



**SHERIFF-CORONER DEPARTMENT  
COUNTY OF ORANGE  
CALIFORNIA**

**SANDRA HUTCHENS  
SHERIFF-CORONER**

**OFFICE OF SHERIFF-CORONER**

April 8, 2011

Mr. Steve Danley  
Performance Auditor  
Hall of Administration  
333 West Santa Ana Blvd.  
Santa Ana, California 92701

Dear Mr. Danley:

I would like to thank you and your team for your follow-up review of the Overtime Audit of the Sheriff-Coroner Department. It is encouraging to see that your statistical analysis demonstrates the effectiveness of our efforts to reduce costs during these difficult economic times. As you point out in your report, there have been many variables over the last two years that have impacted staffing requirements and overtime usage. To reduce costs, we closed the North (tents) and East Compounds at Musick, the entire Central Women's Jail, and the 4<sup>th</sup> Floor of the Central Men's Jail. As we entered into a revenue-generating contract with ICE to house some of their detainees, we had to re-open the East Compound at Musick and the 4<sup>th</sup> Floor of the Central Men's Jail.

In addition, as part of our budget reduction plan, we have hired about 100 Correctional Services Assistants (CSAs) and now have about 30 in an academy and we are approaching our initial goal of hiring about 180 CSAs. We have been dealing with the hiring freeze and the fact that we lose about 70 sworn personnel through attrition each year yet we have not hired any sworn personnel over the last two years. I am very proud of the way our Department has dealt with these variables, which have increased revenue and decreased costs, while still providing safe and secure jail facilities and the high level of public safety services that the residents of Orange County deserve.

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*Integrity without compromise. Service above self. Professionalism in the performance of duty.  
Vigilance in safeguarding our community.*

Since it takes about a year to recruit, test, perform background analysis, and train new sworn personnel, I agree with your astute recommendation that we need to be vigilant in our analysis of future staffing needs. As we continue to lose sworn personnel to attrition, we have reached the point where we need to hire sworn personnel in order to avoid increasing overtime usage to excessive levels. Monitoring staffing levels and overtime usage and projecting future staffing needs is an ongoing process for this Department.

Attached is our response to your six recommendations. Thank you again for your work on this matter and I compliment your staff for the thorough and professional manner in which they conducted the follow-up review.

Sincerely,



Sandra Hutchens  
Sheriff-Coroner

Attachment

# **Orange County Sheriff's Department**

## **Responses to Follow-Up Review of Overtime Audit**

**April 8, 2011**

### **Recommendation #1**

It is clear that the cost impact of the "30 minute extension" is minimal; however, OCSD should continue to monitor this issue and encourage watch commanders to exercise discretion in utilizing this overtime option based on the needs of that particular situation and shift, rather than automatically granting overtime to every 11-hour shift. In addition, this discretion should be clarified in either a memo or policy to OCSD staff.

**OCSD Response:** Many OCSD personnel are on 12 hour shifts. The "30 minute extension" refers to a 30 minute gap in staffing caused by the need (per the Fair Labor Standards Act) to provide time for staff to change into their uniforms and attend briefing before they begin their primary duties. To cover that 30 minute gap, overtime is often authorized unless the supervisor determines that the 30 minute gap can be handled without overtime. All supervisors are instructed to utilize overtime only when necessary. This is stated in the Department's Overtime Policy. A department-wide memo will be sent reminding everyone of that part of the policy.

### **Recommendation #2**

An opportunity remains for the County to further align these MOUs by defining the PO Unit work period, consistent with the SSO/Coroner Unit MOU, as an 80-hour, 2-week work period. Such a change would not only remove administrative burden on OCSD Payroll, but would also achieve cost savings for the County with more overtime being paid as straight time rather than time and a half.

**OCSD Response:** The PO Unit's labor agreement runs through October 2012. At that time, this issue can be addressed when the PO Unit enters negotiations with the County. This recommendation has been sent to the Director of the Human Resources Department for consideration during those negotiations.

### **Recommendation #3**

This information points to the need for continued refinement of how OCSD analyzes and projects overtime needs for future fiscal years. In addition, though OCSD

Financial now consistently provides monthly budget reports to all locations to allow for overall overtime tracking, there is no detail provided as to the causes or frequent users of overtime. Though some sworn managers at certain locations (e.g., Men's Central Jail) are having timekeepers manually keep track of the reasons for overtime and prepare summary data based on daily timesheets, this is not occurring Department-wide. OCSD Financial should provide further detail regarding overtime with the monthly budget reports in order to further equip line managers with important overtime monitoring information on a consistent, Department-wide basis.

**OCSD Response:** Due to budget cuts and the vacant position freeze, staff from the Financial and Administrative Services Division now produce quarterly, instead of monthly, budget reports for the other Divisions. However, management will discuss with Division Commanders the type of financial information that is most needed and attempt to provide that information in a timely manner.

#### **Recommendation #4**

Though overtime costs are fully reimbursed for services provided in contract cities, OCSD should analyze the frequent need to work additional hours (either due to Shift Extension or Shift Replacement) at contract city patrol operations to ensure that all overtime is necessary and prevent any potential employee fatigue issues.

**OCSD Response:** Lieutenants who serve as Chief of Police Services for Contract Cities are in constant discussion about all public safety costs, including overtime, with their City Managers. Overtime is a valuable management tool that can achieve cost savings when OT is used to cover vacant positions or when other staff are on vacation, sick, or participating in training. The Department's OT policy states that OT should be used only when necessary and that supervisors are responsible for monitoring employee fatigue issues. In addition, Division Commanders are provided bi-weekly reports that identify employees that work more than the policy limit of 48 hours per pay period. At this time, fatigue caused by OT is not a problem; however, as the Department loses more sworn personnel through attrition, OT will increase significantly unless new Deputies are hired (see Response to Recommendation #6 below for further discussion about staffing level concerns and the impacts on OT).

### **Recommendation #5**

OCSD should move forward in earnest, with the selection of a vendor to implement a new timekeeping system. Once implemented, a new system will result in significant cost savings/productivity gains as a result of improved efficiency from the elimination of manual data entry. Specifically, there are eight Payroll Specialists who currently spend approximately 50% of their time entering payroll data. The audit team estimates there will be \$225K of annual cost savings/productivity gains as a result of making this change.

### **OCSD Response:**

- 1) **Status of selection of new timekeeping system** - The Sheriff's Department has been monitoring the implementation of the VTI timekeeping system in the Probation Department. That process required several years and many modifications to accommodate their 24/7 operations. That system is working and is a viable option at this time. Sheriff's Department staff have been working with Auditor-Controller staff to plan the implementation of that system. At this time, the Department has \$459,000 for implementation of the system but it is estimated to cost about \$975,000. The Department is now considering phasing-in the system over two fiscal years.
  
- 2) **Potential cost savings/productivity gains with new system** – The Audit Team attempted to estimate cost savings/productivity gains that could be achieved by implementing a new timekeeping system. The Team analyzed savings achieved by Probation when they implemented the VTI timekeeping system. Footnote #17 on page 27 of the audit report indicates that “...*the experience of the Probation Department, which has less than half of the number of employees as OCSD, but was able to achieve a savings of approximately three FTEs when they automated their payroll timekeeping system (VTI).*” Based on Probation's experience, the Audit Team estimated savings/productivity gains of \$225,000 per year.

The estimated savings/productivity gains helps demonstrate that the new system is cost effective; however, the Sheriff's Department and Probation Department have significant differences in timekeeping workload which could impact actual savings/productivity gains such as:

- ◆ Sheriff employees total 3,500 governed by 9 MOU's, while Probation employees total 1,300 governed by 4 MOU's. On a closing week, the ratio of timecards reviewed per Payroll Specialist is 186:1 for

Probation. For OCSD, the ratio of timecards reviewed per Payroll Specialist is 438:1. The latest MOU's require changes to the way overtime pay is calculated. Timesheets are reviewed more closely because of the determination of OT pay versus SOT pay (overtime paid at straight time instead of time-and-a-half) in a work week.

- ◆ Sheriff utilizes 72 premium codes, while Probation has 7.
- ◆ In March, the Sheriff processed over 1,300 pay adjustments while Probation processed 430 for the same time period.
- ◆ Sheriff averages 600 workers' compensation claims per year, while Probation averages 250. For each workers' compensation claim filed, a wage statement must be prepared and returned to CEO Risk Management within 10 working days. This requires researching and reporting gross weekly earnings and hours for 26 pay periods preceding the injury date. Upon notification of the New Workers' Comp Benefits (NWCB), pay adjustments may be required depending on the effective date and ending date of the benefit. Payroll detail is reviewed to determine if a retroactive pay adjustment is required to pay workers' compensation and restore any leave balances previously used.

We anticipate savings/productivity gains but the actual value of those savings and gains may be less than that estimated by the Audit Team.

#### **Recommendation #6**

Regardless of the strategies employed, OCSD should: (a) ensure the amount of overtime being charged by existing personnel as a result of implementing the ICE Contract does not exceed the Department's Overtime Policy limitations and MOU provisions and (b) analyze the current staffing levels and anticipated Department responsibilities (e.g., ICE Program expansion and reopening of jail facilities) to determine if the amount of required overtime will result in the excessive use of overtime. Recruitment efforts should be reinstated if required overtime is expected to exceed acceptable limits set forth in Department policies and MOU provisions.

**OCSD Response:** The audit report discusses many of the variables which, over the last two years, have impacted OT such as closing the North Compound (tents) at Musick, closing the East Compound at Musick, closing the Women's Jail, closing the 4<sup>th</sup> floor of the Men's Jail, reopening the East Compound at Musick, reopening the 4<sup>th</sup> floor of the Men's Jail, added responsibilities for the ICE

contract, budget reductions, position freezes, and hiring CSA's. In addition, each year, the Sheriff's Department loses through attrition about 70 sworn employees yet we have not hired any new sworn staff in over 2 years.

Looking ahead, the Department is anticipating that all jail facilities will likely be open in FY 2011-12 due to contracts with the Federal Government and impacts from the State shifting some of its prisoners to county jails. On average, OCSD loses about 70 sworn personnel a year. To address this loss of personnel, we have been hiring CSA's instead of Deputy Sheriffs as part of the Department's budget reduction plan. However, we are reaching a point where Deputy Sheriffs are needed. Projected attrition will soon cause overtime to reach unacceptable levels that you caution about in your report. Therefore, to ensure adequate staffing levels, the Department will continue to hire CSA's until we reach our current target of about 180 (we currently have about 100 with another 30 in an academy). In addition, the Department has initiated an internal recruitment for Deputy Sheriffs in order to keep OT at levels that do not induce unsafe levels of fatigue. Since it takes about a year to recruit, test, perform background checks, and train (through the 6 month academy) new Deputy Sheriffs, this advance planning is critical to ensuring adequate staffing a year from now.