



# Seattle City Council

## Central Staff - Memorandum

**Date:** June 22, 2016  
**To:** Gender Equity, Safe Communities and New Americans Committee  
**From:** Amy Tsai, Council Central Staff  
**Subject:** Resolution 31675 Overtime Progress Reports

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### SUMMARY

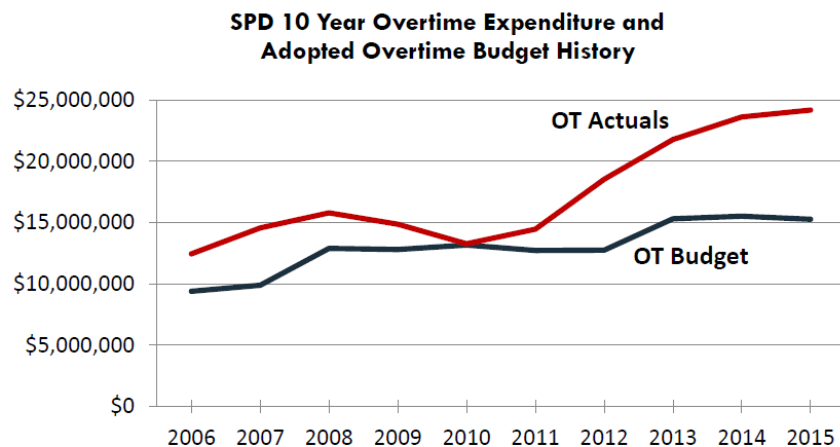
**Resolution 31675** would request regular briefings from the Seattle Police Department (SPD) on progress made in responding to the City Auditor’s April 2016 audit of SPD overtime.

### BACKGROUND

Chief O’Toole was sworn in as Chief of the Seattle Police Department (SPD) in June 2014. In October of 2014, she requested that the City Auditor conduct an audit of all SPD overtime use and management controls of overtime expenditures.

The City Auditor conducted an audit of SPD’s overtime controls for the period January 2013 through June 2015. On April 27, 2016, the City Auditor presented the results of the audit to the Gender Equity, Safe Communities, and New Americans (GESCNA) Committee.

SPD’s overtime expenditures have historically exceeded its overtime budget, with larger expenditures in recent years. The City Auditor noted that SPD significantly exceeded its adopted overtime budget by \$6.4 million in 2013 (42% over budget), \$8 million in 2014 (52% over budget) and \$8.9 million in 2015 (58% over budget).



Source: Office of City Auditor summary of data from SPD and the City Budget Office

While there may be many contributing factors, including the appropriateness of the amount budgeted, the City Auditor identified gaps in SPD's internal controls that add to the problem.

Examples of the issues highlighted by the City Auditor in his April 27 presentation include the following:

- No high-level overtime usage policy
- Inadequate procedures for management controls, recording and billing
  - Lack of reconciliation of hours worked to hours paid;
  - Lack of automated controls resulting in duplicate payments for overtime hours, payments for more than 24 hours of work in a day, and compensatory time and work hours over the maximum allowed;
  - Almost 5% of overtime hours improperly coded as general police work or left blank;
- Lack of clear expectations for section-level monitoring and need for improved overtime reports;
- Insufficient planning and review of special event staffing, inconsistent reconciliation of hours planned versus worked, and billing issues;
- No visibility of employees' off-duty work hours.

The City Auditor issued 30 recommendations to improve SPD's overtime controls in six major areas, as follows:

1. **Overtime policies and procedures** – providing management guidance on the appropriate uses of overtime
2. **Overtime budget** – establishing a more realistic budget but taking into account reductions from implementing improved controls
3. **Operational controls for overtime processes** – improving processes related to approvals and recordkeeping
4. **Overtime management controls** – improving monitoring of signs of unnecessary or abusive overtime
5. **Overtime for special events** – improving special events billing and other procedures
6. **Off-duty police work** – tracking off-duty hours worked to ensure officers are adhering to work hour limits.

SPD submitted a formal written response concurring with the Auditor's findings and recommendations. In its response, SPD noted that it was proactively implementing changes throughout the course of the audit. SPD detailed various steps underway that address issues raised in the audit.

At the April 27 GESCNA Committee briefing by the City Auditor, the City Auditor noted that his office conducts follow-ups to audits with departments on an annual basis. Rather than wait a year for the follow-up results, Councilmembers expressed interest periodic updates from SPD on the City Auditor's recommendations, to ensure accountability throughout the upcoming

year. Resolution 31675 would set expectations for the committee's work plan for the updates from SPD.

## **ANALYSIS**

Resolution 31675 requests that SPD provide regular briefings to the GESCNA Committee on the status of implementing the City Auditor's overtime recommendations from the audit, beginning in 2016 and continuing through the end of 2017. The resolution identifies that the briefings should include actions taken to date, actions remaining, and timelines for completion of the remaining actions.

The first briefing is to occur in 2016 and would set the stage for the expected timelines for each of the audit's recommendations. Although not specified in the resolution, it is anticipated that this briefing would occur in July or August prior to the budget session.

The initial briefing will be followed by quarterly briefings by SPD in 2017 that provide ongoing status updates on the actions and timelines for completing the audit's recommendations.

Finally, the resolution acknowledges that there is a pending City Auditor's report on SPD special events that may have a bearing on SPD's overtime briefings related to special events overtime.<sup>1</sup> The City Auditor expects to complete the special events audit near the end of 2016 or early 2017.

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<sup>1</sup> In Ordinance 124860, the City Council requested an audit of SPD's staffing of special events, including the planning, authorization, staffing levels, attendance, and payment of officers for permitted special events. The audit will cover special events staffing for 2010 through 2015.