FOLLOW-UP REPORT:
FIRE DEPARTMENT OVERTIME (REPORT 2020-01)

Background

The County Auditor conducts follow-ups for each audit recommendation in an effort to assess whether recommendations that the audited department agreed to make have been implemented. During follow-up reviews, the County Auditor works with department leadership to determine the implementation status. The County Auditor makes this determination based on initial information shared by the audited department, supporting documents and data provided by the department, and subsequent interviews and observations. The County Auditor cannot compel implementation of recommendations but can provide guidance regarding what constitutes implementation.

Government Auditing Standards do not cover follow-up reviews. However, the County Auditor endeavors to apply the principles of the Standards to follow-up activities. The County Auditor's follow-up work is informed especially by the principles articulated in the following key standards: evidence; documentation of auditor's work; communication with an audited entity; reporting of audit work to those charged with management and governance; and auditor professional judgment.

The County Auditor employs a risk-based approach to follow-up work. The County Auditor requires verification of the implementation status for all recommendations that are initially reported by management to be *implemented*. The County Auditor does not perform verification work to confirm the status of recommendations originally reported to be *partially implemented* or *not implemented*. However, in some cases recommendations originally reported by management to be implemented may be changed to a lower implementation status based on the County Auditor's review.

Summary:

This report presents the results of the first County Auditor follow-up conducted on the Fire Department Overtime audit (Report FY2020-01). The audit contained 23 recommendations. Of these 23 recommendations, the follow-up review found three to be fully *implemented*. For these recommendations no more follow-up work will be performed. The remaining recommendations are all *partially implemented* or *not implemented* and will be revisited during the next follow-up review in Fall 2021. The Fire Department has updated the expected implementation dates.

This report provides narrative from Fire Department management regarding work performed to implement the recommendations, as well as providing the County Auditor's conclusions. All determinations shown in the "Status" column were made by the County Auditor.

Closing Note:

The County Auditor appreciates the time and cooperation provided during the follow-up review by the Fire Chief and members of his staff. This follow-up report is being provided to members of the Arlington County Fire Department, members of County management, the County Board, and the Audit Committee. The report will be issued publicly on the County Auditor's webpage on April 2, 2021.

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Arlington County Auditor

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
Recommendation 1.1: ACFD should ensure appropriate access and segregation of duties exists in the payroll process. Preventive controls and detective controls should be implemented in the process.	~~January 2020~~ June 2021	Not Implemented	Deputy Chief of Personnel Services will evaluate all processes and systems related to payroll and access to payroll functions. Reports will be generated monthly to identify any discrepancies. The additional HR Analyst hire, that is scheduled for Q3/FY21, will share the workload with the current HR Analyst. These controls will assist with audits as required by a forthcoming department policy governing time, attendance, and payroll reporting.	
Recommendation 1.2: TeleStaff should be reconciled to PRISM on a periodic basis. Significant discrepancies should be evaluated and resolved in a timely manner.	~~January 2020~~ May 2021	Partially Implemented	Deputy Chief of Personnel Services will explore if the reconciliation can be improved through the Telestaff upgrade. The hiring of an additional HR Analyst will improve the evaluation of discrepancy reports. There is manual reconciliation.	
Recommendation 1.3: ACFD should perform periodic reviews of system access to ensure access is appropriate based on employee's current responsibilities. Access levels reviews should be formally conducted and documented by a deputy chief or the assistant fire chief	~~January 2020~~ June 2021	Partially Implemented	ACFD Staffing Dashboard has daily TeleStaff system access reports. Deputy Chief of Personnel Services will include seasonal access audits in fire department payroll policy. System and staffing access shall be authorized by the Deputy Chief of Personnel Services.	

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periodically to ensure risks are managed appropriately.				
Recommendation 1.4: ACFD should ensure individuals responsible for monitoring access have the appropriate training and knowledge to understand the risks and controls associated with segregation of duties in the payroll process.	~~January 2020~~ May 2021	Not Implemented	Deputy Chief of Personnel Services will implement mandatory and annual refresher training for individuals who have access and responsibilities in the payroll process. This will be a requirement in a forthcoming time, attendance, and payroll reporting policy.	
Recommendation 1.5: ACFD should explore automating some staffing processes in TeleStaff, such as leave approvals and awarding overtime.	~~January 2020~~ January 2021	Not Implemented	Deputy Chief of Personnel Services is leading a TeleStaff upgrade with TeleStaff Admin and PSIT. Automating and out-bounding call back is a goal for 2021. Fire Department is scoping this work and evaluating funding sources.	
Recommendation 1.6: ACFD should determine what management's needs are and create automatic reports that can be run at established frequencies to allow for more effective oversight of overtime. Additionally, ACFD should work with PSIT to create or evaluate additional reporting capabilities that can utilize or merge data from both TeleStaff and PRISM.	January 2020	Partially Implemented	PSIT has mirrored ACFD's TeleStaff database on a secure SQL server. ACFD has numerous reports available for monitoring staffing parameters on ACFD Staffing Dashboard. Automated daily reports and triggered alerts are established. ACFD will wait until the PRISM update managed by DMF is completed before linking to those data views.	ACFD will work to get some cost data loaded into the Power BI based data analytics to finalize the PRISM-Telestaff portion of the recommendation. All other portions of the recommendation are implemented based on the County Auditor's observation of Fire

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				Department updated Staffing Dashboard. This recommendation will be followed-up on again in September 2021.
Recommendation 1.7: ACFD should integrate more TeleStaff codes into PRISM so allow for better reporting on overtime costs.	January 2020	Implemented	Codes have been implemented and are working well.	County Auditor confirmed implementation. No additional follow-up is required.
Recommendation 1.8: ACFD should consider working with other TeleStaff users in the area, including the Arlington County Police Department and neighboring jurisdictions, to see how they utilize TeleStaff. This may result in the identification of best practices, additional functionality, and or efficiencies.	~~January 2020~~ May 2021	Partially Implemented	A workgroup will explore how ACPD and Sheriff utilize TeleStaff and visit neighboring jurisdictions of Fairfax, Prince George County, Montgomery County and Anne Arundel County Fire Departments to obtain best practices. The Northern Virginia Fire Chief Committee has created an Administrative Chiefs Committee to coordinate management, fiscal, policy, and procurement services. This sub-committee will be directed to share TeleStaff implementation ideas.	
Recommendation 1.9: ACFD should develop an automated workflow for invoice creation,	January 2020	Not Implemented	The system that was to be used has been discontinued by Microsoft. A new solution	

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approval, and payment receipt. Controls need to be documented to ensure sufficient segregation of duties for billing and payment processing functions to ensure billing practices can be consistently applied. For example, ACFD should ensure checks never go directly to the individuals responsible for creating the invoices. Additionally, ACFD may want to seek out training within the County's ERP to determine how to evaluate whether payments have been received and recorded properly. This may require a change in system access, if necessary.			has not been implemented at this time. In addition, staffing cuts have not allowed for segregation of duties for invoice creation and payment receiving.	
Recommendation 1.10: ACFD should evaluate their options and develop a fee schedule that will be utilized for special events, including: opportunities to seek additional cost recovery for various vehicles types and equipment utilized, and charging for administrative fees to cover costs associated with scheduling and planning events.	~~May 2020~~ January 2022	Not Implemented	Planning had started for this recommendation considering costs of consumables, vehicle usage, and planning fees. Due to an extended state of emergency (pandemic), this has been put on hold.	
Recommendation 1.11: ACFD should formalize a policy for when it is appropriate to request reimbursement for their services. Additionally,	January 2020	Not Implemented	ACFD relies upon the Metropolitan Washington Council of Governments Fire Mutual Aid Operations Plan (MWCOG	

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ACFD should ensure there is always an agreement in place that clearly defines roles, responsibilities, agreed-upon staffing, and payment terms for regional support provided. If payment will not be received, an exception process that requires chief or assistant chief's approval should be developed.			MAOP) for regional reimbursements. In addition, the Virginia Emergency Management Assistance Compact (EMAC) has provisions for state to state resource reimbursements.	
Recommendation 1.12: ACFD should consider setting a standard rate to bill for services to reduce to administrative burden of manually calculating each invoice. As part of this process, ACFD should also: document and communicate their rate setting process for hourly rates and fee schedule for equipment charged; regularly evaluate rates based on current salaries of personnel to ensure they are appropriately recovering costs associated with overtime; and document the frequency and methodology at which it will evaluate the effectiveness of cost-recovery for each type of event.	~~May 2020~~ January 2022	Not Implemented	See 1.10	
Recommendation 2.1: Overtime expenditures should be broken down into more categories, such as special events or operations overtime, so	January 2020	Implemented	See 1.7	County Auditor confirmed implementation. No additional follow-up is required.

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that utilization can be evaluated throughout the year.				
Recommendation 2.2: ACFD should evaluate the possibility of creating a budget entry to make necessary adjustments to overtime and personnel expenditures based on trends of the last three to five years to create more reasonable budget.	~~May 2020~~ May 2022	Partially Implemented	Throughout the budget processes for FY 2021 and FY 2022, discussion have been made regarding this recommendation. Some adjustments have been made to shift some overtime budget to overtime callback budget.	
Recommendation 2.3: ACFD should perform additional analysis to better understand the cause of injuries and their costs to the department, including overtime costs. This should help determine any correlation between the overtime worked by individuals and injuries.	~~January 2020~~ January 2022	Partially Implemented	During Q2 FY21, the Health & Safety Team was expanded from 1 to 5 to assist with workload. One person is now devoted to injuries, light duty and workers comp claims. Analysis will come from quarterly reports and consultation with ACFD's contracted health and wellness specialists. Light Duty levels are correlated with overtime expenditures on the ACFD Staffing Dashboard.	
Recommendation 2.4: ACFD should evaluate how staffing may need to be changed in civilian roles to meet best practice standards for administrative roles that assist with budget, finance, and payroll functions.	~~May 2020~~ April 2022	Not Implemented	Evaluation has been suspended as FY21 and FY22 budget pressures have reduced civilian staff supporting fiscal management. A HR specialist has been approved for hire with a target of May 2021 for onboarding.	

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Recommendation 2.5: ACFD should consider procuring a needs assessment and a staffing study that can assist them in developing a strategy to address staffing challenges that would reduce the need for overtime as ACFD moves to the Kelly Day. These studies may indicate that ACFD may need to be innovative, such as combining bordering fire stations with neighboring jurisdictions, or establishing a requirement for removing vehicles from service when minimum staffing cannot be obtained.	~~March 2020~~ September 2021	Partially Implemented	ACFD is completing the community risk assessment phase of a multi-year accreditation initiative. The next phase to develop a standard of cover delivering station, unit, and staffing recommendations should be completed in during Q3 of 2021. ACFD updated policy F.8 Emergency Service Staffing to address converting units when certain minimum staffing qualifications are not available.	
Recommendation 3.1: ACFD should create a formal monitoring mechanism to ensure compliance with the policy that limits shifts to 60 hours and requires a six-hour rest period before an individual can begin another shift.	~~August 2019~~ May 2021	Not Implemented	With TeleStaff planned upgrade, alerts will be placed on greater than 60 consecutive hours worked.	
Recommendation 3.2: In association with analysis performed under Recommendation 2.3, ACFD should evaluate whether its policy of allowing up to 60 hours of work, and then six hours of rest, is adequate to ensure the safety of its employees.	~~October 2019~~ May 2021	Partially Implemented	A review of the policies of regional partners shows policies consistent with 36-48 hours consecutively worked with a 12-hour break. A review on the IAFC site shows a great many that have 48-60-hour policies and some that go to 72 hours. The ACFD policy is safe at 60 consecutive hours. There will be additional controls for scheduled OT (SPEV,	

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			ECC, etc.). ACFD will consider a 12-hour break (currently 6 hours) required for any hours worked over 48 in a 72-hour period with a policy change in A.24 Overtime Callback Procedures.	
Recommendation 3.3: ACFD should evaluate ways to tighten their sick and leave policies to ensure better control over misuse of sick leave.	~~September 2019~~ May 2021	Partially Implemented	Deputy Chief of Emergency Services will perform quarterly review with battalion management team to audit leave usage and approvals. Policy is under development. Automated and consolidated reporting tools are developed as reference in Recommendation 1.6.	
Recommendation 3.4: ACFD should create a clear definition of "short notice" in SOP A.32.	~~September 2019~~ May 2021	Not Implemented	ACFD will remove the term short notice and leave it at off duty hours in A.32 Leave Policy.	
Recommendation 3.5: ACFD should create a departmental policy or procedures regarding processes to monitor overtime, possibly in association with Recommendation 3.6.	~~January 2020~~ August 2021	Not Implemented	Deputy Chief of Emergency Services is consolidating several policies and practices to develop a comprehensive staffing policy.	
Recommendation 3.6: ACFD should document a detailed SOP that defines how Telestaff is used to manage overtime. Associated with creating this policy, the following updates should be enacted:	~~October 2019~~ August 2021	Not Implemented	Deputy Chief of Personnel Services will work on this document with the assistance of the Personnel Services Captain II.	

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1) modifying the policy that still requires the use of forms for entering leave and overtime; 2) creating a policy that defines when changes can and cannot be made in TeleStaff to overtime and leave entries (e.g. no changes after the schedule is finalized); 3) creating a policy that documents the controls in place to ensure daily OT approvals are entered and approved properly; and 4) procedures to review TeleStaff entries on a daily, weekly, and per pay period basis.				