Audit Committee Meeting

Meeting Date & Time:
Thursday, August 1, 2019
5:00 pm – 6:30 pm

Meeting Location:
Ellen M. Bozman Government Center
2100 Clarendon Blvd., Suite 311
Arlington VA, 22201

AGENDA
1. Call to order
2. Approval of June 3, 2019 Meeting Minutes
3. Fire Overtime report
   a. County Auditor presentation
   b. Management discussion
4. County Auditor status report
5. Adjourn
Arlington County Board
Audit Committee

Meeting Minutes

June 3, 2019

I. Call to order
Co-Chair Erik Gutshall called to order the regular meeting of the Audit Committee at 5:00 PM on June 3, 2019 in Room 311 of the Arlington County Bozman Government Center building. Remarks were offered in remembrance of the events at Virginia Beach.

II. Roll call
Members of the Audit Committee in attendance were:

- **Erik Gutshall** – Co-chair
- **Mark Schwartz** – County Manager
- **Maria Meredith** – Director, Department of Management and Finance (DMF)
- **Hal Steinberg** – Public Member
- **Nancy Tate** – Public Member
- **Brian Sigritz** – Public Member, FAAC Representative

Also in attendance were:

- **Chris Horton** – County Auditor
- **Mason Kushnir** – on behalf of Kendra Jacobs, County Clerk
- **Murray Farr** – Chief of Police
- **Andy Penn** – Deputy Chief of Police
- **Amy Costanzo** – Arlington County Police Department (ACPD), Management and Budget Analyst
- **Becky Jordan** – SC&H Group
- **Matt Simon** – SC&H Group

III. Approval of minutes from last meeting
Ms. Meredith and Ms. Tate noted suggested changes. Mr. Horton agreed with minor changes and stated the minutes would be amended with these changes. On a motion by

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1 Co-Chair Libby Garvey was outside of the country on County business
Co-chair Gutshall, seconded by Ms. Meredith, the Audit Committee approved the minutes of the April 1, 2019 meeting as amended.

IV. Business

1) Police Overtime Report

i) County Auditor Presentation

(1) Mr. Horton provided an overview of the police overtime audit. He described the scope and methodology of the review and findings of no improper use of police overtime. He discussed an increasing trend in police overtime use over a three-year period and highlighted challenges in extracting and interpreting overtime data.

(2) He outlined key areas of overtime – minimum staffing, daily activity, detail activity, and court activity. The largest contributing categories were daily activity and detail assignments. The audit presented five findings and nineteen recommendations.

ii) Management Discussion

(1) Co-Chair Gutshall opened the floor to discussion. Topics discussed were:

(a) Whether the audit concluded on the issue of whether overtime is due to understaffing. Mr. Horton noted that the right level of ACPD staffing was not part of the scope of the audit.

(b) Whether overtime is considered an expected benefit of ACPD employees.

(c) Which overtime categories are the largest contributors to running over budget. Ms. Costanzo responded that overtime in Operations, which is part of the daily activity overtime category, is the largest contributor.

(d) The net loss of ACPD employees due to the disparity between new hires and resignations. Deputy Chief Penn outlined contributing factors including pay disparity, and efforts to address them.

(e) The retirement age for ACPD employees. Chief Farr outlined the age and experience thresholds for early retirement and normal retirement.
(f) The methodology for determining the scope of this audit.

iii) Questions regarding key findings

(1) The committee asked questions relating specifically to the five key findings of the audit.

(2) Regarding Finding II, Billing Practices need to be automated and recorded timely:

(a) The Committee discussed the importance of integrating processes for invoicing and ensuring payment, technological obstacles that preclude ACPD from doing so, and the Department’s in-house pilot initiatives and workarounds to these obstacles, specifically responding to recommendation 2.3. Co-Chair Gutshall asked whether the current process to improve CAPP within Treasurer’s Office might present an opportunity to work through this lack of integration. Ms. Meredith will follow up with the CAPP administrator in the Treasurer’s Office to discuss further.

(b) The Committee discussed administrative costs associated with ACPD detail assignments, and whether ACPD should be recovering all such costs, referencing recommendation 2.1. ACPD disagrees with assessing a flat administrative fee for special events. Chief Farr explained that a position exists within ACPD to manage logistics and that costs are recovered for time and equipment on the day of the event. It was further explained that ACPD does not charge an administrative fee for smaller community events as a matter of practice. Co-chair Gutshall noted this appears to be a policy question worth exploring with the Board.

(3) Regarding Finding III, ACPD payroll roles and responsibilities need to be evaluated:

(a) ACPD outlined the addition of a TeleStaff System Administrator to supplement and give oversight to the duties of the TeleStaff Administrator.
(b) It was noted that all County public safety departments utilize TeleStaff for the unique timekeeping tools it offers that address public safety needs.

(4) Regarding Finding IV, Access to overtime data needs to be improved:

(a) It was noted that technological challenges exist in reporting and reconciling overtime data, but that staffing changes in ACPD will add staff and thereby provide a layer of quality control to this process.

(b) Co-Chair Gutshall suggested that to the extent that technological barriers exist, that identified workarounds should be implemented. Mr. Horton agrees, but notes that it is important to highlight and track technological barriers for the Board in the event that they exist elsewhere in the County organization. Mr. Steinberg added that using technology to improve the accounting for and collecting invoices can have a favorable fiscal impact, a criteria for determining areas for audit.

(5) Regarding Finding V, ACPD should document and periodically update their minimum staffing calculation:

(a) The committee noted an apparent disagreement with recommendation 5.1 – Mr. Horton stresses that this recommendation does not suggest ACPD conduct an academic level study of its minimum staffing calculation every year, but that it is important that ACPD document and be able to articulate how analysis of existing call data informs minimum staffing calculations. Co-Chair Gutshall stressed that it is important for this calculation or process to be documented and clearly justifiable and noted this as a potential topic for Board discussion.

(b) Committee discussed use of both industry standards and internal needs-based assessments in calculating minimum staffing needs.

(6) Concluding, Mr. Horton noted for the record his appreciation for ACPD responsiveness and cooperation throughout this process.

2) Review of DRAFT FY2020 Audit Work Plan
i) Mr. Horton presented the Draft FY2020 Audit Work Plan, noting modifications from previous work plans, current audits, and proposed performance audits for FY2020.

ii) The Committee discussed the Audit Horizon. Mr. Gutshall asked for a reasonable timeframe to complete items listed, Mr. Horton estimated ten years given current resources.

iii) Mr. Horton will solicit comments from the Committee, to be submitted no later than June 7, 2019. The Draft Audit Plan will be posted no later than June 12, 2019.

iv) Ms. Meredith shared a copy of the 2015 internal audit for the administrative real estate assessment appeals process and will follow up with Mr. Horton regarding the planned FY 2020 performance audit for Real Estate Assessments and Appeals.

v) The Committee discussed resources allocated to the County Auditor. Manager Schwartz asked about the benefit of external resources. Mr. Horton noted that while external partners were helpful, administrative time demands were higher than expected. Mr. Steinberg followed up asking about additional permanent audit staff. Co-Chair Gutshall noted that this can be discussed during the next budget cycle.

3) Audit Status Report

a) Mr. Horton shared timetables for upcoming performance audits - Fire Department Overtime due by the end of June, Fleet Management due by the end of Summer 2019, Economic Development Incentive Funds on hold but due by November 30, and Sheriff’s Department Overtime on hold but due by November 30.

b) Discussion of Timeframe for Reporting Out Audits

i) Mr. Horton shared a preference for setting meeting dates at the beginning of the calendar year and using these as milestones from which to schedule.

4) Other

a) Discussion of potential alternative dates for August Committee meeting.

V. Adjournment
Co-chair Gutshall adjourned the meeting at 6:59 PM.

Minutes submitted by: Mason Kushnir, on behalf of Kendra Jacobs, County Clerk
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# Highlights

<table>
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<tr>
<th>What We Did</th>
<th>As part of the FY 2019 Annual Audit Work Plan, the County Auditor performed a performance audit (audit) of overtime in Arlington County Fire Department (ACFD). Overtime expenditures in ACFD ranged from $5.2 million to $6.2 million in the last three fiscal years. Determining the cause of these increases can help improve ACFD operations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>What We Found</td>
<td>The initial audit objective was to assess the administration and use of overtime in the ACFD. The objective was refined into four audit fieldwork objectives, focusing on minimum staffing calculations, data and reporting, the management and monitoring of overtime, and the reimbursement billing processes.</td>
</tr>
</tbody>
</table>
| What We Recommend | The audit had three findings, consisting of the following issues:  
1. Systems may not be utilized to ensure accuracy, efficiency, and effectiveness in payroll processes, and the billing process for reimbursable expenses needs to be updated, automated, recorded, and tracked more efficiently in the County’s financial system.  
2. Staffing challenges continues to impact ACFD’s overtime expenditures and monitoring.  
3. Required rest periods and hours limitations needs to be evaluated to ensure the health and safety of employees. |

This audit includes numerous recommendations to address the three finding areas. Some of the key recommendations are below.  
1. ACFD should update procedures to utilize TeleStaff for further automation and overtime management.  
2. ACFD should automate billing practices and work with County Finance to ensure invoices are properly recorded in the County’s financial system.  
3. ACFD should ensure the payroll process is appropriately documented and insert an additional individual into the payroll process for review.  
4. ACFD should perform additional analysis to better understand the cause of injuries and their costs to the department, including overtime costs.  
5. ACFD should consider procuring a needs assessment and a staffing study that can assist them in developing a strategy to address staffing challenges.  
6. 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, and should evaluate whether this policy is adequate to ensure the safety of its employees. |
BACKGROUND

As part of the FY 2019 Annual Audit Work Plan, the County Auditor, with assistance from SC&H Group Inc., including wholly owned affiliate, SC&H Attest Services, P.C., (SC&H), performed a performance audit (audit) of the Arlington County Fire Department (ACFD). The audit focused on root causes leading to ACFD overtime and whether controls were in place to effectively monitor and manage overtime utilization.

ACFD has over 340 uniformed personnel and civilian employees serving the public. ACFD is staffed 24 hours per day with a minimum of 77 members working on a shift. ACFD operates nine fire engines, eight advanced life support (ALS) medic units, three fire ladder trucks, two heavy rescue trucks, and seven management and specialized units out of the ten fire stations. In addition to providing response for emergency and non-emergency requests for service, ACFD also provides code enforcement, fire prevention, and special operations to the community.

ACFD Structure and Budget

There are three divisions within ACFD reporting directly to the fire chief, including:

1. Emergency Services consists of field operations.
2. Support Services comprises fire prevention and logistic functions.
3. Personnel Services has business and training activities.

Each division reports to a deputy chief and contains several sections with distinct responsibilities. See Table 1 below for a summary of each division’s key sections or units.

Table 1: ACFD Key Sections/Units by Division

<table>
<thead>
<tr>
<th>Division:</th>
<th>Key Sections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Chief</td>
<td>Fire Chief and Assistant Fire Chief</td>
</tr>
<tr>
<td>Emergency Services</td>
<td>Operations (e.g. North Battalion, South Battalion), Emergency Medical Services</td>
</tr>
<tr>
<td>Support Services</td>
<td>Special Operations (e.g. High Threat, Bomb Squad, SWAT, Hazardous Materials, Technical Rescue), Office of the Fire Marshal, Communications and Logistics</td>
</tr>
<tr>
<td>Personnel Services</td>
<td>Human Resources (HR) Management (e.g. Recruitment and Outreach), Health Wellness and Safety, Compliance, and Professional Standards (e.g. Fire Training Academy)</td>
</tr>
</tbody>
</table>

Source: ACFD Organizational Chart

ACFD’s FY 2019 and FY 2018 authorized budgets were $63.5 million and $59.8 million, respectively. Increases in both fiscal years, 6% in FY 2019 and 6% in FY 2018, were due to salary increases and

1 Arlington County Fire Department website; About section. Website: [https://fire.arlingtonva.us/home/about/](https://fire.arlingtonva.us/home/about/)
2 Special Weapons and Tactics
market pay adjustments\(^3\), as well as additional funding to support hiring additional firefighters (e.g. training and personnel costs) to reduce the workweek schedule for firefighters.

Overtime in ACFD’s budget is broken down into two categories: Callback and Overtime, as defined below.

1. **Callback**—Represents overtime worked when a uniformed responder is called back to work on a scheduled day off. This includes *mandatory holds*, which is when a uniformed responder is held beyond their 24-hour scheduled shift to stay for an extra period the following day, which is their scheduled day off.

2. **Scheduled Overtime**—Represents all other overtime, such as overtime worked for special events or training, or overtime worked by civilian staff.

Budgeted to actual overtime expenditures by category are discussed further in Finding 2 (p. 16).

To improve retention of employees within ACFD, as well as to reduce the stress and improving the work-life balance associated with the 24-hour shift schedule, Arlington County has decided to invest in hiring thirty-six additional firefighter/EMTs and officers in order to reduce the average workweek from 56 hours to 50 hours. The target date for the reduction is January 1, 2022.

**ACFD Overtime Calculations**

Various factors impact the calculation of overtime within ACFD, including employee assigned schedules and ranks.

ACFD currently has two schedules which determine how overtime is calculated.

1. **Normal Schedule**—The normal schedule covers 40-hour per week employees, which includes all civilian employees, as well as select battalion chiefs, deputy chiefs, assistant fire chief, and the fire chief. The overtime calculation includes hours worked over 80 hours in a 14-day period for uniformed personnel, and 40 hours in a 7-day period for civilian personnel. There are some exceptions to this rule, as noted under *Rank* below, including for the Fire Chief and Assistant Fire Chief.

For the normal schedule, the first 80 hours are calculated at the normal hourly rate, and anything over 80 hours is calculated at the overtime rate, which is 1.5 times the employee’s normal hourly rate.

2. **Shift Schedule**—The shift schedule is worked by uniformed firefighters/EMTs and officers at fire stations. Uniformed responders work on one three shifts (A, B, and C). Shifts last twenty-four hours and begin at 7:00AM on the days assigned. Shifts work a schedule of one day on, one day off, one day on, one day off, one day on, and four days off. Depending on the shift being worked, this will result in uniformed personnel being scheduled for 96, 120, or 144 hours within in a 14-day period.

The shift schedule operates on a 28-day cycle and results in uniformed personnel working either 216 or 240 hours. Per the Fair Labor Standards Act, firefighters are to be compensated for overtime for hours

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worked greater than 212 hours in a 28-day period. The additional four or 28 hours (e.g. 240 minus 212, and 216 minus 212) are paid out at uniformed personnel’s overtime rate, except for specific circumstances noted under Rank below.

**Rank**

Differences in overtime calculations by rank are as follows:

1. All ranks up to battalion chiefs are paid 1.5 times their hourly salary rate for hours worked more than 212 hours in a 28-day period.
2. Deputy chiefs cannot earn overtime at 1.5 times their rate. However, they can be paid straight-time or accrue compensatory time off (i.e., earn 1.0 hour of leave) for each hour worked more than 80 hours in a 14-day period, if approved by the fire chief or assistant fire chief.
3. The fire chief and the assistant fire chief cannot earn any overtime, straight-time, or compensatory time off for hours worked more than 80 hours in a 14-day period.

**Minimum Staffing**

The National Fire Prevention Association (NFPA) Safety Standard 1710 - Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments (Safety Standard) provides best practices for fire operations minimum staffing. This standard is based on the number of employees needed to achieve established response times that have been proven to reduce loss of life, property damage, and hazards/disruption to the community. ACFD is staffed 24 hours per day with a minimum of 77 uniformed personnel. For ACFD, the application of the safety standard is broken into two categories: per vehicle staffing, which totals 72, and supervisory staffing, which totals five. Tables 2 and 3 illustrate how the staffing is allocated across various fire vehicles or supervisory levels.

**Table 2: Per Vehicle Staffing Calculation**

<table>
<thead>
<tr>
<th>Description</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nine engines with four uniformed personnel per vehicle</td>
<td>36</td>
</tr>
<tr>
<td>Three ladder trucks with four uniformed personnel per vehicle</td>
<td>12</td>
</tr>
<tr>
<td>Two rescue squads with four uniformed personnel per vehicle</td>
<td>8</td>
</tr>
<tr>
<td>Eight medical units with at least 1 Advanced Life Support (ALS) and 1 Basic Life Support (BLS) personnel</td>
<td>16</td>
</tr>
<tr>
<td>Total Per Vehicle Staffing Calculation</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: Data provided by ACFD

While the Safety Standard provides best practices for the number of uniformed personnel per vehicle, the number and location of the vehicles is at the discretion of ACFD.

The Safety Standard, Section 5.2.2.2.1 and 5.2.2.2.2 states, “The fire department shall identify minimum company staffing levels as necessary to meet the deployment criteria required in 5.2.4 to ensure that a

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4 [https://www.dol.gov/whd/regs/compliance/whdfs8.pdf](https://www.dol.gov/whd/regs/compliance/whdfs8.pdf). Under Code of Virginia §9.1-701 fire protection employees eligible for overtime are to have their overtime calculation based on hours paid, which allows paid leave to be counted in the hours worked formula for FLSA purposes. County HR stated that Arlington County follows this Code of Virginia requirement.

5 The hourly rate for individuals on the normal schedule is based on annual hours of 2,080. The hourly rate for individuals on the shift schedule is based on annual hours of 2,912 hours, which reflects their longer work schedules.
A sufficient number of members are assigned, on duty, and available to safely and effectively respond with each company. Each company shall be led by an officer who shall be considered a part of the company.”

ACFD determined that to meet this standard it needs two battalion chiefs and two advanced paramedic officers (APOs), one for each battalion, to ensure appropriate supervision. Additionally, a command aide is assigned daily to assist supervisory personnel and perform administrative and scheduling tasks.

**Table 3: Supervisory Staffing Calculation**

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two battalion chiefs (i.e. managers for each battalion)</td>
<td>2</td>
</tr>
<tr>
<td>Two advanced paramedic officers (APOs) (i.e. EMS supervisors for each battalion)</td>
<td>2</td>
</tr>
<tr>
<td>One command aide</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Supervisory Staffing Calculation</strong></td>
<td><strong>5</strong></td>
</tr>
</tbody>
</table>

*Source: Data provided by ACFD*

**Overtime Entry and Approval**

ACFD utilizes TeleStaff, an automated scheduling system for public safety agencies, to record regular and overtime pay. Schedules are loaded into TeleStaff at the beginning of each fiscal year. Any time worked outside of the normal or shift schedule, such as overtime, leave, or training, must be manually entered into TeleStaff. Only the rank of lieutenant and above can enter or make changes in TeleStaff.

TeleStaff has over 40 available overtime specific codes, with additional sub-codes, to track overtime. Examples of overtime codes are callback, training, and special events. Sub-code examples for the special events code are entered as specific special events such as the Marine Corps Marathon or the Army Ten-Miler.

**Approval Process**—On a daily basis, a command aide is responsible for ensuring that each fire station is appropriately staffed to meet the minimum daily staffing requirements. There are eleven approved leave slots per day. The command aide begins each day by determining who has called in sick, and what the needs for the day are. Any vacancy is marked with a red flag in TeleStaff, which results in the command aide needing to move people around (e.g. from one firehouse to another) or calling back individuals (callback overtime) if minimum staffing cannot be obtained with those scheduled for work. If minimum staffing still cannot be obtained, the command aide will request that individuals be held beyond their 24-hour shift until others can be brought in to achieve minimum staffing. Once minimum staffing has been achieved, the command aide provides the finished roster to the battalion chief to review and approve.

**Key Overtime and Leave Categories**

Due to the 24-hour shifts, any additional tasks that cannot be completed while on a shift must be completed through overtime. ACFD tries to schedule trainings during shifts when possible, but it is difficult

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6 All TeleStaff overtime codes, with the exception of the callback overtime code, map directly to the Overtime budget category discussed under ACFD Structure and Budget above. The TeleStaff callback overtime codes map directly to the callback budget category.
to execute with calls being received throughout the day. Therefore, some trainings must be performed on scheduled days off, resulting in overtime.

For analysis purposes, SC&H obtained six months of data for the period of December 1, 2017 through May 31, 2018 from TeleStaff for overtime. There was a total of 53,662 hours of overtime reported for this period, which represented approximately 10% of the total hours reported for this period. The main categories of overtime for this period are provided in Table 4 below. The remaining 35 TeleStaff codes were less than 2% of the total overtime hours for the period.

Table 4: TeleStaff Overtime Data (December 1, 2017 through May 31, 2018)

<table>
<thead>
<tr>
<th>TeleStaff Overtime Category</th>
<th>Hours Recorded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Callback</td>
<td>36,130</td>
</tr>
<tr>
<td>Mandatory holdover</td>
<td>2,165</td>
</tr>
<tr>
<td>Administrative duties</td>
<td>1,890</td>
</tr>
<tr>
<td>Systems test</td>
<td>1,507</td>
</tr>
<tr>
<td>EMS Training</td>
<td>1,000</td>
</tr>
</tbody>
</table>

Source: Unaudited ACFD data

Leave usage—The various types of leave have a substantial impact on staffing and overtime. For the period December 1, 2017 through May 31, 2018, leave represented 15% of the total hours reported. When leave is taken, whether planned such as vacation or unplanned such as sick leave, it creates a vacancy in the roster that must be filled. If staffing levels are high, leave slots can be filled with personnel assigned to the shift in excess of the minimum staffing requirements. However, when staffing levels are low, leave slots must be filled with overtime. Each day starts with 11 leave slots that can be utilized. ACFD performs an annual process that allows each employee to select one primary leave that guarantees at least one week or three consecutive shifts off. This is allocated based on seniority. After that process, all leave is first come, first serve. The main categories of leave are provided in Table 5 below.

Table 5: TeleStaff Leave Data (December 1, 2017 through May 31, 2018)

<table>
<thead>
<tr>
<th>TeleStaff Leave Category</th>
<th>Hours Recorded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sick Leave Hours</td>
<td>31,675</td>
</tr>
<tr>
<td>Vacation Leave Hours</td>
<td>28,561</td>
</tr>
<tr>
<td>Comp Time Used Hours</td>
<td>8,090</td>
</tr>
<tr>
<td>Holiday Hours</td>
<td>3,728</td>
</tr>
<tr>
<td>Leave (Other)</td>
<td>3,051</td>
</tr>
<tr>
<td>Disability</td>
<td>1,951</td>
</tr>
</tbody>
</table>

Source: Unaudited ACFD data

Payment of Overtime

Daily ACFD TeleStaff entries are finalized at 9:00 AM on the following day. This allows the ACFD payroll office to perform reviews to ensure time was entered accurately and completely. For example, a shift employee’s hours should total 24 for the day. Any changes made to the daily roster after the
The finalization process is run will show as a red flag for ACFD payroll office to review before processing payroll. ACFD payroll office does not make any manual entries to TeleStaff time without email approval from a supervisor to make the change.

To process payroll, the ACFD payroll office runs reporting out of TeleStaff and validates that bi-weekly hours agree to schedules for non-overtime hours. Once regular pay hours have been validated, remaining payroll adjustments are made. Then the ACFD payroll office runs the payroll process to import the hours recorded in TeleStaff into the County’s payroll/HR system, PRISM. After the import is complete, PRISM provides a list of potential exceptions that may need to be evaluated. For example, PRISM tracks employee’s leave, sick, and compensatory time balances. If leave time was entered into TeleStaff that was greater than leave time available in PRISM, this would appear on the exceptions report. ACFD payroll office would then have to investigate how to resolve, such as categorizing leave as unpaid or moving an entry from sick leave to compensatory time off. Once the exceptions have been reviewed, and revised if necessary, the payroll is finalized. PRISM maintains the hourly and overtime rates and salary information and therefore calculates the payroll. Arlington County’s Department of Human Resources is responsible for payroll processing and distribution of funds to employees.

The ACFD payroll office does not have access to set up new employees or change pay rates in PRISM. However, the ACFD payroll office can add, change, or delete hours in TeleStaff or PRISM. Hours from TeleStaff are not automatically reconciled with PRISM. Overtime expenditures are reviewed on the monthly basis by the Fiscal Officer. Beginning in May 2019, ACFD reviews a report from Department of Human Resources that lists employees who earned overtime more than 25% of their base salary. The review, which is required by Human Resources, is conducted quarterly and is designed to assess the necessity of the overtime incurred by these employees.

### Third-Party Billing Processes for Overtime

ACFD bills third parties for various activities that are staffed using overtime, such as special events, Emergency Mutual Aid Compact (EMAC) requests, regional Incident Management Team deployments and grant activity. The ACFD billing process is time-consuming and requires staff to manually pull hours by person who worked, and calculate their overtime rate individually, to create the hourly rate that will be charged.

Special event invoices are routed through County’s Parks and Recreation department, which delivers invoices to and receives payment from third parties. All other invoices are sent directly to the third-party by ACFD. Invoices sent, and payments received, are tracked manually in spreadsheets. Payments can be received by Parks and Recreation or by ACFD. If received by Parks and Recreation, the department creates the deposit for the Treasurer’s Office, and copies ACFD on the email. If ACFD receives the payment, ACFD logs payment receipt into its own spreadsheet and sends the deposit to Treasurer’s Office. Invoices are not recorded in the County’s financial system. Revenues are recognized as soon as they are measurable and available. Per the County’s Comprehensive Annual Financial Report or CAFR, “revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. …All other
revenue items are considered to be measurable and available only when cash is received by the County.”  

FINDING 1 – SYSTEMS USED TO MANAGE ACFD OVERTIME CAN BE USED MORE EFFECTIVELY

Finding Summary: The Arlington County Fire Department (ACFD) uses two primary systems to manage departmental overtime use: PRISM and TeleStaff. These systems play specific roles in overtime management, but the interaction between PRISM and TeleStaff is limited in a way that creates cumbersome and inefficient processes and impairs overtime management. Further, TeleStaff is not always used as effectively as it could be.

Payroll process is complex and inefficient

The bi-weekly payroll process is complex and requires significant manual effort and institutional knowledge. Further, the success of the payroll process is reliant on one individual (with a designated backup) within the ACFD with little oversight. While the audit did not identify any specific instances of wrongdoing because of limited oversight, we observed challenges or lack of controls in the payroll process that increase the vulnerability of the payroll systems to inaccuracy or improper use. These opportunities for improvement are based primarily on established best practices for financial controls.

ACFD payroll office does not make manual entries to TeleStaff time without email approval from a supervisor. However, there is no control that prevents the TeleStaff Administrator from making changes to anyone’s time in TeleStaff or PRISM without supervisory approval. Additionally, there is no periodic management review of manual changes made by either the TeleStaff Administrator or other users with advanced TeleStaff access rights, to detect erroneous, unapproved, or fraudulent entries.

Since TeleStaff and PRISM are not integrated, the timekeeping process is complex and relies upon the significant institutional knowledge by the ACFD payroll office. This increases the risk that inaccuracy may be introduced into the payroll process, as well creating a risk that service quality will be degraded if key ACFD payroll staff depart. Overtime exceptions generally are the result of inaccurate data entry in TeleStaff and inadequate review by supervisors. The ACFD payroll office occasionally makes manual adjustments to ensure the accuracy of payroll.

Lack of reconciliation to PRISM misses opportunity to catch errors—ACFD does not reconcile TeleStaff to PRISM periodically to identify errors or entries that did not process accurately. It is possible to make a manual entry to PRISM that isn’t properly updated in TeleStaff, or a manual entry in TeleStaff that is not properly updated in PRISM. There is no process to identify these potential discrepancies, which could have an impact on staff pay.

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. An example of a preventive control would be to remove the ACFD payroll office’s access to adjust payroll or overtime entries in TeleStaff and require supervisors to correct their own errors. If entries are not corrected timely, then entries will be paid during the next pay cycle. An example of a detective control would be to periodically review changes made by the TeleStaff Administrator or anyone with advanced TeleStaff
access rights. In addition, TeleStaff should be reconciled to PRISM on a periodic basis. Significant discrepancies should be evaluated and resolved in a timely manner.

**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.

**Recommendation 1.2:** TeleStaff should be reconciled to PRISM on a periodic basis. Significant discrepancies should be evaluated and resolved in a timely manner.

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**In some cases, individuals did not have proper TeleStaff access**

In a review of system access for TeleStaff, we noted that three roles provided access to make changes and approve entries. These roles are Full Access, which should be limited to very few individuals, and Staffing and Officer access, which should be limited to supervisors. Two individuals had full access in TeleStaff that was incompatible with their current job functions. Several individuals had Staffing or Officer access that were not the rank of Lieutenant or higher. Further, during interviews we were told that the Firefighter/Paramedic access level was not utilized. However, we also noted an in our review that the access level of Firefighter/Paramedic was assigned for four individuals.

Prior to developing the audit report, auditors provided the names of these individuals to ACFD leadership, and in all but one case the inappropriate access was removed. In the one exception, ACFD leadership determined that the individual needed the access level previously assigned, based on their assessment of that individual’s job duties, and determined that no change should be made. This individual can add or change time entries in both TeleStaff and PRISM, which is a risk if that access level remains.

Auditors also observed that with a few exceptions, only supervisory Operations division staff (lieutenants and higher) have edit access to TeleStaff. Lower-ranking personnel rely on their supervisors to enter their overtime and leave accurately and completely. All personnel have access to view their personal calendar to verify their leave and work codes that are entered by supervisors and managers. However, ACFD should explore automating some staffing processes in TeleStaff, such as leave approvals and awarding overtime, to help ensure accuracy of leave and equity of overtime distribution.
**TeleStaff not being used as much as it could be**

Access to data from TeleStaff is a challenge for ACFD, due in part to system limitations and the need to better understand what TeleStaff can do. ACFD relied on support from the Police Department’s TeleStaff Administrator as well as the Public Safety Information Technology (PSIT) unit for various TeleStaff needs. However, PSIT frequently has a backlog for creating reports. Therefore, ACFD payroll office and battalion chiefs are familiar with and able to run reporting out of TeleStaff for internal needs. However, ACFD’s ability to effectively monitor and manage overtime utilization is negatively impacted by its lack of quick access to reliable data and reporting that quantifies both the hours worked and costs incurred. Periodic canned overtime reports could be created from TeleStaff that would evaluate various categories of overtime, overtime trends by category, and allow for comparison of expected overtime to actual overtime for categories that susceptible to misuse/abuse. A public safety TeleStaff administrator has recently been created and staffed to support Police, Fire, Sheriff, and the Department of Public Safety Communications and Emergency Management with reporting and analytical needs.

TeleStaff is also limited by its lack of pay rate information, which is contained only in PRISM. Therefore, while overtime codes in TeleStaff are more robust than in PRISM, overtime cost data is generally limited to overtime categories that are noted in PRISM. A manual effort to pull TeleStaff and PRISM data is needed to calculate costs within TeleStaff’s overtime categories. Since TeleStaff only contains date, quantity, and category of time worked, it is difficult to validate the accuracy of reporting. As TeleStaff is not integrated or reconciled with PRISM, hours data and cost data are frequently analyzed separately and not compared for accuracy and completeness. Manual data creation and manipulation creates a risk of error and can reduce the reliability of the data and reporting.

**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 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.

**Recommendation 1.5:** ACFD should explore automating some staffing processes in TeleStaff, such as leave approvals and awarding overtime.
Additionally, ACFD does not utilize some automation that is available in TeleStaff. For example, TeleStaff allows officers to input leave requests\(^8\) directly in TeleStaff, which will flow to a supervisor who must review the leave request before it is approved. TeleStaff also utilizes automatic text-messaging and phone calls to fill open slots in the roster.

**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.

**Recommendation 1.7:** ACFD should integrate more TeleStaff codes into PRISM so allow for better reporting on overtime costs.

**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.

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**The process for overtime billing is inefficient and hinders ACFD’s overtime management**

The process to bill for services to third parties is manual, lacks transparency, and is not recorded or reconciled timely in PRISM. ACFD bills for their services for certain categories of overtime, such as special events, and regional requests for support. ACFD manually creates invoices, sends the invoice to the customer or the County’s Department of Parks and Recreation (DPR), and tracks invoices and payments in an Excel spreadsheet. However, ACFD is not able to reconcile all payments billed or received to PRISM and can only track receipt of payment if they are notified or directly receive the payment (instead of DPR or the County Treasurer). ACFD should develop an automated workflow for invoice creation, approval, and payment receipt. As part of this process 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.

Additionally, analysis and reporting for overtime incurred through billable services is not produced and provided to ACFD management. This analysis should be performed either on a regular basis at least annually to help support budget preparation. Further, the analysis should include an assessment of total costs for special events and regional support efforts, such as payroll, taxes, administrative time and participation in committee meetings. Revenue earned and received should also be included, as this gives insight into the effectiveness of cost recovery efforts. Major discrepancies or trending that is

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\(^8\) The annual process to ensure that each employee gets their prime leave based on seniority could still occur. This observation relates to the more informal leave requests that occur after the annual process.
representative of inadequate cost recovery methods should be evaluated to determine if changes to cost recovery methods should be considered.

**Billing for services could be improved**—Auditors also identified several similar opportunities to improve billing for services. First, the coordination of special events takes a significant administrative effort that is not always charged. The County’s Special Events policy allows for the charging of administrative time, and ACFD should regularly do so when administrative efforts are significant and require overtime. Additionally, ACFD may not be billing for all reimbursable equipment utilized, and currently does not charge for vehicles. By contrast, the Arlington County Police Department includes standard vehicle charges when its bills for special events.

Further, ACFD does not always know when they should charge for services when providing regional support. There is no policy or procedure, and often results in ACFD only charging when they are told they can charge. While auditors did not conduct test work to identify the amount of foregone revenue, better guidance and consistent billing practice could return some costs expended by ACFD.

Finally, ACFD currently goes through a time-consuming effort to calculate invoices since ACFD charges the actual overtime rate for each individual employee. ACFD could save administrative effort by switching to the use of a standard rate when billing for staff time, a practice that is currently in effect for the Police Department. As part of this process, it would be appropriate to define the rate-setting process, as well as determining intervals at which rates should be re-assessed.

**Recommendation 1.9:** ACFD should develop an automated workflow for invoice creation, 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.

**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.

**Recommendation 1.11:** ACFD should formalize a policy for when it is appropriate to request reimbursement for their services. Additionally, 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.
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.
FINDING 2 – ACFD OVERTIME USE HAS RECENTLY CAUSED IT TO EXCEED ITS BUDGET, AND STAFFING CHALLENGES MAKE OVERTIME MANAGEMENT DIFFICULT

Finding Summary: Overtime use in ACFD has caused budget management challenges in recent years. For example, ACFD exceeded its callback overtime budget in fiscal years 2016-2018. ACFD also exceeded its overall personnel budget from FY2016-FY2018, and in FY2016 and FY 2017, ACFD went over its total budgeted expenditures (personnel and non-personnel combined). At the core of the budget management issues are staffing challenges ACFD experiences throughout the department, including significant attrition in ACFD Operations. Further, staffing challenges in civilian roles has resulted in a lack of independent review and segregation of duties.

ACFD Overtime use has created budget management challenges

ACFD has experienced budget management challenges in three categories over the each of the fiscal years from FY2016 through FY2018. These three categories are overtime expenditures, personnel expenditures, and total department expenditures.

Overtime expenditures—ACFD manages overtime within two categories: overtime and callback. However, ACFD has expended significantly more than its budgeted allocations as in the past three complete fiscal years (FY2016 - FY2018), as shown in Table 6.

Table 6: Budget to Actual Overtime Expenditures

<table>
<thead>
<tr>
<th>Budgeted Overtime Expenditures</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Callback</td>
<td>1,283,187</td>
<td>1,326,174</td>
<td>1,370,601</td>
</tr>
<tr>
<td>Overtime</td>
<td>1,918,061</td>
<td>1,982,316</td>
<td>2,048,724</td>
</tr>
<tr>
<td>Total Budgeted Overtime</td>
<td>3,201,248</td>
<td>3,308,490</td>
<td>3,419,325</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Actual Overtime Expenditures</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Callback</td>
<td>3,879,596</td>
<td>4,285,114</td>
<td>3,651,468</td>
</tr>
<tr>
<td>Overtime</td>
<td>1,822,178</td>
<td>1,936,842</td>
<td>1,577,141</td>
</tr>
<tr>
<td>Total Actual Overtime</td>
<td>5,701,773</td>
<td>6,221,956</td>
<td>5,228,609</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget to Actual Dollar Increase</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,500,525</td>
<td>$2,913,466</td>
<td>$1,809,284</td>
<td></td>
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<tr>
<td>Budget to Actual Percent Increase</td>
<td>78.1%</td>
<td>88.1%</td>
<td>52.9%</td>
</tr>
</tbody>
</table>

Source: Auditor analysis of unaudited ACFD Data

As shown in Table 6, budgeted ACFD overtime was relatively stable in the period FY2016 to FY2018. However, actual overtime expenditures exceeded budgeted expenditures by 78% in FY 2016 and rose to 88% beyond budget expenditures in FY 2017 before decreasing to just 53% beyond budget in FY 2018. While these data capture the overall picture of overtime challenges, they do not lead to the kind
of deep data analysis needed to identify possible solutions and communicate those to budget decision-makers. For this kind of analysis overtime expenditures should be broken down into more categories, such as Special Events or Operations overtime, so that utilization can be evaluated throughout the year. This will improve transparency, by showing the portion of overtime that is due to callback, reimbursable OT (e.g. special events), training, and other needs. This can also allow ACFD to make more informed decisions regarding staffing, budget, and forecasting needs.

Personnel expenditures—in each year from FY 2016 through FY 2018, ACFD also exceeded its budget for total personnel expenditures as shown in Tables 7 below in large part due to staffing deficiencies and the related impact to overtime expenditures. It’s worth noting that the budget overrun for personnel expenditures in FY 2018, which was significantly less than the previous two fiscal years, coincided with an increase in budgeted personnel expenditures for the same year. This suggests that while staffing challenges are related to overtime usage, there is work in addition to staffing increases that can be done to better control overtime costs (see following section in this Finding).

**Table 7: Budget to Actual Personnel Expenditures**

<table>
<thead>
<tr>
<th>Personnel Expenditures</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted Personnel Expenditures</td>
<td>$32,335,629</td>
<td>$33,624,319</td>
<td>$35,218,278</td>
</tr>
<tr>
<td>Actual Personnel Expenditures</td>
<td>34,314,406</td>
<td>35,936,184</td>
<td>35,532,753</td>
</tr>
<tr>
<td>Budget to Actual Dollar Increase</td>
<td>$1,978,777</td>
<td>$2,311,865</td>
<td>$314,475</td>
</tr>
<tr>
<td>Budget to Actual Percent Increase</td>
<td>6.1%</td>
<td>6.9%</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

*Source: Auditor analysis of data from Arlington County Budget Archives; Fire Department*

Total expenditures—Budget monitoring is the responsibility of ACFD management. During interviews conducted through the audit process, we noted that the goal to remain within the budget line, if not, within the budget category, and ultimately within the total budget expenditure. If OT is trending higher than expectations, ACFD is expected to make cuts in other expenditure categories such as training or equipment to cover OT costs or request additional funding. Table 8 shows that for information currently available, ACFD has exceeded departmental expenditures in both FY 2016 and FY 2017.

Viewing Table 8 in light of Tables 6 and 7 indicates support for the contention that overtime usage is driving overruns in personnel costs, which is also driving overruns in total department expenditures. However, as mentioned in Finding 1, ACFD does not have adequate reports to efficiently and effectively evaluate overtime usage, which shows additional opportunities to manage overtime use.
Table 8: Budget to Actual ACFD Expenditures

<table>
<thead>
<tr>
<th>All Expenditures</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted Expenditures</td>
<td>$ 54,958,124</td>
<td>$ 56,453,836</td>
<td>$ 59,790,930</td>
</tr>
<tr>
<td>Actual Expenditures</td>
<td>56,348,894</td>
<td>58,034,572</td>
<td>58,874,086</td>
</tr>
<tr>
<td><strong>Budget to Actual Dollar Increase</strong></td>
<td><strong>$ 1,390,770</strong></td>
<td><strong>$ 1,580,736</strong></td>
<td><strong>$ 916,844</strong></td>
</tr>
<tr>
<td><strong>Budget to Actual Percent Increase</strong></td>
<td><strong>2.5%</strong></td>
<td><strong>2.8%</strong></td>
<td><strong>-1.5%</strong></td>
</tr>
</tbody>
</table>

Source: Auditor analysis of data from Arlington County Budget Archives; Fire Department

**Recommendation 2.1:** Overtime expenditures should be broken down into more categories, such as special events or operations overtime, so 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.

**Staffing challenges inhibit effective overtime management**

At the core of the budget management issues are staffing challenges ACFD experiences throughout the department, including significant attrition in ACFD Operations. ACFD has been operating with decreases in staffing that continue to result in an average loss of more than two employees per month. With the rigorous screening processes and training required for new recruits, it takes almost 12 months and costs almost $100,000 per recruit to recruit, hire, and train firefighters. Further, recruit classes are limited to between 20 and 24 recruits, and the Fire Training Academy usually runs once or possibly twice per year. Therefore, ACFD continues to face struggles with deploying adequate staffing even with recent budget increases to fund additional recruit classes.

**Mandatory holds and sick leave related to staffing challenges for Operations**—Part of the impact of staffing challenges is the need for mandatory holds. Mandatory hold data obtained from ACFD measured the number of days where at least one person was held for FY 2017 = 209/365 days and FY 2018 = 125/365 days. While this initially indicates that holds decreased significantly in FY 2018 the data do not indicate how many individuals were held over their shift for overtime. Therefore, it is not clear whether or how much the improvement in days where holds are needed has decreased total costs from mandatory holds.

ACFD management are also concerned whether current staffing issues are resulting in an increase in firefighters injured, which would result in going on light-duty or on short-term or long-term disability. In addition, increases in overtime may result in fatigue that could increase errors, and reduce both the performance and safety of personnel. Therefore, staffing challenges may not only contribute to overtime costs directly through mandatory holds, but also indirectly through coverage for sick leave or light-duty requirements. However, a lack of current analysis limits ACFD’s ability to better understand the relationship, if any, between overtime and injuries. 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. Finding 3 discusses issues related to rest periods for long shifts and for possible improvements in sick leave management.

Civilian staffing challenges create administrative impacts—Staffing challenges in civilian roles has also had an impact, specifically impacting the lack of independent review and segregation of duties discussed in Finding 1. Further, ACFD management stated that the current staffing and overtime struggles had made it difficult to implement change and be strategic. A task such as creating policies and procedures can take a long time to complete due to competing priorities and the need for individuals to volunteer to work overtime, on a scheduled day off, to develop both the policies and participate in the subsequent meetings for their review and approval. Further, multiple interviews indicated a need for more administrative support, to improve controls within the budget and finance areas, as well as a dedicated individual to assist with TeleStaff including data requests and reporting. 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, as described in Finding 1.

Additional study would be beneficial—Given these struggles, and the effort implement the Kelly Day schedule, it would be helpful to get an overall picture of the current staffing needs of ACFD and how these needs fit into the department’s strategy going forward. To do so, ACFD should consider procuring a needs assessment and a staffing study that can assist management in developing a strategy to address staffing challenges that would reduce the need for overtime as ACFD moves to the Kelly Day. These studies, which were outside the scope of this audit, may indicate that ACFD may need to be innovative, such as exploring the combination of border fire stations with neighboring jurisdictions, or establishing a requirement for removing vehicles from service when minimum staffing cannot be obtained.

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.

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.

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.
FINDING 3 – ACFD REST PERIOD POLICY SHOULD BE RECONSIDERED AND SOME IMPROVEMENTS ARE NEEDED IN OTHER OVERTIME POLICIES

Finding Summary: ACFD has developed several policies to assist in managing overtime effectively and equitably. However, the policy related to rest periods is vulnerable to non-compliance, and merits reconsideration regarding whether the current rest periods adequately protect firefighter health and safety. In addition, County policies regarding sick leave allow for tighter management of sick leave to guard against potential abuse. Finally, internal policies regarding recording, approval, and reporting of overtime need to be updated for greater clarity or to incorporate current practice.

ACFD Policy on rest periods may not effectively protect firefighter health and safety

ACFD has several internal policies related to equitable distribution of overtime and the monitoring rest periods and hours worked. However, compliance with the policies can be overridden and is not formally monitored.

Controls to create rest periods exist but can be circumvented—ACFD limits consecutive hours worked to 60 hours and requires a six-hour rest period before an individual can begin another shift. The purpose of hours worked restrictions is to reduce responder fatigue, and improve safety, performance, and quality of life. TeleStaff will issue a warning if someone attempts to input a shift that is greater than 60 consecutive hours. However, this can be overridden with deputy chief approval. Further, certain positions, such as advanced life support personnel, go into mandatory hold more frequently than others, resulting in personnel being required to shifts nearing the 60-hour threshold. There is no formal, periodic assessment of staff recording time in TeleStaff that is greater than 60 consecutive hours, or that six hours of rest were achieved before returning to work. ACFD should create a periodic monitoring mechanism to ensure compliance with this policy.

The rest period may not be adequate—The "rest period" in TeleStaff only means that the person did not record time for six hours; not that they were able to actually rest for that period. Six hours of rest after working a 60-hour shift may not be adequate to alleviate fatigue and be prepared for a day at work in the high stress environment of public safety. This can be even more dangerous for personnel do not live in the County. The commute for some personnel could be one or two hours each way. One of the biggest risks associated with excessive overtime is fatigue and the effects of fatigue on firefighter’s performance. Fatigue can lead to mistakes that jeopardize each firefighter’s health and safety as well as the public it serves. ACFD has experienced an increase in responders hurt on duty, leading to personnel being out on disability or light-duty. Additionally, the lack of adequate rest could be a reason for the significance of sick leave – to pick up that missing rest. The work life balance and stressful schedule was noted as a potential reason why ACFD loses employees. 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.

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.

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.

Policy opportunities to tighten management of sick leave

For the period of December 1, 2017 through May 31, 2018 ACFD employees recorded approximately 77,000 hours of leave. This represents 15% of all hours reported for this period, including working hours. Within the leave category, there were over 31,000 hours of sick leave recorded.\(^9\)

County policies allow for tighter sick leave management—Currently, employees can call in and leave a voice message to take a sick day. However, Arlington County AR 27 allows for a stricter management of sick time. For example, Arlington County AR-27, Section 3.3 states that an employee must request sick leave from their supervisor prior to beginning of their work day following departmental procedures. The supervisor may require employee to provide documentation from a physician (unless confidential, then it can be submitted to HR). If sick leave is determined to be unjustified, the absent time can be deducted from vacation leave balance or pay.

Sick leave management can be better incorporated in the ACFD Leave Policy—We identified opportunities to update ACFD’s SOP A.32 - Leave Policy, to better codify sick leave usage and expectations. First, sick leave is addressed in SOP A.20 – Sick Leave but could be consolidated in SOP A.32 – Leave Policy. In addition, A.20 states that sick leave should require a doctor’s notes if taken more than six times in the most recent 12-month period. A revised policy needs to clarify between a calendar year, a fiscal year, or a 12- month rolling period. Without this clarification, sick leave management may occur differently across different ACFD groups.

Some other fire departments require more significant documentation evidence for taking a sick day. For example, Washington, DC requires employees to show up for their shift and request it off in person. Other departments may require that a supervisor visits the sick employee at home to verify that sickness is authentic. Additionally, departments could require that employees call and speak directly to a supervisor.

Given the tools and options available, ACFD should evaluate ways to tighten their sick and leave management to ensure better control over misuse of sick leave.

\(^9\) See Table 5, p.7
Short notice leave should be clarified—Related to sick leave is the ability to request another type of unplanned leave – short notice leave. SOP A.32 states "Requests for unplanned leave (leave requests generated on short notice during off duty hours) will be handled by the BCO (i.e. Battalion Chief’s Office)." ACFD personnel stated that taking short notice leave was allowable if leave slots were available as long as it was entered into TeleStaff before the daily callback procedures. However, the policy does not define “short notice,” nor does it provide clarity as to what is allowable. Short notice leave can be beneficial for the morale of personnel, but also makes it more difficult to plan and manage the daily roster effectively. A clear definition of “short notice” in SOP A.32 is needed that balances these two needs.

Recommendation 3.3: ACFD should evaluate ways to tighten their sick and leave policies to ensure better control over misuse of sick leave.

Recommendation 3.4: ACFD should create a clear definition of “short notice” in SOP A.32.

Some overtime policies are out of date

During the audit, we observed that other internal policies on recording, approval, and reporting of overtime need to be updated for greater clarity or to incorporate current practice. In some cases, no policy or procedure is in place, and adding these would provide better guidance to staff and help create more consistency in staff work and better succession planning in the event of staff turnover.

Overtime monitoring processes are not documented—While ACFD has some overtime monitoring processes in place, generally enacted daily by shift supervisors, there is no overarching departmental policy regarding processes to monitor overtime.

TeleStaff policies can be improved—In addition, policies related to overtime management in TeleStaff can be enacted or updated. First, we determined that ACFD does not have a formal TeleStaff related policy or departmental order. Such a policy would provide overarching guidance for the use of TeleStaff. Therefore, some associated processes are documented in ways that are out of date. For example, while overtime approvals can be tracked in TeleStaff, the current policy related to overtime still requires the use of forms for entering leave and overtime. Additionally, a policy should be created 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). The policy needs to define how the audit function in TeleStaff works, so that the timestamps and approvals are clearly defined. Further, ACFD does not have a policy or procedure developed that documents the controls in place to ensure daily overtime approvals are entered and approved properly. This includes the audit trail that is available in TeleStaff. Finally, procedures to review TeleStaff entries on a daily, weekly, and per pay period basis are not formally documented.
Recommendation 3.5: ACFD should create a departmental policy or procedures regarding processes to monitor overtime, possibly in association with Recommendation 3.6.

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: 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.
SCOPE, OBJECTIVES, AND METHODOLOGY

Objectives

The initial audit objective as approved in the FY 2019 Audit Work Plan was to assess the administration and use of overtime in ACFD. After the planning phase of the audit was complete, fieldwork audit objectives were developed. The fieldwork audit objectives were to:

• Evaluate the adequacy and accuracy of the minimum staffing calculation utilized within the department.
• Evaluate ACFD’s current process to review and approve various categories of overtime.
• Evaluate the Arlington County Fire Department’s (ACFD’s) current process to monitor and manage overtime usage.
• Evaluate ACFD’s billing processes to improve calculations, workflow, tracking, and automation.

Scope

The audit focused on current ACFD systems, processes, and data. Budget and financial data was captured from FYs 2016-2018. Employee and headcount data was obtained as of November 30, 2018. We did not validate the accuracy of overtime recorded in TeleStaff or PRISM, but reviewed current policies, processes, and practices surrounding the recording and approval of overtime from data entry in TeleStaff through the posting of overtime in PRISM.

Methodology

The County Auditor, with assistance from SC&H Group Inc., including wholly owned affiliate, SC&H Attest Services, P.C., (SC&H), an outside professional services firm, conducted this performance audit.

During the audit, we obtained information through interviews of ACFD’s management and key personnel in the payroll and overtime processes. The County Auditor also gathered information from other County Officials, primarily during the audit’s planning phase. Further, the County Auditor gathered various ACFD documents and data, such as:

• General documents, including staffing schedules and organizational charts
• County Administrative Regulation – Overtime Compensation and Premium Pay
• TeleStaff overtime data developed by ACFD payroll office
• TeleStaff access and roles
• Master vehicle listing by firehouse
• Special Event and Off-Duty invoice tracking spreadsheets developed by ACFD staff
• FLSA guidelines from Department of Labor’s website
• ACFD reports and studies
Additionally, the County Auditor gathered external data such as performance audits of fire departments overtime in other local jurisdictions; and best practice information for fire departments issued by National Fire Prevention Association.
ABOUT US

Compliance Statement

The County Auditor conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Authority

The County Auditor is appointed by the Arlington County Board under the authority of § 15.2-709.2 of the Code of Virginia, 1950, as amended. The County Auditor conducted this audit as part of the FY 2019 Annual Audit Work Plan approved by County Board on June 20, 2018.

County Auditor Function

The County Auditor reports to the County Board, independent of management, and is charged with conducting performance audits of departments, offices, boards, commissions, activities, and programs of Arlington County that directly or indirectly report, or are accountable, to the County Board. Performance audits encompass a variety of scopes and objectives, including effectiveness and efficiency, economy, transparency, internal controls, and compliance.

County Board

Christian Dorsey, Chair
Libby Garvey, Vice Chair
Katie Cristol
Erik Gutshall
Matt de Ferranti

County Auditor

Chris Horton, Ph.D., CIA, CGAP, CRMA, CCSA, County Auditor

Audit Committee

An Audit Committee has been established by the County Board to provide advice to the Board regarding the exposure of Arlington County government and its component units to risk, such as financial, operational, and reputational risks. The Audit Committee has numerous responsibilities enumerated in the County Auditor Board Charge, as amended on June 21, 2017.

Libby Garvey, Co-chair
Erik Gutshall, Co-chair
Brian Sigritz, Citizen member (Fiscal Affairs Advisory Committee representative)
Hal Steinberg, Citizen member
Nancy Tate, Citizen member
Mark Schwartz, County Manager
Maria Meredith, Director, Department of Management and Finance
MANAGEMENT RESPONSE

As is required in audits conducted in compliance with generally accepted government auditing standards, this audit contains a response to the recommendations from the Arlington County Fire Department (ACFD). This response is contained on the following pages.

For each recommendation, the response shows if ACFD management agrees with the recommendation, and if so, outlines the responsible party and action plan for implementation.
July 22, 2019

Chris Horton, Ph.D., CIA, CGAP
County Auditor
2100 E Clarendon Blvd, Suite 300
Arlington VA, 22201

Dear Dr. Horton,

I appreciate the opportunity to work with your office and review the Fire Department Overtime Audit. Our staffs agree with the importance of improving the administration and operation of the Arlington County Fire Department (ACFD). I want an open and clear view into the financial management of ACFD. Many of the recommendations in the report are in process and will help improve financial controls and staffing decisions. ACFD will discuss our concerns on a few points that impact overtime and staffing management. I appreciate and agree with your assessment that financial violation of policies or improprieties were not found during your research. ACFD staff and administrators are keenly aware of the responsibilities with managing all county resources.

ACFD agrees with twenty (20) recommendations and partially agrees with three (3) more. Actions to address three recommendations are almost complete. Most of the recommendations are in the department's short-term work plan or will be incorporated in a multi-year accreditation process.

Some of the report's content is similar to the findings and recommendations contained in the Arlington County Police Department Overtime Audit that was presented to the County Board during June 2019. I will commit staff and resources to find solutions that are common to public safety departments in terms of special event billing practices and administration of time and attendance systems. We will immediately address any issues that impact service delivery or responder health and wellness.

I appreciate your review and the cooperative approach that improves our practices and function. I am looking forward to making enhancements and discussing new ways to make the department better.

Sincerely,

David Powlitz
Fire Chief
Finding 1: Systems used to manage ACFD overtime can be used more effectively

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.

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<th>Agree/Disagree</th>
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<tr>
<td>Agree</td>
<td>Personnel Services Deputy Chief</td>
<td>Currently the ACFD TeleStaff Administrator is responsible for all TeleStaff issues within the Fire Department. The County’s public safety agencies have staffed a new TeleStaff System Administrator who will be responsible for oversight of the TeleStaff program administration for Police, Fire, Sheriff, and Public Safety Communications and Emergency Management. This will allow for segregation of duties between managers and administrators who interact with time, attendance, and payroll systems for all public safety agencies. Within ACFD, a policy will isolate the time and attendance data in TeleStaff from PRISM payroll authorization. Expected completion: January 2020</td>
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Recommendation 1.2: TeleStaff should be reconciled to PRISM on a periodic basis. Significant discrepancies should be evaluated and resolved in a timely manner.

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<tr>
<td>Agree</td>
<td>Personnel Services Deputy Chief</td>
<td>The creation of the new public safety TeleStaff System Administrator position will allow for more auditing and reconciliation between TeleStaff and PRISM. As this position is implemented, specific policies and procedures will be created to outline the duties of this position versus the Department’s TeleStaff specialist. Expected completion: January 2020</td>
</tr>
</tbody>
</table>

Recommendation 1.3: ACFD should perform periodic reviews of system access to ensure permission levels are 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 periodically to ensure risks are managed appropriately.

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<tr>
<td>Agree</td>
<td>Personnel Services Deputy Chief</td>
<td>ACFD will develop and implement a process to audit access levels in Telestaff on a regular basis (at least quarterly) to ensure that access is appropriate based on</td>
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<td>Agree/Disagree</td>
<td>Responsible Individual</td>
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<tr>
<td>Agree</td>
<td>Personnel Services Deputy Chief</td>
<td>ACFD in coordination with ACPD and the new public safety TeleStaff System Administrator will develop and implement TeleStaff training for those with administrative rights and those responsible for monitoring system access to ensure that the risks and controls associated with segregation of duties in the payroll process. Expected completion: January 2020</td>
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**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.

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<tr>
<td>Agree</td>
<td>Personnel Services Deputy Chief Emergency Services Deputy Chief</td>
<td>ACFD in coordination with the new public safety TeleStaff System Administrator will determine which, if any, staffing processes in TeleStaff can be automated for efficiency while maintaining the integrity of the department’s leave and overtime policies. In addition, a review of existing policies including A.05-Cat 2 Administrative Responsibilities of Station Officers, A.06-Cat 2 Chief Officer Routine Administration, and A17-Cat 3 Administrative Overtime, and A.24 Overtime Call Back will be updated to accommodate any changes in entry of leave and work codes, approval of requests, and distribution and processing of filling vacancies with overtime. ACFD will initiate a workgroup to review the staffing rules and methodologies in order to optimize the function of TeleStaff when used to allocate callback opportunities. Expected completion: January 2020</td>
</tr>
</tbody>
</table>

**Recommendation 1.5**: ACFD should explore automating some staffing processes in TeleStaff, such as leave approvals and awarding overtime.
**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.

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<tr>
<td>Partially Agree</td>
<td>Personnel Services Deputy Chief</td>
<td>ACFD with the assistance of the new public safety TeleStaff System Administrator will establish Department needs and create reports to be run on a regular basis to evaluate trends and analyze overtime spending. However, while in concept we agree that both TeleStaff and PRISM should communicate fully to allow for more analysis of data, the current capabilities of these systems do not allow for this to occur. ACFD along with other public safety agencies will explore potential options to compare data from the two systems. It is anticipated that the newly implemented public safety TeleStaff System Administrator position will allow some work space for this analysis to occur. The incumbent will be working with PSIT and the Department of Human Resources to develop a solution to allow for increased reporting and verification of data. Expected Completion: January 2020</td>
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<tr>
<td>Financial Officer</td>
<td>Public Safety Information Technology (PSIT)</td>
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**Recommendation 1.7:** ACFD should integrate more TeleStaff codes into PRISM to allow for better reporting on overtime costs.

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<td>Agree</td>
<td>Personnel Services Deputy Chief</td>
<td>ACFD will work with ACFD (who has already completed this task) and the public safety TeleStaff System Administrator to integrate additional TeleStaff codes into PRISM for more efficient and effective reporting on overtime costs. Expected Completion: January 2020</td>
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<tr>
<td>Financial Officer</td>
<td>ACFD TeleStaff Administrator</td>
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<td></td>
<td>PS TeleStaff System Administrator</td>
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**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 efficiencies.

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<tr>
<td>Agree</td>
<td>Office of the Fire Chief Person Personnel Services Deputy Chief Financial Officer</td>
<td>ACFD will work with ACFD, the public safety TeleStaff System Administrator, and other agencies to collaborate within the public safety community on optimization practices, additional functionality, and efficiencies in the utilization of TeleStaff. The MWCOG Administrative Services subcommittee under the regional Fire Chiefs Committee will be tasked to form a TeleStaff working group to explore best usages and approaches. Expected Completion: January 2020</td>
</tr>
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**Recommendation 1.9:** ACFD should develop an automated workflow for invoice creation, 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.

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<tr>
<td>Agree</td>
<td>Office of the Fire Chief Financial Officer Support Services Bureau Public Safety Information Technology (PSIT) Department of Technology Services (DTS)</td>
<td>ACFD will work with ACFD, DPSCEM, and PSIT/DTS to develop an in-house system to create and track invoices. The system will be designed to allow the Financial Officer to track payments and identify delinquent accounts which require follow up. This system will allow for coordinators to create an invoice in a standardized manner and the data will transition into a tracking system managed by the Financial Officer who will be responsible for updating the database and depositing the check once payment has been received. Expected Completion: January 2020</td>
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**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.

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<td>Agree</td>
<td>Office of the Fire Chief</td>
<td>ACFD will work to develop fee schedules that will be utilized for special events to include cost recovery for apparatus, vehicles, and equipment utilized for the event. The proposed fee schedule will be consistent in structure to ACPD’s schedule.</td>
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<tr>
<td></td>
<td>Personnel Services Deputy Chief</td>
<td>With the development of this fee schedule, it is anticipated that a standard rate will be developed for each type of apparatus/position utilized to reduce the administrative burden of invoicing for special events.</td>
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<td></td>
<td>Emergency Services Deputy Chief</td>
<td>ACFD will also conduct analysis to determine whether it is feasible or effective to charge an administrative fee to cover the costs associated with scheduling and planning events.</td>
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<td></td>
<td>Financial Officer Logistics Division</td>
<td>Any fee establishment or change will require County Board approval.</td>
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<td>Expected completion: May 2020</td>
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**Recommendation 1.11:** ACFD should formalize a policy for when it is appropriate to request reimbursement for their services. Additionally, 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.

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<td>Agree</td>
<td>Support Service Deputy Chief</td>
<td>ACFD will develop a policy stating criteria to charge for services when providing support for planned events. ACFD will coordinate with Department of Parks and Recreations and ACPD to develop guidance and consistent billing practice.</td>
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<td>Expected completion: January 2020</td>
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**Recommendation 1.12:** ACFD should consider setting a standard rate to bill for services to reduce the 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 charges, 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.

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<td>Agree</td>
<td>Office of the Fire Chief</td>
<td>ACFD will complete this as part of the action plan for Recommendation 1.10.</td>
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<td></td>
<td>Personnel Services Deputy Chief</td>
<td>Any fee establishment or change will require County Board approval.</td>
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<td>Emergency Services Deputy Chief</td>
<td>Expected Completion: May 2020</td>
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<tr>
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<td>Financial Officer</td>
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<tr>
<td></td>
<td>Support Service Deputy Chief</td>
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**Finding 2:** ACFD overtime use has recently caused it to exceed its budget, and staffing challenges make overtime management difficult

**Recommendation 2.1:** Overtime expenditures should be broken down into more categories, such as special events or operations overtime, so that utilization can be evaluated throughout the year.

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<tr>
<td>Agree</td>
<td>Office of the Fire Chief Personnel Services Deputy Chief Financial Officer ACFD TeleStaff Administrator Department of Management and Finance (DMF)</td>
<td>As part of the action plan for Recommendation 1.7, ACFD will work with ACPD and the public safety TeleStaff System Administrator to cross reference TeleStaff codes into PRISM to assist with analyzing overtime usage and costs. If after this implementation, it is determined that a broader overview of overtime categories is needed, ACFD will work with DMF and other public safety agencies to create additional natural accounts to capture this data (i.e. Special Events Overtime, Special Operations Overtime, etc.). Expected Completion: January 2020</td>
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**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.

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<tr>
<td>Partially Agree</td>
<td>Office of the Fire Chief Personnel Services Deputy Chief Financial Officer Department of Management and Finance (DMF)</td>
<td>ACFD agrees that the Department has been historically under-budgeted for overtime expenses and that discussions need to take place to ensure that reasonable budgets are implemented in the future. However, it is anticipated that with the implementation of the Kelly Day work schedule that unscheduled overtime will be reduced over the next few fiscal years due to the addition of FTE’s on each shift before full implementation of the reduced work week schedule.</td>
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ACFD will meet with DMF to discuss this finding and determine the appropriate route to take with regards to overtime budgets in FY 2021 and beyond.

Expected Completion: May 2020

**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.

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| Agree          | Personnel Services Deputy Chief  
Financial Officer | ACFD will reorganize the Health, Wellness, and Safety Office to improve workflow and impact within the department. One of the new capabilities will be a committee to investigate, analyze, and recommend improvement to address personnel, equipment, and vehicle accidents. These findings can be correlated to costs and operational impacts.  
Expected completion is January 2020. |

**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.

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| Agree          | Office of the Fire Chief | An assessment of support and administrative positions is a component of the accreditation process as noted in the response for Recommendation 2.5. This assessment will coincide with a position audit in budget preparations for Fiscal Year 2021.  
Expected completion is May 2020. |

**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
estabishing a requirement for removing vehicles from service when minimum staffing cannot be obtained.

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<tbody>
<tr>
<td>Partially Agree</td>
<td>Office of the Fire Chief</td>
<td>The ACFD initiated an accreditation process following the Center for Public Safety Excellence model. The department is currently conducting a community risk assessment to determine the focus of emergency services in the future. The next phase is the development of a standard of cover. The standard of cover addresses the needs assessment and recommends optimum fire station location, unit placement, and staffing criteria. The accreditation process involves extensive evaluation of the entire fire department with an external peer review for validation. We agree with recommended needs assessment and staffing study. However, ACFD has capabilities to deliver these documents using internal resources and analysts. The department would prefer any available resources are used to improve information and analysis systems that can continually perform needs assessments and dynamically recommend modifications to the response system. ACFD will consult with the Northern Virginia Emergency Response System with any initiatives that would impact the regional response with regards to station or unit modifications. Expected Completion is March 2020</td>
</tr>
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Finding 3: ACFD rest period policy should be reconsidered and some improvements are needed in other overtime policies

**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.

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<tr>
<td>Agree</td>
<td>Emergency Services Deputy Chief</td>
<td>Emergency services will develop a monitoring and reporting system for compliance with maximum work periods and minimum rest periods as identified in Recommendation 3.2. Expected completion is August 2019</td>
</tr>
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**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.

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<tr>
<td>Agree</td>
<td>Emergency Services Deputy Chief</td>
<td>The Emergency Services section in consultation with the Operational Medical Director and the Health, Wellness, and Safety Office will review current research on responder function in relation to fatigue. Any changes to the consecutive hours of work and the necessary period for rest will be included in a staffing policy for Emergency Services. Expected completion is October 2019</td>
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**Recommendation 3.3:** ACFD should evaluate ways to tighten their sick and leave policies to ensure better control over misuse of sick leave.

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<tr>
<td>Agree</td>
<td>Emergency Services Deputy Chief</td>
<td>The Emergency Services Section started reviewing SOP A.32 Cat 3 Leave Policy. This policy impacts personnel assigned to minimum staffing position in emergency services with respect to authorization and validation of sick leave. In addition, the number of available leave slots, currently set at 11 per shift, will be evaluated and adjusted as needed. Expected completion is September 2019</td>
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**Recommendation 3.4:** ACFD should create a clear definition of “short notice” in SOP A.32.

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<tr>
<td>Agree</td>
<td>Personnel Services Deputy Chief</td>
<td>The department will clarify the definition of “short notice” in SOP A.32 - Leave Policy with planned review as stated in the 2019/2020 Fire Department Work Plan. Expected completion is September 2019</td>
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**Recommendation 3.5:** ACFD should create a departmental policy or procedures regarding processes to monitor overtime, possibly in association with Recommendation 3.6.

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<th>Agree/Disagree</th>
<th>Responsible Individual</th>
<th>Action Plan and Expected Date of Completion (Month/Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>Personnel Services Deputy Chief, Public Safety Information Technology</td>
<td>As directed by Arlington Human Resources, the Fire Department performs a quarterly review of overtime for employees who earn more than 25% of their base pay in overtime. Personnel Services will expand this review to include the distribution and authorization of overtime hours in TeleStaff. Personnel Services will request Public Safety Information Technology to warehouse TeleStaff data in order to analyze and develop parameters and alerts for managers in Operations. Expected completion is January 2020</td>
</tr>
</tbody>
</table>

**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: 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.

<table>
<thead>
<tr>
<th>Agree/Disagree</th>
<th>Responsible Individual</th>
<th>Action Plan and Expected Date of Completion (Month/Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>Personnel Services Deputy Chief</td>
<td>TeleStaff is used to record and process approved overtime. The Personnel Service section will develop a policy for managers and supervisors to approve requests for and instances of overtime exclusively within TeleStaff. In addition, a review of existing policies including A.05-Cat 2 Administrative Responsibilities of Station Officers,</td>
</tr>
<tr>
<td>A.06 Cat 2 Chief Officer Routine Administration, and A17 Cat 3 Administrative Overtime, A.24 Overtime Call Back will determine the need to consolidate or draft a new policy for TeleStaff usage, audit and management.</td>
<td>Expected completion is October 2019</td>
<td></td>
</tr>
</tbody>
</table>
This project status report shows the current state of projects underway within the County Auditor’s function. All primary projects within the Annual Audit Work Plan are shown. Supplemental projects are not shown until capacity allows these engagements to be initiated.

<table>
<thead>
<tr>
<th>Audits Underway</th>
<th>Kickoff Date</th>
<th>Current Audit Phase</th>
<th>Projected Date for Final Report</th>
<th>Initial Objective on the Annual Audit Work Plan</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Safety Overtime – Fire Department</td>
<td>May 1, 2018</td>
<td>Planning</td>
<td>July 2019 - Complete</td>
<td>The initial objective is to assess the administration and use of overtime in the Fire Department. Elements could include the need for overtime, the use of effective overtime management techniques, the impact of current staffing levels and policies, and opportunities for potential savings.</td>
<td>Report Complete</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fieldwork</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Report Writing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Management Review</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fleet Management</td>
<td>July 24, 2017</td>
<td>Planning</td>
<td>October 2019</td>
<td>The initial objective was to assess the effectiveness of the County’s fleet management operations.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fieldwork</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Report Writing</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Management Review</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Development Incentive Funds</td>
<td>September 18, 2018</td>
<td>Planning</td>
<td>✓ December 2019</td>
<td>The initial objective is to assess AED’s process for monitoring of economic</td>
<td>On hold until Police and Fire issued.</td>
</tr>
</tbody>
</table>
### Public Safety Overtime – Sheriff’s Department

<table>
<thead>
<tr>
<th>Action</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning ✓</td>
<td>September 26, 2018</td>
<td>The initial objective is to assess the administration and use of overtime in the Sheriff’s Department. Elements could include the need for overtime, the use of effective overtime management techniques, the impact of current staffing levels and policies, and opportunities for potential savings.</td>
</tr>
<tr>
<td>Fieldwork</td>
<td>December 2019</td>
<td>On hold until Police and Fire issued.</td>
</tr>
<tr>
<td>Report Writing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Review</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fieldwork development incentive funds for compliance with agreed-upon requirements. Additional elements could include the quality and frequency of economic development incentive fund reporting, the quality and accuracy of the information used in the reports, and root cause analysis for any issues identified in the audit. Note that the matter of economic development incentive funds’ overall effectiveness would be excluded from the scope of this audit, and potentially included in a future audit once enough longitudinal data are available.
## Contract Administration – Department of Technology Services

**December 2019**

<table>
<thead>
<tr>
<th>Planning</th>
<th>TBD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fieldwork</td>
<td>TBD</td>
</tr>
<tr>
<td>Report Writing</td>
<td>TBD</td>
</tr>
<tr>
<td>Management Review</td>
<td>TBD</td>
</tr>
</tbody>
</table>

The initial objective will be to assess the effectiveness of contract management within Technology Services. Contract management is decentralized within County government, so departments manage executed contracts within their purview. This audit would focus on DTS-wide contract management practices rather than only focusing on specific contracts.

## Real Estate Assessment and Appeals

**TBD (See Comments cell)**

<table>
<thead>
<tr>
<th>Planning</th>
<th>TBD</th>
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<tbody>
<tr>
<td>Fieldwork</td>
<td>TBD</td>
</tr>
<tr>
<td>Report Writing</td>
<td>TBD</td>
</tr>
<tr>
<td>Management Review</td>
<td>TBD</td>
</tr>
</tbody>
</table>

The primary objective of this audit will be to evaluate the real estate assessment and appeals process and the adequacy of related internal controls. Elements may include the processes for measuring performance, tracking appeals and resulting modifications, managing required approvals and exemptions, and the policies and procedures in place for all the foregoing.

The scope will include the Board of Equalization, which conducts appeal hearings on property assessment disputes.

The beginning of the audit will depend on whether County Auditor formally kicks off the audit prior to attending a Board of Equalization meeting. These occur from May through October.
between taxpayers and the County Assessor.