the 40 officers tested, three (7.5%) worked more than 48 hours in a pay-period without authorization.

Recommendation

We recommend that a system be developed to track all hours worked for secondary employment in order to determine that each officer’s hours do not exceed the 48-hour per pay period limit and that the total number of hours be verified prior to the approval of secondary employment.

Opportunity for Improvement #1

A police officer pays an administrative fee to the City for every hour of pay received from secondary employment. The fee increased from \$2 per hour to \$2.50 per hour on October 1, 2001. This fee does not account for the cost of a police officer utilizing his/her vehicle while working secondary employment for traffic control at a construction site. We recommend that the Sheriff perform a study pertaining to a possible increase in the administrative fee to account for the additional cost and risk that the City incurs as a result of a police officer working traffic control at a construction site.

Opportunity for Improvement #2

The employees who work secondary employment are tracked through an Access database that is not interfaced with any other system of the Sheriff's Office. The system is dependent on the officer to report his/her hours worked and to report his/her hours correctly. We acknowledge that the Sheriff is undergoing a revision of the Secondary Employment program. We recommend that these revisions include a method to hold the officers accountable for their hours of secondary employment.

Respectfully submitted,

Robert O. Johnson, CPA
Council Auditor

Audit performed by:

Renee Smith, C.P.A.

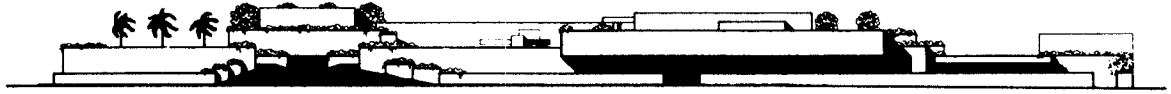
Jennifer Spinelli

Carmen Johnson



OFFICE OF THE SHERIFF

CONSOLIDATED CITY OF JACKSONVILLE



501 EAST BAY STREET • JACKSONVILLE, FLORIDA 32202-2975

NATHANIEL GLOVER
Sheriff

May 2, 2002

Robert O. Johnson, C.P.A.
Council Auditor
St. James Building
117 West Duval Street, Suite 200
Jacksonville, FL 32218

Dear Mr. Johnson:

In response to the comments and recommendations set forth in your examination of the Secondary Employment Unit, the following responses are submitted:

Council Auditor's Internal Control Weakness #1

The Secondary Employment Verification Form (P-1724) is completed by each officer at the end of every month who work secondary employment. It lists the applicable job numbers, the business name of the secondary employer, the hours worked and the administrative fee due. Secondary employers that pay the administrative fee on behalf of the employee must submit a monthly report that lists each officer's name, job number, Sheriff's Office identification number, and number of hours for which pay was received. The filing of the Secondary Employment Verification Forms (P-1724) and the reports submitted by the companies was several months behind which hinders the ability of the Secondary Employment Unit to maintain an accurate and timely status of each officer's secondary employment.

Council Auditor's Recommendation

We recommend that emphasis be placed on the timely filing of forms and reports. This would assist in keeping the officers accountable and would allow for a reconciliation between the hours reported by the officer and the hours reported by the company.

Sheriff's Office Response

Concur: The Sheriff's Office intends to implement new procedures for collecting secondary employment fees. Until the new procedures are in place, the Secondary Employment Unit will more closely monitor submissions for timeliness and follow up on late filings. Further, a letter will be sent to all employers reminding them of the due dates for submittal.



A Nationally Accredited Agency

An Equal Opportunity Employer

Council Auditor's Internal Control Weakness #2

General Order L111.5(53), Section I.L. states that "Lieutenants will monitor secondary employment locations and the officers who are employed at such sites. All watch commanders will be responsible for the secondary employment locations within their respective zones." There is no evidence that the lieutenants or zone commanders are monitoring officers who are working secondary employment.

Council Auditor's Recommendation

We recommend that lieutenants or zone commanders appropriately supervise all officers working secondary employment as required by the General Order. The process should include surprise spot checks and a periodic report should be submitted to the Commanding Officer.

Sheriff's Office Response

Concur: A new form has been developed that will provide positive confirmation that sites are being monitored. The General Order will require that each watch commander submit a copy of each form to the Sergeant in the Secondary Employment Unit who will regularly monitor for compliance.

Council Auditor's Internal Control Weakness #3

There is not a system to determine that all of the Secondary Employment Verification forms (P-1724) have been received by the Secondary Employment Unit. A Secondary Employment Authorization Form (P-052) is entered into the system; however, it does not necessarily mean that the officer worked the secondary employment job for which he was originally authorized. As a result, it cannot be determined by the system whether a Secondary Employment Verification Form (P-1724) is due from the officer.

Council Auditor's Recommendation

We recommend that a system be developed that would enable the Secondary Employment Unit to account for the status of every officer's secondary employment (authorized to work, currently working, or whether a verification form is due).

Sheriff's Office Response

Concur: The new procedures should eliminate this problem. Until that time, the Unit's Sergeant will make random selections each month to determine if new job numbers assigned in the prior month were reconciled to the verification form turned in by the employee.

Council Auditor's Internal Control Weakness #4

An independent verification of the number of hours worked for officers who report their own hours and pay their own administrative fee is not performed on a consistent basis. An officer's hours are only verified with the employer on an exception basis.

Council Auditor's Recommendation

We recommend that a system be developed that would enable the Secondary Employment Unit to verify the number of hours worked that are submitted by the officer on his/her Secondary Employment Verification Form (P-1724). One method may be to compare the officer's hours reported on the form to the hours reported by the company to determine if the hours are correct.

Sheriff's Office Response

Concur: As in some of the previous findings, the new system should eliminate this problem. Until the new system is in place, the Unit's Sergeant will make random selections each month to determine if hours are being reported correctly.

Council Auditor's Finding #1

General Order LIII.5 (I)(B) from the Office of the Sheriff states: "*All members of the Office of the Sheriff, sworn and civilian, who intend to engage in Secondary Employment shall submit through their chain of command the Secondary Employment Authorization Form, P-052. The form will be forwarded to the Secondary Employment Unit after being signed by the employees' commanding officer. Members must receive approval prior to engaging in actual secondary employment.*" Of the 394 authorization forms tested, our results were as follows:

- One (0.25%) authorization form had no hours per week or rate of pay listed.
- Two (0.50%) authorization forms did not state whether or not a police vehicle or a police uniform would be used.
- One (0.25%) authorization form did not have the approval of the Secondary Employment Unit.

Council Auditor's Recommendation

The officer within the Secondary Employment Unit approving the form should determine that the entire form is complete prior to its approval.

Sheriff's Office Response

Concur: When forms are submitted, the Unit's Sergeant will check the forms for completeness. Incomplete forms will be returned.

Council Auditor's Finding #2

General Order LIII.5 (53), Section VIII.D states "*The fee must be remitted by the tenth (10) day of the following month*". Section 25.6 of the Fraternal Order of Police (FOP) contract states "*All fees due and payable for a one (1) month period must be paid by the 10th day of the following month. Employees more than two (2) weeks late will be subject to appropriate discipline, which may include loss of secondary employment privileges*". Due to the grace period provided in the FOP contract, the Sheriff's Office considers the due date to be the 24th of the following month instead of the 10th. The results are as follows:

- Of the 930 verification forms tested,
- 462 (49.7%) of the forms were not submitted by the 10th of the following month,

- 30 (3.2%) were not submitted by the 24th of the following month.
- 19 (2.0%) could not be determined if they were received by the 24th at midnight because the due date fell on a weekend or a holiday,
- 13 (1.4%) of the forms had a receipt date that was illegible or missing and
- one (0.1%) of the forms was submitted for more than one month.

Of the 109 receipts tested from the 930 verification forms,

- 52 (47.7%) receipts did not have the \$2 administrative fee paid by the 10th of the following month,
- five (4.6%) were not remitted by the 24th of the following month and
- three (2.8 %) could not be determined if they were paid by the 24th at midnight because the due date fell on a weekend or a holiday.

Council Auditor's Recommendation

We recommend that the receipt of the administrative fee, if applicable, and the Secondary Employment Verification Form (P-1724) be tracked for every officer who works secondary employment to ensure that they are remitted by no later than the 24th of the following month as required by the FOP contract. The privilege of working secondary employment should be suspended for officers who are late on a frequent basis. We also recommend that the General Order be revised to reflect the same language in the FOP contract if the Sheriff plans to continue to adopt the policy of the two-week grace period that is provided in the FOP contract.

Sheriff's Office Response

Concur: The General Order will be modified to reflect the new due date. Since the 24th could fall on a Friday or on a day before a holiday, and the majority of officers working secondary employment do not work on the day shift, the General Order will reflect the due date as the 24th, but late only if time/date stamped after the date representing the next regular working date after the 24th for civilian employees. The Unit's Sergeant will maintain a database of employees submitting late.

Council Auditor's Finding #3

Of the 881 verification forms tested, 45 (5.1%) had the administrative fee calculated incorrectly that totaled \$308.17 (\$328.17 overpayments and \$20.00 in underpayments) and two (0.2%) did not have the number of hours listed, thus making it impossible to determine the correct administrative fee. The 881 verification forms consist of verification forms where only an administrative fee was due.

Council Auditor's Recommendation

All Secondary Employment Verification Forms (P-1724) should be recalculated and initialed by the Secondary Employment Unit to determine that the officer is paying the correct administrative fee.

Sheriff's Office Response

Concur: We have implemented the recommended procedure. If incorrect calculations are made, employees are required to immediately correct the form and adjust the remittal if required.

Council Auditor's Finding #4

In an attempt to verify that the officers are reporting all hours worked and are paying the correct administrative fee, we selected two companies that do not pay the administrative fee. The companies were Bombardier Capital and Publix Supermarkets. The timesheets kept by each company for the month of April 2001 were compared to the Secondary Employment Verification Form (P-1724) submitted by the officer. The findings were as follows:

- Three (9.7%) of the 31 officers tested that worked for Bombardier Capital and Publix Supermarkets did not have a form P-1724 for April 2001. The unreported hours totaled 72.5 and the administrative fee totaled \$145.00.
- Three (9.7%) of the 31 officers tested that worked for Bombardier Capital and Publix Supermarkets did not list all of the hours worked in April 2001. The unreported hours totaled 16.5 and the administrative fee totaled \$33.00.

Council Auditor's Recommendation

We recommend that a report be requested on a periodic basis from the companies that do not pay the administrative fee for the purpose of reconciling the hours worked reported by the company to the hours worked reported by the officer to ensure that all hours worked are reported and that the correct administrative fee is being paid.

Sheriff's Office Response

Concur: As in some of the previous findings, the new system should eliminate this problem. Until the new system is in place, the Unit's Sergeant will make random selections each month to determine if hours are being reported correctly.

Council Auditor's Finding #5

According to General Order L111.5(53)(IV)(J), "*The number of hours an employee may work off-duty shall be limited to forty-eight (48) hours per pay period. The 48 hours of extra duty may be supplemented by Annual Leave, Compensatory Leave or Holiday Leave. The Sheriff or designee may at his/her discretion, waive the 48-hour per pay period limitation. Members shall ensure that the number of secondary employment hours worked does not adversely affect their ability to perform their on-duty assignment*". Of the 40 officers tested, three (7.5%) worked more than 48 hours in a pay-period without authorization.

Council Auditor's Recommendation

We recommend that a system be developed to track all hours worked for secondary employment in order to determine that each officer's hours do not exceed the 48-hour per pay period limit and that the total number of hours be verified prior to the approval of secondary employment.

Sheriff's Office Response

Concur: As in some of the previous findings, the new system should eliminate this problem. Until the new system is in place, the Unit's Sergeant will make random selections each month to determine if hours are being reported correctly.

As previously stated in our responses, we will significantly modify the present secondary employment procedures. This will provide the Sheriff's Office complete control over assignment of officers. A new computer software program is being designed specifically to support our Secondary Employment Program.

As always, we welcome your suggestions for improvement in the operation of the Sheriff's Office.

Sincerely,

A handwritten signature in cursive script that reads "Nathaniel Glover". The signature is written in black ink and is positioned above the printed name.

Nathaniel Glover, Sheriff